



PRICED OUT

A Regional Report

Assemblymember Connie Conway

The Housing Situation in the 26th 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 in the district needs an average annual income of \$30,746 — significantly more than child care workers, bank tellers, and paramedics earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still high in district communities like Visalia (\$160,000) and Exeter (\$160,000). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$33,159 a year to afford a median-priced home (\$150,734) — 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 Tulare County alone:

Affordable Homes Needed: 33,435
Affordable Homes Available: 30,630
 Shortage: **2,805**



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

VERY-LOW-INCOME EARNERS*

Physical Therapist Aides	\$ 21,394	Pharmacy Aides	\$ 24,841
Cashiers	\$ 22,109	Bank Tellers	\$ 24,866
Nursing Aides and Orderlies	\$ 23,219	Paramedics and EMTs	\$ 26,865
Child Care Workers	\$ 23,820	Security Guards	\$ 27,831
Veterinary Assistants	\$ 24,086	Medical Assistants	\$ 28,911

*below 50% 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 26th 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

When there is a greater range of housing options that people can afford, public safety benefits:

- Battered women and their children can 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, up to 57% of homeless women reported domestic violence as the direct cause of their homelessness.

- People with mental illness will be less likely to end up in jail or prison due to a lack of housing and treatment. 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 reduces demands on our criminal justice system, while improving the lives of those with mental illnesses.

- Today's affordable homebuilders also 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

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.

Households that can pay a reasonable portion of their income for rent also have more discretionary income. They become customers for local businesses and increase sales tax revenues that support economic development and public services.

Building homes that increase variety and balance in the market also increases local construction employment. Even in these tough economic times, affordable homebuilders are continuing to provide well-paid, construction-related jobs that support both families and the economy.