

**HOUSING AND HOMELESSNESS** **TECHNOLOGY** **GENTRIFICATION**

# Silicon Valley Has a Homelessness Crisis

*If you're not part of the tech boom, good luck finding affordable housing.*

By Michelle Chen

MARCH 30, 2017



A homeless man takes shelter under a freeway during an El Niño–driven storm in San Francisco. (Reuters / Beck Diefenbach)

**S**ilicon Valley is a boomtown for millennial “innovators,” but it can be a tougher neighborhood for longtime residents who aren’t benefiting from the area’s profits. With a Trump administration poised to gut federal-housing

supports across the country, grassroots housing-justice groups in California's tech heartland are struggling to eke out lower-income residents.

For years there has been a dramatic contrast between the concentrated wealth and political influence of the creative classes and the swelling homelessness epidemic in gentrifying cities like San Francisco and Oakland. Next door to the houses of young tech startup executives, families sleep in parked cars, while many workers must pay more in rent than they earn in wages. The Guardian recently reported that in East Palo Alto, one-third of schoolchildren are estimated to be homeless, meaning they have no secure form of shelter. More than 10,000 homeless people were stranded across San Jose and Santa Clara Counties last year on any given night, including hundreds of families with children. And that number doesn't include the "hidden homeless," the countless people without their own shelter who "double up" at friends' houses. Sprawling homeless encampments dot the Bay, and the crisis is so endemic in some communities, activists have begun establishing homeless trailer camps in church parking lots.

Though some people experiencing homelessness suffer from drug abuse and mental illness, many others are ordinary working parents, excluded from the job market or priced out of the housing market. Though the speculative real-estate spiral has eased slightly in recent years, renters struggle against structural economic barriers. Some 70 percent of surveyed residents in San Jose cited high rent as the primary cause of homelessness. A growing proportion, 15 percent, report not only prohibitively high rent but total lack of

available housing, up from 11 percent in 2011—suggesting that housing is moving from unsustainable to outright inaccessible.

On transit routes clogged with Google buses, even getting to work is a struggle for many wage workers. About 40 percent of those surveyed said they lacked the transportation access they needed to maintain a steady job, or “a permanent address and clothing or shower facilities.” About a quarter were held back by health problems, up from about one-sixth in 2013.

Since rising housing costs, declining health, and a growing income gap show no sign of abating, the charity efforts doled out by Silicon Valley corporate philanthropists—such as the \$18.5 million initiative by Mark Zuckerberg and Priscilla Chan—seem absurdly inadequate. The paltriness is underscored by various tech impresarios’ less publicized “quality of life” initiatives, like a successful campaign to ban local homeless encampments.

Parking-lot tent cities reflect one side of the crisis. Another side is the shelter people have been able to find.

In December, when a massive fire engulfed the Oakland artist squat christened the Ghost Ship, 36 people died. The tragedy exposed failures in building safety regulation as well as the economic vulnerabilities facing the young “precariat” of artists and creative transients. The crisis therefore spans the lower end of the class spectrum, from homeless shelters to artist lofts.

Advocates say the only viable escape from the housing crunch is to tackle the inequality crisis head-on, rather than lean on philanthropy and trickle-down entrepreneurship to

paper over homelessness. A cross-cutting approach to community empowerment has been advanced by Silicon Valley Rising, an initiative of the community-labor coalition Working Partnerships USA: the agenda centers on structural reforms such as living-wage standards, policies to mandate fair-work schedules, and unionized supply chains for the tech industry. It recently pioneered model “fair workweek” legislation in San Jose that aims to address not joblessness, but underemployment—a growing pattern of workers getting relegated to part-time, unstable jobs that preclude families from achieving living-wage livelihoods across the workforce. Working Partnerships Executive Director Derecka Mehrens says:

*Behind the housing crisis lies a jobs crisis. Each tech job generates four other jobs in the local economy, including a number of low wage jobs that can't sustain the service workers and their families in this high cost environment.*

Currently, many low-wage workers in the tech economy, such as subcontracted drivers and janitorial workers, mostly black and Latino, earn wages that are “actually less than median rent in the Valley, leaving 59 percent of them with housing costs that they can’t possibly afford.” So a typical cafeteria worker at a corporate headquarter, earning around \$1,500 a month, is essentially unable to cover groceries or even bus fare to work after she’s also paid this month’s rent.

Some hope arrived in late January when the San Jose City Council voted to eliminate a so-called “banking” option in the rent-control law, which allowed landlords to circumvent the 5 percent annual cap in rent hikes. The measure, which affects about 46,000 apartments, allowed landlords to bump

future annual increases to 8 percent by allowing them to accumulate rate-increase allowances each year. Over the opposition of the mayor, lawmakers cut the banking loophole while beefing up oversight and enforcement of rent regulations.

The need for local intervention will only grow as Trump moves to slash the Department of Housing and Urban Development's essential rental-subsidy programs. Bay Area counties did pass some progressive housing-ballot measures last November, including rent control in Oakland and affordable-housing bonds in Santa Clara. Going forward, community organizers warn that "corporate social responsibility" could never do the work of a progressive tax structure and public-housing investment, which can correct a skewed wealth distribution through democratic institutions.

In addition, the city's most marginalized workers just got a long-overdue wage hike through the city's Opportunity to Work initiative, which lifts the floor by guaranteeing workers priority for sustainable jobs. Under the new rules, companies will be blocked from exploiting a "race to the bottom" in the labor market by blocking them from hiring new workers unless they ensure existing part-timers have access to jobs with full-time schedules. According to Working Partnerships Managing Director Elly Matsumura, "Low wages are a significant drag on workers' ability to afford Bay Area housing prices, but they're not the only issue. Even with adequate wages, part-timers who can't get enough hours on the job can't make rent."

To build cross-cutting economic justice into the economic and housing infrastructure, housing advocates demand a “three-pronged strategy” based on building new housing, expanding affordable-housing stock to protect low-income households, and “renter protections to limit unmanageable rent hikes and unfair evictions.” If you build sustainable livelihoods, decent homes and stable communities will follow. ●

## TRENDING TODAY

Sponsored by Revcontent



**Why Doctors in the Know No Longer Prescribe Metformin**

DIY Life Help

**12X More Efficient Than Solar Panels? (Scientists In**

Electricity Freedom

**California Landlines Get Replaced (But Not with Cell**

Consumer Daily

**Millions of People Are Cancelling Their Netflix Account**

How Finance Daily

**Bizarre Diabetes ‘Trick’ Leaves Doctors Speechless!**

DIY Life Help

**Don’t Let Your Girlfriend Notice This Game**

Elvenar

**5 Reasons California Residents Quit Their Landlines**

Consumer Daily

**Reverse Baldness in 14 Days - Watch This Simple Trick**

Regrow Hair Protocol

## 1 COMMENT

---

**MICHELLE CHEN**

Michelle Chen is a contributing writer for *The Nation*.

To submit a correction for our consideration, click *here*.

For Reprints and Permissions, click *here*.

*Progressive Turnout Project*

Postal Code

Related updates: from *The Nation* and the Progressive Turnout Project. Your email will remain private (<http://www.thenation.com/privacy-policy/>).