

The fact that there is a critical shortage of low-moderate income housing in the Palo Alto-Stanford area is common knowledge. The Moulton Committee¹ report stated that there is a demand for at least 4,000 low-cost housing units. They attributed 70% of this need directly to Stanford University. The information that follows is an attempt to show how Stanford's policies have affected Mid-Peninsula development and have not only helped to create, but continue to aggravate the current low-moderate income housing shortage. (What is normally known as Stanford University includes an educational facility, an industrial park, a medical center, SLAC, the ownership of 8,833 acres, and \$204 million invested in stocks and bonds. We understand this to be a corporation, and hereafter the term Stanford shall be used to convey that understanding. This corporation also includes all the necessary elements of a town.)

Stanford has been instrumental in creating the Mid-Peninsula defense-oriented economy. The development of the applied-electronics laboratories and other physical science departments at Stanford has been a strong attraction for aerospace and electronics industries. Frederick Terman, former dean of the engineering school and former University Provost, stated, "It is not just a coincidence that most of this type of industry in the Bay Area lies within a 15 mile circle centered on Stanford."

There are three major factors involved in Stanford Corporation's contribution to the current low-moderate income housing shortage. The need for housing is generated by:

- 1) Stanford's land development program and the jobs this development creates
- 2) Stanford's faculty and staff
- 3) Stanford students.

Stanford's land development program employs 27,500 workers, or over 50% of Palo Alto's total employment, and generates a direct demand for well over 16,000 housing units, equivalent to 80% of Palo Alto's total housing inventory. Most of this demand comes from the workers at the Industrial Park, with an estimated 13,370 units needed by Industrial Park workers alone.² At Hewlett-Packard, a representative Park firm, 43% of the workers make less than \$8,000 per year. So a good deal of the housing demand created by the Industrial Park is for low-moderate income housing. The Industrial Park is only one of the many facets of Stanford's land development program. The workers of the many other

corporate and commercial facilities also create a demand for housing. The communities surrounding Stanford lands are upper-class communities, where there is little, if any, low-moderate housing being provided.

2) The educational facilities of Stanford University employ 12,000 faculty and staff, of which nearly 9,000 are full time. This makes the educational part of Stanford University alone the largest employer in the Palo Alto community, and second-largest only to Lockheed on the Peninsula. The housing provided by Stanford Corporation for its faculty and staff only accounts for upper-level faculty and staff. The junior faculty and most of the staff have to seek housing in the neighboring communities. There is a desperate housing shortage in the Palo Alto area, and much of this is a low-moderate income housing need. The vacancy rate in Palo Alto is at most .02%. Normal vacancy rates are at least .2%. Many of the faculty and staff who are forced to seek housing off Stanford Corporation's lands require low-moderate income housing. 50% of the staff make less than \$8,000 per year, and many are in the \$4,000-\$6,000 per year bracket.

3) Of the 11,740 students enrolled fallquarter '69, Stanford provided housing for 6,600. The remaining 5,140 students found housing elsewhere. Much of the housing occupied by students not living on Stanford lands is low-moderate income, since Stanford students in general choose or are required to live in low-moderate income units. Students living off Stanford lands generally choose or are required, through economic necessity, to live in groups. And since 2-3 Stanford students can generally afford slightly more than a low-moderate income family, the effect of this is to raise the price of low-moderate income housing in the area.

So not only has Stanford significantly added to the local low-moderate income housing shortage by providing inadequate housing for its own staff, faculty and students, Stanford's land development program has been responsible for an influx of around 27,500 workers, many of whom are in the low-moderate income group.

The Moulton Committee Report found that there is a direct correlation between the amount one makes and the distance one lives from Stanford lands. Stanford is surrounded by upper-class communities such as Palo Alto, Woodside and Los Altos, which provide little, if any, low-cost housing. A recent survey showed that 45% of the Industrial Park workers lived north of Redwood City or south of Mountain View, where housing is cheaper.