



CALIFORNIA CAMPAIGN  
FOR AFFORDABLE HOMES

A Regional Report

# Los Angeles County



## The Housing Situation in the 20<sup>th</sup> Senate District Senator Alex Padilla

The housing market in Los Angeles County is broken. Most of what has been built is still too expensive, leaving far too many families without options for an affordable place to live.



People who are key to the local economy cannot even afford to *rent* a home. To afford an average two-bedroom apartment, a household in L.A. County needs an income of \$54,400 — significantly more than preschool teachers, paramedics, and carpenters earn.

Homeownership is even further out of reach. Even with home prices dropping, a first-time buyer must earn \$61,239 to afford an entry-level home in L.A. County (\$325,000). In October 2009, median sales prices were even higher in communities like North Hollywood (\$319,000), North Hills (\$321,000), and Northridge (\$458,000).

This gap between housing costs and wages highlights the need to create more balance in the housing market. We need greater housing variety and supply so everyone can find a place they can afford.



### Some of the Los Angeles County residents who would benefit include:

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

Preschool Teachers	\$30,732
Paramedics	\$30,072
Security Guards	\$25,996
Retail Workers	\$25,082
Cashiers	\$21,181

\*below 50% of median income

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

Licensed Nurses	\$47,684
Carpenters	\$48,418
Computer Support Specialists	\$46,873
Mental Health Counselors	\$46,444
Locksmiths	\$44,591

\*\*below 80% of median income

**Increasing the predictability and stability of the housing market will bring many benefits to the 20<sup>th</sup> District.**



## Benefits to Labor and the Economy

According to the Los Angeles 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."

When workers can live closer to their jobs, employers and employees alike benefit from increased productivity and continuity. Less commute time reduces stress and allows parents more time for family and children's activities.

If families can find rents that are less than a third of their monthly income, they can better afford reliable transportation to work. Households that pay a reasonable portion of their income for rent have more money to spend in the economy, meaning more customers for local businesses, and more sales tax revenues to support public services and economic development.

Graduates of Cal State Northridge and other local colleges and universities who can afford a reasonable 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.

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.

## Benefits to Health Care

A supply of homes that are affordable to all benefits health care as well.

When individuals or families move frequently, live in overcrowded or substandard conditions, or are homeless, it is much more difficult to address health problems. Overcrowding can be found in 44% of San Fernando households and 23% of households in the county overall. The 2007 Greater Los Angeles Homeless Count found that more than 73,000 adults and children are homeless on any given night. Homeless children, persons with mental illnesses, veterans, and older adults are especially at risk health-wise.

From the stability of an adequate home, it is much easier for individuals and families to contact health care providers, receive appointment reminders, obtain medications, and maintain relationships with doctors and practitioners.

If those with mental illnesses can find a home with supportive services that helps them address their mental-health issues effectively, they are much more likely to remain stable, reducing demands on our health-care system, including emergency rooms, public hospitals, inpatient psychiatric hospitals, and veterans hospitals. They are also more likely to avoid criminal behavior, reducing public costs for law enforcement, prisons, and parole.

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

*A supply of homes that are affordable to all, benefits health care as well.*



*The success of a community involves everyone*

**Increasing the predictability and stability of the housing market will bring many benefits to the 20<sup>th</sup> District.**



## Benefits to Families, Children, and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for families in L.A. County and the San Fernando Valley. 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."



Family relocations mean that children often move from school to school. The cost of these school moves to children is significant. They suffer from:

- Slower academic progress.
- Lower achievement levels.
- Disruptions in relationships with teachers and class friends, often resulting in social and emotional distress.
- A reduced likelihood of graduating from high school.

According to the United Way, more than 13,000 students in the L.A. Unified School District are homeless. Homelessness is particularly troublesome for children, resulting in poor school attendance, more academic and behavioral problems, increased hunger, more health and mental-health problems, and increased risks of abuse.



Improving the market range of rental and ownership choices will improve the lives of working families. If families have reasonable rent or mortgage payments, they have more money for food, clothing, medical care, and other needs, and are better able to send their kids to school healthy and ready to learn.

Increasing options for families to afford a safe and stable home will result in better outcomes for parents and children. They will benefit from:

- More regular school attendance.
- Reduced stress, illness, and mental-health problems.
- Having a safe place to play, do homework, and share family time.

Local schools benefit from families' increased stability, too. Teachers and classmates have fewer disruptions and are better able to focus on student achievement.

