CALIFORNIA'S HOUSING CRISIS
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THE STATISTICS

California’s Unhoused Population, 2020*

161,548 Total Unhoused Population
48,771 Chronically-Homeless Individuals
12,172 Unhoused Youth
11,401 Unhoused Veterans

At least 22,500 people in California have become unhoused since the beginning of the pandemic.**

**CalMatters Official Website, May 2nd, 2023.

Image Credit: Public Policy Institute of California
CALIFORNIA’S HOUSING CRISIS

THE STATISTICS

PRICE OF THE SAME HOME:

<table>
<thead>
<tr>
<th></th>
<th>CALIFORNIA</th>
<th>TEXAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$900,000</td>
<td>$300,000</td>
</tr>
</tbody>
</table>

AVERAGE APARTMENT RENT:

<table>
<thead>
<tr>
<th>Location</th>
<th>Studio Rent</th>
<th>One Bedroom Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$1,432</td>
<td>$2,225</td>
</tr>
<tr>
<td>Santa Barbara</td>
<td>$1,800</td>
<td>$2,500</td>
</tr>
<tr>
<td>National Average</td>
<td>$1,150</td>
<td>$1,320</td>
</tr>
</tbody>
</table>

Undergraduates are permitted to work full-time, but UCSB stresses that they should work 20 hours or less per week to prioritize their studies. At 20 hours a week, that averages $1,240 a month in income at $15.50 per hour.

California’s housing market is one of the worst in the nation and has long posed a challenge to policymakers and advocates seeking to address income inequities and promote equitable access to housing across the state.

Driven by a variety of factors including a lack of new construction, restrictive zoning laws, rising demand due to population growth and job creation; the crisis disproportionately affects low income and historically-marginalized communities.

These skyrocketing prices have led to a staggering housing shortage and the worst homeless crisis in the nation. Since 2020, California’s overall unhoused population has increased by about 6%, compared to just 0.4% in the rest of the country.*

Out of the total population of unhoused people in the US, approximately 30% resided in California.

California is a state with a high cost of living, but Santa Barbara stands out for having one of the most exorbitant rent prices in the nation.* Long famous as a scenic retreat for the uber-wealthy, Santa Barbara has become a desirable destination for remote workers in the wake of the Covid-19 pandemic.

In National Rankings, Santa Barbara is:

1st in Most Expensive Small Cities for 1-Bedroom Apartment Rentals
1st in Cities with the Most Dramatic Increase in Median Rent for Available Units
4th in Most Expensive Small Cities for 3-Bedroom Single-Family Home Rent

UCSB students are directly affected by rental price hikes and greater demand for housing.

Source: *Website: dwellsy.webflow.io/blog/rent-price-data.
The UCs were once intended to be smaller, research-focused institutions. But over time, as the population expanded and demand for higher education increased, so did the enrollment at the UC campuses.*

In an attempt to meet this demand, tuition and fees have increased to cover instructional and operational costs at UC and CSU campuses as public spending declined per student. Now housing, not just tuition expenses, are a major financial burden for for individuals pursuing a 4-year or graduate degree.

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UC ENROLLMENT BREAKDOWN AS OF FALL 2022**

<table>
<thead>
<tr>
<th>University</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Davis</td>
<td>39,679</td>
</tr>
<tr>
<td>UC Berkeley</td>
<td>45,307</td>
</tr>
<tr>
<td>UC Santa Cruz</td>
<td>19,478</td>
</tr>
<tr>
<td>UC Merced</td>
<td>9,103</td>
</tr>
<tr>
<td>UC Santa Barbara</td>
<td>26,420</td>
</tr>
<tr>
<td>UC Los Angeles</td>
<td>46,430</td>
</tr>
<tr>
<td>UC Irvine</td>
<td>35,937</td>
</tr>
<tr>
<td>UC Riverside</td>
<td>26,809</td>
</tr>
<tr>
<td>UC San Diego</td>
<td>42,006</td>
</tr>
<tr>
<td>UC San Francisco</td>
<td>3,140</td>
</tr>
</tbody>
</table>

Sources: *UC Office of the President Official Website (2023).
** University of California, March 3rd, 2023
While the California Master Plan did not directly cause the current housing crisis, it did not account for increased enrollment - and thus did not anticipate the current demand for undergraduate education. The plan did not establish a mandate for housing development and did not set aside funds for future construction. Furthermore, the plan left each of the individual UC campuses responsible for their own student housing, with little cooperation between campuses and administration.

The increased academic prestige of UCs and location desirability have resulted in overwhelming demand that threatens to undermine the UCs broader mission.

As a result of recent pressure from Sacramento to increase enrollment across all of the UC campuses, each university crafted a long-range development plan (UCSB’s LRDP is discussed in greater depth on page 14).

These LRDPs detail comprehensive strategic planning for proposed student housing in order to accommodate an expected increase in students and faculty.

Sources: *University of California, March 3rd, 2023
** UCSB Office of Budget and Planning
More Students Attending UCs

For Fall 2022, the UC system’s nine undergraduate campuses received a record number of nearly 211,000 first-year applications.*

According to admissions data, UCSB received 110,991 first year applications during the 2022 admission cycle, 18,000 of whom were out-of-state students.**

Most UC campuses have experienced an increased demand for on-campus housing. Waitlists for UC housing climbed to 14,000 students for Fall 2022 at all 10 campuses, a massive increase from 7,500 students at eight campuses in fall of 2021. ***

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Average Monthly Rent For Off-Campus 1-Bedroom and 2-Bedroom Apartments Near UC Campuses****

Sources: *University of California Office of the President, Freshman Applications by Campus and Residency, January 11th, 2023.
**College Gazette, February 8th, 2023.
***Los Angeles Times, March 14th, 2023.
****University of California Office of the President, Student Financial Support, March 2022.
An estimated 417,000 students in California lack a stable place to sleep.*

Representing 5% of undergraduates at UCs

10% of undergraduates at California State Universities

20% of students at California Community Colleges

The University of California Board of Regents recently approved plans for residential projects that would add nearly 8,000 beds across five UC campuses.** These projects are part of a larger UC objective to add 22,000 beds across all nine campuses by 2028.

However, these plans are still years away from being implemented.

Many UC projects are reliant on state funding that may not be guaranteed or could be delayed. UC officials have cited labor shortages, inflation, rising construction costs, and supply chain issues as some of the prominent obstacles to building new housing.

CALIFORNIA’S HOUSING CRISIS

THE UC SYSTEM

Proposed Housing Solutions at Other UCs

How are the other UCs tackling this issue?

Due to increased applications, pressures from Sacramento to increase enrollment, and high prices of living in urban coastal communities, UC campuses have had to start reimagining housing solutions.

UC Berkeley

The main UC Berkeley campus has been constrained by opposition from the city of Berkeley and the surrounding neighborhood with regards to enrollment increases and subsequent planned housing.* As a result, UC Berkeley is considering a satellite program at Moffett Field (previously an airfield, now owned by NASA) in Mountain View, CA. This campus would focus primarily on aerospace science and engineering.**

UC Los Angeles

UCLA is also considering satellite programs and off-campus locations in order to increase enrollment without adding more students on the main campus. UCLA is already working with AltaSea to develop a satellite campus in San Pedro that aims to accommodate 600 to 1,000 more students.***

UCLA is renovating Gayley Heights (previously studio units) into triple-occupancy student apartments that will be roughly 60% below market-rate.****

Sources:
*Los Angeles Times, February 24th, 2023
**Berkeley News, October 16th, 2023
***Los Angeles Times, September 27th, 2022
****Website: https://studios.com/ucla-gayley-heights-apartments.html
THE UC SYSTEM

Proposed Solutions at Other UCs

UC Davis
UCD is constructing a project called "Aggie Square" at its satellite campus in Sacramento. The project will consist of science and technology buildings and housing for several hundred undergraduate students. *

UC Merced
UCM has already completed a $1.2-billion project that includes classrooms, research labs, and student housing that allows the campus to increase enrollment by 2,000 students.** UCM is also set to open a medical program that will increase graduate student enrollment by about 200 students.***

Sources: *UC Davis, Aggie Square Development Official Website (2023).
**UC Merced "Newsroom", September 8th, 2023.
***EdSource, October 26th, 2021.
In January 2023, The University of California's investment arm announced a $4 billion investment into Blackstone’s Real Estate Income Trust (BREIT).* Blackstone, one of the nation's largest private equity firms, has long faced scrutiny for its role in the housing crisis. Critics accuse Blackstone of purchasing properties, increasing rents, and accruing equity for wealthy institutional investors. All the while, local residents are displaced from their homes and struggle to find affordable accommodations.

The decision to invest in BREIT is controversial with more than 40 organizations representing UC faculty, students, and workers, along with housing advocates condemning the deal, and demanding the university system divest from Blackstone. Critics argue that as the largest employer and landlord in the state, the University of California has a duty to ensure housing affordability and basic needs be met.**

The UC itself has pledged to ensure affordable housing on numerous occasions and across its campuses. The investment in Blackstone does not follow this pledge and arguably contributes to housing scarcity by supporting the presence of private equity in the housing market.

Kathryn Lybarger, the President of American Federation of State, County & Municipal Employees (AFSCME) Local 3299, says "essentially the UC is investing in a corporation that further drives UC’s own workers’ housing insecurity." Lybarger, like others, calls for more sustainable investments, ones that actually better the lives of students, staff, and faculty.***

**Jacobyin, April 24th, 2023.  
“The investment office has a fiduciary duty to generate market-rate returns, which rules out investing in reduced-rent housing for students or employees.”

Nathan Brostrom, Chief Financial Officer
University of California
CALIFORNIA’S HOUSING CRISIS

THE UC SYSTEM

Private Financing & UC Investment in Blackstone

Does this address student housing needs?

Representative Katie Porter was a full professor at UC Irvine’s School of Law before joining Congress in 2018.

Crisis or Opportunity?

Rep. Katie Porter (D-CA), of Irvine responded to the Blackstone deal stating, “while Californians struggle with the high cost of housing, private equity firms like Blackstone have exploited this ongoing crisis to pad their profits at the expense of students, workers, and families.” Porter, like many, calls for an end to ‘Wall Street Landlords.’*

Given the urgent need for affordable student housing across the UC system, UC investment in BREIT signals that the state’s housing crisis is considered financially lucrative as opposed to a problem to solve. According to the deal’s critics, the Blackstone deal also does not guarantee a better rate of return over other traditional investments. This leads many to believe, including experts and members of the general public, that this deal warrants much-needed additional scrutiny and transparency to understand the primary motivations guiding UC investment decisions.**

Our Concerns

For the Blum Center Student Leader Team, this investment deal raises more questions than answers. As students attending a public university, we want to understand why the university system’s pension fund is at odds with its pledge to provide affordable student housing. We want to know why sustainable and ethical investments are not being prioritized to improve conditions for UC students, faculty, and employees.

Corporate landlords are large investment firms (hedge funds, private equity firms, or real estate investment trusts) that acquire single-family homes or apartment buildings in order to extract rent from tenants while holding properties for the long-term.

What are the consequences of increased corporate investment in available student housing stock?

Before 2010, institutional landlords didn’t exist in the single-family market; now, there are 25-30 large corporate owners of single-family units.*

Between 2011 and 2017, $36 billion was spent on more than 200,000 homes by some of the largest private-equity groups and corporations in the world. **

A study conducted in Atlanta found that large corporate owners of single-family rentals were 8 percent more likely than small landlords to file eviction notices.***

Standout Facts

***Federal Reserve Bank of Atlanta Study: Community and Economic Development Department (2016).
"Students are the perfect market if you really want to make a profit on housing. Students make great tenants because you can pack them in, jack up rents, and ensure high turnover."

Dr. Richard Flacks
Professor Emeritus of Sociology
University of California, Santa Barbara

INTERVIEW WITH THE BC STUDENT LEADER TEAM
Student housing in college towns is emerging as a highly attractive and lucrative investment for corporations and real estate developers.

Student housing provides consistent and predictable demand as universities struggle to provide sufficient housing accommodations for students on campus. The resulting student need for housing represents a stable cash flow for property owners.

Students often live with roommates and in compact living arrangements, enabling housing developments to encourage overcrowding.

This approach further increases rental income.
SECTION 3 - California's Housing Crisis


“Aggie Square.” UC Davis Aggie Square, 13 November. 2023, aggiesquare.ucdavis.edu/.


SECTION 3 - California’s Housing Crisis, Cont.’d


SECTION 3 - California's Housing Crisis, Cont.’d


Tobias, Manuela. “California Homeless Population Grew by 22,000 over Pandemic.” CalMatters, 6 October 2022, calmatters.org/housing/2022/10/california-homeless-crisis-latinos/.

“UC Investments | University of California Office of the President.” ucop.edu, University of California, ucop.edu/investment-office/index.html.

SECTION 3 - California's Housing Crisis, Cont.’d


UC Santa Barbara (UCSB) out-of-State Acceptance Rate.” College Gazette, 18 March 2023, collegegazette.com/ucsb-out-of-state-acceptance-rate/.


