



PRICED OUT

A Regional Report

Assemblymember Sharon Quirk-Silva

The Housing Situation in the 65th 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 \$66,080 in Orange 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 La Palma (\$437,500), Cypress (\$431,000), and Fullerton (\$385,000). Even with home prices dropping, a home buyer in the district must earn more than \$97,406 a year to afford a median-priced home (\$459,500) — 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 Orange County:

Affordable Homes Needed: 228,925
Affordable Homes Available: 184,720
Shortage: 44,205



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

VERY-LOW-INCOME EARNERS*

Nursing Aides and Orderlies	\$ 29,149
Security Guards	\$ 29,621
EMTs and Paramedics	\$ 30,201
Medical Assistants	\$ 33,126
Preschool Teachers	\$ 34,547

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

LOW-INCOME EARNERS**

Executive Secretaries	\$ 52,884
Paralegals	\$ 54,877
Police Dispatchers	\$ 59,032
Physical Therapist Assistants	\$ 59,247
Kindergarten Teachers	\$ 62,718

**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

According to the Orange County Business Council, “Particularly troubling for the Orange County economy is the trend of people ages 25 to 44 leaving the county to find affordability elsewhere -- not just to surrounding counties . . . but increasingly out of state. . . . High housing costs are driving these people out of the county in increasing numbers.”

A greater range of local rental and ownership choices improves employers’ access to a skilled workforce, including the younger workers they need to be competitive. Per the Business Council, “These people are both the present and future workforce of Orange County, the foundation necessary for long-term economic sustainability and business competitiveness.”

Employers will see greater employee continuity and productivity and reduced stress when employees can afford to reduce their commute and live closer to work. Affordable rental/apartment homes provide opportunities for younger and low-wage workers to remain in the community and increase their assets, so they can eventually own a home. When residents live near their jobs, they become customers for local businesses and increase revenues to provide infrastructure and public services that help support the business community.

Public Safety

More options in the housing market reduce high costs associated with public safety:

- 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, up to 57% of women report domestic violence as the immediate 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.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 65th 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.