



PRICED OUT

A Regional Report

Senator Richard Roth

The Housing Situation in the 31st 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 in Riverside County needs an annual income of \$45,960 — significantly more than child care workers, nursing aides, and bank tellers earn.

Homeownership is also out of reach. As of October 2012, median sales prices were still high in district communities like Corona (\$325,000), Norco (\$345,000), and Mira Loma (\$303,000). Even with home prices dropping, a home buyer in the district must earn more than \$46,848 a year to afford a median-priced home (\$221,000) — assuming near-perfect credit, sufficient savings for a down-payment, and zero monthly debt (e.g. car payments, student loans, credit cards).

In Riverside County:

Affordable Homes Needed: 114,910
 Affordable Homes Available: 87,330
 Shortage: **27,580**



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

VERY-LOW-INCOME EARNERS*

Child Care Workers	\$ 24,795
Veterinary Assistants	\$ 24,825
Nursing Aides and Orderlies	\$ 25,885
Bank Tellers	\$ 26,761
Receptionists	\$ 27,019

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

LOW-INCOME EARNERS**

EMTs and Paramedics	\$ 35,047
Pharmacy Technicians	\$ 36,091
Bookkeepers	\$ 38,533
Legal Secretaries	\$ 41,106
Loan Counselors	\$ 42,313

**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.

Public Safety

Nearly 14% of households in Riverside County live in overcrowded conditions. Such overcrowding taxes parking, law enforcement, fire departments, and public services — public costs that could be decreased if households could afford a home without having to crowd family members into residences that are too small for them, or bring in relatives or others to cover the monthly rent.

More options in the housing market would reduce other public safety costs as well:

- Today's affordable homebuilders 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.
- With additional options, 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, 57.8% of the homeless women surveyed who had experienced domestic violence cited this violence as the direct cause of their homelessness.
- With housing and treatment, people with mental illness will be less likely to end up in jail or prison. The cost of incarceration is roughly \$110,000 per year for those with serious mental conditions. If people with mental illnesses can find a home with supportive services that helps them remain stable, they are less likely to experience breakdowns or engage in criminal behavior. This saves significantly on costs related to law enforcement, courts, imprisonment, and parole.

Business and the Economy

A greater range of local rental and ownership choices improves businesses' access to an ongoing labor force, including the younger and lower-wage workers they need to be competitive. Businesses also see reduced turnover costs, greater employee continuity and productivity, and reduced stress when employees can shorten their commutes and live closer to work.

Residents who live near their jobs become customers for local businesses and increase revenues to provide infrastructure and public services that support the business community. Stable neighborhoods, with well-maintained rental and for-sale homes, provide attractive areas in which employers want to settle. Affordable rental/apartment homes provide opportunities for younger workers to increase their assets, so they can eventually own a home.

Riverside County has been hard hit by foreclosures, yet finding an affordable home is still a challenge for many working families. Building homes that increase variety and balance in the market creates more local construction employment. Even in tough economic times, affordable homebuilders continue to provide well-paid, construction-related jobs that support families and the economy.

The 2011 County of Riverside Homeless Count & Survey found 6,203 homeless individuals. 42% of those counted reported living with children. More than 14% were veterans.