A Study of Affordable Housing in the Long Beach Area

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Definition of Affordable Housing

Many cities across the United States need to address the growing problem of providing affordable housing for those who do not earn enough for their residence. Affordable housing is when the home dweller does not pay more than forty percent of his or her income on housing. (Community Developmental Department Housing Authority http://www.longbeach.gov/cdlhousing!section8/default.asp) Making affordable housing attainable can be accomplished by implementing programs that partially subsidized the rent, setting aside housing for those who earn a modest income, or imposing a price ceiling to ensure that tenants are not being overcharged. This study focuses specifically on the Long Beach area, and while there is a need for a study on affordable housing in other cities there are limitations that force us to focus on one city, our city, Long Beach.

Project Assessment

The purpose of this study is to gather information about affordable and accessible housing in the greater Long Beach area. Much of the information and data we gathered are obtained from social service programs, bureaucrats printed literature, interviews with their employees and representatives, interviews with case studies and the recipients of these services, and media searches. We also obtained the latest statistics and Census Bureau information stating how much real estate is actually set-aside for low-income families, what their average income is, and the average cost of home-ownership as well as the cost of renting a modest apartment in the city of Long Beach.
This study is being performed in conjunction with other researchers in order to compose a compilation of the city's services. At which point it will be presented to the Long Beach City Council in an attempt to inform them of major problem areas as well as areas of good performance, while at the same time allowing the researchers to address certain concerns the city may have. These studies will differentiate from one another by addressing issues ranging from the environment and ecology, to health care and welfare.

**Grading**

After the information is gathered it will be summarized in a report in which the city will receive a grade based on how well the city performed and met the needs of the issue in question. The way that a grade is going to be assigned is by looking at the various mission statements of government programs and measuring how much they are being followed or if the programs, which implemented them, are even surpassing them. This grade should then be able to provide a better understanding of problem areas that need to be addressed and our efforts will also be used to provide other cities with a framework to use when researching and preparing to grade their own cities' social and civil services.

**Scope of the Project**

The scope of our project is limited by time restrictions due to the brevity of a semester length college course. The focus of the project is the Affordable Housing program in the City of Long Beach. The extent of this venture is subject to the
information drawn together from a variety of our stated sources. The information was gathered without personal bias by leaving out our personal predictions and preconceived notions. This, as well as being relatively new to the whole information gathering process was a hurdle that we had to overcome before being able to make a useful report on the state of affordable housing in the Long Beach area.

We are also going to look at the amount of affordable housing the city has allocated based upon the population of those needing affordable housing accommodations. In order to gather all this information we are conducting interviews with real estate agents involved with affordable housing, with renters looking for a place to rent, as well as lower-income home buyers in need of assistance finding a home they can afford. We are also going to look through newspapers for major releases relevant to our topic, and we will explore websites set up by the local government to provide information on affordable housing such as The Long Beach Housing Authority. After locating a few of these agencies set up to control affordable housing we will contact representatives to see how their agency is set up and how well it performs its tasks. All techniques will be employed in the best way possible; hopefully resulting in meaningful information that justifies the grade we give the city on affordable housing.

The Long Beach Housing Authority

The Housing Authority for the city of Long Beach provides many different services in regard to affordable housing, most notably subsidized housing. Subsidized housing is a program in which the Housing Authority actually pays part of your rent or
house payment so that you will not be overpaying on your rent and will be able to make your house payment. Overpayment is defined as spending more than forty percent of your earned income to pay on rent. It is important for the Housing Authority to provide this service because it keeps people off the streets as well as creating the greater sense of community and connectedness people get when they have a place they can call home. (http://www.longbeach.gov/cd/housing/requirements.asp) The Housing Authority for the City of Long Beach

One tenant who receives help from the Housing Authority was able to share some of her experiences and concerns regarding the subsidized housing program.

"It is more commonly referred to as section eight and although the service is critical for aiding families in their survival this aid does not come without a cost states," Ms. J. an informant who is currently receiving help from the Long Beach Housing Authority. "There is a negative stigma associate with the recipients who receive help with their rent and or household payments. There are many landlords and real estates agents who are not willing to accept the section eight vouchers or rent out their properties to these families."

**Problems of renting Homes with Vouchers**

When scanning through the local classified ads of the Long Beach Press Telegram there were many ads, which stated, "No Section eight." Many believe that
those who are on section eight simply do not want to work, will not play their rent on time, will be destructed to their property and aid in the eroding of their neighborhoods. These restrictions have confined section eight recipients to section off parts of the city. There is another growing area of concern. Property owners who do rent out to section eight tenants are charging those more to rent their units. They will continue to be able to get away with this until more are informed about the program. Even with the negative association of the program our informant states, that it is a good program, the people whit implemented the program just needs to educate the public about the section eight program.

**Participants Rules and Regulations**

The fact is the section eight program has implemented many checks and balances to ensure that landlords will get tenants who pay their rent in a timely fashion and keep up there units. The program will supplement the tenant's portion of the rent making sure they do not pay more than forty percent of his or her income on the rent thus ensuring they can afford to pay their portion of the rent. The Housing Authority pays the rent on time, and the tenant must pay their portion of the rent on time too or they will lose the Housing Authority assistance. All adult household members must obtain a criminal history check from the Long Beach Police Department before their household is authorized to receive rental assistance from HACLB. The report must show that each individual has not engaged in any drug or violent criminal activities for a three-year period. The Housing Authority contracts a license city health inspector who conducts a yearly inspection of the tents household. The tenant must keep his or her unit neat, the tenant must keep his or her utilities paid and the property owner must make all the
corrections stated by the inspector or the tenant will not be allowed to rent the unit. The Housing Services Bureau is another organization founded to provide educational programs such as running a first-time homebuyer program which educates people teaching them things they should know when buying a new home. It also helps existing owners renovate their property, provides assistance to developers involved with the creation of new affordable housing developments and by finding shelter designed for those with special needs.

Even with all these programs and learning services, it can still be difficult for some to find a home or an apartment. The Housing Authority has limited resources. A person must be placed on a very lengthy waiting list before they can receive assistance. To get on the waiting list one must fill out an extensive and vigorous application. It takes an average of five to seven years of being on the waiting list before a person can begin receiving housing help or have a voucher issued out. This application can only be submitted when the waiting list is open. At this time, the waiting list is currently close and it will not reopen until 2007.

**Household Income**

Due to factors such as job availability, inadequate pay, and the tendency of our current housing climate to increase in price many long beach residents are simply not able to pay for adequate housing. A Long Beach area two bedroom, two bathroom, house/apartment cost an average of $1,000 per month. This means that in order to afford a rent or a house payment of $1,000, a household must make in excess of $40,000 a year, or $19.23 per hour, to avoid overpayment, defined as paying more than 40% of your
monthly income on rent. This is a problem for both renters and buyers alike because as
house prices go up, the renter or buyer must pay a higher percentage of their income on.
Some people who work in Long Beach do not even make enough money to pay the average rent.
The current minimum wage in the State of California is $6.75; this means that it would take two
full-time minimum wage earners, each working fifty-eight hours a week, to afford the rent on a
home that costs $1,000 a month. This is unacceptable because many families in need of
affordable housing make minimum wage, and if they are working fifty-eight hours a week that
does not leave much time for anything else.

**Household Affordability**

According to the 2000 census, the average income of 1000 homes is $37,350 per
year. This is a problem because the cost to a renter is slowly rising in the state of
California, with no signs of stopping anytime soon. This is occurring in a city where one-
third of the population makes less than $25,000 a year and two-thirds of the population
earned less than $50,000 (The 2000 Census)

**Housing Growth**

There are many factors causing the average cost of homes to rise, but one major
reason is that we are not creating enough new homes every year in order to accommodate for
California's quickly growing population. The United States growth rate can be calculated by
adding up, the sum of the birth rate and the legal and illegal immigration rate and subtracting
the sum of the death rate and the number of those immigrating out of
the United States. The current growth rate is 1.4% meaning in 49 years the population of the United States will double. California has a current population of roughly 30 million and with its growth rate of 1.5% the California population will double in 42 years.

The number of new homes required is directly tied to the amount of population growth expected in the same year. Currently California needs roughly 220,000 new units of housing every year in order to accommodate for population growth. However, sadly, for the past decade, we have fallen far short of creating this many homes annually. Because of this, we have seen a rise in the cost of home ownership, a decrease in the rate of home ownership, higher housing cost burdens, increased crowding, as well as a longer commute. For example last year Long Beach experienced a seven-point-five percent increase in population size, but only had a two-point-six percent increase in the number of available households and a one percent increase in housing stock. (Housing Action Plan pg.6 FY 2005-FY 2009) This is definitely a problem because affordable housing programs will become more and more difficult to fund and operate due to the quickly rising costs of renting or buying a home. Moreover, as the population increases the number of homes available to buy or rent will decline as more families compete to live in these homes.

**Household Overcrowding**

Ms. Lewis is a Long Beach residence who earns a moderate income. She is currently searching for a home of her own. When asked about her search she commented, "It is really hard to find a house or even an apartment that is in my price range. I began
saving to move out for the past three years and it seems that in that small about of time
inflation has sky rocked. I do not receive assistance from any programs so I have to find
another way to supplement the rent I am currently looking for roommates." The rising prices of
housing is increasing the amount of tenants, which occupy a unit, and thus leading to problems
of overcrowding. As apartments are becoming more and more common and houses become
more and more uncommon, there are more people living in more confined spaces. This is
affecting residents' quality of life, as parking is becoming spares, and household amenities such
as laundry faculties and water and trash collection are continuing to rise. According to the
Housing Action Plan, the "household size appropriate for the unit" is the number of bedrooms
plus one. This mean a two-bedroom household should house three people a three-bedroom
household should house four people and so on. Due to the imbalance of supply and demand,
86% of households are living in overcrowded housing.

The city of Long Beach is facing the challenge of providing its residents with an
adequate amount of affordable housing. Subsidize housing is a great way to help fight this
problem but the city is unable to provide this assistance to all of its residences. The only way to
fight the inflation of housing prices is to adjust the factors of supply and demand. If the supply
is greater than the demand the price has to rise in order to find equilibrium. The only way to
keep the price down or stable is to provide more of a supply. Long Beach is not providing a
great enough supply of affordable housing and thus the price, the price of overcrowding, the
price of the reduce quality of life, the price of inflated cost, the price of living in Long Beach is
to great.
Grade and Conclusion

Subsidized housing from the Housing Authority is a great program; it allows a small amount of individuals with lower incomes to afford a house they would otherwise be unable to pay for. But it is not without its problems. The city is unable to issue vouchers to everyone who qualifies for them, let alone all the other people who need affordable housing and do not qualify. This is due to many reasons, most notably the severe shortage of housing in the greater Long Beach area. Other reasons include the fact that there are not many other programs to assist lower income families, and the ones that do exist face either poor information distribution, little to no exposure with the public, or even social stigma. Because the city is actually making an attempt to address the issue of affordable housing through the Long Beach Housing Authority, but is failing to build even the minimum amount of homes to compensate for the growing population, our team decided to give the city a C grade. We thought this grade was fair due to the city's apparent inability to educate the public, the fact that there are not enough homes built or being built in the Long Beach area, coupled with the inability to provide vouchers for every family that needs an affordable home.
Works Cited


Recommended Reading


Eddings, Keith. (December 11, 2002). In many States, Affordability is a Matter of Law.

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