



PRICED OUT

A Regional Report

Senator Darrell Steinberg

The Housing Situation in the 6th 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 \$40,840 in Sacramento County — significantly more than bank tellers, preschool teachers, and medical assistants earn.

Homeownership is also out of reach. As of October 2012, median home prices were still high in district areas like Rancho Cordova (\$225,000), Elk Grove (\$227,250), and Carmichael (\$229,000). Even with home prices dropping, a home buyer in the district must earn more than \$38,157 a year to afford a median-priced home (\$196,750) — 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 Sacramento County:

Affordable Homes Needed: 129,925
Affordable Homes Available: 127,420
Shortage: 2,505



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

VERY-LOW-INCOME EARNERS*

Bank Tellers	\$ 27,440
Preschool Teachers	\$ 29,253
Medical Assistants	\$ 33,067
School Bus Drivers	\$ 32,386
Office Clerks	\$ 34,103

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

LOW-INCOME EARNERS**

Construction Workers	\$ 39,504
Medical Secretaries	\$ 39,645
EMTs and Paramedics	\$ 39,958
Pharmacy Technicians	\$ 40,342
Bookkeepers	\$ 41,799

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

Foster Youth

Home affordability is also an issue for foster youth. The outcome for too many teens as they leave 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.

As of April 2012, there were 2,521 children in Sacramento County's foster care system. These especially at-risk youth need to be able to find a safe, affordable home, preferably one that provides ongoing support and resources, so that they can work on building a healthy and successful life for themselves. Foster youth who receive services are less likely to go to jail or prison, and more likely to finish high school. Expansion of programs such as Transitional Housing Placement (THP) Plus is needed to help provide the transition.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 6th 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.

Mental Health

When individuals or families move frequently, live in substandard or overcrowded conditions, or are homeless, it is much more difficult to address mental-health issues. Of the nearly 2,300 homeless in Sacramento County in 2011, over 26% suffered from mental illness and nearly 13% were veterans -- many of whom suffer from Post-Traumatic Stress Disorder and substance abuse problems.

People with mental illnesses who are homeless are disproportionate users of costly emergency rooms, hospitals, and crisis care services. Homes offering supportive services for those with chronic physical or mental-health conditions help residents address their mental-health problems more effectively. This reduces costly public expenditures and demands on our health-care system, including emergency rooms, public hospitals, inpatient psychiatric hospitals, and veterans' hospitals, as well as on our criminal justice system.

From the stability of a home it is much easier for adults -- or families with children who have mental-health issues -- to make appointments, plan transportation, attend group or individual counseling sessions, obtain necessary medications, and maintain relationships with therapists and practitioners who can help them remain healthy and stable.