



CALIFORNIA CAMPAIGN FOR AFFORDABLE HOMES

A Regional Report

Southern California



The Housing Situation in the 21st Senate District Senator Carol Liu

The housing market in the 21st Senate District 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 \$54,440 — significantly more than preschool teachers, carpenters, and paramedics earn.

Homeownership is even further out of reach. As of October 2009, median sales prices were still extremely high in Glendale (\$400,000), Pasadena (\$497,500), and Sherman Oaks (\$623,000).

Even with home prices dropping, a first-time buyer must earn more than \$61,239 a year to afford a median priced home in L.A. County (\$325,000) — assuming excellent credit and sufficient savings for a down-payment.

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 district residents who would benefit include:

VERY-LOW-INCOME EARNERS*

Preschool Teachers	\$ 30,732
Barbers	\$ 30,472
Medical Equipment Preparers	\$ 30,213
Ambulance Drivers and EMTs	\$ 30,072
Landscaping Workers	\$ 28,680

*below 50% of median income

LOW-INCOME EARNERS**

Administrative Assistants	\$ 46,010
Carpenters	\$ 48,418
Choreographers	\$ 47,851
Agriculture Inspectors	\$ 47,732
Social Workers	\$ 47,531

**below 80% of median income

Increasing the predictability and stability of the housing market will bring many benefits to the 21st District.



Benefits to 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."

Overcrowding can be found in 25% of households in L.A. County The 2007 Greater Los Angeles Homeless Count found more than 73,000 people were homeless on any given night, including more than 10,000 children. Homeless children, persons with mental illnesses, veterans, and older adults are especially at risk. For example,

- Homeless children have twice as many ear infections, 5 times as many stomach and diarrhea problems, and 4 times more asthma as housed children.
- Homeless veterans have high rates of hepatitis C, diabetes, prostate cancer, and HIV/AIDS, all potentially life-threatening conditions without proper treatment.

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.

People with mental illness often end up in jail or prison due to a lack of housing and treatment. Those who are homeless are also disproportionate users of costly emergency rooms, hospitals, and crisis care services. If people with serious mental illnesses can find a home with supportive services that help 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 less likely to engage in criminal behavior, improving public safety and reducing costs for law enforcement, prisons, and parole.

Benefits to the 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.

For example, JW Apartments reused two urban sites in a redevelopment area in L.A. to create 61 affordable apartments with an on-site child care center and easy walking access to local and regional transit, schools, shopping, and services. Completed by 1010 Development Corporation (organized by the First United Methodist Church of Los Angeles), the community increased its resource efficiency by utilizing green techniques, including energy-efficient building materials, appliances, lighting, heating and cooling systems; water-conserving plumbing fixtures; and low-VOC paints, sealants, and adhesives. Other affordable homebuilders are doing the same, or more, to preserve the environment.

Local schools will also benefit from increased family stability.



The success of a community involves everyone

Increasing the predictability and stability of the housing market will bring many benefits to the 21st District.



Benefits to Families, Children, and Education

Despite foreclosures and home price declines, finding an affordable home is an ongoing challenge for families throughout L.A. County. 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. 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.

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 range of rental and ownership choices will improve the lives of working families. Families who live near their jobs have reduced commute times, allowing more time for involvement in children's and community activities. When families can find rents that are less than one-third of their monthly income, they can better afford reliable transportation to work. 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:

- Increased 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.

A greater supply of affordable rentals also helps college students. Today, college and university students are working more and taking on more debt. For example, rents for a room in a shared apartment or house averages \$800/month or more near CSU Northridge. This means that a full-time student must also work 95 hours per month at minimum wage just to afford rent, which doesn't cover college fees, books, transportation, food, utilities, etc.

If students are able to afford a reasonable place to live while in school and after graduation, more of these educated young adults will likely remain in the area and contribute their skills to the local economy. With more housing options, colleges and universities will also be more competitive in recruiting and retaining key faculty and staff.

Building homes that increase variety and balance in the market near jobs and services also generates construction employment. Even in these tough economic times, affordable homebuilders are continuing to provide well-paid, construction-related jobs that support families and the local economy.

