



# PRICED OUT

A Regional Report

## Senator Mimi Walters

### The Housing Situation in the 37th Senate 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 an average two-bedroom apartment, a family needs an annual income of \$66,080 in Orange County — significantly more than nursing aides, paramedics and preschool teachers earn.

Homeownership is even further out of reach. As of October 2012, median sales prices were still extremely high in district communities like Irvine (\$625,000), Newport Beach (\$1,050,000), and Laguna Beach (\$1,125,000). Even with home prices dropping, a home buyer in the district must earn more than \$97,406 a year to afford a median-priced home (\$459,500) — assuming near-perfect credit, sufficient savings for a down-payment and zero monthly debt (e.g. car payments, student loans, credit cards).

### In Orange County:

Affordable Homes Needed: 228,925  
 Affordable Homes Available: 184,720  
 Shortage: 44,205



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

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

Nursing Aides and Orderlies	\$ 26,808
Bank Tellers	\$ 26,911
Receptionists	\$ 28,601
EMTs and Paramedics	\$ 30,732
Preschool Teachers	\$ 31,736

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

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

Tax Preparers	\$ 42,704
Payroll Clerks	\$ 43,949
Mental Health Counselors	\$ 49,708
Licensed Nurses	\$ 50,390
Police Dispatchers	\$ 51,741

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

## **Public Safety**

More options in the housing market would reduce many issues related to high public safety costs:

- Battered women and their children could more easily afford to leave their abusers without risking homelessness and further victimization on the street, reducing law enforcement and related costs. According to the National Law Center on Homelessness and Poverty, up to 57% of homeless women reported domestic violence as the immediate cause of their homelessness.
- The cost of incarceration is roughly \$110,000 per year for those with serious mental illnesses. If people with chronic mental-health conditions can find a home with supportive services, they are less likely to experience breakdowns or engage in criminal behavior. This saves significantly on costs related to law enforcement, EMT response, hospitalization, courts, incarceration, probation, and recidivism.
- Today's affordable homebuilders reduce demands on law enforcement by screening their tenants carefully and closely managing their apartment communities to make sure that they are safe, quality places to live.

## **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.

## **Veterans**

The 2011 Orange County Homeless Census and Survey found that, on any given day, there are 856 homeless veterans in the county. Many providers in California are continuing to see new homeless veterans who have returned from Iraq and Afghanistan with physical and/or mental traumas, including high rates of Post-Traumatic Stress Disorder and substance abuse.

Without a stable living environment, California's former servicemen and women have difficulty seeking needed care and treatment. Veterans programs that provide a home with supportive services are critical so that veterans can address their medical, mental health, substance abuse, and employment issues and successfully return to productive lives.