



# PRICED OUT

A Regional Report

## Senator Joel Anderson

### The Housing Situation in the 36th Senate District

More and more people in California find themselves unable to afford a home in the current 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 \$45,960 in Riverside County and \$55,120 in San Diego County — significantly more than child care workers, nursing aides, and bank tellers earn.

Homeownership is even further out of reach. As of October 2012, median sales prices were still high in district communities like Temecula (\$287,000), Poway (\$424,000), and Alpine (\$376,000). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$60,521 a year to afford a median-priced home (\$285,500) — assuming near-perfect credit, sufficient savings for a down-payment and zero monthly debt (e.g. car payments, student loans, credit cards).

### In San Diego County alone:

Affordable Homes Needed: 258,230

Affordable Homes Available: 200,110

Shortage: **58,120**



### 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

## 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, 50% of homeless women in San Diego reported being victims of domestic violence.

- 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

According to the San Diego Regional Chamber of Commerce, San Diego's population is forecasted to grow to 3.9 million by 2030, requiring an additional 465,000 homes to be built to accommodate this growth; only 312,000 homes are actually expected to be built. As a consequence of this lack of affordable housing, San Diego is now considered the 2nd least affordable housing market in the United States. The Chamber further reports that "the inability to create housing for the region's workforce poses a significant threat to its ability to attract and retain entry and mid-level jobs. ... Clearly, there is not sufficient new housing to accommodate the needs of new employees. Consequently, companies will begin to relocate or expand outside of the state if salaries are inadequate to pay for increasing housing costs."

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.

## Foster Youth

Over 7,500 foster youth live in San Diego and Riverside counties, and the availability and affordability of homes is a constant issue for them. The outcome for too many teens leaving foster care is grim. Within one year to 18 months of leaving foster care:

- 30% will be homeless.
- 40% will suffer serious physical victimization, including sexual assault.
- 33% will be forced to rely on public assistance.

Only 1.5% will go on to higher education and graduate from college. (CSUSM)

However, foster youth who receive services are less likely to go to jail or prison and more likely to finish high school. If these at-risk youth are able to find a safe, affordable home, especially one that provides ongoing support and resources, they will have the opportunity to build healthy and successful lives for themselves when they age out of foster care.