



# PRICED OUT

A Regional Report

## Assemblymember Richard S. Gordon

### The Housing Situation in the 24th Assembly District

More and more people in California find themselves priced out of the current housing market. Foreclosures have forced more people into the rental market, pushing up rents across the state.



People who are key to the local economy cannot even afford to *rent* a home. To afford a two-bedroom apartment, a family needs an annual income of \$64,920 in Santa Clara County and \$76,200 in San Mateo County — significantly more than receptionists, preschool teachers, and medical assistants earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still extremely high in district communities like Half Moon Bay (\$636,000), Sunnyvale (\$690,000) and Los Altos (\$1,785,500). Even with home prices dropping, a home buyer in the district must earn, on average, more than a whopping \$124,911 a year to afford a median-priced home (\$589,250) — assuming a near-perfect credit score, sufficient savings for a down-payment and zero monthly debt (e.g. car payments, student loans, credit cards).

### In Santa Clara County alone:

Affordable Homes Needed: 110,395  
Affordable Homes Available: 80,515  
**Shortage: 29,880**



**Some of the residents in your district who would benefit from more affordable homes include:**

#### VERY-LOW-INCOME EARNERS\*

Teacher Assistants	\$ 31,520
Receptionists	\$ 33,592
Nursing Aides and Orderlies	\$ 35,674
Preschool Teachers	\$ 36,999
Medical Assistants	\$ 37,891

\*below 50% of median income for a family of four

#### LOW-INCOME EARNERS\*\*

Law Clerks	\$ 52,957
Paramedics and EMTs	\$ 55,800
Tax Preparers	\$ 55,888
Social Workers	\$ 57,100
Kindergarten Teachers	\$ 59,845

\*\*below 80% of median income for a family of four

**A range of homes affordable to all affects many of the issues that you care about.**

## **Children and Education**

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 24th District. Families with low incomes move 50 to 100% more frequently in search of a home they can afford, so children must move from school to school. Increasing options for families to afford a safe and stable home for their children will result in better outcomes for children. They will benefit from:

- Less exposure to violence.
- Increased school attendance.
- Reduced stress, illness, and mental-health problems.
- Having a safe place to play, do homework, and share family time.

Local schools will also benefit from increased family stability. Teachers can better plan for staffing and resources, and both teachers and classmates will experience fewer disruptions so they can focus on student achievement.

## **Environment**

Affordable homes contribute to California's efforts to protect the environment. To reduce construction costs and rents, affordable homebuilders build more compactly, using land, water, and energy resources more efficiently. Most affordable-home developments are in locations closer to jobs and daily needs, increasing options for walking and public transit use, and reducing vehicle travel and greenhouse gas emissions.

## **Business and the Economy**

Families who have access to affordable homes are a benefit to the area's businesses and economy. They are better able to afford reliable transportation to work, reducing tardiness and absenteeism and increasing productivity and continuity. Communities with well-constructed and maintained rental and for-sale homes are also more attractive to potential employers. A range of local rental and ownership choices improves businesses' access to the younger and lower-wage workers they need to succeed.

Households that can pay a reasonable portion of their income for rent also have more discretionary income. They become customers for local businesses and increase sales tax revenues that support economic development and public services.

Building homes that increase variety and balance in the market also increases local construction employment. Even in these tough economic times, affordable homebuilders are continuing to provide well-paid, construction-related jobs that support both families and the economy.

**2011 Point-in-Time counts  
found 7,045 individuals are  
homeless on any given night in  
Santa Clara County and 2,149  
in San Mateo County.**