

Housing Inequities Latinos are Facing in California

Our History on Housing in California

For decades, UnidosUS, formerly the National Council of La Raza (NCLR), has helped Latinos* buy and stay in affordable homes. In California, we helped ensure the swift passage of the [California Homeowner Bill of Rights](#) in 2012 as part of a coalition of state-based organizations. This bill helped protect homeowners from predatory practices, such as dual tracking, which stripped Latino homeowners of their wealth following the Great Recession. UnidosUS also [worked](#) to ensure equal access for the hardest hit communities to federal emergency housing assistance enacted by Congress.

UnidosUS also protects families through programs that bolster housing stability in collaboration with [UnidosUS Affiliates—community-based](#) Hispanic-serving organizations—throughout the country. In California, there are 64 Affiliates, of which 39 provide wealth-building services and six are HUD-Approved Housing Counseling Agencies. In response to the pandemic, various Affiliates have provided the Latino community with housing and rental assistance. From October 2020 to August 2022, UnidosUS worked with its Affiliates and other partners to provide one-on-one housing counseling to 35,642 California families. From 2020 to late 2021, the bulk of the services focused on tenants facing eviction. Still, as we entered 2022, there was a shift toward providing counseling services for homeowners facing delinquency and/or default.

Economic Challenges

California's high cost of living creates challenges for all Californians—with too many households not earning enough income to cover their basic needs—but it has a disproportionate impact on Latinos. Latino families earn \$0.50 for every \$1 that white families earn.¹ Additionally, the COVID-19 pandemic worsened preexisting disparities in income and housing for Latinos, harming both their lives and livelihoods.

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout our materials to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. Our materials may also refer to this population as "Latinx" to represent the diversity of gender identities and expressions that are present in the community.

Reports show that, in **2021, 33%** of California households did not earn enough to pay for their basic needs, compared to **52% of Latino** households.

Source: Peter Manzo et al., *Struggling to Move Up: The Real Cost Measure in California 2021* (South Pasadena, CA: United Ways of California, 2021), <https://www.unitedwaysca.org/realcost>.

Housing Landscape

Latinos Lack Access to Affordable Rental Housing

In 2022, in California, 45% of all households were renters, compared to 56% of Latino households.²

In 2020, 57% of Latino renters in California were cost-burdened, meaning that more than 30% of their income went to housing. That same year, 28% of Latino renters were severely cost-burdened, meaning that more than 50% of their income went to housing.

Source: Local Housing Solutions, "Los Angeles, CA (County)," *Housing Needs Assessment*, (California), https://www.policymap.com/report_widget?type=fur&area=predefined&sid=10192&pid=696960970 (accessed October 2022), Share of Renter Households Moderately or Severely Cost Burdened by Race/Ethnicity.

Given the disproportionate impacts of the COVID-19 pandemic on Latinos, it is expected that the number of cost-burdened Latinos has increased since 2020. Latino renters were struggling before the pandemic, and during the pandemic, many fell behind on their rent. Latino renters' access to state and federal assistance provided limited relief, and thus additional state action is needed to adequately support the needs of this population.

During the pandemic, Latinos and other racial/ethnic minorities were behind on rent at higher rates than their white counterparts. Analysis completed by the UCLA Latino Policy & Politics Institute shows that Latino households in California were disproportionately behind on rent and had limited access to the state's COVID-19 rent relief program.³

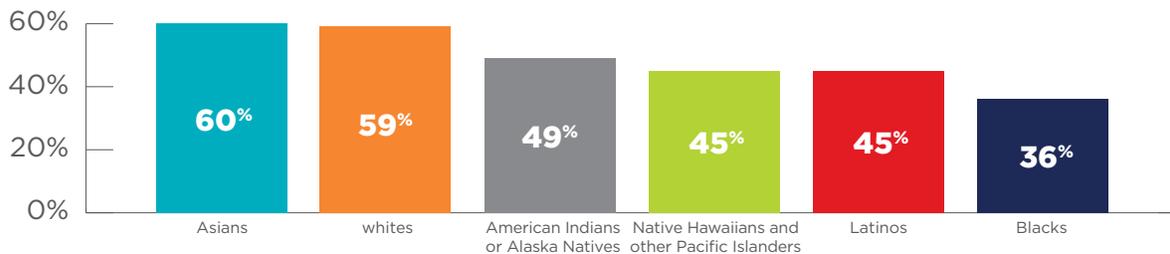
From July 2021 to January 2022, "Latinos were about half as likely as whites to have applied for and received relief from the emergency rent assistance program, even after adjusting for income, age, and metropolitan area of residence."

Source: Paula Nazario and Silvia R. González, *Latino and Asian Households in California Are Behind on Rent and Behind in Access to State Relief Program* (Los Angeles: UCLA Latino Policy & Politics Institute, April 4, 2022), <https://latino.ucla.edu/research/renter-insecurity-covid-19/> (accessed August 10, 2022).

Latinos Lack Access to Homeownership

Access to homeownership is critical for Latinos’ wealth-building opportunities. Home equity makes up the majority of wealth for low- and middle-income families, so gaps in homeownership rates magnify wealth inequality. Wealth is a useful indicator of economic security because it can enable a family to deal with unexpected costly setbacks, pay for higher education, expand a small business, take investment risks, continue to save for retirement, and/or purchase a home. Yet, in 2016 it was found that the typical Latino family in California only had 6% of the wealth of a typical white family.⁴

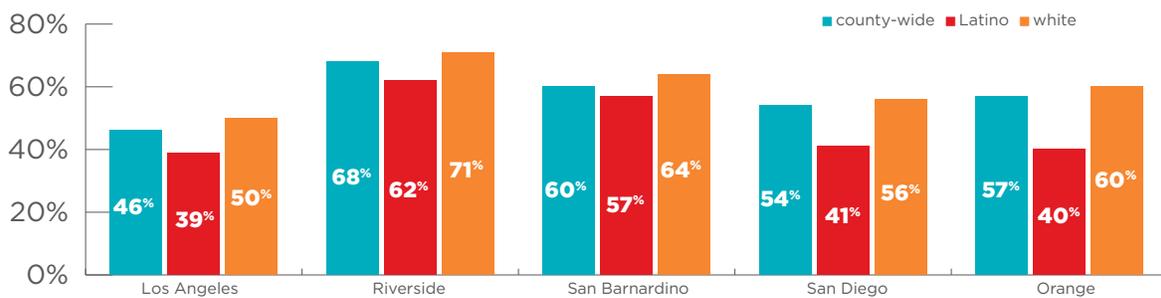
Figure 1:
California homeownership rates (2020)



Source: Local Housing Solutions, “Los Angeles, CA (County),” *Housing Needs Assessment*, https://www.policymap.com/report_widget?type=fur&area=predefined&sid=10192&pid=696960970 (accessed October 2022), Homeownership Rate by Race/Ethnicity.

Because California is a high-cost state, it is challenging for many to become homeowners, but especially difficult for low-income families and communities of color. By 2040, it is estimated that there will be a 13% homeownership gap between Latino and white homeowners.⁵ California has the second lowest homeownership rate⁶ in the country with Black, Native Hawaiian and Pacific Islander, and Latino homeownership rates being the lowest among California’s racial and ethnic groups. Significant state and local interventions are needed to increase the homeownership rates of California’s Latinos and other communities of color who have historically been left out of homeownership opportunities.

Figure 2:
Homeownership rates for counties with the largest Latino populations (2020)⁷



Source: Local Housing Solutions, “Los Angeles, CA (County),” “Riverside, CA (County),” “San Bernardino, CA (County),” “San Diego, CA (County),” “Orange, CA (County),” *Housing Needs Assessment*, https://www.policymap.com/report_widget?type=fur&area=predefined&sid=10192&pid=696960970 (accessed October 2022), Homeownership Rate by Race/Ethnicity.

The statewide median price of existing single-family homes was \$777,500 in November 2022,⁸ up nearly 11% from December 2020.⁹ That same year, the median household income for Latinos in California was \$70,081.¹⁰ In 2022, California saw a projected 5.7% growth in median home price outlook; however, interest rates have recently risen. Thus, the median home price is expected to drop by 8.8% in 2023.¹¹



MEDIAN SALE PRICES
for all residential homes in
October 2022 in counties with
the highest Latino populations

- Orange **\$942,000**
- Los Angeles **\$824,000**
- San Diego **\$790,000**
- Riverside **\$564,000**
- San Bernardino **\$499,000**

Source: Redfin Data Center, "Redfin Monthly Housing Market Data," <https://www.redfin.com/news/data-center/> (accessed December 2022).

Table:
Median household income for counties with the largest Latino populations (2021)

CITY	TOTAL POPULATION	WHITE	LATINO
Los Angeles	\$77,456	\$92,348	\$66,929
Riverside	\$79,024	\$81,898	\$71,561
San Bernardino	\$74,846	\$78,938	\$71,385
San Diego	\$91,003	\$100,498	\$72,130
Orange	\$100,559	\$108,332	\$81,606

Source: U.S. Census Bureau, "Selected Population Profile in the United States."

Additionally, Latino Californians tend to earn less than non-Latinos, are underrepresented among higher income brackets, are overrepresented at lower income brackets, and are more likely to live in poverty,¹² thus indicating that the disparities between median income and the median cost of a home are even wider for Latinos. Latinos face exceptional challenges when purchasing a home, and the private market alone cannot address them.

Conclusion

In the past decade, the increase in California's Latino population accounted for more than two-thirds (68.6%) of the state's population growth.¹³ By 2040, it is projected that 48% of California's population will be Latino.¹⁴ Therefore, the economic success of Latinos is inherently tied to the economic success of the state, and increasing Latino homeownership is the single most powerful strategy for closing the racial and ethnic wealth gap.

Access to affordable housing is necessary for economic stability, yet it is out of reach for far too many Latinos who face challenges in accessing both affordable rental units and affordable homeownership options. Additionally, the COVID-19 pandemic has amplified the long-standing effects of housing discrimination, as well as the failure of policy to remedy the harms that communities of color continue to face. Rental costs are rising faster than wages, and California's homelessness crisis has continued to worsen. Moreover, to become a homeowner, Latinos must overcome significant barriers, including a high cost of living, disproportionately low wages, and a competitive and expensive housing market. California state leaders have more recently invested in noteworthy expenditures to address housing affordability and homelessness. However, additional policy changes and substantial investments are needed to ensure that all Californians, including Latinos, have access to safe and affordable homes.

About UnidosUS

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an [Affiliate Network](#) of nearly 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political, and social progress is a reality for all Latinos, and we collaborate across communities to achieve it.

For more information on UnidosUS, visit www.unidosus.org, or follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

Endnotes

- 1 Sarah Bohn, Tess Thorman, and Joseph Herrera, *Income Inequality in California* (Sacramento: Public Policy Institute of California, July 2022), <https://www.ppic.org/publication/income-inequality-in-california/#:~:text=Black%20families%20earn%20%240.60%2C%20and,discrimination%20in%20the%20labor%20market> (accessed August 1, 2022).
- 2 Tenants Together, *Snapshot of Tenants in California 2022* (San Francisco: Tenants Together, 2022), <https://www.tenants-together.org/snapshot-tenants-california> (accessed August 20, 2022).
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- 4 Renato Rocha et al., *Latinos in the Golden State: An Analysis of Economic and Demographic Trends* (Washington, DC: National Council of La Raza, September 2016), 4, <https://www.unidosus.org/publications/1678-latinos-in-the-golden-state-an-analysis-of-economic-and-demographic-trends/?sequence=4&isAllowed=y> (accessed October 2022).
- 5 Urban Institute, “Forecasting State and National Trends in Household Formation and Homeownership,” <https://www.urban.org/policy-centers/housing-finance-policy-center/projects/forecasting-state-and-national-trends-household-formation-and-homeownership/california> (accessed August 10, 2022).
- 6 Hans Johnson et al., “Homeownership Trends in California,” *Public Policy Institute of California Blog*, June 14, 2022, <https://www.ppic.org/blog/homeownership-trends-in-california/>.
- 7 Local Housing Solutions, “Los Angeles, CA (County),” “Riverside, CA (County),” “San Bernardino, CA (County),” “San Diego, CA (County),” “Orange, CA (County),” *Housing Needs Assessment*, https://www.policymap.com/report_widget?type=fur&area=predefined&sid=10192&pid=696960970 (accessed October 2022), Homeownership Rate by Race/Ethnicity.
- 8 Joe Stephanshaw, *Finance Bulletin*, California Department of Finance, California, December 2022, <https://dof.ca.gov/wp-content/uploads/Forecasting/Economics/Documents/Finance-Bulletin-December-2022.pdf> (accessed January 11, 2023).
- 9 Keely Bosler, *Finance Bulletin*, California Department of Finance, California, February 2022, <https://dof.ca.gov/wp-content/uploads/Forecasting/Economics/Documents/February-22.pdf> (accessed August 15, 2022).
- 10 U.S. Census Bureau, “Selected Population Profile in the United States: 2021 American Community Survey 1-Year Estimates,” *American Community Survey*, Washington, DC, 2021, <https://data.census.gov/cedsci/table?q=california&t=00%3AIncome%20%28Households,%20Families,%20Individuals%29&tid=ACSSPPIY2021.S0201> (October 2022), Table #1.
- 11 Gord Collins, *California Housing Market Report* (San Francisco: ManageCasa, November 17, 2022), <https://managecasa.com/articles/california-housing-market-report/#:~:text=The%20California%20median%20home%20price,2021%20from%20%24659%2C400%20in%202020.%E2%80%9D> (accessed August 25, 2022).
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