



PRICED OUT

A Regional Report

Senator Ted Lieu

The Housing Situation in the 28th Senate District

More and more people in California find themselves unable to afford a home in the current 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 in Los Angeles County needs an annual income of \$57,880 — significantly more than nursing aides, paramedics and preschool teachers earn.

Homeownership is even further out of reach. As of October 2012, median sales prices were still very high in district communities like El Segundo (\$648,000), Redondo Beach (\$700,000), and Torrance (\$467,000). 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 near-perfect credit, 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

A range of homes affordable to all affects many of the issues that you care about.

Public Safety

In too many neighborhoods, high housing costs have led to overcrowding. This strains parking, fire departments, law enforcement, and public services - costs that could be decreased if households did not have to crowd family members into homes that are too small for them or bring 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, 57.8% of the homeless women surveyed who had experienced domestic violence cited this violence as the direct cause of their homelessness.

- 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. This saves significantly on costs related to law enforcement, courts, imprisonment, and parole.

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.

Health Care

A supply of homes that are affordable to all benefits individual health. A recent study on the link between home and health reports, "Inability to afford adequate housing drives many families into overcrowded units, frequent evictions or changes of address and episodes of homelessness, all of which have consequences for the families' health, both mental and physical." 51,340 homeless individuals were counted in the 2011 Greater Los Angeles Homeless Count and these children, persons with mental illnesses, veterans, and older adults are especially at risk of health problems.

From the stability of a home, it is much easier to contact health-care providers, receive appointment reminders, maintain relationships with doctors and practitioners, and obtain medications.

When medical assistants, nurses' aides, surgical technicians, medical receptionists, and others can afford to live in the area, it also increases hospitals' and clinics' ability to recruit and retain key, lower-paid staff to provide health-care services.