



PRICED OUT

A Regional Report

Assemblymember Bill Quirk

The Housing Situation in the 20th 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 \$56,080 in Alameda County — significantly more than bank tellers, preschool teachers, and receptionists earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still very high in district areas like Castro Valley (\$468,000), Hayward (\$300,000), and Fremont (\$525,000). Even with home prices dropping, a home buyer in the district must earn more than \$84,853 a year to afford a median-priced home (\$385,727) — 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 Alameda County:

Affordable Homes Needed: 131,860

Affordable Homes Available: 114,685

Shortage: 17,175



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

VERY-LOW-INCOME EARNERS*

Veterinary Assistants	\$ 28,494
Bank Tellers	\$ 29,193
School Bus Drivers	\$ 32,304
Preschool Teachers	\$ 33,650
Receptionists	\$ 34,397

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

LOW-INCOME EARNERS**

Construction Laborers	\$ 47,795
Payroll Clerks	\$ 49,527
Legal Secretaries	\$ 50,810
Medical Technicians	\$ 52,465
Tax Preparers	\$ 53,185

**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 Bay Area Council, “The housing crisis negatively impacts both quality of life and the region’s economic competitiveness. ... Our goal is to secure an adequate housing supply of sufficient affordability for the entire population -- particularly for the workforce -- in order to sustain long-term economic prosperity.”

Improving the range of rental and ownership choices improves employers’ access to a skilled workforce, including the younger and lower-wage workers they need to be competitive. When employees can afford to live closer to their jobs, employers benefit from a reduction in costly employee turnover and increased productivity.

Graduates of UC Berkeley, San Francisco State, and other local colleges and universities who can find an affordable place to live will be more likely to remain in the area and contribute their skills to the local economy. Affordable rental/apartment homes also provide opportunities for younger workers and low-wage families to increase their assets, so they can eventually own a home.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 20th 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.

Public Safety

More options in the housing market reduces public safety costs:

- 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.
- Substandard and overcrowded housing increases fire department risks, strains parking, law enforcement, and public services. Such public costs could be decreased if households could afford the rent without having to crowd into residences that are too small for them or needing to bring in relatives or others to cover monthly payments.
- With more alternatives, battered women and their children could 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, more than 57% of homeless women cite domestic violence as the direct cause of their homelessness.

Increasing the options for renting or owning a home also directly supports public operations. Local fire and police departments have an easier time recruiting and retaining lower-paid, key support staff, such as dispatchers, mechanics, and emergency medical personnel, when they can afford to live near their jobs.