



PRICED OUT

A Regional Report

Assemblymember Marie Waldron

The Housing Situation in the 75th 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 \$45,960 in Riverside County and \$55,120 in San Diego County — significantly more than child care workers, nursing aides, and paramedics earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still high in district communities like Temecula (\$287,000), Escondido (\$310,000) and San Marcos (\$370,500). Even with home prices dropping, a home buyer in the district must earn, on average, more than \$60,521 a year to afford a median-priced home (\$285,500) — 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 San Diego County alone:

Affordable Homes Needed: 258,230
Affordable Homes Available: 200,110
Shortage: 58,120



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

Business and the Economy

According to the San Diego Regional Chamber of Commerce, “The inability to create housing for the region’s workforce poses a significant threat to its ability to attract and retain entry and mid-level jobs. ... Clearly, there is not sufficient new housing to accommodate the needs of new employees. Consequently, companies will begin to relocate or expand outside of the state if salaries are inadequate to pay for increasing housing costs.” States the EDC, “The competitive effects are borne out in State of California figures showing that many more people have left San Diego County for other parts of the country than have moved here in the past few years.”

Improving the match between housing costs and incomes through a greater range of rental and ownership choices will increase local employers’ access to an ongoing labor force, including the younger and lower-wage workers they need to be productive. Employers and employees alike benefit from greater continuity and productivity when people can afford to live closer to work, reducing commutes and traffic congestion.

Public Safety

In too many neighborhoods, high housing costs have led to overcrowding, straining parking, fire departments, law enforcement, and public services. These costs could be decreased if households did not have to crowd family members into homes that are too small for them or bring in others to afford 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, almost 50% of homeless women in San Diego reported being victims of domestic violence
- 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.

Transportation and Air Quality

To reduce construction costs and rents, affordable homebuilders tend to build more compactly, improving energy efficiency. Recent legislation provides additional incentives and requirements for residential development to be part of efforts to increase energy efficiency and limit air pollutants and greenhouse gas emissions.

Affordable homebuilders regularly build near employment and daily needs to offer more options for their tenants and to help the environment. When affordable rental and ownership homes are located near jobs and services, families are able to walk, use public transit, and drive less. This reduces traffic congestion, vehicle miles traveled, and related air emissions.