



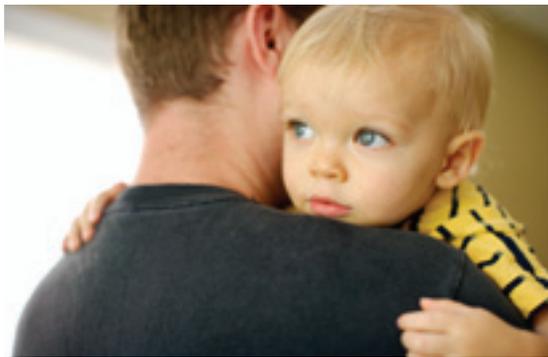
PRICED OUT

A Regional Report

Senator Jerry Hill

The Housing Situation in the 13th 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 an average two-bedroom apartment, a family needs an annual income of \$64,920 in Santa Clara County and \$76,200 in San Mateo County — significantly more than teacher assistants, medical assistants, and school bus drivers earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still extremely high in district areas like Sunnyvale (\$690,000), San Mateo (\$651,000), and Redwood City (\$797,500). Even with home prices dropping, a home buyer in the district must earn, on average, more than a whopping \$124,911 a year to afford a median-priced home (\$589,250) — 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 Mateo County alone:

Affordable Homes Needed: 50,945
Affordable Homes Available: 41,335
Shortage: 9,610



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

VERY-LOW-INCOME EARNERS*	
Teacher Assistants	\$ 33,520
Preschool Teachers	\$ 38,926
Medical Assistants	\$ 41,760
School Bus Drivers	\$ 43,195
Construction Workers	\$ 43,670

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

LOW-INCOME EARNERS**	
Physical Therapist Assistants	\$ 59,356
Law Clerks	\$ 61,624
Ambulance Dispatchers	\$ 61,665
Licensed Nurses	\$ 62,024
Kindergarten Teachers	\$ 63,930

**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.

Children and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 13th 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.

Health Care

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. Homelessness is particularly troubling, and surveys from 2011 found that 7,045 people were homeless in Santa Clara County, and 6,737 were homeless in San Mateo County. 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.

People with mental illnesses who are homeless are disproportionate users of costly emergency rooms, hospitals, and crisis care services. Homes offering supportive services for those with chronic physical or mental-health conditions help residents access the services they need to address their health and mental-health problems more effectively, reducing costly public expenditures and demands on our health-care system, as well as our criminal justice system.

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.

Households that can pay a reasonable portion of their income are better able to afford reliable transportation to work. They also have more discretionary income to patronize local businesses, which increases sales tax revenues that support local services.

Graduates of San Jose State University 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.