Latinos Among Demographics at Risk From California’s Rising Rents

By Yamily Habib - April 11, 2022

Comida y casa are at the top of anyone’s list of priorities. In Latino culture, this is even more true. But what happens when inflation and speculation in the housing market drastically increase rent prices? What happens if wages stay the same?

According to a new report from the Terner Center for Housing Innovation at the University of California, Berkeley, while household incomes increased by about 23 percent between 2000 and 2019, median home values increased by nearly 180 percent.

In a state where 4 out of 10 residents are Latino, the risk of not being able to afford housing is very high for our community.
According to the report, in San Joaquin County, where Latinos represent more than 40 percent of residents, there was a significant decline in housing affordable to middle-income families: In 2010, 91 percent of homes sold were affordable to middle-income families. The number has fallen to 58 percent, with similar trends in other counties, including Alameda, Santa Clara, and Riverside.

“These areas that used to be affordable to working-class families, middle-income households, are increasingly becoming out of reach,” David Garcia, a policy director at Terner Center who co-wrote the report, told NBC News. “I think what a lot of people don’t always realize is that these [people] are essential parts of our workforce. These are people who are gainfully employed and pay a percentage of their income toward their rent to stay in these residences.”

“They [Latinos] rent at higher shares than some other groups. And this is a challenge because it makes it difficult to save up for a down payment or to pay a mortgage because homeownership costs have risen so much,” Garcia said. “Continuing to pay so much of income toward rent makes it difficult to transition to homeownership, too.”

On the other hand, another recent report from the University of California, Los Angeles found that low-income Latinos and Asian households were among the demographic groups least likely to apply for rental assistance. Latinos ranked second lowest in both applications for rental assistance and assistance received.

This reality has been uncovered as California lawmakers consider AB 2179, a bill that would extend eviction protections through June 30 for hundreds of thousands of tenants made vulnerable by the economic disruptions of the pandemic.

“We find that not much has changed since the onset of the pandemic – lower-income people and people of color are disproportionately struggling to pay the rent,” said Paul Ong, director of UCLA's Center for Neighborhood Knowledge, who led the study.

The state currently has a massive backlog of applicants trying to access the California Emergency Rental Assistance Program, launched in spring 2020. More than half a million California renters have applied for the state’s assistance program through March 29, 2022.

The report’s authors call on lawmakers to consider maintaining benefit programs such as rental assistance and other safety net initiatives until unemployment numbers for people of color in California fall below pre-pandemic levels.

“We believe that the inequality facing Asians and Latinos is due in part to language barriers, citizenship status, access to technology, and lack of robust community information,” said Veronica Terrizquez, director of UCLA’s Chicano Studies Research Center.
The most powerful thing California lawmakers can do, the report stresses, is to indefinitely extend rental assistance and other safety-net programs, such as utility shut-off protection and food safety programs until unemployment rates for all racial groups fall below pre-pandemic rates.

*With information from NBC and UCLA.*