



# PRICED OUT

A Regional Report

## Assemblymember Donald Wagner

### The Housing Situation in the 68th 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 \$66,080 in Orange 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 very high in district communities like Irvine (\$625,000), Villa Park (\$1,070,000), and Tustin (\$466,500). Even with home prices dropping, a home buyer in the district must earn more than \$97,406 a year to afford a median-priced home (\$459,500) — 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 Orange County:

Affordable Homes Needed: 228,925  
Affordable Homes Available: 184,720  
**Shortage: 44,205**



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

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

Nursing Aides and Orderlies	\$ 29,149
Security Guards	\$ 29,621
EMTs and Paramedics	\$ 30,201
Medical Assistants	\$ 33,126
Preschool Teachers	\$ 34,547

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

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

Executive Secretaries	\$ 52,884
Paralegals	\$ 54,877
Police Dispatchers	\$ 59,032
Physical Therapist Assistants	\$ 59,247
Kindergarten Teachers	\$ 62,718

\*\*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.**

## **Business and the Economy**

According to the Orange County Business Council, “Particularly troubling for the Orange County economy is the trend of people ages 25 to 44 leaving the county to find affordability elsewhere -- not just to surrounding counties . . . but increasingly out of state. . . . High housing costs are driving these people out of the county in increasing numbers.”

A greater range of local rental and ownership choices improves employers’ access to a skilled workforce, including the younger workers they need to be competitive. Per the Business Council, “These people are both the present and future workforce of Orange County, the foundation necessary for long-term economic sustainability and business competitiveness.”

Employers will see greater employee continuity and productivity and reduced stress when employees can afford to reduce their commute and live closer to work. Affordable rental/apartment homes provide opportunities for younger and low-wage workers to remain in the community and increase their assets, so they can eventually own a home. When residents live near their jobs, they become customers for local businesses and increase revenues to provide infrastructure and public services that help support the business community.

## **Seniors**

In today’s market, many adult children and their parents cannot find homes that make economic sense. Due to high housing prices, many grandparents are seeing their children and grandchildren move away to lower cost communities, oftentimes out of state. Seniors who can no longer drive are often not able to find an affordable home in their community with convenient access to medical care, daily needs, and services. And those on limited fixed incomes are sometimes not able to find any quality alternatives.

When older adults have an affordable place to live, they are better able to afford medical care, prescriptions, and nutritious food. Older adults with access to family, neighbors, and friends are less isolated, which benefits their long-term physical and mental health. Grandchildren with nearby grandparents benefit from their life experience, love, and care. And families who live close to aging relatives are able to provide help that allows their relatives to remain at home, reducing public costs of nursing homes and other institutional care.

## **Children and Education**

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for working families in the 68th 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 nearly 7,000 homeless individuals in Orange County, 574 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.