



PRICED OUT

A Regional Report

Senator Lou Correa

The Housing Situation in the 34th 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 very high in district communities like Anaheim (\$362,000), Garden Grove (\$344,500), and Santa Ana (\$336,000). 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	\$ 29,149
Security Guards	\$ 29,621
EMTs and Paramedics	\$ 30,201
Medical Assistants	\$ 33,126
Preschool Teachers	\$ 34,547

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

LOW-INCOME EARNERS**	
Executive Secretaries	\$ 52,884
Paralegals	\$ 54,877
Police Dispatchers	\$ 59,032
Physical Therapist Assistants	\$ 59,247
Kindergarten Teachers	\$ 62,718

**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.

Business and the Economy

According to the Orange County Business Council, “Particularly troubling for the Orange County economy is the trend of people ages 25 to 44 leaving the county to find affordability elsewhere -- not just to surrounding counties ... but increasingly out of state. ...[H]igh housing costs are driving these people out of the county in increasing numbers.”

A greater range of local rental and ownership choices improves employers' access to a skilled workforce, including the younger workers they need to be competitive. Per the Business Council, “These people are both the present and future workforce of Orange County, the foundation necessary for long-term economic sustainability and business competitiveness.”

Employers will see greater employee continuity and productivity and reduced stress when employees can afford to reduce their commute and live closer to work. Affordable rental/ apartment homes provide opportunities for families and younger workers to stay and increase their assets to eventually own a home.

The presence of residents living near work means more customers for local businesses and more sales tax revenues to provide the infrastructure and public services that help support the business community. Affordable rentals that families can afford on their own will also reduce some of the overcrowding found in Santa Ana and other Orange County neighborhoods, reducing demands on parking, law enforcement and public services.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for many of the working families in the 34th 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.

A greater supply of affordable rentals also helps college students. Rents at nearby colleges like CSU Fullerton average \$650-750 just for a room in a house or shared apartment. On-campus housing rates are even more expensive, ranging from nearly \$8,000 to more than \$12,000/year.

College students who are able to afford a reasonable place to live while in school and after graduation are more likely to remain in Orange County and contribute their skills to the local economy. With additional housing options, campuses will also be more competitive in recruiting and retaining key faculty and staff.