

# In costly Bay Area, even six-figure salaries are considered ‘low income’

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In the high-priced Bay Area, even some households that bring in six figures a year can now be considered “low income.”

That’s according to the U.S. Department of Housing and Urban Development, which recently released its 2017 income limits — a threshold that determines who can qualify for affordable and subsidized housing programs such as Section 8 vouchers.

San Francisco and San Mateo counties have the highest limits in the Bay Area — and among the highest such numbers in the country. A family of four with an income of \$105,350 per year is considered “low income.” A \$65,800 annual income is considered “very low” for a family the same size, and \$39,500 is “extremely low.” The median income for those areas is \$115,300.

Other Bay Area counties are not far behind. In Alameda and Contra Costa counties, \$80,400 for a family of four is considered low income, while in Santa Clara County, \$84,750 is the low-income threshold for a family of four.

The eye-popping numbers are harsh reality for Demetrio Gonzalez, a Richmond resident with multiple higher education degrees, including a master’s in education, who supports the work of approximately 1,700 educators in West Contra Costa Unified School District in his position as president of the United Teachers of Richmond. With an income of \$48,000, it’s a challenge for him to live in the Bay Area. By the time he pays rent for a home he shares with four roommates, including teachers, along with student loans, food, travel, phone and car payments, he has about \$300 left each month.

“With this income, I don’t think it is possible to create a future in the place I love and the place I work,” he said. “When I decide to buy a home — if possible — I’ll have to look elsewhere.”

The new federal income limits are higher than last year and previous years, a reflection of the rising incomes and cost of living in the Bay Area. The increases will allow people at the upper tiers of the “low-income” limits access to some affordable housing programs from which they were previously disqualified.

“We’ve significantly increased income limits at every income level — that means more housing opportunity (because it) broadens the pool of individuals and families (who are considered low income),” said Ed Cabrera, a regional public affairs officer for HUD. “I think it’s fair to say that these income limits are one way to gauge livability and affordability.”

Jeff Levin, policy director for East Bay Housing Organizations, said the market has shifted “dramatically” over the past two decades, forcing renters to spend significantly more on average than they have in previous years.

In Oakland, the median income for renter households is around \$40,000, which means that more than half of all renter families qualify as very low income, Levin said. Most of those families are paying more than half their income for housing costs.

Moriah Larkins is one of them. Larkins makes \$15.50 an hour working at Home Depot and spends at least 40 percent of that on her HUD-subsidized apartment in West Oakland, she said. Sometimes, it's even more than that.

"It's not even enough living in subsidized rent," Larkins said of living in the costly Bay Area.

Michael Santero, director of asset management for San Jose-based First Community Housing, said it's easy to see the increased need for affordable housing right now, as more people flock to affordable housing programs offered by First Community Housing and others in the face of rapidly rising housing costs. While the new HUD income limits broaden the group of people eligible for such programs, it doesn't help alleviate the demand for such housing. It's up to developers and cities to provide more supply.

"There is a huge demand for anything that's remotely affordable. ... People aren't moving out at all," Santero said. "Even in an affordable unit, I'd have people moving out often in summer in a normal market, but now we get hardly any notices."

Roxanne Calimeris, 27, a social worker who lives in Oakland, said she was shocked at the level of competition for getting an apartment in that city. An employee of Alameda County, Calimeris makes about \$82,000 per year, putting her well above the "low income" limit of \$56,300 for a single person in the East Bay, but even on that salary, living in the region isn't easy. Rent costs her about \$1,200 per month, for an apartment she shares with her sister ("I knew I couldn't get my own place," Calimeris said), and an extra \$600 in student loans and \$250 for a car payment eat into the rest of her paycheck.

Some Bay Area cities have seen average rents soften a bit, but they're still higher than much of the country. According to ApartmentList.com, the median monthly cost of a two-bedroom apartment was \$2,550 in San Jose by the end of last year. In Oakland, it was around \$2,500, and in San Francisco, it was a cool \$4,550. Even places in the East Bay suburbs, where many have flocked to find rent relief, were expensive. Pleasanton's median for a two-bedroom was \$2,770, and in Concord, it was \$1,900 per month.

Not surprisingly, the Bay Area HUD income limits are higher than other metropolitan areas in the country. In the Seattle area, \$72,000 per year is considered "low income" for a family of four, while in Boston, the limit is \$78,150. In Los Angeles County, \$72,100 is "low."

Jennifer Lin, deputy director of the East Bay Alliance for a Sustainable Economy, said that while more people are falling into the "low-income" bracket, it's important to remember how many people are still struggling to make it work at the lowest income levels.

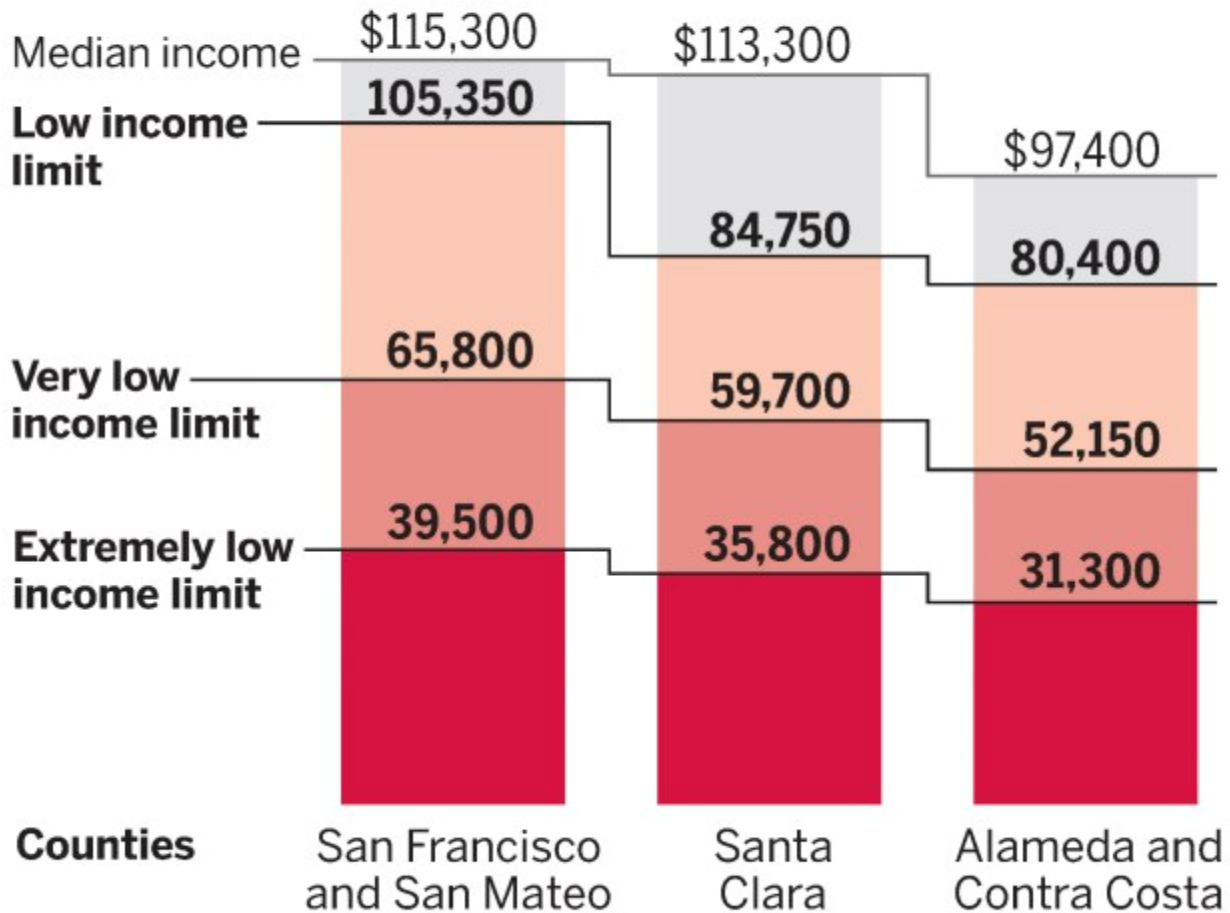
"For every household who makes \$80,000, there are many who make much less," Lin said, pointing to minimum-wage earners in Oakland, for example, whose \$12.86-per-hour wage adds up to under \$27,000 a year. Even when the minimum wage across the state hits \$15 per hour by 2022, workers will make just \$31,200 annually (working 40 hours per week every week of the year).

A member of the Alliance of Californians for Community Empowerment, Larkins, the Home Depot employee, has been active in campaigns to improve wages for herself and others in low-wage industries like retail. While such efforts have been successful in lifting minimum wages across the state, it can still be a struggle for those workers to survive in the Bay Area.

"Minimum wage is going up, but it would be different if the cost of living was the same as when I was a teenager," Larkins said. "Minimum wage goes up, and the cost of living goes up."

# REVISED LOW INCOME LIMITS

The U.S. Department of Housing and Urban Development has updated their income limits to indicate what is considered low income across different counties. In Alameda County, for example, a family of four is now considered low income on an \$80,000-per-year income, up from \$75,150 last year. San Francisco's limit is the highest, with \$105,000 per year for a four-person family considered low income,



Source: U.S. Department of Housing and Urban Development

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