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Karen Gomez
California State University, Monterey Bay

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Measuring the Impact of Affordable Housing on Family Well-Being in Santa Cruz County

Karen Gomez

MidPen Housing Corporation, Mentor: Betsy Wilson

Collaborative Health & Human Services

Department of Health Human Services and Public Policy

California State University, Monterey Bay

May 16, 2019

Title: Measuring the Impact of Affordable Housing on Families in Santa Cruz County

Abstract: Too many families in Santa Cruz County cannot afford housing. MidPen Housing's mission is to provide safe, affordable housing of high quality to those in need and to establish stability and opportunity in the lives of its residents. This capstone project is a research endeavor that took advantage of a natural experiment to measure the extent by which a person's health is affected by their living situation. By comparing families who gained access to affordable housing to families who did not through a randomized process. Our findings suggest that families living in affordable housing are overall healthier, happier, access more resources available to them, and have a more hopeful outlook on the future than families in market rate housing. It is recommended that the County provide and develop more affordable housing options for its residents.

Keywords: affordable housing, health inequity, natural experiment, evaluation

Agency Description and Population Served

MidPen Housing was founded in 1970 by a small but influential coalition of Silicon Valley entrepreneurs, Stanford University faculty and other community leaders who were concerned over the lack of affordable housing on the San Francisco Bay area peninsula. Since then, MidPen has greatly expanded its reach and is one of Northern California's leading non-profit developers and managers of affordable rental housing with a strong and diverse portfolio (MidPen Housing Corporation, 2018). The mission statement of MidPen Housing is, "To provide safe, affordable housing of high quality to those in need; to establish stability and opportunity in the lives of residents; and foster diverse communities that allow people from all ethnic, social and economic backgrounds to live in dignity, harmony and mutual respect" (2018).

MidPen operates through three distinct companies that work closely together to manage corporate activities and partnerships: MidPen Housing Corporation, MidPen Property Management Corporation, and MidPen Resident Services Corporation. MidPen Housing Corporation drives all of the development efforts including property acquisition, planning, design, construction, historic renovation and existing property rehabilitation. It also serves as the corporate umbrella and houses all administrative functions: finance, human resources (HR), and information technology (IT). MidPen Property Management Corporation provides professional property management for the communities. MidPen Resident Services Corporation provides and coordinates onsite support programs to help the residents' advance which include: computer and vocational training, academically-based after school programs for youth, financial capabilities classes, health and wellness programs, and community referrals.

As an organization, MidPen Housing has developed or rehabbed over 8,000 affordable homes, and has an additional 2,572 affordable homes under construction, entitlements or pre-

development. They manage 103 properties with a total of 7,207 units providing homes for more

than 16,600 residents. MidPen manages assets that are worth over $1.3 billion, and they invest

$6.3 million annually in resident services and partners with nearly 200 service providers. In total

62% of the units house families; 27% house seniors; 5% house single adults and 6% house

people with special needs. They work in 11 counties: Alameda, Contra Costa, Monterey, Napa,

San Benito, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Yuba. They have also

received over 100 industry awards and honors for their work (MidPen Housing Corporation,

2018). They are building communities and changing lives.

Problem Description:

Too many families in Santa Cruz County cannot afford housing. According to the U.S.

Department of Housing and Urban Development (2019), "Families who pay more than 30

percent of their income for housing are considered cost burdened and may have difficulty

affording necessities such as food, clothing, transportation and medical care. An estimated 12

million renter and homeowner households now pay more than 50 percent of their annual incomes

for housing [in the U.S.]."

Too many families in Santa Cruz County live off of a low-income paycheck and have

low-income jobs. According to the U.S. Census Bureau (2015-2016) the median income in Santa

Cruz County is $36,000 a year. While the median household rent in Santa Cruz County is $1700

a month (US Census, 2010). With that income in mind, a person should only be spending $900 a

month on rent to be considered affordable. Unfortunately, they are spending more than 50% of

their income on rent based on the median income and the median household rent. This is not

including utilities, food, medical expenses, transportation cost, and other necessities. Someone,

especially a family, would not be able to live well if the head of household is working at a low-income job.

Not being able to afford housing greatly affects a person and their families overall well-being. Sandel's (2018) article mentions that having an affordable home is a prescription for overall good health. Her research findings indicate that people who struggle to afford a safe home, they are at risk of poor health outcomes.

One of the survey questions asked how safe people felt in the neighborhood. 100% of affordable housing residents feel safe, while 67% of market rate housing residents feel safe and 33% feel unsafe. People need to understand that affordable housing doesn't just lift the cost-burden of housing, but it improves a person's overall well-being. They feel safer, interact with their neighbors, have more money in their pocket for food or their other necessities, their children play outside, and they see a future in the community.

Project Description and Implementation Process:

The project that was developed was an evaluation and a research project. The research question in this project was whether or not a person's health is affected by their living situation. There is a new affordable housing community that finished construction in the city of Watsonville. The city of Watsonville, CA has a total population of 51,199 (U.S. Census, 2010). Of that population 81% are Hispanic or Latino and 19% are Not Hispanic or Latino.

For the 45 units that were available at the new affordable housing community, MidPen received well over 2,500 applications. Each application underwent an entire process to get all 2,500 reduced to just 45. In the first phase, each application was reviewed by the Housing Authority of the Santa Cruz County to check who qualified. Each of the applications that passed the Housing Authority screening then went on to an interview process, the second phase, with

MidPen Housing. The ones who passed the interview moved on to the third phase, getting picked through a random lottery. Once the lottery was completed, the applicants were immediately notified so they could gather and compile any last-minute documents required by the Housing Authority of the Santa Cruz County and MidPen Housing. After the completely random selection process, 45 residents got to move into their new housing community mid-December.

A survey was distributed to all 45 units to find out if living in an affordable housing community affects a person's overall health. The survey was distributed on March 1st and collected on March 15th. Not only was the survey conducted to the 45 units of the families that got in, but as well as the 45 families that are on top of the wait-list that, entirely by random chance, did not get in.

The families that are on the wait-list went through the same process as the ones that got in. They went through the Housing Authority of the Santa Cruz screening, as well as the MidPen Housing interview; however, just by sheer randomization were not able to get into the 45-unit community. They qualify and meet the requirements to be able to live in this community, but unfortunately were not picked in the lottery process.

The project was implemented because research has shown that stressing over housing, not making enough money to pay the rent, and the high cost of living can have an extreme negative effect on a person. This theory was tested by asking questions on living conditions associated with the well-being of a person and their family. As previously stated, a survey was conducted on two separate categories of people. The ones that got into the affordable housing development, and the ones that remain on top of the wait-list and are still in search of their forever affordable home.

This project has given the agency evidence to provide when they go out and advocate for affordable housing in the future. They are able to show how much it is needed to not only lift the cost-burden of housing, but to improve the overall well-being of people and their families. The data gathered can address the lack of affordable housing in our communities.

The implementation method that was used for this project was the recruitment strategy and data collection through surveys. My role in this project was to design and implement the survey and act as the research facilitator with the resident manager. With the consent of my mentor I had reached out to one MidPen employee, the one who manages the property I had surveyed. She helped me distribute and collect the surveys I conducted. Also, I had reached out to the Housing Authority of the Santa Cruz County to see if it is possible to give me the phone numbers of the people that are at the top of the wait-list.

With the help of my colleague and the Housing Authority I was able to conduct this study. I received 21 surveys from the affordable housing development and 15 surveys from the people on the wait-list.

The resources that were mostly needed were the personnel time of my colleague, as well as time from the Housing Authority representative. I had been contacting both to ask for their availability and worked together mainly through e-mail.

A challenge that emerged was the response rate from the actual residents, and the people on the waitlist. However, I was extremely happy that I received a good amount of responses from both parties. I tried to do my very best to coordinate with my colleague and the Housing Authority representative to make sure we had a good response rate. Luckily, everything turned out okay.

Final Project Assessment Plan:

The expected outcome from this project was that the results could be used by my agency to have more support in developing more affordable housing projects. Also, to be able to assess the impact of living in an affordable housing community. As mentioned before, living in an affordable housing community greatly affects the well-being of a person.

After speaking with my mentor, Betsy Wilson, she has ultimately decided that she will bring my findings forward to our legal department for review, in hopes that it could and will be used in all future community meetings in Santa Cruz County.

Findings:

A total of 36 surveys were collected. Out of the total 15 came from participants in market rate housing and 21 from the affordable housing units. All of the responses were included in a MS Excel spreadsheet and were then evaluated using Pivot Tables.

The data suggest that families living in affordable housing are overall healthier, happier, access more resources available to them, and have a more hopeful outlook on the future than families in market rate housing. One of the questions asked was where they saw themselves living within the next 10 years. Shockingly the data stated, that 100% of families living in affordable housing see a future in their community, while the 80% of families living in market rate housing do not.

Recommendations:

I recommend the legal department approves the findings of my project to be used. The data could be used when we are trying to advocate for the approval of more affordable housing in the County of Santa Cruz.

Conclusion and Personal Reflection:

As of now the project is complete. The surveys were produced, distributed, and collected. I received a good response rate from both parties, and the results were rather shocking. It really shows how living in an affordable housing development significantly affects a person and their family in a positive and healthy way. While you get the complete opposite from the people who live in regular market rate housing.

I am overall impressed with the findings. They are amazing, and I really hope they could potentially be used by my agency. MidPen Housing now has statistical data they could use in future community meetings when they are trying to advocate for more affordable housing in Santa Cruz County.

That would be the main goal of this entire project. It would be upsetting to know that there is actual statistical evidence, from a completely natural experiment, and not be able to use the data acquired. I will see to it to have my mentor have the findings approved by the legal department because everyone should be able to know the truth of how housing correlates with a person's well-being.

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Appendix:

CAUSES/RISK FACTORS TO BROADER HEALTH PROBLEM	AGENCY-SPECIFIC "MICRO-LEVEL" PROBLEM ADDRESSED BY PROJECT	CONSEQUENCES TO SOCIETY
• No/limited access to affordable housing • High levels of stress/anxiety in community	Too many families in Santa Cruz County live off of a low-income paycheck.	• Homelessness • Negative health/well-being
CAUSES TO AGENCY PROBLEM	**BROADER "MACRO-LEVEL" HEALTH/SOCIAL PROBLEM**	**CONSEQUENCES TO AGENCY**
• Lack of funding to build more affordable housing • Lack of support to build more affordable housing	Too many families in Santa Cruz County cannot afford housing.	• Agency goals not met • Other funding alternatives must be found for agency to continue its mission (ex. loans)

Title: How does affordable housing affect the well-being of a person?

Brief project description: This project is an analysis on how living in an affordable housing home positively affects the well-being of the people living in them. A survey will be developed and delivered in 1 segment. The survey will be conducted a few months after the families have had a chance to move and settle into their new affordable housing units. I will conduct the exact same survey to the people on top of the wait-list that did not get into the affordable housing homes and are actively looking. I will do a comparison of the two and see if the people living in the affordable housing units are healthier overall than the ones that are at the top of the wait-list and still looking.

Goal: Increase affordable housing homes in Santa Cruz County

Primary objective of the project: Increase people's knowledge on how having a stable home affects a person's health

Activities	Deliverables	Timeline/deadlines
1. Discuss capstone project ideas with mentor	1. Final capstone project idea approved	1. Sept – Oct 2018
2. Seek resources (as needed)	2. Mentor approval/assistance to secure needed resources	2. Dec 2018 – Jan 2019
3. Develop questionnaire	3. Final approved questionnaire	3. Jan 2019 – Feb 2019
4. Implement questionnaire to participants and compile data	4. Preliminary results submitted to mentor for approval	4. March 2019
5. Compile and analyze data; complete draft report on findings	5. Findings report completed/submitted to mentor for approval	5. April 15, 2019
6. Complete reporting requirements	6. Final agency and capstone reports	6. May 3, 2019
7. Prepare capstone presentation in selected format	7. Instructor approval & Dress Rehearsal of final capstone presentation format (posters submitted for printing)	7. May 8-10, 2019
8. Final preparation for Capstone Festival	8. Final presentation at Capstone Festival	8. May 16, 2019

1. Who lives in the home?

Count of Q1	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
spouse & other people	0.00%	4.76%	2.78%
children & other people	6.67%	9.52%	8.33%
children	6.67%	19.05%	13.89%
children	6.67%	0.00%	2.78%
spouse	6.67%	0.00%	2.78%
spouse	13.33%	9.52%	11.11%
other people	13.33%	4.76%	8.33%
spouse & children	20.00%	42.86%	33.33%
spouse, children, other people	26.67%	9.52%	16.67%
Grand Total	100.00%	100.00%	100.00%

2. How long have you been living in your current home?

Count of Q2	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
1-2 months	0.00%	33.33%	19.44%
3-6 months	6.67%	66.67%	41.67%
more than 6 months	93.33%	0.00%	38.89%
Grand Total	100.00%	100.00%	100.00%

3. How many bedrooms does it have?

Count of Q3	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
1 bedroom	20.00%	14.29%	16.67%
2 bedrooms	40.00%	42.86%	41.67%

3 bedrooms	20.00%	42.86%	33.33%
4 or more bedrooms	20.00%	0.00%	8.33%
Grand Total	**100.00%**	**100.00%**	**100.00%**

4. Does your home have a yard?

Count of Q4	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
No	46.67%	0.00%	19.44%
Yes	53.33%	100.00%	80.56%
Grand Total	**100.00%**	**100.00%**	**100.00%**

5. How much time does it take you to go to the nearest grocery store?

Count of Q5	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
less than 10 minutes	66.67%	71.43%	69.44%
10-19 minutes	20.00%	28.57%	25.00%
20-29 minutes	6.67%	0.00%	2.78%
30 minutes or more	6.67%	0.00%	2.78%
Grand Total	**100.00%**	**100.00%**	**100.00%**

6. Which is the nearest grocery store?

Count of Q6	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
Cardenas	0.00%	52.38%	30.56%
FoodMaxx	46.67%	23.81%	33.33%
Safeway	26.67%	4.76%	13.89%
Other	26.67%	19.05%	22.22%

		100.00%	100.00%	100.00%
Grand Total				

7. How safe do you feel in your neighborhood?

Count of Q7	Column Labels			
Row Labels	Market Rate	Pippin Orchards	Grand Total	
Very safe		33.33%	47.62%	41.67%
Safe		33.33%	52.38%	44.44%
Unsafe		26.67%	0.00%	11.11%
Very unsafe		6.67%	0.00%	2.78%
Grand Total		**100.00%**	**100.00%**	**100.00%**

8. Do your children play in the neighborhood?

Count of Q8	Column Labels			
Row Labels	Market Rate	Pippin Orchards	Grand Total	
No		66.67%	23.81%	41.67%
Yes		33.33%	76.19%	58.33%
Grand Total		**100.00%**	**100.00%**	**100.00%**

9. Do you know your neighbors?

Count of Q9	Column Labels			
Row Labels	Market Rate	Pippin Orchards	Grand Total	
No		80.00%	47.62%	61.11%
Yes		20.00%	52.38%	38.89%
Grand Total		**100.00%**	**100.00%**	**100.00%**

10. Do you like where you live? How much?

Count of Q10	Column Labels			
Row Labels	Market Rate	Pippin Orchards	Grand Total	

Not Really	53.33%	0.00%	22.22%
Somewhat	33.33%	19.05%	25.00%
Very much	13.33%	80.95%	52.78%
Grand Total	**100.00%**	**100.00%**	**100.00%**

11. How much does your family pay per month in rent?

Count of Q11	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
Less than $500	0.00%	23.81%	13.89%
$500-$749	6.67%	38.10%	25.00%
$750-$1000	6.67%	23.81%	16.67%
More than $1000	86.67%	14.29%	44.44%
Grand Total	**100.00%**	**100.00%**	**100.00%**

12. How much do you pay in utilities? (water, power, trash)

Count of Q12	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
Less than $50	0.00%	33.33%	19.44%
$50-$100	33.33%	38.10%	36.11%
More than $100	66.67%	28.57%	44.44%
Grand Total	**100.00%**	**100.00%**	**100.00%**

13. How long do you think you will stay in your current place?

Count of Q13	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
Less than 6 months	6.67%	0.00%	2.78%
6 months to 1 year	26.67%	0.00%	11.11%

1 to 3 years	53.33%	14.29%	30.56%
More than 3 years	13.33%	85.71%	55.56%
Grand Total	**100.00%**	**100.00%**	**100.00%**

14. How would you rate your health overall?

Count of Q14	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
Poor	26.67%	0.00%	11.11%
Good	60.00%	57.14%	58.33%
Excellent	13.33%	42.86%	30.56%
Grand Total	**100.00%**	**100.00%**	**100.00%**

15. Are all family members covered by health insurance?

Count of Q15	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
No	33.33%	0.00%	13.89%
Yes	66.67%	100.00%	86.11%
Grand Total	**100.00%**	**100.00%**	**100.00%**

16. What type of health insurance do you have?

Count of Q16	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
MediCal	60.00%	38.10%	47.22%
Private	40.00%	61.90%	52.78%
Grand Total	**100.00%**	**100.00%**	**100.00%**

17. Have you used that health insurance within the last year?

Count of Q17	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
No	53.33%	38.10%	44.44%
Yes	46.67%	61.90%	55.56%
Grand Total	100.00%	100.00%	100.00%

18. When was the last time you or a member of your family visited a doctor?

Count of Q18	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
Less than 1 month ago	20.00%	9.52%	13.89%
1-3 months ago	13.33%	9.52%	11.11%
3-6 months ago	20.00%	23.81%	22.22%
More than 6 months ago	46.67%	57.14%	52.78%
Grand Total	100.00%	100.00%	100.00%

19. How much did you pay out of pocket when you or your family member last visited the doctor?

Count of Q19	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
No cost	13.33%	23.81%	19.44%
Less than $50	33.33%	52.38%	44.44%
$50-$100	33.33%	23.81%	27.78%
More than $100	20.00%	0.00%	8.33%
Grand Total	100.00%	100.00%	100.00%

20. In the past month have you felt nervous?

Count of Q20	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total

No	26.67%	80.95%	58.33%
Yes	73.33%	19.05%	41.67%
Grand Total	**100.00%**	**100.00%**	**100.00%**

21. In the past month have you felt sad or down?

Count of Q21	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
No	46.67%	90.48%	72.22%
Yes	53.33%	9.52%	27.78%
Grand Total	**100.00%**	**100.00%**	**100.00%**

22. In the past month have you felt irritable or angry?

Count of Q22	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
No	20.00%	52.38%	38.89%
Yes	80.00%	47.62%	61.11%
Grand Total	**100.00%**	**100.00%**	**100.00%**

23. Where do you see yourself living in 10 years?

Count of Q23	Column Labels		
Row Labels	**Market Rate**	**Pippin Orchards**	**Grand Total**
Monterey County	66.67%	0.00%	27.78%
Santa Cruz County	20.00%	100.00%	66.67%
Other	13.33%	0.00%	5.56%
Grand Total	**100.00%**	**100.00%**	**100.00%**

24. Are you expecting to change your occupation within the next 5 years?

Count of Q24	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
No	60.00%	85.71%	75.00%
Yes	40.00%	14.29%	25.00%
Grand Total	100.00%	100.00%	100.00%

25. What occupation would you like your children to have when they grow up?

Count of Q25	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
Accountant/Business	6.67%	0.00%	2.78%
Agriculture	6.67%	0.00%	2.78%
Doctor	6.67%	14.29%	11.11%
Doctor/Teacher	6.67%	0.00%	2.78%
Don't know	20.00%	19.05%	19.44%
Driver	6.67%	4.76%	5.56%
Engineer	6.67%	0.00%	2.78%
Lawyer	0.00%	14.29%	8.33%
Manager	13.33%	4.76%	8.33%
Medical Assistant	6.67%	4.76%	5.56%
Nurse	6.67%	4.76%	5.56%
Police Officer	0.00%	4.76%	2.78%
Professor	0.00%	4.76%	2.78%
School teacher	6.67%	14.29%	11.11%
Teacher	0.00%	4.76%	2.78%
Vet technician	0.00%	4.76%	2.78%
Where they make the most money	6.67%	0.00%	2.78%
Grand Total	100.00%	100.00%	100.00%

26. What education level do you think your children will have in 10 years?

Count of Q26	Column Labels		
Row Labels	Market Rate	Pippin Orchards	Grand Total
High school diploma	26.67%	14.29%	19.44%
Technical School	26.67%	14.29%	19.44%
Associate's degree	6.67%	4.76%	5.56%
Bachelor's degree	33.33%	28.57%	30.56%
Graduate degree or higher	6.67%	38.10%	25.00%
Grand Total	100.00%	100.00%	100.00%