



PRICED OUT

A Regional Report

Senator Cathleen Galgiani

The Housing Situation in the 5th 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 a two-bedroom apartment in the district, a family needs an average annual income of \$38,360 — 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 Tracy (\$265,000), Ripon (\$340,000), and Manteca (\$210,000). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$37,030 a year to afford a median-priced home (\$168,333) — 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 San Joaquin County alone:

Affordable Homes Needed: 48,580
Affordable Homes Available: 42,260
Shortage: 6,320



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

VERY-LOW-INCOME EARNERS*

Bank Tellers	\$ 27,101
Preschool Teachers	\$ 28,844
Medical Assistants	\$ 31,818
School Bus Drivers	\$ 31,828
Office Clerks	\$ 33,352

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

LOW-INCOME EARNERS**

Veterinary Assistants	\$ 34,560
Agricultural Technicians	\$ 34,769
Payroll Clerks	\$ 36,562
Medical Secretaries	\$ 37,389
Bookkeepers	\$ 37,844

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

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 5th 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 families, and the 2011 Point-in-Time Homeless Count Report found that, on any given night, 2,641 people are homeless in San Joaquin County; 1,035 of those counted were part of a family. 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

A recent study of the link between home and health reports, “Inability to afford adequate housing drives many families into overcrowded units, frequent evictions or changes of address and episodes of homelessness, all of which have consequences for the families’ health, both mental and physical.”

When individuals or families move frequently, live in overcrowded or substandard conditions, or are homeless, it is much more difficult to address health problems proactively. Homeless children, veterans, persons with mental illnesses, and older adults are especially at risk. From the stability of a home, it is much easier to contact health-care providers, receive appointment reminders, plan transportation, obtain medications, and maintain relationships with doctors and practitioners.

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.