



# PRICED OUT

A Regional Report

## Assemblymember Jose Medina

### The Housing Situation in the 61st 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 \$45,960 in Riverside County — significantly more than child care workers, nursing aides, and paramedics earn.

Homeownership is also out of reach. As of October 2012, median home prices were still high in district communities like Moreno Valley (\$165,000), Riverside (\$219,000) and Perris (\$168,000). Even with home prices dropping, a home buyer in the district must earn more than \$46,848 a year to afford a median-priced home (\$221,000) — 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 Riverside County:

Affordable Homes Needed: 114,910

Affordable Homes Available: 87,330

Shortage: **27,580**



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

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

Child Care Workers	\$ 24,795
Veterinary Assistants	\$ 24,825
Nursing Aides and Orderlies	\$ 25,885
Bank Tellers	\$ 26,761
Receptionists	\$ 27,019

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

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

EMTs and Paramedics	\$ 35,047
Pharmacy Technicians	\$ 36,091
Bookkeepers	\$ 38,533
Legal Secretaries	\$ 41,106
Loan Counselors	\$ 42,313

\*\*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 61st 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. Homelessness is particularly troubling for children and families and the 2011 Point-in-Time Count found over 6,200 homeless individuals in Riverside County, 220 of whom were family households. 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.

## **Business and the Economy**

Improving the match between housing costs and incomes through a greater range of rental and ownership choices will increase local employers' access to an ongoing labor force, including the younger and lower-wage workers they need to be productive. Employers and employees alike benefit from greater continuity and productivity when people can afford to live closer to work, reducing commutes and traffic congestion.

Affordable rental/apartment homes also provide opportunities for younger workers and low-wage families to increase their assets, so they can eventually own a home.

Households who pay a reasonable proportion of their income for rent also have more money to spend in the local economy. They become customers for local businesses and increase sales tax revenues that support public services and economic development.

## **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, greenhouse gas emissions, and development pressure on agricultural land and open space.

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