LAND BOOM CREATES HOMELESSNESS

Two months ago, Orange County, California, had good news and bad news. The good news was that Orange County was finally getting out of bankruptcy. The bad news was that there was an 18% jump in homelessness in the county. There were 14,086 people in the county determined to be homeless, an 18% jump over 1998. Many homeless people in the county were not included in the survey, due to their transient status. Much of this problem arises from the boom in land prices which has caused a great increase in apartment house rents.

Officials at the County Executive Office reported that an increasing number of young families are in need of shelter, with adults holding jobs, but who are unable to afford apartment rents that average more than $1,000 a month. They said: "There is an incorrect perception of the typical homeless person. It is . . . an older man who is mentally ill. About 60% of the homeless are families. They are not bums. They can't afford housing."

The report set forth as an example, Evelyn Juarez, 26, and her two children, 4 and 6. They were turned down by the Orange County Interfaith Shelter, because all the emergency beds were full for the night. The occupants were mostly working people with salaries or $10 an hour. • • • • ☞

☞ Miss Juarez was evicted from her $700 a month apartment and had shuffled between her mother's home and friends.

Juarez, a single mother with a high school diploma and vocational training, earns $14 an hour as a bill collector. But with car payments, insurance and day-care expenses, she can't save enough to pay $1,200, the required deposit and first month's rent on a on-bedroom apartment near her son's school in Anaheim.

Median home prices are over $250,000 in this county. Vacant land on which housing projects can be profitably built is increasingly harder to come by, especially in coastal areas near big employers.

This problem is statewide. The median price of homes in Silicon Valley being $420,000, and in San Francisco, the National Association of Home Builders concluded that only 12% of the cities families –those earning an income of $72,400 a year or more–can afford a home there, where the median home price is $407,000, compared to the $136,000 national median.

Your editor proposes that Orange County condemn thousand acre tracts of so called agricultural land (vacant land held for speculative development, mostly by the Irvine, O'Neill or Phillip Morris Corps.), compensate the land owners at the "agricultural" land value, have the building department do community development plans, rezone and subdivide the land into building sites, install infrastructure and then <u>lease</u> sites to purchasers of homes or complimentary structures to be built on these sites.

To further cut costs, the county could arrange with designated low cost prefabricated housing manufacturers to erect the 16,000 homes (selection of home size and style and customization available) and complimentary structures (per 1,000 acre tract) and make these available at wholesale rates (because of the assured volume) to buyers, most of whom would qualify for very low cost federally insured home loans (some with very little down payment required). Condominiums, rental apartments, and commerical structures could also be built on this leased land with favorable loans. The now prohibitive infrastructure charges levied on the builder or the buyer via special benefit assessment would be absorbed within the lease charge. There is a question as to whether taxes on the structures could be reduced in these so called urban renewal zones.

Your editor (once a real estate developer herself) figures that the monthly payments for houses, condominiums and apartments within such a development would be up to 50% less than comparable housing nearby. Of course, similar results could be obtained more simply and fairly by changing California law to allow the uptaxing of land and downtaxing of improvements. ✍