



# PRICED OUT

A Regional Report

## Senator Ellen Corbett

### The Housing Situation in the 10th 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 \$56,080 in Alameda County and \$64,920 in Santa Clara County — significantly more than preschool teachers, receptionists, and paramedics earn.

Homeownership is even further out of reach. As of October 2012, median home prices were still high in district areas like Fremont (\$525,000), Hayward (\$300,000), and Milpitas (\$440,000). Even with home prices dropping, a home buyer in the district must earn, on average, more than a whopping \$102,757 a year to afford a median-priced home (\$467,113) — 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 alone:

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\*

School Bus Drivers	\$ 32,304
Preschool Teachers	\$ 33,650
Receptionists	\$ 34,397
Dental Assistants	\$ 41,283
Paramedics and EMTs	\$ 44,562

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

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

Payroll Clerks	\$ 49,527
Legal Secretaries	\$ 50,810
Medical Technicians	\$ 52,465
Tax Preparers	\$ 53,185
Rehabilitation Counselors	\$ 53,667

\*\*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.**

## **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 located closer to jobs and daily needs, increasing options for walking and public transit use, and reducing vehicle travel and greenhouse gas emissions.

As an example, Betty Ann Gardens in San Jose offers 76 affordable family apartments near local shopping and public transit. Developed by First Community Housing, Betty Ann Gardens increases resource efficiency by utilizing recycled and sustainable building materials, low-VOC paints and varnishes, and energy-efficient lighting, heating and cooling systems. Other affordable homebuilders are doing the same -- and some even more -- to preserve the environment.

## **Children and Education**

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 10th 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.

## **Business and the Economy**

Greater affordability in the marketplace also helps 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. ... The supply of housing must increase to provide a more affordable market for housing in the Bay Area. 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."

The Silicon Valley Leadership Group's 2007 survey of CEOs reported that "housing continues to be a major issue, the lack of which threatens the regional ability to attract a reliable workforce."

A greater range of local rental and ownership choices improves businesses' access to an ongoing labor force, including the younger and lower-wage workers they need to be competitive. Employers benefit from a reduction in costly employee turnover and increased productivity when employees can afford to reduce their commutes and live closer to work.

Residents living near their jobs mean less traffic congestion, more customers for local businesses, and more sales tax revenues for infrastructure and services that help support business and economic development. Affordable rental/apartment homes also provide opportunities for low-wage families and younger workers to increase their assets, so they can eventually own a home.