



PRICED OUT

A Regional Report

Senator Mark DeSaulnier

The Housing Situation in the 7th 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 an average two-bedroom apartment, a family needs an annual income of \$56,080 in Contra Costa County and in Alameda County — significantly more than preschool teachers, receptionists, and paramedics earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still very high in district areas like Danville (\$749,000), San Ramon (\$622,000), and Pleasanton (\$630,000). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$75,754 a year to afford a median-priced home (\$344,363) — 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 Contra Costa County alone:

Affordable Homes Needed: 62,995
Affordable Homes Available: 53,250
Shortage: 9,745



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

VERY-LOW-INCOME EARNERS*

School Bus Drivers	\$ 32,304
Preschool Teachers	\$ 33,650
Receptionists	\$ 34,397
Dental Assistants	\$ 41,283
Paramedics and EMTs	\$ 44,562

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

LOW-INCOME EARNERS**

Payroll Clerks	\$ 49,527
Legal Secretaries	\$ 50,810
Medical Technicians	\$ 52,465
Tax Preparers	\$ 53,185
Rehabilitation Counselors	\$ 53,667

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

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 woman report 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.

Increasing the options for renting or owning a home also supports police and fire operations. Local fire and police departments have an easier time recruiting and retaining lower-paid, key support staff, such as mechanics, dispatchers, and emergency medical personnel, when they can afford to live near their jobs.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 7th 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.

Health Care

Without a stable home, it is much more difficult to address health problems. Homeless children, persons with mental illnesses, veterans, and older adults are especially at risk health-wise. Recent homeless counts found more than 4,000 children and adults were homeless on any given night in Alameda County, and more than 5,700 used homeless services in Contra Costa County.

From the stability of a home, it is much easier for individuals and families to contact health-care providers, receive appointment reminders, plan transportation, obtain medications, and maintain relationships with doctors and practitioners. Homes offering supportive services for those with chronic conditions help residents address their health and mental-health problems effectively. This reduces costly demands on our health-care system, including emergency rooms, public hospitals, inpatient psychiatric hospitals, and veterans' hospitals.