

CEDAC Housing Ad Hoc Committee

Proposal to CEDAC

June 10, 2021

Proposal

If a project meets the following criteria, CEDAC will officially, publicly support it:

- Project contributes to the stock of workforce housing.
- Property is currently zoned for the intended use.

What do we mean by workforce housing?

- Units are affordable to households of 120% of AMI or lower
- 120% AMI for family of 4 = \$103,550/year
 - 30% of income = \$2600/month rent or mortgage payment
 - \$2,600 mortgage payment = \$520,000 purchase price with 20% down (30 year mortgage plus insurance and taxes).

2020 Data

Number of Persons in Household:		1	2	3	4	5	6	7	8
El Dorado County Area Median Income: \$86,300	Extremely Low	18150	20750	23350	26200	30680	35160	39640	44120
	Very Low Income	30250	34550	38850	43150	46650	50100	53550	57000
	Low Income	48350	55250	62150	69050	74600	80100	85650	91150
	Median Income	60400	69050	77650	86300	93200	100100	107000	113900
	Moderate Income	72500	82850	93200	103550	111850	120100	128400	136700

What do we mean by “property is currently zoned for the intended use”?

No re-zone or general plan amendments required to permit the project.

The Housing Committee reserves the right to bring projects that don't meet both of these criteria to the full committee for discussion on a case-by-case basis.

Snapshot in time – Placerville and surrounding areas (Craigslist 5/25/21)

Placerville median household income: \$61,863

120% AMI = \$74,235

Placerville and surrounding area – total of six rental listings

- (1) 3-bedroom for \$3,500/month (\$140,000/year income required)
- (1) 3-bedroom for \$3,000/month (\$120,000/year)
- (1) 3-bedroom for \$2,500/month (\$100,000/year)
- (1) 1-bedroom for \$1,500/month (\$60,000/year)
- (1) 1-bedroom for \$1,150/month (\$46,000/year or \$22/hour)
- (1) 1-bedroom for \$811/month (restricted to 55+)

Snapshot in time – Cameron Park and EDH

(Craigslist 5/25/21)

Cameron Park median income: \$83,339 EDH median income: \$143,808

120% AMI = \$100,006

120% AMI = \$172,570

- (1) 5th Wheel trailer spot in Cameron Park - \$600/month
- (1) 3-bedroom in EDH - \$2,636 (\$108,000/year)
- (9) 2 bedrooms in EDH – from \$1888 to \$2,563 (\$75,000 to \$103,000)
- (1) 1-bedroom in EDH - \$1705 (632 sq. ft.) – (\$68,000/year)

Snapshot in time – Pollock Pines and environs

(Craigslist 5/25/21)

Pollock Pines median household income: \$67,052

120% AMI = \$80,462

- (1) 3-bedroom - \$2,800/month (\$112,000/year income required)
- (1) 2-bedroom - \$2,000/month (\$80,000/year)
- (1) studio - \$1,450 (550 square feet) (\$58,000/year or \$27.88/hour)
- (1) 1-bedroom mobile home in exchange for help around ranch and house.

Snapshot in time – South County (Craigslist 6/1/21)

*South County median household income - \$105,980;
120% AMI = \$127,176*

Nothing available for rent on craigslist in South County.

Snapshot in time – North County (Craigslist 6/1/21)

North County median household income - \$82,140

120% AMI = \$98,568

- (1) 2 bedroom in Coloma – \$2,000 (\$80,000/year income required)
- 8 acres available for goats (free) with onsite living a possibility northeast of Georgetown.

Snapshot of sale prices on western slope – Placerville (as of June 7, 2021)

Active listings: 31

Range: \$399,000 to \$950,000

Median: \$539,000

Pending listings: 41

Range - \$270,000 to \$1,125,000

Median: \$479,900

Sold (since Jan, 2021): 165

Range - \$145,000 to \$1,650,000

Median: \$435,000

Required income w/20% down = \$75,000/year

Placerville median household income: \$61,863

120% AMI = \$74,235

Snapshot of sale prices on western slope – Cameron Park (as of June 7, 2021)

Active listings: 16

Range: \$275,000 to \$1,550,000

Median: \$613,944

Pending listings: 36

Range - \$415,000 to \$1,200,000

Median: \$629,750

Sold (since Jan, 2021): 188

Range - \$185,000 to \$1,550,000

Median: \$573,000

Required income w/20% down = \$100,000/year

Cameron Park median income: \$83,339

120% AMI = \$100,006

Snapshot of sale prices on western slope – EDH (as of June 7, 2021)

Sold (since April, 2021): 224

Range - \$390,000 to \$3,300,000

Median: \$895,000 Required income w/20% down = \$156,000/year

EDH median income: \$143,808

120% AMI = \$172,570

Snapshot of sale prices on western slope – Pollock Pines_(as of June 7, 2021)

Active listings: 30

Range: \$256,000 to \$999,000

Median: \$447,500

Pending listings: 25

Range - \$275,000 to \$729,900

Median: \$425,000

Sold (since Jan, 2021): 149

Range - \$158,000 to \$1,050,000

Median: \$382,000

Required income w/20% down = \$69,000/year

Pollock Pines median household income: \$67,052

120% AMI = \$80,462

Snapshot of sale prices on western slope – South County (as of June 7, 2021)

Active listings: 11

Range: \$299,000 to \$1,788,800

Median: \$649,999

Pending listings: 14

Range - \$279,000 to \$999,000

Median: \$457,499

Sold (since Jan, 2021): 93

Range - \$187,000 to \$980,000

Median: \$489,000

Required income w/20% down = \$85,000/year

South County median household income - \$105,980;

120% AMI = \$127,176

Snapshot of sale prices on western slope – North County (Coloma, Cool, Pilot Hill, Greenwood, Georgetown, Garden Valley as of June 7, 2021)

Active listings: 36

Range: \$237,500 to \$2,499,500

Median: \$559,000

Pending listings: 23

Range: \$239,000 to \$899,000

Median: \$499,000

Sold (since Jan, 2021): 232

Range: \$145,000 to \$1,635,000

Median: \$492,051 Required income w/20% down = \$87,000/year

North County median household income - \$82,140

120% AMI = \$98,568

Typical wages for our county by industry

El Dorado County employees

- Deputy Sheriff – \$112,945 to \$203,487
- Deputy Public Defender - \$109,792/year (30% = \$2,744/mo housing cost)
- Sheriff's Correctional Sergeant - \$86,972/year
- Code Enforcement Officer - \$71,933/year
- Public Health Nurse - \$70,036/year (30% = \$1,750/mo housing cost)
- Highway Maintenance worker - \$64,166
- Vocational Counselor - \$42,851/year
- Transportation Planner - \$40,663/year (30% = \$1,016/mo housing cost)

Typical wages for our county by industry

El Dorado County Office of Education

- Average employee salary = \$52,411
- Teachers – \$50,948 to \$61,902 (starting salary depending on education) (30% = \$1,273 to \$1,547/month housing cost)
- Teachers – highest rate - \$103,859 (after 23 years)

Typical wages for our county by industry

CalFire

* Firefighter range is \$35,180 to \$76,167

Garden Valley Fire Department

- Captain/paramedic - \$137,149
- Captain/EMT - \$106,945
- Seasonal fire personnel - \$44,114 to \$72,511 (avg: \$58,312)

30% of \$58,312 = \$1450/month housing cost

Typical wages for our county by industry

Wine industry

- Tasting room - \$15 to \$18/hour (\$31,200 to \$37,440/year)

30% = \$900/month housing cost

Waiter in Placerville – \$13/hour - \$80 average day in tips

\$54,000/year (assuming you can get full time which most cannot)

30% = \$1,450/month housing cost

Typical wages for our county by industry

Healthcare:

- Starting salary for RN at Marshall - \$39/hour = \$81,000/year
- In Home Care Nurse - \$43/hour, 4 – 6 hours/day = \$67,000/year
- LVN Skilled Nursing Facility - \$29/hour = \$60,320/year

30% of \$81,000/year = \$2,025/month housing costs

What does this mean for EDC?

Economists at Zillow found that once cities cross a threshold where the typical resident must spend more than a third of their income on housing, homelessness begins to spike rapidly.

When incomes don't keep pace with the cost of rent, a cascade effect ripples through the housing market:

High-income folks start renting places that middle-income folks used to rent, middle-income people start renting places that low-income folks used to rent, and low-income folks are left scrambling.

(Priced Out: Homelessness Rises Faster Where Rent Exceeds at Third of Income, December 2018).

Businesses are leaving California

Businesses are leaving California due to the high cost of living for employees (and therefore high cost of salaries).

According to [a recent survey sponsored by the Bay Area Council](#): The biggest problem for businesses in the San Francisco Bay Area isn't the tax burden; it's housing costs. Some 92% of respondents said they were concerned about how the region's sky-high housing prices are going to affect them going forward, while some 70% said they were "very concerned" about housing costs.

Businesses are leaving California

From the Sacramento Business Times, January, 2021:

Of all the reasons companies have cited for leaving California in recent years — high taxes and burdensome business regulations, to name a few — the driving factor for FileTrail was to find a city that could provide better opportunities for its people.

“My employees were constantly saying, ‘Look, my commute is horrible, and my rent is astronomical for what I’m getting,’” he said. “And to be perfectly honest, I also told them, ‘I’m not going to pay you \$400,000 a year so you can buy a house in Silicon Valley.’”

In the city of Austin, the typical home value is \$438,000 and monthly rent is roughly \$1,400.

Businesses are leaving California

Think this only affects the Bay Area?

El Dorado County has the 18th highest housing prices in the nation compared to income. Housing costs for a typical area home total 50.0% of the typical annual income in the county — well above the 30% affordability threshold.

Placer County is 25th.

San Mateo County is 37th

San Francisco County is 39th

(2021 U.S. Home Affordability Report by real estate research firm ATTOM Data Solutions, 1st quarter data)

Business are leaving California

Five Ways to Stop the Exodus – Sacramento Business Times, February 2021

#4. Build more homes for the middle class.

The cost of living — especially high housing costs — is a huge factor in driving people out of California, business leaders say. Regulations and restrictions add to the cost of housing, in addition to the lack of available land in areas where people want to live, ***coupled with not-in-my-backyard opposition to development.***

Who is leaving California?

From the independent Public Policy Institute of California – *Who's Leaving California—and Who's Moving In?* May 6, 2021

PPIC research found an **enormous net loss of adults with incomes less than \$50,000**, but a relatively small overall gain in people with high incomes.

“The flow out of the state was especially stark during the last two years, with a net loss of almost 500,000 people. People leaving tend to be poorer and less educated than those coming in,” says a PPIC demographer. *“It’s not wealthy people leaving.”*

Businesses are having hiring issues

Hiring Issues In South Lake Tahoe Due To Lack Of Affordable Housing Channel 2 News, April 2021

The housing inventory drying up for renters and buyers and a lack of affordable housing options is making many workers move away. All of that is making it challenging for some lake businesses to hire.

They say it's not a new problem in Tahoe, but it is worse now. Dog Dog Cat owner George Richter says **in two years, he only had six job applications.**

How do we support the missing middle in EDC?

It comes down to political will.

Studies show that wealthy homeowners have an outsized impact on politics and on the development of housing. Lower-income renter households generally do not have a voice and so their needs are left out of the development of public policy. *(Unwanted Housing: Localism and Politics of Housing Development, Michael Manville, Paavo Monkkonen, March, 2021)*

Local jurisdictions can and have restricted the number of affordable units developers can build on portions of land despite having a high percentage of lower-income residents who may need these homes. *(California State Auditor, November 2020 report.)*

What can CEDAC do?

As an advisory body we are charged with giving advice to the BOS on matters related to economic development, including identifying constraints and barriers.

From the CEDAC organizing resolution: Advise the Board of Supervisors and the County Economic Development Division on matters relating to community and economic development, including infrastructure needs.

What can CEDAC do?

- Ensure economic development factors are considered as part of the discussion of housing projects at the Planning Commission and BOS levels.
- Be a voice for the community and economic development needs of EDC residents and small businesses that are not served by current housing policy.
- Support individual projects that meet our criteria by writing support letters and speaking in support at the meetings.

Proposal

If a project meets the following criteria, CEDAC will officially, publicly support it:

- Project contributes to the stock of workforce housing.
- Property is currently zoned for the intended use.

Public support entails writing a letter and/or speaking at the meetings.