

August 9, 2007

Board of Supervisors
El Dorado County

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EL DORADO COUNTY

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To Supervisor District Five, Norma Santiago

The League of Women Voters of El Dorado County is submitting, to you, a study and recommendation for "Affordable Housing."

This material is relative to the presentation of the Affordable Housing Options Report on your August 14, 2007 Board of Supervisors meeting Item 59.

Included are a copy of both the League's Housing Position and our Housing Study for your review.

This study took five years to complete and was finished in 2004. The League has continued its efforts by forming the Affordable Housing Coalition of El Dorado County.

This study and formation of the coalition exemplifies the dedicated work of the League of Women Voters and its commitment to the community and its nonpartisan positions.

Respectfully



Carol Louis, President
The League of Women Voters of El Dorado County

The League of Women Voters
of
El Dorado County

Housing Position recommended by the Housing Committee

THE LEAGUE OF WOMEN VOTERS OF EL DORADO COUNTY SUPPORTS MEASURES THAT INCREASE THE SUPPLY OF HOUSING WHICH MEETS THE NEEDS OF THE RESIDENTS OF EL DORADO COUNTY.

1. Our League will continue to work, for the next year, to support the Affordable Housing Coalition to explore options for and promote the creation of appropriate housing to meet the needs of El Dorado County's low and moderate-income residents.
2. We will encourage the use of well-designed Inclusionary housing and discourage the use of in-lieu fees.
3. We will encourage the removal of constraints which inhibit the building of low and moderate-income housing.
4. We will encourage low and moderate-income residents to more visibly express their need for more adequate housing.
5. We encourage the Planning Department to work more closely with developers regarding available property and grants.
6. We encourage the construction of low-income multi-family rentals for workforce, disabled people and senior citizens.
7. We will encourage the use, by the County, of incentives such as: density bonuses, fee reduction, waivers and postponement, fast-track processing for permits, design flexibility and subsidies.

April, 2004

LEAGUE OF WOMEN VOTERS
OF
EL DORADO COUNTY

HOUSING STUDY

FACTS
AND
FIGURES

April 2004

HOUSING NEEDS AND CONDITIONS

The Federal Government and the State Department of Housing and Community Development (HCD) suggests that it is unreasonable for a family to pay more than 30% of their income for housing and utilities.

The median income for El Dorado Co. is \$57,300. Moderate income is defined as 80-120% of the median. Low-income is 50-80% and very low is below 50%. Moderate would include people such as teachers and RNs. Low-income includes Deputy Sheriffs, legal clerks and Vocational Nurses. Very low-income includes Nurse's Aides and Preschool teachers, the people to whom we entrust our young children and our elderly.

HCD found that 20% of the households in El Dorado Co. are very low-income and another 17% are low-income. More than 50% of the very low-income renters and 5% of the low-income renters pay more than 50% of their income for housing. Of the owners, more than 50% of the very low-income households and 20% of the low-income households pay more than 50% of their income to purchase their homes.

SACOG, the Sacramento Area Council of Governments, tells each city and county in its six-county area what their allocation of the regional housing needs will be in the various income levels. In El Dorado Co., before 2008, we will need 2,829 new very low-income housing units, 1,899 new low-income units, 2,100 moderate-income units and 3,175 above moderate-income housing units.

Substandard housing units are another area of serious concern. In 1995, a study showed that 30% of 5,700 units surveyed were in need of rehabilitation. Community Development Block Grant (CDBG) funds are often available for low-interest loans for rehabilitation.

The minimum wage in California is \$6.75. The Housing Wage in El Dorado Co. is \$18.27. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's Fair Market rent. Three-quarters of the jobs being created are low wage service jobs. Where are these people going to live?

Homelessness, a condition which is largely ignored by the El Dorado County Government, is presently dealt with by private, volunteer organizations. The Salvation Army, for example, spends over \$7,000 a year on motel vouchers for homeless people and H.E.L.P., an organization supported by fifteen local churches budgets about the same. The County of El Dorado does, in addition, pay for some vouchers but requires that the recipients repay the amount out of funds they receive in the future. Last year, 368 families including 97 children were provided with emergency motel housing. In addition, 146 single people were also housed.

REMEDIES AND INCENTIVES

1. **INCLUSIONARY HOUSING** specifies a minimum % of units in a development be affordable to households at a particular income level. There are currently 107 jurisdictions statewide that have Inclusionary policies, 21 counties and 95 cities. They have created over 34,000 affordable houses and apartments in California over the past 30 years.
Alternatives to the on-site construction of the affordable units have been:
 - a. In-lieu fees whereby the developers can pay a fee into a fund designated for building of affordable units.
 - b. Land dedications when developers can substitute a gift of land for the building of the required units.
 - c. Credit Transfers allow the developer to credit affordable units beyond the inclusionary requirement in one project to satisfy the requirements in another.
 - d. Off-site construction allows the developer to build the affordable units at a different site than the market-rate units, sometimes conditioned on agreeing to increase the number of affordable units to be built.
2. **DENSITY BONUSES**, A state-mandated requirement is the most popular incentive Offered to developers. Problems arise in some jurisdictions due to parking, set-back and other local requirements.
3. **FEE REDUCTION, FEE WAIVERS AND FEE POSTPONEMENT**
4. **FAST TRACK PROCESSING** for permits.
5. **DESIGN FLEXIBILITY** may mean requiring identical or similar exteriors but allowing variations in internal features to facilitate financial feasibility.
6. **SUBSIDIES** are available in some jurisdictions to assist construction of below-market units.
7. **INFILL DEVELOPMENT** is a method in which vacant and under-utilized properties are identified and flexible standards are employed to develop low-income housing. Planning Departments can provide developers with a current inventory of potential infill sites, incentives and funding resources. Homeowners near infill sites can be targeted for low-interest loans, streetscape improvements and public service improvements. These actions can help alleviate the NIMBY problem.
8. **MANUFACTURED HOUSING** Built at a factory, “prefab” homes are placed on permanent foundations on site. It is estimated that they cost 20% less to build than traditional buildings. What’s being built today is far superior to earlier generations of manufactured housing.
9. **EARNED INCOME TAX CREDIT** is a Federal policy that is used to a very small extent in El Dorado Co., but has the potential to significantly increase the number of housing units available to low-income households. According to a recently published Brookings Institute report, expanding the EITC would relieve 510,000 families of severe housing- cost burdens nation-wide.
10. **MIXED-USE HOUSING** exists when housing complexes are located near business establishments, apartments over shops, etc. With the infrastructure already in place for commercial use, this allows for lower cost housing.
11. **STATE RESOURCES** Proposition 46, the Housing Bond passed by the voters in Nov. 2002, for \$2.1 billion is still largely intact with only 1.4% of the money having been spent so far.
12. **AT-RISK HOUSING** During the period between the late 60s and the early 80s, the Federal Government provided subsidies to developers that led to the building of 150,000 units of affordable housing. As of mid-1998 there were about 186,000 such units. The agreement included clauses where after a specified number of years, the owners could pre-pay the mortgages and convert to market-rate use. The states with the highest cost rental markets generally have the affordable housing that is most at risk. California has had a level of prepayment and conversion among older HUD-assisted properties that is triple the amount of any other state.