



# PRICED OUT

A Regional Report

## Assemblymember Ian Calderon

### The Housing Situation in the 57th 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 \$57,880 in Los Angeles 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 Mirada (\$356,000), South El Monte (\$272,500) and Whittier (\$315,000). Even with home prices dropping, a home buyer in the district must earn more than \$73,240 a year to afford a median-priced home (\$345,500) — 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 Los Angeles County:

Affordable Homes Needed: 1,050,170  
Affordable Homes Available: 851,970  
**Shortage: 198,200**



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

#### VERY-LOW-INCOME EARNERS\*

Nursing Aides and Orderlies	\$ 26,808
Bank Tellers	\$ 26,911
Receptionists	\$ 28,601
EMTs and Paramedics	\$ 30,732
Preschool Teachers	\$ 31,736

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

#### LOW-INCOME EARNERS\*\*

Tax Preparers	\$ 42,704
Payroll Clerks	\$ 43,949
Mental Health Counselors	\$ 49,708
Licensed Nurses	\$ 50,390
Police Dispatchers	\$ 51,741

\*\*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 57th 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 children and families and the 2011 Point-in-Time Count found over 45,000 homeless individuals in Los Angeles County, 3,035 of whom were family households. 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.

## **Business and the Economy**

According to the Los Angeles Business Council, “[O]ne of the largest threats to our economy [is] the ‘Brain Drain.’ The ‘Brain Drain’ was coined to describe the alarming numbers of young professionals leaving the Southern California region -- citing the lack of affordable housing and intolerable work commutes.” Per the Business Council, “Many of Los Angeles’ businesses will relocate or close their doors if the housing supply and lack of affordability is not addressed. These two issues are causing a myriad of problems for business -- most notably -- decreased productivity, high-turnover, long work commutes and an overall diminished quality of life.”

Employees and businesses alike benefit when people can find an affordable place to live. When staff can live closer to their jobs, employers see increased productivity and employee retention. Less commute time reduces stress and allows more time for community and children’s activities.

Families with rent or mortgage payments that are less than a third of their monthly income are better able to afford reliable transportation to work. Households with more money to spend in the economy mean more customers for local businesses, and more sales tax revenues to support economic development and employment opportunities.

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.

## **Environment**

Affordable homes contribute to California’s efforts to protect the environment. To reduce construction costs and rents, affordable homebuilders build more compactly, using land, water, and energy resources more efficiently. Most affordable-home developments are in locations closer to jobs and daily needs, increasing options for walking and public transit use, and reducing vehicle travel, greenhouse gas emissions, and development pressure on agricultural land and open space.