

## **SECTION 4: HOUSING RESOURCES AND OPPORTUNITIES**

This section analyzes the resources and opportunities available for the development, rehabilitation, and preservation of affordable housing in El Dorado County. Included is an evaluation of the availability of land resources, financial administrative resources available to support housing activities, and opportunities for energy conservation which can contribute to lower utility costs for low- and moderate-income households.

### **LAND RESOURCES AVAILABLE FOR RESIDENTIAL DEVELOPMENT**

#### **Regional Growth Needs 2006 - 2013**

The Regional Housing Needs Plan (RHNP) allocates to SACOG cities and counties their "fair share" of the region's projected housing needs. The SACOG Board of Directors must adopt an update of the plan every five years. The SACOG Board approved the 2006-2013 RHNP on February 21, 2008.

Each city and county in the RHNP receives a Regional Housing Needs Allocation (RHNA) of total number of housing units that it must plan for within a 7.5-year time period. Within the total number of units, allocations are also made for the number of units within four economic categories: very low, low, moderate and above moderate incomes.

In accordance with Government Code §65584, projected housing needs for each region in California are prepared by California Department of Housing and Community Development. The Regional Housing Needs Allocation has two parts as required by state law: Part 1 is an allocation of the total number of housing units to each jurisdiction for which zoning capacity must be provided for the time period January 1, 2006 through June 30, 2013. This part is referred to as the "overall allocation". Part 2 is the distribution of the same total number of units among four income categories; the sum of the housing units within the four categories must add up to the total overall number of units. Part 2 is referred to as the "income category distribution".

The State of California, through the Housing and Community Development Department (HCD), issued a Regional Housing Needs Determination of 118,652 to the six-county region the 7.5 year RHNA planning period. The Allocation process starts with the projection that SACOG and local jurisdictions developed for the draft 2035 Metropolitan Transportation Plan (MTP). SACOG worked in cooperation with each jurisdiction to develop a growth forecast for the period from 2005 to 2013 for use in the 2035 Metropolitan Transportation Plan (MTP). SACOG calculated each jurisdiction's percentage share of the growth forecasted within the region for the period 2005 to 2013. That percentage was multiplied by the region's projected growth during the RHNA period.

The distribution of the overall unit allocation into income categories is based on a trend line from 2000 to 2050. The RHNA methodology placed a 4% floor and a 30% ceiling on the number of units a jurisdiction could be allocated in the low and very low income categories

Because the Tahoe Basin is subject to federal law and a bi-state (with Nevada) compact on growth allocations, this portion of El Dorado County is an exception to SACOG’s standard RHNA methodology. The Tahoe Regional Planning Agency (TRPA) has authorized the County to issue an average of 76 residential building permits per year in the unincorporated area (this number does not include building permits for affordable housing).

All new units built or preserved after January 1, 2006 are credited in the current RHNA period. Table HO-31 shows the net remaining growth need after crediting units built during 2006 and 2007. (A detailed breakdown of these new units by income category is provided in Appendix B).

**Table HO-31  
Net Remaining RHNA –  
El Dorado County**

	Income Category			
	VL/L	Mod	Above	Total
RHNA (Tahoe Basin)	301	100	169	570
RHNA (West Slope – Unincorporated)	<u>3,708</u>	<u>1,412</u>	<u>2,354</u>	<u>7,474</u>
Total RHNA	4,009	1,512	2,523	8,044
Units Completed 2006-07	103	2	1,297	1,402
RHNA (net remaining)	3,906	1,510	1,226	6,642

Source: El Dorado County Development Services Dept., 1/2008

### Inventory of Sites for Housing Development

Section 65583(a)(3) of the Government Code requires Housing Elements to contain an “inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.” A detailed analysis of vacant land and potential redevelopment opportunities is provided in Appendix B. The results of this analysis are summarized in Table HO-32, below. The table shows that the County’s land inventory, including projects approved the potential development of vacant parcels, and the committed rezoning of multi-family parcels identified on Table B-3, exceeds the net remaining RHNA in each income category. Within the low/very low income categories, this is due primarily to the supply of vacant land on which multi-family housing and mixed-use development are permitted.

**Table HO-32  
Land Inventory Summary –  
El Dorado County**

	Income Category			
	VL/L	Mod	Above	Total
Units approved or under construction	103	26	1,322	1,451
Vacant land - West Slope residential	1,762	0	21,900	23,662
Vacant land – West Slope com/mxd use	5,613	1,547	0	7,160
Vacant land – Tahoe Basin residential	299	0	570	869
Vacant land – Tahoe Basin com/mxd use	0	1,206	0	1,206
Potential second units	255	0	0	255
<b>Subtotal</b>	<b>8,032</b>	<b>2,779</b>	<b>23,792</b>	<b>34,603</b>
<b>RHNA (net 2008-2014)</b>	<b>3,906</b>	<b>1,510</b>	<b>1,226</b>	<b>6,642</b>
<b>Surplus (Deficit)</b>	<b>4,126</b>	<b>1,269</b>	<b>22,566</b>	<b>27,961</b>

Source: El Dorado County Development Services Dept., 2/2008

A discussion of public facilities and infrastructure needed to serve future development is contained in Section 3, Non-Governmental Constraints. There are currently no known service limitations that would preclude the level of development described in the RHNA, although developers will be required to pay fees or construct public improvements prior to or concurrent with development.

Housing element law specifies that jurisdictions must identify adequate sites (vacant and surplus lands that are appropriate for residential development) to be made available to encourage the development of a variety of housing types for all economic segments of the population. In evaluating the residential growth potential, El Dorado County has reviewed vacant sites in the unincorporated areas identified for residential use, which are summarized in the vacant land survey. Appendix B. Table B-3 provides detail on vacant land available by zone district within the county’s established communities.

**Vacant Land Survey Methodology**

The vacant land survey is a summary of information contained in the County Assessor’s database. The County ran a query for vacant parcels assigned zoning designations that would allow residential development. These data were summarized for residential development suitability by zone district within each community. The assumptions for this survey, including categorization of development potential by income category, are found in the Introduction to Appendix B.

**FINANCIAL AND ADMINISTRATIVE RESOURCES**

El Dorado County has access to a variety of funding sources available for affordable housing activities. They include programs from local, state, federal, and private sources. The following section describes the most significant housing resources in El Dorado County. All of these programs are administered by the El Dorado County Department of Human Services. The

Department of Human Services functions as the Housing Authority Agent for the Board of Supervisors.

### **Section 8 Program**

The Section 8 Housing Choice Voucher (HCV) Program is a federal program that provides rental assistance to lower and very low income persons in need of affordable housing. The Section 8 Program provides a housing voucher to a tenant, which generally covers the difference between the fair market rent payment standards established by HUD and what a tenant can afford to pay (e.g., 30 percent of their income). Many of those receiving Section 8 vouchers are elderly or disabled households.

As of January 2008, the County had 374 vouchers available, all of which were “leased up” (i.e., 374 lower and very low income households in El Dorado County are receiving Section 8 rental assistance). Eligible voucher holders have had difficulty locating properties to rent due to the “gap” between the payment standard set by HUD (Fair Market Rent [FMR]) and the cost of market-rate rental housing in El Dorado County. (See Table HO-16 for an example of this.) A trend is developing wherein the majority of housing available that qualifies within the HUD payment standards is found in the subsidized rental market, and this market is very limited.

As noted earlier in this element, the County had a Section 8 waiting list of about 90 applicants as of January 2008. The waiting list re-opened from February 11 to February 25, 2008. The County received 1,403 applications, 403 more applications than during the previous opening of the Section 8 waiting list.

### **Community Development Block Grant Housing Rehabilitation Program**

Through the CDBG Program, HUD provides grants and loans to local governments for funding a wide range of community development activities. However, El Dorado County does not qualify as an entitlement jurisdiction to receive CDBG funding directly from HUD; therefore, the County applies to the state for CDBG program funds for specific programs under a competitive funding process.

The purpose of the CDBG Program is to provide adequate housing, a suitable living environment, and expanded economic opportunities for persons of low and moderate income. The CDBG funds can be used for acquisition/rehabilitation, homebuyer assistance, economic development, homeless assistance, public services, and neighborhood revitalization. A minimum of 51 percent of the CDBG funds provided must be used for the support of activities that benefit low and moderate income persons. The County uses CDBG funding for housing rehabilitation programs and public works projects.

The CDBG funds are used to preserve the existing stock of affordable housing through the County Housing Rehabilitation Loan Program. This program provides housing rehabilitation and weatherization loans and services to low-income households throughout the county. The maximum loan amount is \$40,000. However, Senate Bill 975 requires the payment of prevailing wages on CDBG financed owner-occupied rehabilitation for low-income households.

From 2000 to 2006, El Dorado County applied for and received over \$3.4 million in CDBG grants. The grant funds were used for housing rehabilitation and acquisition, an affordable housing study, homeless count survey, and to support affordable housing projects.

### **Mortgage Credit Certificate Program**

The Mortgage Credit Certificate (MCC) Program is designed to assist first-time homebuyers. The MCCs are allocated on an annual basis to each county in the state on a population-based formula. The County, in conjunction with mortgage institutions, administers the program. The applicant for an MCC applies to the County, which screens the applicants. Home purchasers who receive MCCs are entitled to an income tax credit against the interest paid on their mortgage. The MCC is a 15 percent tax credit that effectively reduces the monthly mortgage and is taken into consideration by the mortgage lender when qualifying the borrower.

Every year, a percentage of the MCC assistance must go to households earning 80 percent or less of the median family income (the percentage changes from year to year). The program has limitations on home sales price. Because home prices in El Dorado County are relatively high, participation in the MCC is difficult or impossible for many of the individuals that would benefit most from the program.

### **First Time Homebuyer Loan Program**

The First Time Homebuyer Loan Program provides low interest rate loans to eligible homebuyers to assist in the purchase of a home in the unincorporated areas of the County. Funding for this program is provided through the Community Development Block Grant (CDBG) Program and the County's revolving loan fund. This program is designed as a gap financing program for applicants that would not qualify for a bank loan sufficient enough to purchase a home due to limited income. Loans are available on a first-come first-served basis while funding lasts.

The loan program includes:

- Interest rates as low as 3%
- Payments deferred for 30 years
- Loan amounts up to \$100,000
- No equity recapture

### **Housing Rehabilitation Loan Program**

El Dorado County has funding available to provide eligible homeowners with low interest rate loans to make repairs to their homes primarily addressing health or safety related issues. These loans are available to homeowners in the unincorporated areas of the County. Funding is provided through the Community Development Block Grant (CDBG) Program, the County's revolving loan fund and the HOME Investment Partnership (HOME) Program. This program is designed as a gap financing program for applicants that would not qualify for a bank loan due to limited resources/income. Loans are available on a first-come first-served basis while funding lasts.

The loan program includes:

- Interest rates as low as 3%
- Loan amounts up to \$40,000 (CDBG) or subsidy limits (HOME)
- Flexible loan repayment terms

## **ENERGY CONSERVATION OPPORTUNITIES**

This section describes opportunities for conserving energy in existing homes as well as in new residential construction. It discusses the factors affecting energy use, conservation programs currently available in El Dorado County, and examples of effective programs used by other jurisdictions.

The California State Building Standards Codes (specifically Title 24) requires that all new residential development comply with several energy conservation standards. The standards require ceiling, wall, and concrete slab insulation, vapor barriers, weather-stripping on doors and windows, closeable doors on fireplaces, insulated heating and cooling ducts, water heater insulation blankets, swimming pool covers and timers, certified energy efficient appliances, etc. All new construction in El Dorado County must comply with Title 24.

The primary energy conservation program for older homes is weatherization. The Department of Human Services offers home weatherization services to households at 60 percent and below of the median income through its Low-Income Home Weatherization Program. This program provides service to households having the highest energy burden and high residential energy users. Services focus on providing the most cost-effective measures, checking for health and safety hazards, and providing infiltration reduction. Commonly installed measures for homes meeting the eligibility criteria include combustion appliance safety test, carbon monoxide alarms, infiltration reduction, and ceiling insulation. Owner households that exceed the above income criteria but fall below the 80% median income level of the county can apply for community development housing rehabilitation loans not to exceed \$40,000 for repairs that include all of the above weatherizing measures as well as potential roof repair/replacement, heating/air repair/replacement, and other energy related improvements. The County encourages energy efficiency in new residential construction by emphasizing energy efficient construction practices. This strategy provides information to builders on the short- and long-run costs and benefits of energy efficient design and construction.

The County also employs policies that encourage solar energy technology in both retrofits and new construction. There are two distinct approaches to solar heating: active and passive. Active systems use mechanical equipment to collect and transport heat, such as the relatively common roof plate collector system used in solar water and space heaters. Collectors can contain water, oil, or air that is pumped through conduits and heated, then piped to the spaces to be heated or to a water heater tank.

Passive solar systems collect and transport heat through non-mechanical means. Essentially, the structure itself becomes part of the collection and transmission system. Certain types of building materials absorb solar energy and can transmit that energy later. Passive systems often employ

skylight windows to allow sunlight to enter the room, and masonry walls or walls with water pipes inside to store the solar heat. This heat is then generated back into the room when the room cools in the evening.

The best method to encourage use of active or passive solar systems for heating and cooling is to not restrict their use in the zoning and building ordinances and to require subdivision layouts that facilitate solar use.