

Finding A Way Home

[By CHRISTOPHER EARLEY](#) / ORANGE COUNTY REGISTER

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Matt Vevoda loves his job in Orange County. But when he was in the market for a home a couple years ago, buying within county lines didn't quite enter into the equation.

The 30-year-old works as an associate marketing manager at Paciolan, an Irvine company providing sports and entertainment venues with software for automated ticketing. It's what Vevoda calls a dream job. And despite a sometimes brutal commute that can take him anywhere from one hour and a half to three in bad traffic, Vevoda saw an opportunity to get more bang for his buck outside the county.



Matt Vevoda, 30, drives the 261 Eastern Transportation Corridor toll road to start his 70-mile commute from his job in Irvine to his home to in San Jacinto. In 2011, after talking to friends paying high rents in Orange County and factoring in the expenses that come along with a hefty commute, Vevoda and his wife bought a three-bedroom two-bath home for under \$200,000 in San Jacinto. While the commute can be tough, at times taking nearly three hours, he says that he's still saving money.

LEONARD ORTIZ, ORANGE COUNTY REGISTER

Noelle Park, 46, Eastvale

Noelle Park, a nurse, lived and rented in Newport Heights for 17 years. When she and her husband found themselves in a position to buy a home, they found the prices in Orange County too high. Park said the homes they could afford were not in the best of neighborhoods.

"We didn't want to be the people on the block who overpaid for a house in a bad neighborhood," she said. "So that drove us out of the county."

About one month ago, Park and her husband bought a home in Eastvale, near Corona. Because she works in Irvine, Park commutes three days a week, a drive that takes her 25 minutes each

way with no traffic and 40 to 50 minutes during rush hour. But as the owner of a home that is in a good neighborhood with highly-rated schools, she said the commute is worth it.

"There is so much wealth in Orange County that I think people will buy there no matter what the cost," she said. "But it's kind of chasing us homegrown people out."

Cole Harmonson, 40, North Hollywood

Cole Harmonson grew weary of the corporate life and of the high rents in Orange County. She lived in Tustin Ranch for close to 17 years and was paying as much as \$2,450 a month for an apartment there. A year and a half ago, Harmonson decided to follow her dream and start her own company specializing in event marketing, graphic design and social media. But part of making that decision was giving up her apartment and moving to North Hollywood to save money.

"Sure there are less beaches here," she joked. "But the roar of helicopters almost mimics the ocean."

Harmonson, who was able to start Cole Event Group, now commutes to Orange County several times a week to meet with clients. While often dealing with what she calls a "grouchy" commute, she says the trade-off was well worth it. She's even begun saving to buy a home of her own.

"That's what happens in Orange County," she said. "People will pay the price of a mortgage to live in as much luxury as possible. I decided to be more fiscally conservative and lose that luxury in order to build my company."

In 2011, after talking to friends paying high rents in Orange County and factoring in the expenses that come along with a hefty commute, Vevoda and his wife bought a three-bedroom, two-bath home for under \$200,000 in San Jacinto, roughly a 70-mile drive. While the commute can be tough, he says that he's still saving money.

"It was a no-brainer," Vevoda said. "My mortgage, including all my taxes, is still cheaper than it would have been to rent in Orange County."

Vevoda's situation is not unique. The county's high housing costs and lack of inventory — juxtaposed with some excellent employment opportunities — are forcing some, like Vevoda, to be more flexible and creative. These circumstances are also forcing some to swallow their pride and ask for help.

With the median home price in the county at \$535,000 in April (up 27.4 percent from April 2012, according to DataQuick) and residents earning an average of approximately \$50,000 per year, according to the U.S. Department of Commerce, many are finding that they simply can't afford to buy.

Jeff Lazerson, president of Laguna Niguel-based Mortgage Grader, said there's a lack of sellers. He attributes some of that to a lack of confidence among what he calls contingency buyers, the

traditional homeowner who is looking to sell and upgrade. Combined with a lack of new building taking place in the county, Lazerson said that the market is particularly tough for first-time buyers.

"That person with a minimum down payment almost doesn't have a prayer anymore," he said. "In the past, we were able to make deals with people who were going through FHA or with 5 percent down, but now I have a stack of people who are pre-approved and just waiting to get their offers accepted. It's just awful."

Lazerson also said that the market is on the upswing because of lower interest rates facilitated by the federal government, something that he feels is fueling an improving economy – though recently those interest rates have edged up. And while the higher prices are translating to a very competitive market for buyers and renters, Lazerson said those who already own homes are enjoying an increase in equity.

Martin Cueva, owner of Advance Realty in Santa Ana, said that the problem can be attributed to the lack of properties on the market and that foreclosed properties are being strategically withheld from buyers.

"The banks take away 10,000 properties, then they only put out 1,000 and there's nothing we can do about it," said Cueva, who has been a Realtor for 21 years. "I've been in all kinds of markets and this is about the worst I've seen simply because there are no houses."

Rents in the county are also at all-time highs. Apartment research firm RealFacts reports the average rent for all size apartments in large complexes in the county was \$1,646 a month in the first quarter. That's up 4.3 percent, or \$68 a month, from the first quarter of 2012. A report by the National Low-Income Housing Coalition indicated that in 2012, the hourly wage needed to afford a two-bedroom rental in Orange County was \$31.77, making it the fifth-most expensive region in the nation.

Some residents unable to buy a home are looking at other options like staying with their families.

While the thought of moving back in with parents is a frightening option for many, some younger county residents are finding that even leaving the nest for the first time isn't an option either.

Hilary Brown of Garden Grove, 24, is a student at Orange Coast College and is also working her way through school. But Brown said her job working retail at Knott's Berry Farm in Buena Park doesn't pay enough for an apartment of her own or even with just one roommate.

"All my friends are talking about how expensive it is to rent right now," she said. "The only way I could afford it is if I had a bunch of roommates. and I don't think I would be comfortable with that."

Brown said she's never felt financially secure enough to move out on her own, especially in Orange County. And even after five years at Knott's Berry Farm, she said she doesn't feel any closer to renting her own place.

"I'm very lucky that I have a place to stay rent-free," she said.

While the lack of affordable housing in the county is driving many to move out and commute or live with relatives, and with government programs like Section 8 seeing hefty waiting lists, some organizations offer additional help. Organizations like NeighborWorks of Orange County have developed ways to send some potential buyers on the road to home ownership.

When Elia Guerrero's brother decided to sell the home where she had been living, she wasn't very optimistic about her options. Guerrero, a 56-year-old medical assistant from La Habra, didn't think she could ever afford a home in Orange County and even considered moving into a senior living facility. But after hearing about programs geared towards helping lower income and first-time homebuyers, she attended a NeighborWorks homebuyer education seminar.

NeighborWorks buys homes through the federally-funded Neighborhood Stabilization Program (NSP). The organization buys homes and sells them specifically to those in need of help, like Guerrero. It won't sell the homes to cash buyers or investors. Orange County NeighborWorks President and CEO Glenn Hayes said homeowners who go through the organization are also foreclosure resistant.

In December, Guerrero and her daughter moved into a La Habra home after receiving \$26,000 in deferred, zero interest loans from CalHOME and another \$26,000 from NSP, both of which are part of NeighborWorks' "Home Again" program. The loans are payable if and when Guerrero decides to sell the home, Hayes said.

The program is designed for middle to-low-income families. For one fourth of the buyers in the program, annual income limits for a family of four are just under \$49,000. The remainder are generally capped at \$110,000, also for a family of four.

"Through the grace of God, I got lucky," Guerrero said. "I never thought I would be able to do this."

In 2012, NeighborWorks locally helped to educate more than 2,000 potential homebuyers with classes and counseling, said NeighborWorks Director of Development Ann Lisa Biason Lukes. Biason Lukes said the organization also helped place 20 Orange County families in homes through its programs in the last year.

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