



PRICED OUT

A Regional Report

Senator Anthony Cannella

The Housing Situation in the 12th 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 a two-bedroom apartment, a family in the district needs an average annual income of \$39,472 — significantly more than child care workers, receptionists, and medical assistants earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still high in district communities like Gonzales (\$217,500), Salinas (\$230,000), and Castroville (\$186,500). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$41,063 a year to afford a median-priced home (\$186,666) — 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 Merced County alone:

Affordable Homes Needed: 21,760
 Affordable Homes Available: 20,380
 Shortage: 1,380



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

VERY-LOW-INCOME EARNERS*

Child Care Workers	\$ 20,837
Receptionists	\$ 25,005
Bank Tellers	\$ 26,174
Medical Assistants	\$ 26,212
Nursing Aides	\$ 26,928

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

LOW-INCOME EARNERS**

Library Assistants	\$ 30,692
Medical Secretaries	\$ 32,371
Dental Assistants	\$ 33,565
Agricultural Technicians	\$ 34,789
Preschool Teachers	\$ 35,002

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

Agriculture

Affordable home options support the agricultural industry in accessing the ongoing labor force it needs to be productive. According to the Merced County Association of Governments in the 2008 Regional Housing Needs Assessment, “Farmworkers have the lowest annual household income of any occupation surveyed by the U.S. Census. The problem of low hourly wages is compounded by the seasonal nature of agricultural employment, resulting in farmworkers’ inability to compete for housing on the open market.”

More rental apartments like Casas de la Vina in Madera and Rolling Hills in Newman are needed to provide agricultural workers — still the backbone of the Central Valley’s economy — and their families with decent, stable, affordable places to live.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 12th 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.

Public Safety

Public safety benefits when there is a range of housing that people can afford. In too many communities in the Central Valley, lower incomes have led to overcrowding. More than 15% of Monterey County and 14% of Merced County households live in overcrowded conditions, straining parking, fire departments, law enforcement, and public services. These public costs could be decreased if households could afford rent without having to crowd family members into residences that are too small for them or bring in relatives or others to cover monthly payments.

More options in the housing market would reduce other public safety costs:

- 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.
- 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.
- The cost of incarceration is roughly \$110,000 per year for those with serious mental conditions. If people with mental illnesses can find homes with supportive services that help them remain stable, they are less likely to experience breakdowns or engage in criminal behavior. This saves significantly on costs related to law enforcement, courts, imprisonment, and parole.