



PRICED OUT

A Regional Report

Assemblymember Isadore Hall, III

The Housing Situation in the 64th 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 \$57,880 in Los Angeles County — significantly more than nursing aides, paramedics, and preschool teachers earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still high in district communities like Los Angeles (\$377,500), Long Beach (\$302,750), and Carson (\$286,500). Even with home prices dropping, a home buyer in the district must earn more than \$73,240 a year to afford a median-priced home (\$345,500) — 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 Los Angeles County:

Affordable Homes Needed: 1,050,170
Affordable Homes Available: 851,970
Shortage: 198,200



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

VERY-LOW-INCOME EARNERS*	
Nursing Aides and Orderlies	\$ 26,808
Bank Tellers	\$ 26,911
Receptionists	\$ 28,601
EMTs and Paramedics	\$ 30,732
Preschool Teachers	\$ 31,736

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

LOW-INCOME EARNERS**	
Tax Preparers	\$ 42,704
Payroll Clerks	\$ 43,949
Mental Health Counselors	\$ 49,708
Licensed Nurses	\$ 50,390
Police Dispatchers	\$ 51,741

**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.

Business and the Economy

People's ability to find an affordable place to live also helps the economy. According to the Los Angeles Business Council, "[O]ne of the largest threats to our economy [is] the 'Brain Drain.' The 'Brain Drain' was coined to describe the alarming numbers of young professionals leaving the Southern California region -- citing the lack of affordable housing and intolerable work commutes." Per the Business Council, "Many of Los Angeles' businesses will relocate or close their doors if the housing supply and lack of affordability is not addressed. These two issues are causing a myriad of problems for business -- most notably -- decreased productivity, high-turnover, long work commutes and an overall diminished quality of life."

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.

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.

Seniors

In today's market, many adult children and their parents cannot find homes that make economic sense. Due to high housing prices, many grandparents are seeing their children and grandchildren move away to lower cost communities, oftentimes out of state. Seniors who can no longer drive are often not able to find an affordable home in their community with convenient access to medical care, daily needs, and services. And those on limited fixed incomes are sometimes not able to find any quality alternatives.

When older adults have an affordable place to live, they are better able to afford medical care, prescriptions, and nutritious food. Older adults with access to family, neighbors, and friends are less isolated, which benefits their long-term physical and mental health. Grandchildren with nearby grandparents benefit from their life experience, love, and care. And families who live close to aging relatives are able to provide help that allows their relatives to remain at home, reducing public costs of nursing homes and other institutional care.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 64th 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 51,000 homeless individuals in Los Angeles County, 3,035 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.