



PRICED OUT

A Regional Report

Senator Ben Hueso

The Housing Situation in the 40th 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 \$43,706 — 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 Chula Vista (\$333,000), Bonita (\$395,000), and San Diego (\$360,000). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$49,604 a year to afford a median-priced home (\$234,000) — 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 | \$ 20,990 |
| Receptionists | \$ 23,804 |
| Nursing Aides and Orderlies | \$ 25,353 |
| Medical Assistants | \$ 25,844 |
| Bank Tellers | \$ 25,873 |

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

LOW-INCOME EARNERS**

| | |
|----------------------|-----------|
| Preschool Teachers | \$ 29,056 |
| Medical Technicians | \$ 30,383 |
| School Bus Drivers | \$ 32,971 |
| Pharmacy Technicians | \$ 34,016 |
| Bookkeepers | \$ 35,298 |

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

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 40th 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. The cost of these school moves to children is significant. Homelessness is particularly challenging for children and families, and 9,436 homeless individuals were counted in the 2011 San Diego Point-in-Time Count and 508 in the 2011 Imperial County Point-in-Time Count.

Increasing options for families to afford a safe and stable home will result in better outcomes for children. They will benefit from:

- Increased school attendance.
- Reduced health and mental-health problems.
- 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

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.

Environment

Recent legislation provides incentives and requirements for residential development to be part of efforts to improve energy efficiency, preserve water quality, and limit emissions. Affordable homes, in particular, 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.