City of Woodland

Meeting Agenda

Workshop

City Hall
300 First Street
Woodland, CA 95695

Tuesday, September 19, 2017 | 4:00 PM | Council Chambers

AFFORDABLE HOUSING WORKSHOP

September 19, 2017
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. COMMUNICATIONS-PUBLIC COMMENT

This is an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this agenda. Speakers are requested to use the microphone in front of the Council and to begin by stating their name, whether they reside in Woodland and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and time available for the rest of the agenda. In the event comments are related to an item scheduled on the agenda, speakers may be required to wait to make their comments until that item is considered.

E. COMMUNICATIONS-COUNCIL/STAFF STATEMENTS AND REQUESTS

This is an opportunity for the Council Members and Staff to make comments and announcements, to express concerns, or to request Council's consideration of any items a Council Member would like to have discussed at a future Council meeting.

F. PRESENTATIONS

1. Affordable Housing Workshop

   Staff recommends that the City Council conduct a follow-up Affordable Housing Workshop to 1) receive background information related to affordable housing for the City of Woodland, 2) provide direction regarding possible revisions to the Inclusionary Housing Ordinance, and 3) identify other policies and tools to support Council objectives related to affordable housing.

G. ADJOURN

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority Regular Meeting of the City of Woodland scheduled for September 19, 2017 was posted on September 15, 2017 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

Ana B. Gonzalez, City Clerk

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such request must be made in writing to the Office of the City Clerk of the City of Woodland. Requests will be valid for the calendar year in which the request is received, and must be renewed prior to January 1st.

Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Office of the City Clerk (530-661-5806) at least 48 hours prior to the meeting.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: September 19, 2017
ITEM #: 1.
SUBJECT: Affordable Housing Workshop

Recommendation for Action:
Staff recommends that the City Council conduct a follow-up Affordable Housing Workshop to 1) receive background information related to affordable housing for the City of Woodland, 2) provide direction regarding possible revisions to the Inclusionary Housing Ordinance, and 3) identify other policies and tools to support Council objectives related to affordable housing.

Report in Brief:
This workshop follows the initial Affordable Housing Workshop held in June 2016. The outline for this evening's workshop is as follows:

- Background - Identify existing and future needs for affordable housing in Woodland by income, in relation to the current supply of affordable housing in Woodland and the resulting gap between supply and demand.
- Goals/Objectives - Clarify the Council's objectives and priorities with regard to priority household income categories as well as rental and for-sale housing diversity, especially within new neighborhoods.
- Update(s) to Affordable Housing Ordinance and Housing Programs (Near Term) - Seek Council direction on the means of addressing housing affordability in the near term by reviewing the benefits and drawbacks of current housing ordinances and programs.
- Other Policies/Programs Supporting Housing Affordability Goals (longer Term) - Briefly explore innovative policy, development and financing strategies, tools, and techniques used elsewhere to improve housing affordability.

The workshop will present information on each of the four focus areas and provide potential options for consideration to help City staff to further analyze options to carry out the City's goals and priorities related to lower income households and affordable housing.

Background:
On July June 7, 2016, the City Council held a workshop on affordable housing. At the conclusion of the meeting council requested that staff schedule a follow up workshop to discuss specific amendments to the City's ordinance in light of the challenges identified with the current requirements. In preparation for this second workshop, staff drafted and distributed citywide an Affordable Housing Survey in English and Spanish. Staff developed the Woodland Affordable Housing Survey to provide the city with a better understanding of the public and private community's concerns and issues in regard to the affordable housing crisis, from affordable housing providers and private builders to public officials and business owners. The information helped identify opportunities and constraints from both private and public perspectives, and provided information on preferences, priorities and ideas for improving the affordable housing situation more comprehensively.
Staff's research on Woodland's housing affordability focused first on quantifying the approximate demand for affordable rental and for-sale housing in 2017, and in the future, by households with 30% to 120% of the Median Income. We then investigated the supply of housing attainable for those within those income ranges. The resulting gap between the housing demand and supply represents the challenge facing the city and the county.

Staff then examined the benefits and shortcomings of the current affordable housing policies and programs over the last several years:

- The City's Inclusionary Housing Ordinance (Chapter 6A of the Municipal Code and part of the Spring

Lake Affordable Housing Plan) and the In-Lieu Fee option which allows a developer to pay into the city housing fund to facilitate the construction of very-low and low income housing in the Spring Lake Specific Plan area.

- Loan Assistance for First Time Homebuyers where the city provides loans for first time, low-income homebuyers purchasing new or resale homes.
- Loans for Rental Projects where the city provides "gap" assistance loans for new multifamily rental developments and multifamily rental acquisition/rehabilitation projects that include units restricted to low income households.
- The City's Bonus Density Ordinance allows applicants of residential projects of five or more units to apply for a density bonus and additional incentives if the construction in the housing development provides:

After receiving feedback on the objectives and preferences of Council, staff will return with specific recommendations on adjustments to the Inclusionary Housing Ordinance and the In-Lieu Fees, which historically deliver too few affordable for-sale housing units and insufficient funds for first time home-buyers. Adjustments to the ordinance could include a focus on payment of affordable housing fees, rather than construction of units by market rate developers, and/or more stringent requirements for the sale of inclusionary homes, including requiring that unsold homes be rented to lower income households if not sold to a lower income buyer, or other options. The ordinance could also offer a range of options to meet the City's affordable housing goals, including construction of units, payment of in-lieu fees, and dedication of land, as well as the ability to negotiate individualized plans that, at a minimum, meet the City's baseline affordable housing goals.

If Council prioritizes greater income diversity within single projects, that can be addressed in part by requiring greater housing diversity within individual areas, creating plans that contain a wide range of housing types, lot sizes and configurations that accommodate a corresponding diversity of rental and for-sale housing. This can be achieved within the new infill areas identified within the General Plan such as the Corridor Mixed-Use Zones.. Existing approved plans cannot be so easily modified, for example, where up-zoning lower density areas would require a General Plan Amendment. However, as the housing market shifts, opportunities for a greater range of housing may emerge out of necessity.

Staff further identified both time-tested as well as more innovative policies, strategies, tools, and techniques employed elsewhere that could help close the affordability gap, though each will require careful investigation and legal review before a recommendation to Council. For example:

- Reducing or even eliminating off-street parking minimums constitutes an affordable housing incentive that reduces land and development costs.
- Reducing minimum lot sizes and lot coverage requirements provides a way to attract smaller, less expensive dwellings in smaller increments that can serve those of moderate and median incomes.
- Allowing the unrestricted construction of Live-Work uses in for-sale and rental ground floor, attached housing offers the occupants the means of an additional income.

Reducing or deferring specific development impact fees for private multifamily developers who comply with specified affordability requirements can increase the amount of units,

Conclusion:

Staff recommends that the City Council hold a workshop to 1) receive information concerning affordable housing for the City of Woodland, 2) provide direction regarding possible revisions to the Inclusionary Housing Ordinance, and 3) determine whether the Council would like staff investigate other affordable housing-related policies or programs and hold future meetings with the Council.

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Stephen.Coyle@cityofwoodland.org

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Attachment A - Background Data	9/15/2017	Backup Material
Attachment B - Summary of Ordinances, Programs and Strategies	9/15/2017	Backup Material
Attachment C - Housing Survey Results	9/15/2017	Backup Material
Attachment D - Survey of Other Communities	9/15/2017	Backup Material

Affordable Housing Workshop Background Data

September 19, 2017

Community Development Department

1: Affordable Housing Demand and Supply

Household Incomes
A major barrier to housing availability is the cost of housing relative to income levels. The following information describes current and projected housing affordability status in Woodland and the region by income limits, which are defined as follows:

Extremely Low-Income Households (ELI): A household of four with a combined income less than 30% of the median income for Yolo County of $22,400 or less

Very Low-Income Households (VLI): A household of four with a combined income between 30% and 50% of the median income for Yolo County of $37,350 or less

Low-Income Households (LI): A household of four with a combined income between 50% and 80% of the median income for Yolo County for Yolo County of $59,750 or less

Median-Income (MED): A household of four with a combined income that lies at the point where half of households earn more and half earn less than the median income for Yolo County of **$74,688**

Moderate-Income Households (MI): A household of four with a combined income between 80% and 120% of the median income for Yolo County for Yolo County of $88,625 or less

Above-Moderate-Income Households (AMI): A household of four with a combined income greater than 120% of the median income for Yolo County of $88,625

Median income is where half the households earn more and half earn less.
(2017 Federal income limits for Yolo County)

Defining Affordability: Household Incomes and Housing Costs
In order to provide housing to all economic levels in the community, the annual household cost of rental and for-sale housing in Woodland should not exceed specific affordable thresholds. With housing affordability primarily dependent on income and housing costs, the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) **define affordability as a household of four that pays less than 30% of its gross income on rental or mortgage costs.**

Defining Non-Affordability – Moderate and Severe
HUD and HCD define **moderate non-affordability as a household of four that pays 30% or more of its gross income on rental or mortgage costs.** With regard to moderate non-affordability, of the approximate 18,500 households in Woodland, about 4,200 households or 23% percent of the total occupied units by owners or renters pay 30% to 50% of their income for housing. Almost 60% of the households were in the Extremely Low, Very Low and Low Income categories.

HUD and HCD define **severe non-affordability as a household of four that pays more than 50% of its gross income on rental or mortgage costs.** With regard to severe non-affordability, of the approximate 18,500 households in Woodland, about 3,140 households or 17% percent of the total occupied units by owners or renters pay in excess of 50% of their income for housing. Almost 90% of the households were in the Extremely Low, Very Low and Low Income categories.
Affordable Rental Housing Demand in 2017

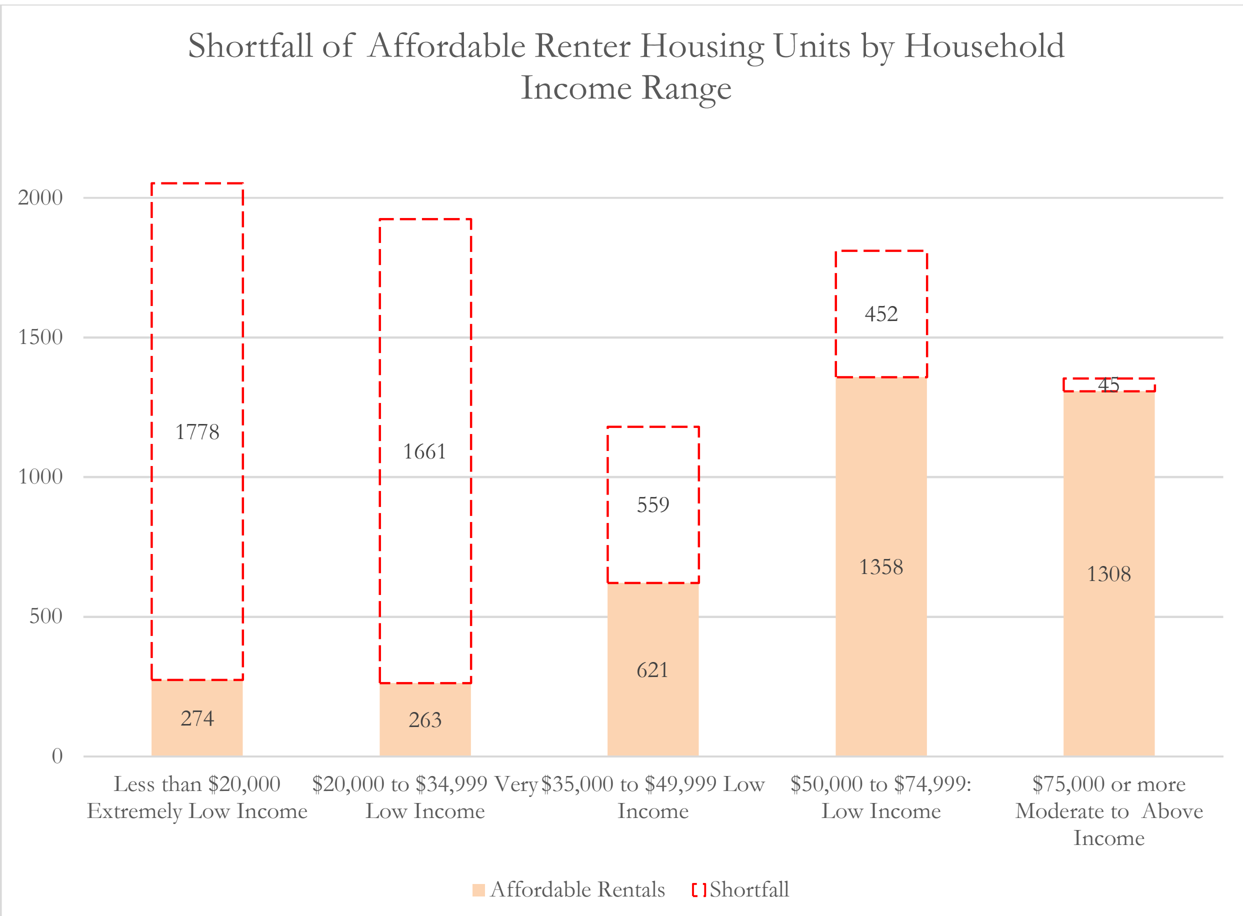
Local Housing Needs

As of 2012 approximately **22.8%** of all Woodland Households (4,205) experienced some level of excessive housing cost burden. Of this, approximately **58.5%** were in the Extremely Low, Very Low, and Low income categories.

Nearly 4,000 current renter households are identified as in need of affordable housing, with only 500 are receiving it. Figure 1 describes the large shortfall between the current availability of affordable rental housing and the need for affordable housing within the city of Woodland for current residents by income levels:

Extremely Low	Very Low	Low 1	Low 2	Moderate +	**Total**
1,778	1,661	559	452	45	4,495

Figure 1: Shortfall of Affordable Renter Housing Units by Household Income Range



Ability to Pay Based on Income

Max Gross Monthly Housing Cost at **30% of gross income:**

- Extremely Low Income Family of Four ($22,400 annual income) **$560**
- Very Low Income Family of Four at 50% ($37,350 annual income) **$934**
- Low Income Family of Four at 80% ($59,750): **$1,494**

Max Gross Monthly Housing Cost at **50% of gross income** (Extreme Burden):

- Extremely Low Income Family of Four ($22,400 annual income) **$933**
- Very Low Income Family of Four at 50% ($37,350 annual income) **$1,556**
- Low Income Family of Four at 80% ($59,750): **$2,490**

(*Determination of the inputs that go into the overall housing costs may depend based on the federal or state formula but generally includes, rent or principal and Interest, utilities, taxes and insurance)*

Rental Rates in Woodland

Studio	1BR	2BR	3BR	4BR
$1,300	$780 ($1,205)	$945 ($1,795)	$1,095 ($1,550)	$1,710

Based on data from internet 2017 (range)

Home Purchase Prices

Home Sales Price Data

- Median home value - $350,000 (data through July 31, 2017)
- Median sale price - $367,500 (data from the sale of 104 homes during 7/1/17 - 9/12/17)
- Median monthly payment - $1,597
- Average sale price - $383,426 (data from sale of 104 homes during 7/1/17 - 9/12/17)

Based on data obtained through www.zillow.com

Housing Assistance

Figure 2: Yolo County Housing Authority – May 2015

Community	Vouchers (public subsidy, private rental)	Public Housing	Agricultural	Other	Total	% of Total Portfolio(rounded)
Davis, pop 66,205 (2013 estimate)	355	0	7	208	570	22%
West Sacramento, pop 49,891 (2013 estimate)	694	139	0	1	834	33%
Winters, pop 6,892 (2013 estimate)	6	0	0	0	6	.002%
Woodland, pop 56,590 (2013 estimate)	475	132	0	140	747	29%
Yolo unincorporated, pop 25,907 (2013 estimate)	19	160	237	0	416	16%
TOTALS	1,547*	431	244	349	2,571	100%

*Total number of participants is currently 1,591. This includes households moving to another jurisdiction (port out), households entering our jurisdiction that will be billed to another jurisdiction (e.g. incoming tenant-based VASH) and families searching for a unit. Winters represents less than 1% so the number was preserved even though it would not round up to the 1%. West Sacramento could be rounded up to either 32 or 33%. Staff chose 33% to round up to an even 100%. Population estimates are from U.S. Census Fast Facts.

Housing Supply: 2017

Woodland's population grew 7.5% between 2010 and 2017, compared to 9% for Yolo County. Overall housing growth did not keep pace with household or population growth, particularly in regard to multi-family housing. The only new multi-family units added since 2010 were 44 units in 2012 in Figure 2:

Figure 2: City of Woodland New Housing by Type by Year

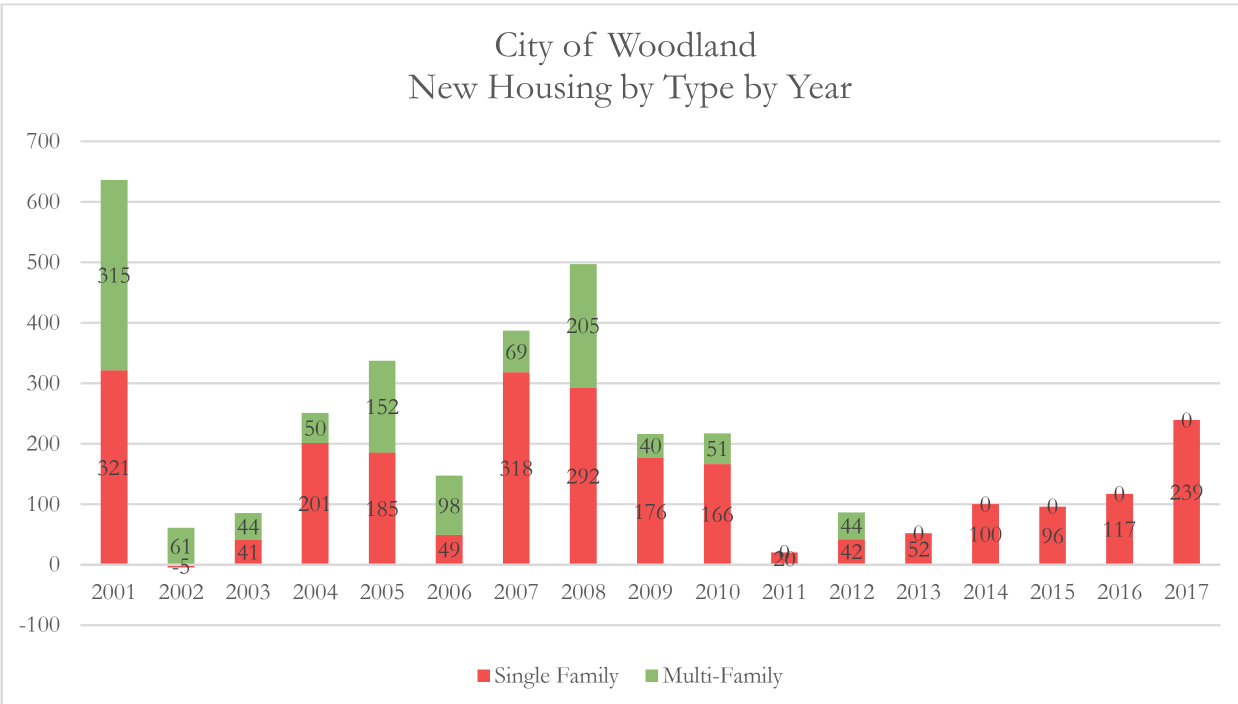


Table 1: City of Woodland and Yolo County Population, Household, and Housing Unit Growth

	City of Woodland			Yolo County		
	2000	2010	2017 DOF	2000	2010	2017 DOF
Total Population	**49,151**	**55,468**	**59,616**	**168,660**	**200,849**	**218,896**
Growth between time periods		**12.9%**	**7.5%**		**19.1%**	**9.0%**
Median Age	32.4	33.7		29.5	30.4	
Total Households	**16,751**	**18,721**	**19,658**	**59,375**	**70,872**	**73,143**
Overall Growth		**11.8%**	**5.0%**		**19.4%**	**3.2%**
Household Population	48,361	54,483	58,742	161,145	194,140	206,331
Group Quarters Population	790	985	874	7,515	6,709	12,565
Persons Per Household	**2.89**	**2.91**	**2.99**	**2.71**	**2.74**	**2.82**
Total Housing Units	**17,101**	**19,845**	**20,517**	**61,587**	**74,224**	**76,449**
Overall Growth		16.0%	3.4%		20.5%	3.0%

Source: 2000 and 2010 Decennial Census & 2017 California Department of Finance Estimates

Housing Costs Burden 2017

Housing affordability is dependent on income and housing costs, and a major barrier to housing availability is the cost of housing relative to income levels. According to HUD and HCD, a household overpays (or is overburdened) when it spends 30% or more of its gross income on rental or mortgage costs. Severe housing cost burden occurs when a household pays more than 50% of its income on housing. Overpayment varies significantly by income, tenure, household type and household size.

Of the nearly 20,000 households within the City of Woodland, 8,000 of them were paying more than 30% of income for housing. Figure 4 below shows the number and percent of households overburdened and severely overburdened by homes owned or rented. Owner households without a mortgage fared best, at 10% overburdened. Owners with a mortgage had a combined 40% overburdened, while renters were 52% overburdened, 4,500 of the total 8,600 renter households were in unaffordable housing.

Figure 3: Housing Cost Overburdened Households in Woodland

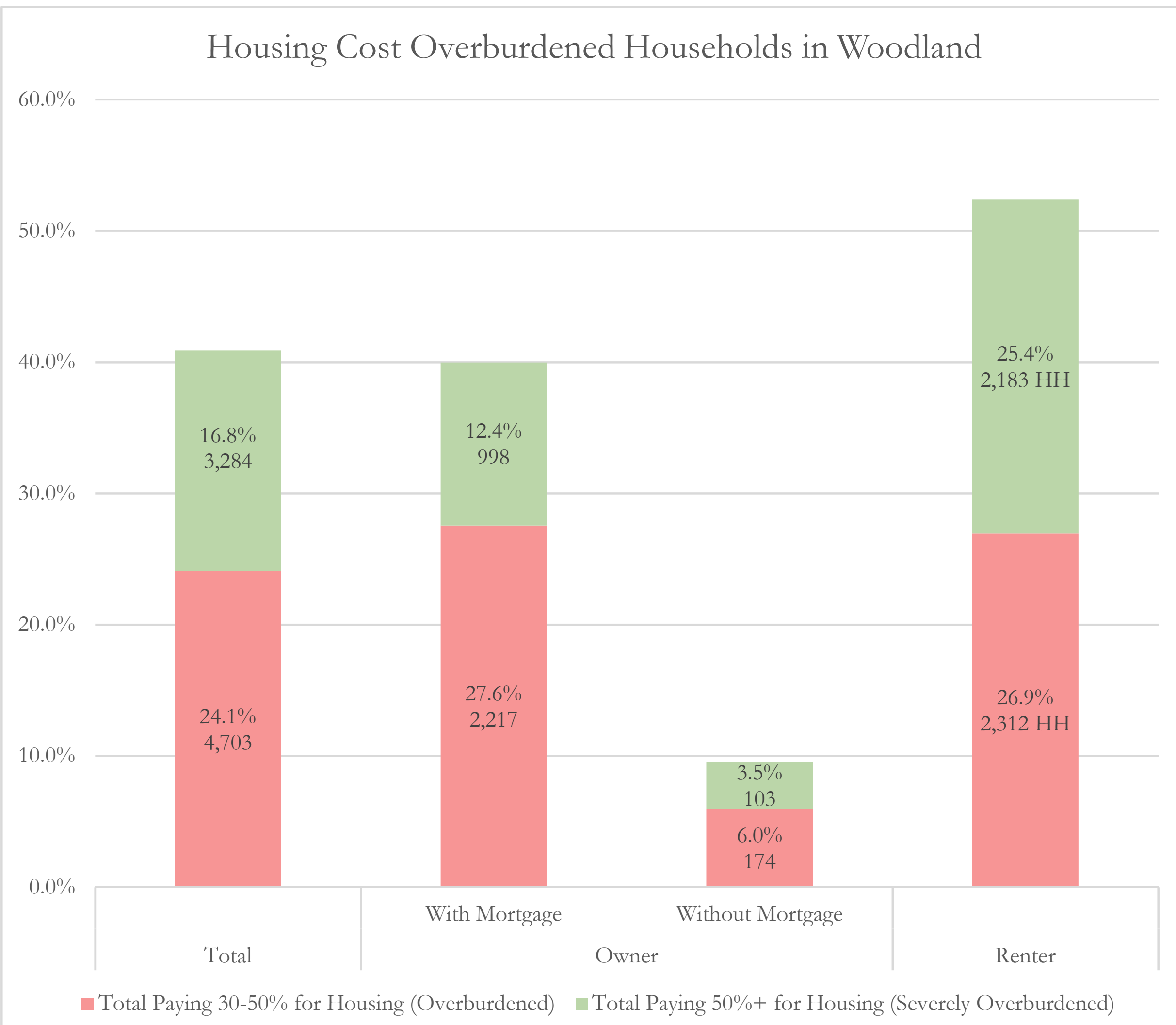
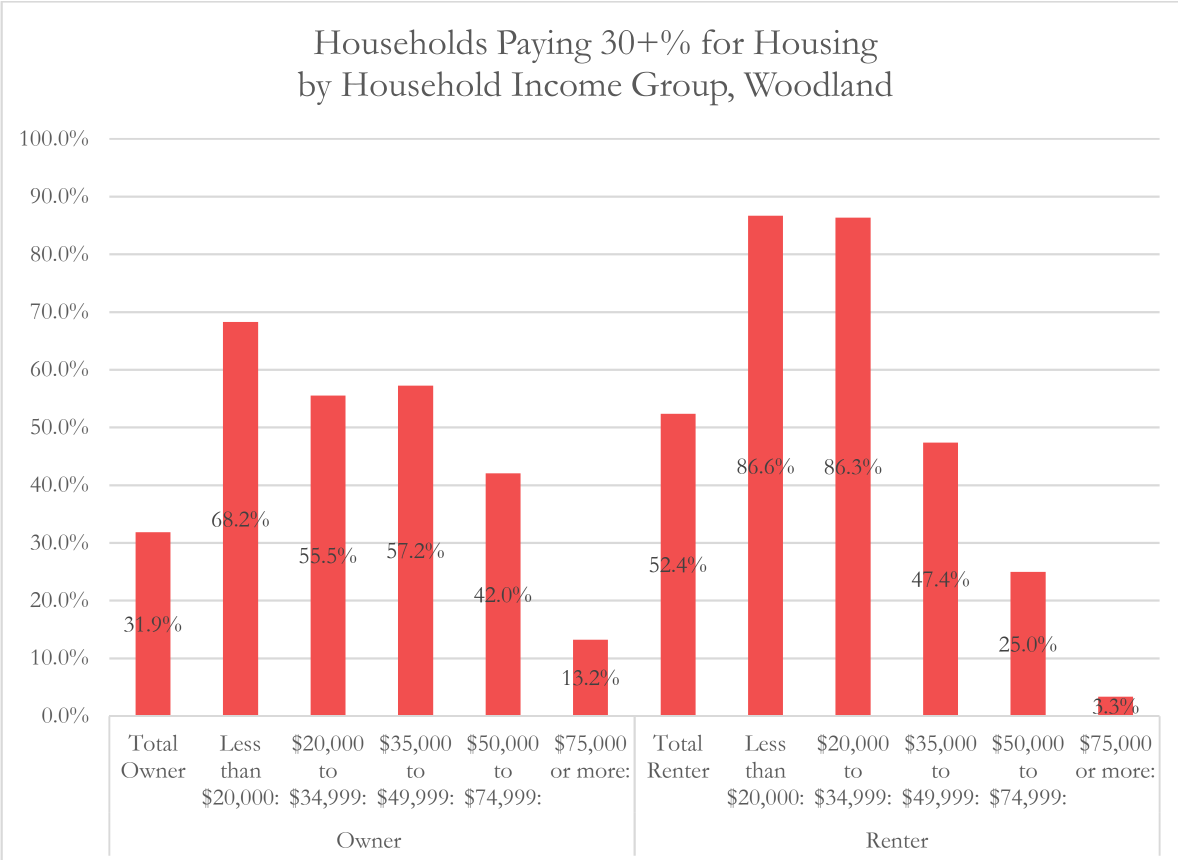


Figure 4: Households Paying 30+% for Housing by Household Income Group, Woodland



Source: 2015 5-year Census ACS

Table 2: Households Paying 30+% for Housing by Household Income Group, Woodland

Overburdened Households	**Estimate**	**Percent**
TOTAL Households	19,547	40.9%
Owner-occupied housing units:	3,492	31.9%
Less than $20,000:	524	68.2%
$20,000 to $34,999:	615	55.5%
$35,000 to $49,999:	726	57.2%
$50,000 to $74,999:	868	42.0%
$75,000 or more:	759	13.2%
Renter-occupied housing units:	4,495	52.4%
Less than $20,000:	1,778	86.6%
$20,000 to $34,999:	1,661	86.3%
$35,000 to $49,999:	559	47.4%
$50,000 to $74,999:	452	25.0%
$75,000 or more:	45	3.3%

Above Moderate-Income: A household that earns more than 120% of the area wide median household income adjusted for household size. To be considered an above moderate-income household, a household of 4 persons would need to approximately earn more than $89,625 (based on 2017 Federal income limits) per year.

Absorption Period: The period of time necessary for a newly constructed or renovated property to achieve the stabilized level of occupancy. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the stabilized level of occupancy has a signed lease.

Absorption Rate: The average number of units rented each month during the absorption period.

Affordability Covenant: A restriction recorded against a property to ensure that it remains available for lower-income households for a set period of time.

Affordable Home Ownership Assistance: A first time home buyer, an individual or household that has not previously owned a home nor had an ownership interest in any improved real property within the last three (3) years, that meets the income eligibility limits set by a governmental or non-governmental program that assists buyers in purchasing a residence.

Affordable Housing Acquisition/Rehabilitation: A project that results in acquisition of multi-family development and rehabilitation of the units for affordable housing purposes. In most cases a long-term affordability covenant is recorded against the property.

Area Median Income (AMI): 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non--metropolitan area established annually by HUD.

Assisted Housing: Housing where the monthly costs to the tenants are subsidized by federal, state, or other programs.

Below Market Purchase Price: A purchase price reduced below the market price in order to assist a low-income household with the purchase of a single-family unit.

Capture Rate: The percentage of qualified households in the market area (for which) the property must be affordable to achieve a stabilized level of occupancy for rental housing or sales for owner--occupied housing. The capture rate is calculated by dividing the total number of units at the property by the total number of qualified households in the market area. (See Penetration Rate for formula for entire market area.)

Community Development Block Grants (CDBG): Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs. The program provides annual grants on a formula basis to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services for low and moderate income people.

Community Development Corporation (CDC): Entrepreneurial institution combining public and private resources to aid in the development of socio--economically disadvantaged areas.

Comparable Property: A property that is representative of the housing choices of the subject property's market area, and is similar in construction, size, amenities, or age. Comparable and competitive properties are generally used to derive market rent or sales price.

Competitive Property: A property that is comparable to the subject and competes at nearly the same rent levels, sales prices, and resident profile, particularly age, household size, or income.

Contract Rent: The monthly rent agreed to between a tenant and landlord.

Demand: The total number of households in a defined market area that would potentially move into proposed new or renovated housing units. These households must be of the appropriate age, income, tenure, and size for a specific proposed development. Components of demand vary and can include household growth, turnover, those living in substandard conditions, rent over--burdened households, and demolished housing units. Demand is project specific.

Effective rents: Contract rent less concessions such as rent discounts, move--in specials, and free upgrades in finishes or appliances.

Elderly or Senior Housing: Housing where (1) all of the units in the property are restricted for occupancy by persons 62 years of age or older, or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely Low Income: Person or household with income below 30% of Area Median Income adjusted for household size.

Fair Market Rent (FMR): Estimates established by HUD of the gross rents (contract rent plus tenant--

paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or Metropolitan Statistical Area. HUD generally sets FMR so that 40% of the rental units have rents below it. In rental markets with a shortage of lower priced rental units, HUD may approve the use of FMRs that are as high as the 50th percentile of rents.

First Time Homebuyer Assistance: Loan assistance often provided by a city or county to an income eligible household who has not owned a home for at least 3 years prior to close of escrow on a home purchase. The loan is considered a "second" loan and repayment is often deferred for a period of time.

Government Subsidies for Affordable Housing: Most multi-family affordable housing developments require government subsidies in the form of loans, grants, tax credits, tax exempt bonds, operating subsidies, land dedications, reduced development standards, and other mechanisms to pencil out as affordable.

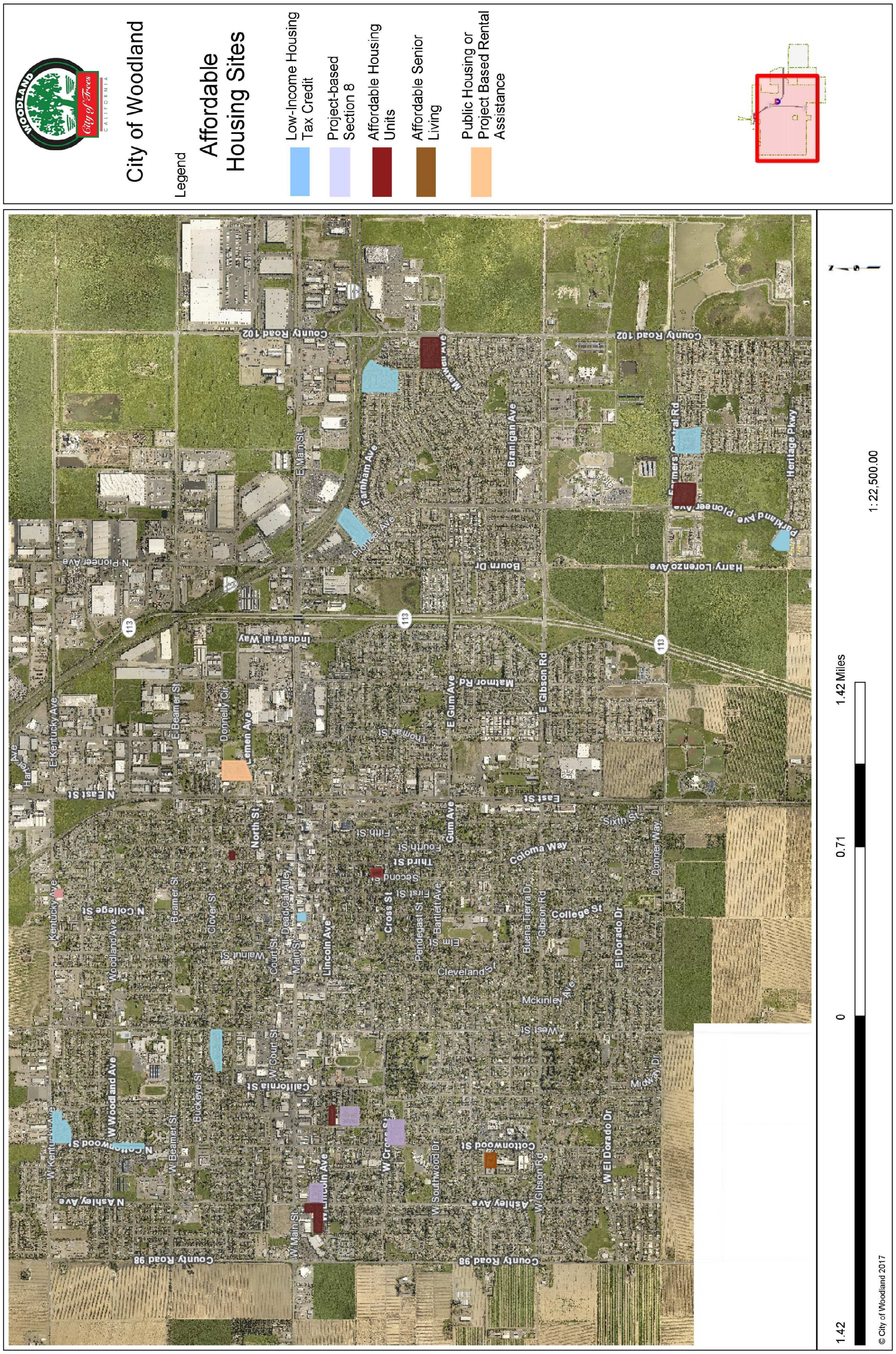
Gross Rent: The monthly housing cost to a tenant, which equals the contract rent stated in the lease plus the estimated cost of all tenant--paid utilities.

HOME Program: Federal grants to states and units of local government to implement local housing strategies designed to increase home--ownership and affordable housing opportunities for low and very low--income people.

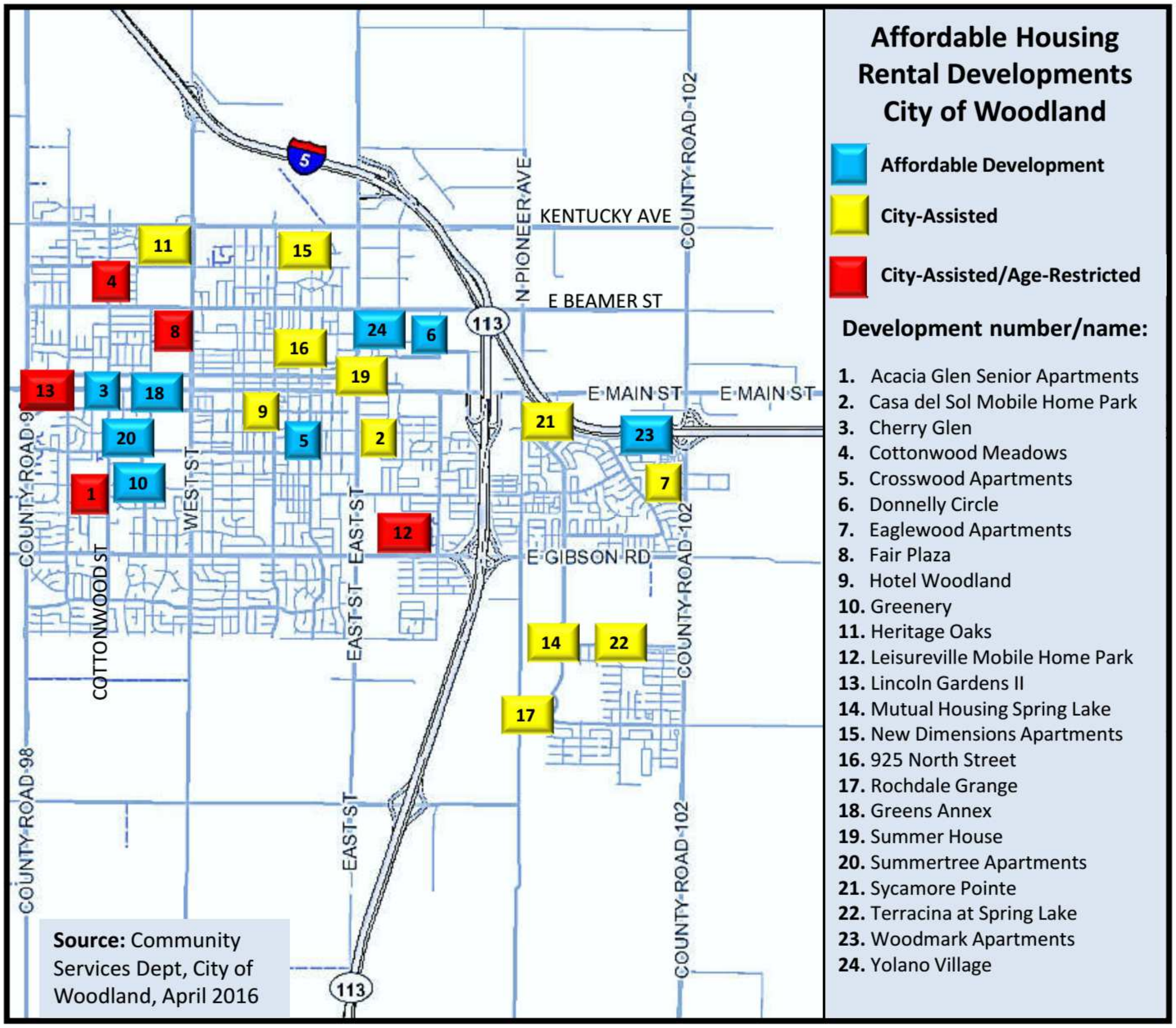
Hope VI: Federal program aimed at revitalizing severely distressed public housing by providing competitive grants to public housing authorities. Hope VI has been used extensively in the transformation of public housing to create mixed--income affordable housing.

Housing Choice Voucher (Section 8 Program): Federal rent--subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use for the housing of their choice. The voucher payment subsidizes the difference between the gross rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant's income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month

3: Affordable Housing Sites



4: Affordable Housing Rental Developments (2016)



5: Summary of Affordable Rental Units (2016)

CITY OF WOODLAND
Summary of Affordable Rental Units

	Project Name	Address	Owner	Total Units	Lower Income Units		
					ELI	VLI	LI
1	Acacia Glen Sr Apts	615 Acacia Way	Acacia Glen LLC	41	0	8	0
2	Casa del Sol Mobile Home Pk	709 East St	Community Hsng Opps Corporation	156	0	94	39
3	Cherry Glen	762 W Lincoln Ave	Dawson Holdings, Inc	44	5	20	18
4	Cottonwood Meadows	120 N Cottonwood St	New Hope CDC	48	0	0	14
5	Crosswood Apts	646 Third St	New Hope CDC	48	17	19	11
6	Donnelly Circle	0 Lemen Ave	Yolo County Housing	72	29	0	43
7	Eaglewood Apts	1975 Maxwell Ave	Eaglewood CA Partners LLC	156	0	4	36
8	Fair Plaza East Apts	35 W Clover St	Fair Plaza Sr Apts LP	68	0	7	60
9	Hotel Woodland	436 Main St	Hotel Woodland LP	76	0	76	0
10	Greenery	505 W Cross St	Greenery Housing Associates LP	95	0	0	95
11	Heritage Oaks	186 Muir St	Heritage Oaks LP	120	0	12	108
12	Leisureville Mobile Home Park	1313 E Gibson Rd	Leisureville Community Association	150	0	0	76
13	Lincoln Gardens II	440 Ashley Ave	Lincoln Gardens II	20	0	4	0
14	Mutual Housing Spring Lake	2170 Farmers Central Rd	Spring Lake Housing Assocs LP	62	7	38	16
15	New Dimensions Apts	582 Kentucky Ave	Yolo Community Care Continuum	15	0	15	0
16	925 North St	925 North St	Friends of the Mission	7	7	0	0
17	Rochdale Grange	2090 Heritage Parkway	Rochdale Grange LP	44	0	43	0
18	Greens Annex (Skylark Apts)	505 Community Ln	Horowitz Declaration of Trust	29	3	4	0
19	Summer House	206 Fifth St	Summer House Inc	5	5	0	0
20	Summertree Apts	555 Community Ln	Summertree Apts	93	0	0	91
21	Sycamore Pointe	521 Pioneer Ave	Sycamore Pt Partnership LP	136	0	11	124
22	Terracina Spring Lake	1620 Miekle Ave	Springlake Family Apts LP	156	0	85	71
23	Woodmark Apts	700 Kincheloe Ct	Woodmark Partnership LP	173	0	17	154
24	Yolano Village	0 Lemen Ave	Yolo County Housing	60	24	0	36
			TOTALS	**1874**	**97**	**457**	**992**

Notes:

(1) ELI = extremely low income, VLI = very low income and LI = low income.

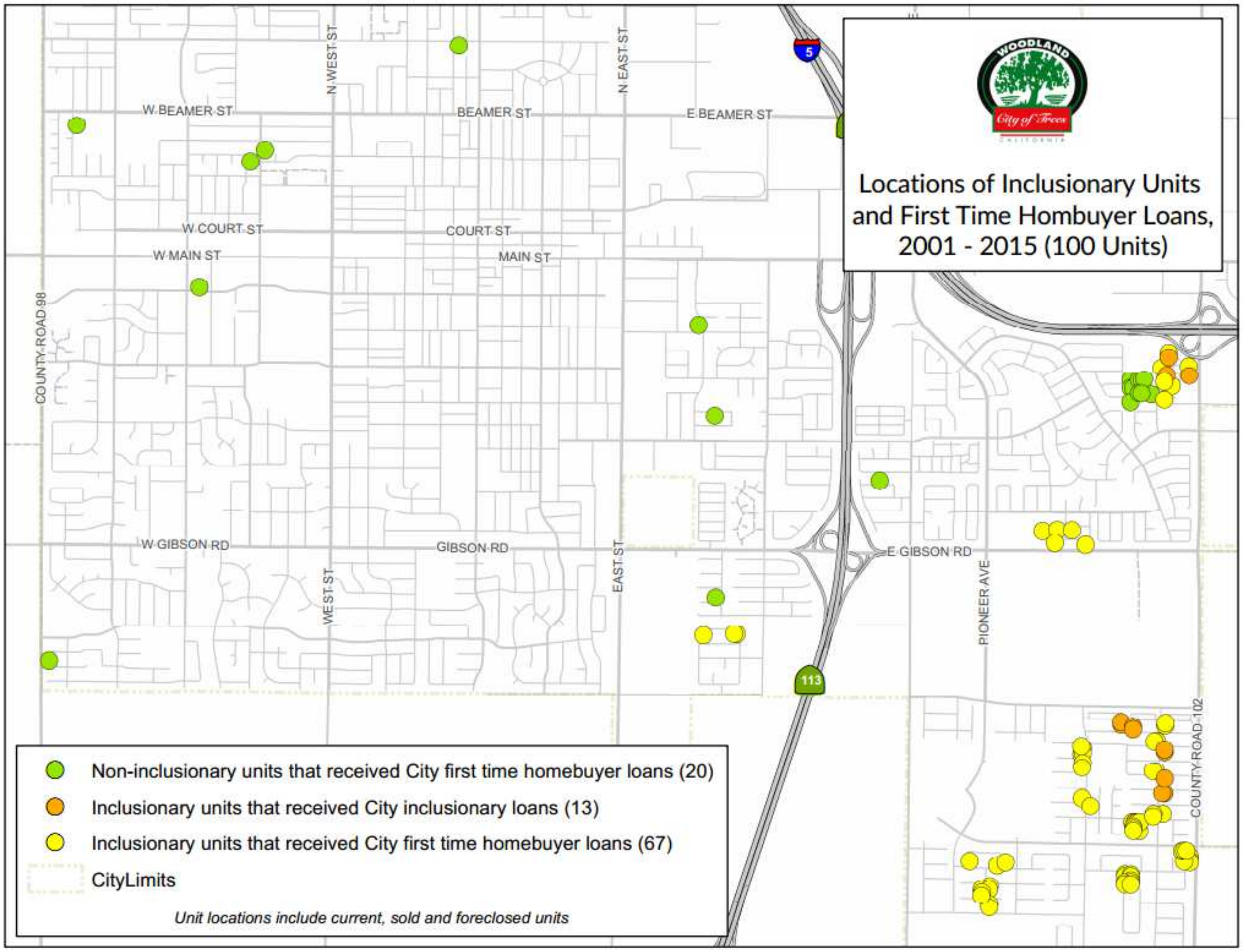
(2) The non-ELI units at projects 6 and 24 are not income-restricted; however, historically they have been occupied by LI households.

(3) The 184 LI units for projects 8, 11 and 14 are regulated at 60% of Median Household Income.

(4) For project 15 the units are set at 35% of Median Household Income (6 units) and 50% of Median Household Income (9 units).

(5) The units at project 19 are for developmentally disabled adults and have been occupied by ELI residents receiving SSI, but they are not ELI restricted.

6: Affordable Housing Inclusionary For-Sale (2016)



City of Woodland

Affordable Housing Workshop Ordinances, Programs, and Strategies

September 19, 2017

Community Development Department

1: Current City Policy & Regulations

City of Woodland's Affordable Housing Programs and Ordinances

1. Inclusionary Housing

The City's Inclusionary Housing Ordinance (Chapter 6A of the Municipal Code, 2004) and Spring Lake Affordable Housing Plan require new residential developments to include affordable units when the following thresholds are reached: for-sale projects with 8 or more units and multifamily rental developments with 10 or more units. Ten percent of the units in a for-sale project must be constructed, priced (at the lesser of the price from the City's affordable purchase price formula or the appraised price), and initially marketed to low income buyers. There are subsequent marketing periods for median and then moderate income buyers if a low income buyer does not purchase the units. For a multifamily project, 10 percent and 20 percent of the units shall be affordable to low income and very low income households, respectively, or 25 percent of the units shall be affordable to very low income households.

Unit Type	Requirement	Restriction Period
Single-Family	New development of at least 8 units	10 years
	10% must be available to low income households	
Multi-Family	New Multi-family rentals of at least 10 units	Permanent
	10% Low & 20% Very Low or 25% Very Low	

Benefits:

- Provides the potential for yield of for-sale and rental housing.
- Provides the means for income diversity within the inclusionary housing development area.

Drawbacks:

- Formula to determine the affordable purchase price results in insufficient and inaccurate cost information thus requires recalibration.
- Program yields insufficient funds for first time home buyers.
- Resulting yield of for-sale and rental housing affordable housing remains too small to meet demands, and for-sale is too expensive.
- For sale units are lost because of lack of qualified buyers and/or cost of housing.
- Program increases the cost of non-inclusionary for sale and rental housing.
- High administrative oversight costs.

Recommended Options:

- Limit inclusionary housing to for-rent, multifamily rentals.
- Limit for-sale inclusionary housing to smaller size or attached housing to reduce cost.

2. In Lieu Fees

The fee paid to the city housing fund to facilitate the construction of very-low and low income housing in the Spring Lake Specific Plan area should be sufficient to make up the gap between the Affordable Purchase Price for a low-income household and the market value as determined by an appraisal, plus a fee for administration of the City's Inclusionary Housing Program. Only the City may initiate this in-lieu fee option and only where it is demonstrated based on substantial evidence that there is no feasible alternative. These funds may be used citywide. The current fee is negotiated as part of the development agreement. The most recently negotiated fees were for Prudler following Oyang North.

Benefits:

- Provides a source of funds for affordable housing.
- Offers an option or alternative to inclusionary housing for developers.
- Avoids the drawbacks of inclusionary, for-sale housing described above.
- Creates revenue fund to use for leveraging State and Federal housing funds.

Drawbacks:

- Formula to determine in lieu fees must be periodically adjusted to maintain a sufficient level of affordability funding.
- Limits the potential for income diversity for owner-occupied housing within the inclusionary housing development area.
- Still adds significant costs to market rate housing.

Recommended Options:

- Provide mandatory In-Lieu Fee with optional for sale and for rent Inclusionary Housing provision at city's discretion or as a negotiation.
- Provide mandatory In-Lieu Fee combined with housing diversity design requirements.
- Transition to a housing impact fee applied to all new residential development.

3. Loan Assistance for First Time Homebuyers

The City provides loans for first time, low income homebuyers purchasing new or resale homes. A borrower cannot have owned a home for three years. These "second" loans are deferred payment for up to 30 years or upon resale, whichever occurs first; accrue 3 percent simple interest; require the borrower to provide a minimum 1 percent down payment of the home's purchase price; include an owner-occupancy provision; and start to forgive the accrued interest after 21 years of home ownership.

Benefits:

- Provides a source of for-sale financing for qualified buyers.

Drawbacks:

- Insufficient availability of affordable, for sale housing.
- Administratively, time-intensive.

Recommended Options:

- Use In-Lieu or housing impact fees to increase program funding – but complete cost/benefit analysis to determine its program value.

4. Loans for Rental Projects

The City provides "gap" assistance loans for new multifamily rental developments and multifamily rental acquisition/rehabilitation projects that include units restricted to lower income households. The loan terms are typically for 45 years or more and include a residual receipts provision to allow payments to the City when operation of the development results in revenues not needed for operational costs and debt service. In most instances, an affordability covenant is recorded to ensure that all or a portion of the units are restricted to lower income households.

Benefits:

- Provides a source of multifamily gap financing for qualified developers.
- Leverages local housing trust fund resources up to three or four times in State and Federal dollars.

Drawbacks:

- Insufficient availability of cost-attainable multifamily housing sites.
- Prevailing wage requirements inflate construction costs.
- Declining governmental funding sources to fully leverage City gap loans.
- A highly competitive tax credit program.

Recommended Options:

- Use loans to fund smaller increments of affordable housing (e.g., 10 to 20 units) but only if and when the loans do not trigger prevailing wage requirements.

5. Density Bonus

The City's Bonus Density Ordinance allows applicants of residential projects of five or more units to apply for a density bonus and additional incentives if the construction in the housing development provides:

- Ten percent of the total units for lower income households as defined by Health and Safety Code Section 50079.5; or
- Five percent of the total units for very low income households; or
- A senior citizen housing as defined in Sections 51.3 and 51.12 of the Civil Code; or
- Ten percent of the total dwelling units in a common interest development (condominium) for persons and families of moderate income.

The amount of density bonus to which the applicant is entitled varies according to the amount by which the percentage of the affordable housing units exceeds the minimum percentage established in this section, but generally ranges from 20-35 percent above the specified General Plan density.

Benefits:

- Provides an incentive for constructing affordable for sale and for rent units in exchange for additional number of total units.
- Can be combined with designed standards that reduce development costs (e.g., reduce minimum lot size, decrease parking requirements).

Drawbacks:

- Proposed higher densities may exceed General Plan densities in lower density zones.
- Must be applied citywide and low density areas may resist density increases.

Recommended Options:

- Maintain density bonus ordinance.
- Increase density bonus to 15% where consistent with General Plan zones.

2: Alternative Policies, Programs and Tools

The following policies, programs and tools require further investigation and careful analysis although modifications to the Zoning and Development Standards are already underway as part of the Interim Zoning process, particularly in the Corridor Mixed-Use Zones. Those that follow warrant a more careful assessment to determine their value in supplementing the City's existing affordable housing-related ordinance and programs, and to identify any potential unintended consequences. Each alternative that appears worthy of consideration could be prioritized for a medium or longer term deployment.

Modify Zoning and Development Standards

1. Reduce or eliminate or off-street parking minimums as an affordable housing incentive to reduce land and development costs.

   Benefits:

   - Provides an incentive for building more affordable and a greater diversity of housing.
   - Allow developers to target an underserved demographic—people without cars.
   - Maximizes on-street parking and leverages the values of transit and biking.
   - Reduces impervious surfaces and heat island effects.

   Drawbacks:

   - Can push overflow parking into neighborhoods and elicit adverse reactions.
   - Without adequate transit, residents will rely more on private vehicles.

   Recommended Options:

   - Reduce off-street parking along a sliding scale of affordability: for example, 20% spaces per unit for 20% median income unit, etc.
   - Reduce off-street parking for all rental housing to .5 spaces per bedroom.
   - Eliminate off-street parking for affordable units in buildings of four units or less.
   - Increase on-street parking opportunities.

2. Reduce minimum side and rear setbacks to a ratio of setback-to-building height in Corridor Mixed-Use zones as an affordable housing incentive to allow smaller scale housing on smaller lots and increments of units, and reduce land and development costs. Deploy in conjunction with #3 Reduce Minimum Lot Size, below.

   Benefits:

   - Provides an incentive for building more affordable and a greater diversity of housing sizes and types of development such as rowhouses.
   - Maximizes available, underutilized land, particularly for local, scattered lot builders.

- Setbacks and height limits determine minimum lot thresholds.

Drawbacks:

- Potential for neighborhood resistance to increased density.
- May require corresponding reduction in lot coverage and lot size

Recommended Options:

- Reduce minimum side and rear setbacks to an optimal ratio of setback-to-building height, for example, one-foot side setback to one quarter foot building height.

3. Reduce or eliminate minimum lot size and lot coverage standards in higher density (e.g., Corridor Mixed-Use) zones, particularly lot widths as an affordable housing incentive to allow smaller size housing and increments of units, and reduce land and development costs.

Benefits:

- Provides an incentive for building more affordable and a greater diversity of housing sizes and types of development such as rowhouses.
- Maximizes available, underutilized land, particularly for local, scattered lot builders.
- Setbacks and height limits determine minimum lot thresholds.
- Reduced lot coverage can be offset by proximity to parks and other public open space.

Drawbacks:

- Potential for neighborhood resistance to increased density.
- Reduction in lot coverage reduces private open space.

Recommended Options:

- Reduce minimum lot size standards in Corridor Mixed-Use Zone, for example, to 25 Feet width by 80 feet.
- Reduce minimum lot width standard in Corridor Mixed-Use Zone to, for example, 25 Feet.
- Eliminate minimum lot size standards in Corridor Mixed-Use Zone.

4. Allow unrestricted Live-Work uses in for-sale and rental ground floor, attached housing.

Benefits:

- Provides an incentive for a residential unit with adjoining non-residential space that allows business use in order to increase income potential for occupants or owners.
- Allow developers to target entrepreneurs and ongoing business owners who pay for two separate spaces.
- Increases business street activity and tax base.

Drawbacks:

- Can create parking issues if customers or client visits are unrestricted.

Recommended Options:

- Allow unrestricted Live-Work uses in for-sale and rental ground floor, attached housing in Corridor Mixed-use Zones, limited to 35% of non-residential, conditioned space.

Modify Inclusionary Ordinance and/or In-Lieu Fees for Multifamily Developers

1. Reduce the 10% inclusionary and/or In-Lieu Fee requirements for private multifamily developers who construct a higher number of the total units that are restricted to Median and Moderate Income households for a specified number of years.
2. Allow developers to self or privately subsidize rentals for lower income renters.

Benefits:

- Provides an incentive for building more affordable housing without subsidies in exchange for renting the units at close to market rates.
- Allow developers to target an underserved market of Median and Moderate Income renters.
- Provides opportunities for local builders who can construct at lower costs than builders of subsidized projects.

Drawbacks:

- Requires monitoring the affordability performance of participating development.

Recommended Options:

- Reduce the 10% inclusionary requirement for multifamily developers who construct 15% of the total units restricted to Median and Moderate Income households for at least ten years.
- Allow developers to self-subsidize rentals for 20% to 80% Median Income renters for at least ten years with bonded private or public rent vouchers, or reduce the rents consistent with the income targets.

Reduce and Defer Development Impact Fees for Private Developers Meeting Affordability Criteria

1. Reduce specific development impact fees for private multifamily developers who comply with specified affordability requirements.

Benefits:

- Provides an incentive for building more affordable housing without subsidies by reducing or deferring development fees.

- Provides opportunities for local builders who can construct housing at lower costs than builders of subsidized projects.
- The reduction or deferral of specific development impact fees can be adjusted for consistency with the amount of affordability proposed.

Drawbacks:

- Few development fees can be reduced without adversely impacting city finances, so detailed investigation and monitoring of impacts on finance are required.
- Requires monitoring the affordability performance of participating development.

Recommended Options:

- After determining which fees to reduce or defer, apply to qualifying private multifamily developers.

For-sale and rental incentives for small private developers building or rehabilitating two, three and four-unit buildings.

1. Assist veterans and others to qualify for and to build or rehabilitate a two, three, and four unit buildings financed through Veterans Administration (VA) and Federal Housing Administration (FHA) programs in exchange for providing one affordable unit.

   Benefits:

   - Provides an incentive for owner/builder to secure a 30-year conventional residential mortgage for new or rehabilitated two, three or four plex. The owners must live in one unit for a minimum of one year.
   - Provides opportunities for local builders to build and own small increments of apartments.

   Drawbacks:

   - Requires monitoring the affordability performance of the participating owner.

   Recommended Options:

   - Assist qualified buyers/builders to obtain a VA or FHA guaranteed, 30-year conventional residential mortgage, to build or rehabilitate a two, three or four unit building, providing the owner/buyer/builder dedicates one unit to a Median or Moderate Income renter.

Encourage the establishment of non-profit developers focused on non-government subsidized affordable housing and mixed-use projects.

1. Encourage the incorporation of 501c3 corporation dedicated to the development of affordable housing, live-work, and mixed-use development that is not dependent on governmental funding or financing.
2. Assist the development company, when and where permissible, in the use of Land Trusts and other ways to reduce land and building costs for affordable housing,

Benefits:

- The model offers the development corporation to accept land donations and other private and foundation funds and financing.
- Provides a development entity that can purchase and develop without triggering Davis-Bacon requirements.
- Provides opportunities for local builders to work with and for an affordable housing developer at market rates.
- Community stakeholders are already interested in this model.

Drawbacks:

- The non-profit develop will compete with for-profit builders.
- Requires expertise in real estate development and in managing a 501c3.

Recommended Options:

- Identify interested community stakeholders willing to pursue this model and consider ways to help facilitate their mission to build affordable housing.

Additional Financing Options for More Affordable Housing

Create a pilot HUD 221(d)(4) Program

In collaboration with YCHA, establish a pilot program for 221(d)(4) with 25-40% of SF allowed as non-residential with a 10% vacancy factor. Monitor the performance of the pilot program to check the default rates and adjust the FHA mortgage insurance premium accordingly before initiating the next phase of financing. The 221(d)(4) program, a construction loan which is converted into permanent mortgage with a 40-year term with a loan-to-construction ratio of 83% would incentivize the construction more innovative, affordable units through rowhomes and smaller increments of walk-up apartments.

Optionally, YCHA, the City and the State could create an underwriting standard to bundle loans for apartments and mixed use buildings through the sale of Ginnie Mae bonds to fund those mortgages similar to what MAP lenders do with HUD 221(d)(4) multifamily loans.

Local Portfolio with 5-50/Small Balance underwriting

The Freddie Mac Small Balance Loan program is targeted at 5-50-unit multifamily buildings deals where a Woodland lender could underwrite the permanent mortgages for YCHA or the City to hold in portfolio through Freddie Mac criteria and sell the loans if necessary. The program allows SBL Sellers to be more competitive in the small apartment property market through reduced costs to the borrower.

Loan Programs in place and can be used to build or rehabilitate affordable apartments

- Veterans Administration 1 to 4-unit mortgage, 0% down with 30-year financing with Private Mortgage Insurance (PMI).

- FHA 203(b) 1 to 4-unit mortgage, 3.5% down 30 years with PMI, if owner occupied for minimum of 12 months or 25% down if not owner occupied for 12 months.

- FHA 203(k) 1 to 4-unit purchase and rehabilitation mortgage, 3.5% down 30 year with PMI if owner occupied for minimum of 12 months, or 25% down if not owner occupied for 12 months.

- Fannie Mae and Freddie Mac 1 to 4-unit mortgage term, PMI requirements, and down payment varies with credit score.

City of Woodland

Affordable Housing Survey Results

September 19, 2017

Community Development Department

Affordable Housing Survey Summary

Community members were asked to participate in an affordable housing survey to help the City of Woodland evaluate the effectiveness of affordable housing accessibility, as well as provide recommendations for increasing the quality and quantity of affordable housing. The survey included questions about the needs and effectiveness of affordable housing in the City of Woodland. Questions about constraints in increasing affordable housing, impediments in their construction and the effectiveness of assistance programs were implemented. A glossary of terms was created to assist respondents in comprehending housing terminology. The survey also asked respondents to provide ideas on how the private and public sector can help increase the supply of affordable units. A total of 20 responses were collected.

The survey was developed and modified with help from the senior planners, the planning interns, the deputy director of community development, and the community development director. Several drafts were assessed to ensure the effectiveness and feasibility of the survey. The final survey form asked respondents about their insights, concerns, and ideas about housing affordability in the city. A Spanish version of the survey and glossary was made to extend inclusive input from the diverse community. After finalizing the survey, an online English and Spanish survey was constructed that was accessible and compatible with a cellphone, laptop, or tablet.

Respondents had three options of completing and returning the survey. The first was completing the survey online through a Survey Monkey link. Second, if respondents completed the hardcopy of the questionnaire, they were to return it to Stephen Coyle located in City Hall. The third was to complete the survey through the interactive PDF form and email it back to Stephen Coyle or the planning intern.

Additional interviews were conducted to increase survey input. The interviews consisted of a 30-35 minute interview of questions derived from the survey. Results were then recorded and included in the data analysis. Data analysis was completed using Excel and Survey Monkey.

Note: The results reported can only be considered the opinions of the survey participants. They cannot be generalized to represent the entire client population as a whole.

Affordable Housing Survey Results

The following are key findings from the survey, followed by the survey analysis.

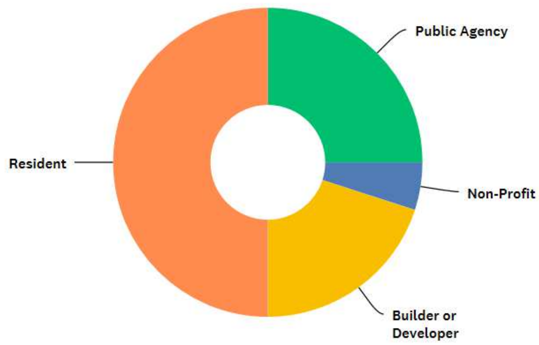
Woodland Housing Affordability Survey Key Findings

- ⇒ 50% of the respondents identified as residents of the city
- ⇒ Surveyors believe the City of Woodland should take responsibility for housing affordability in Woodland, while private developers should be the least responsible in these efforts.
- ⇒ Three common constraints for building affordable housing were identified. Those include high city fees, funding and costs such as labor, land, and construction.
- ⇒ Proximity to daily needs, public transit, as well as having attractive designs and scales were identified as important neighborhood characteristics
- ⇒ Reducing city fees for affordable housing and having greater zoning flexibility were identified as effective strategies for creating affordable housing
- ⇒ Inclusionary housing requirements and in-lieu affordable housing fees deemed as ineffective in the construction of affordable housing
- ⇒ Increasing construction costs, increasing land costs, and municipal development fees were the highest rated impediments that prevent building affordable housing.
- ⇒ The need for multi-rentals of 5 or more units, as well as creating more duplex, triplex, and fourplex rentals were ranked the highest in the affordable units category.

Survey Analysis

The responses collected from the survey and the interview responses were compiled together to form this survey analysis. It is important to note that the analysis may not depict the views of the community of Woodland entirely. Also note that question 2 of the survey contained personal respondent information and was omitted from this report for participant privacy. The following analysis shows the number of respondents for each question, the responses provided by each participant, followed by graphs.

Question 1 - Please describe your stakehold or affiliation



Answer Choices	Responses
Public Agency	25 %
Non-Profit	5%
Builder or Developer	20%
Resident	50%
Consultant	0%

Question 2 – Provide Name, Organization and Contact Information- Omitted

Question 3 - Please list three (3) primary constraints to an increase in affordable housing in Woodland

Three main constraints identified by respondents were high city fees, funding, and costs such as labor, construction, and land. Only 16 respondents answered this question.

Constraint 1	Constraint 2	Constraint 3
Funding	Acceptance by neighborhood	Reliable payment from renters
We do not seem to have enough police to protect our community now, adding more members with a limited police force sounds dangerous.	If we have money to be spent on new houses, we should use that money on homes and areas we already have that are run down.	More people means more water used, we already have a high water rate. Prices would raise with more people using it.
land costs and maintaining affordability over time	construction and related costs	Developer preference for High profit margin projects and ability to pay in lieu fees or negotiate down affordable housing percentages
Land cost	Housing for people who are homeless	Labor costs
Land cost	Permitting costs	Public acceptance
It will decrease the property value of surrounding neighborhoods	It is costly to developed and maintain properties.	The appearance of something being "low-income"
cost of land that can be developed	cost of permits & materials	cost to build to current energy codes
Potential to reduce property values	Potential cost and or loss in tax revenues	Job opportunities for those needing affordable housing
Construction costs	Land availability	zoning and regulations
Funding/subsidy	Cost of construction/permits	Inefficiency of disbursing units throughout City
Availability of loan assistance	Costs - Construction, Operating costs, etc.	Not enough creative solutions to avoid using government dollars
Development fees	Aging or inadequate infrastructure	Unrealistic requirements for infill

High fees	lack of direction (historically from City)	Limits on size
constrained federal and state housing funds, eg, tax credits	high city fees for infill housing downtown and conversion of upper story space to housing units	inadequate supply of smaller new units or condos
Free sites	Impact fee reductions	Local subsidy funds
Construction and Development Costs	Development, Building, and School Permit Fees	Inadequate City Infrastructure

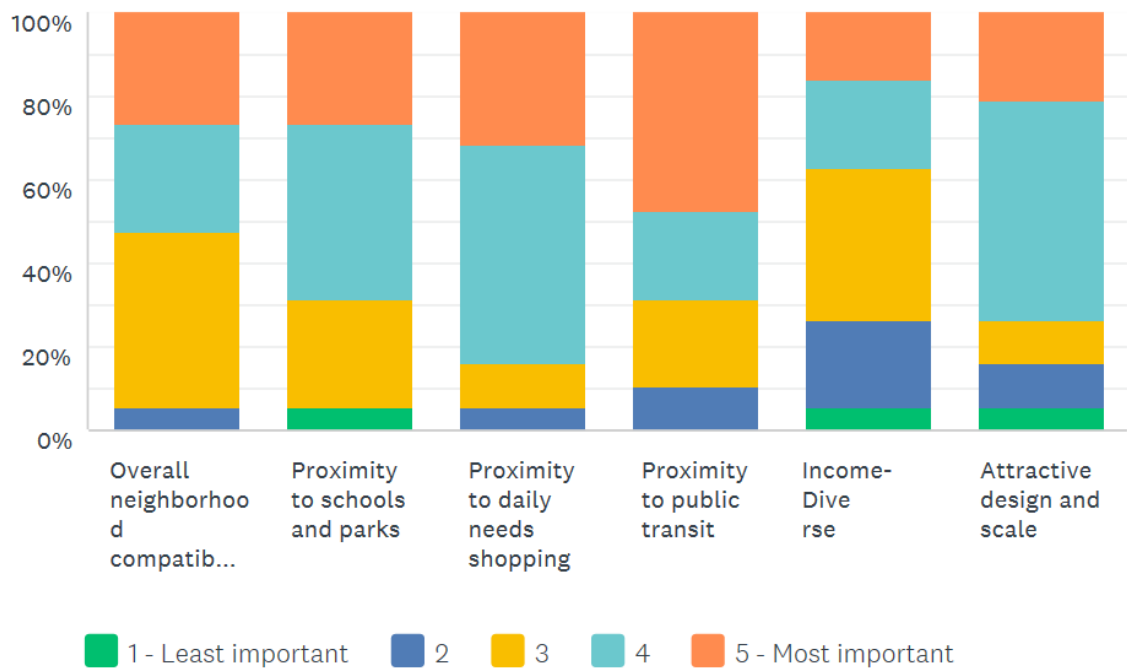
Question 4 - Please list three (3) key recommendations to address the above constraints:

Only 14 responded to this question.

Recommendation 1	Recommendation 2	Recommendation 3
Grants	Education, involvement process	direct pay from checks/subsidy
No more new houses.	No more new residents until we can get our town in better order.	No more new houses.
consideration of Housing land trusts	discounted city fees	Require housing projects to include 25% min. affordable housing and no in lieu payments to avoid the requirement.
Affordable costs	Cheap available housing	Reduce costs
Limiting the number of housing units per complex and implementing innovative green design to make it more of a small-scale community resource.	Funding a program that allows for positive initiative that will make woodland stand out as a leader in renewable resource/conservation. For example, using solar panels, gray water systems and composting so that over time there will be return value.	Developing housing communities that are on a smaller scale making them more attractive with the inclusion of gardens and public space in awareness of native plants and drought tolerant species. Making these places more ecologically conscience and encouraging the community to get involved on-site.
Reduce cost of permits for homes that fit affordable pricing	I wish I had an answer for the other constraints!	I am sure you do too!
Government subsidies	Sell city land or finance it	Streamlining applications at the city
Encourage small units at lower cost throughout town (cottages, 2nd living unit, etc.)	Discourage large, low-income developments in favor of units sprinkled throughout all developments	Reduced impact fees for infill density increases on existing properties (mixed use, granny flats, carriage houses, etc.)
Flexibility in design standards	Look for infill sites and reduce development impact sites, land trusts potentials, purchase properties	Reevaluate current city programs
Separate fee schedule for infill	Upgraded infrastructure where needed	Minimize requirements e.g. Parking for infill
Reduce fees	develop and follow a plan - this is the first great step	allow smaller dwellings and reduce fees for small 2nd homes on existing residential lots
City should change ordinance to allow conversion of housing units downtown without impact fees	zone land to encourage smaller infill housing units-4 plexus, etc.	encourage larger supply of smaller houses in new areas of town
Make land dedication a preferred option for meeting inclusionary requirements	Reduce impact fees for smaller unit square footages, and special needs housing	Maybe include funding for affordable rental housing in an infrastructure bond, or create a commercial linkage fee
Improve City Infrastructure	Reduce/or eliminate Building/Development/School Fees	Create incentives (density bonuses, deferred fees, etc.

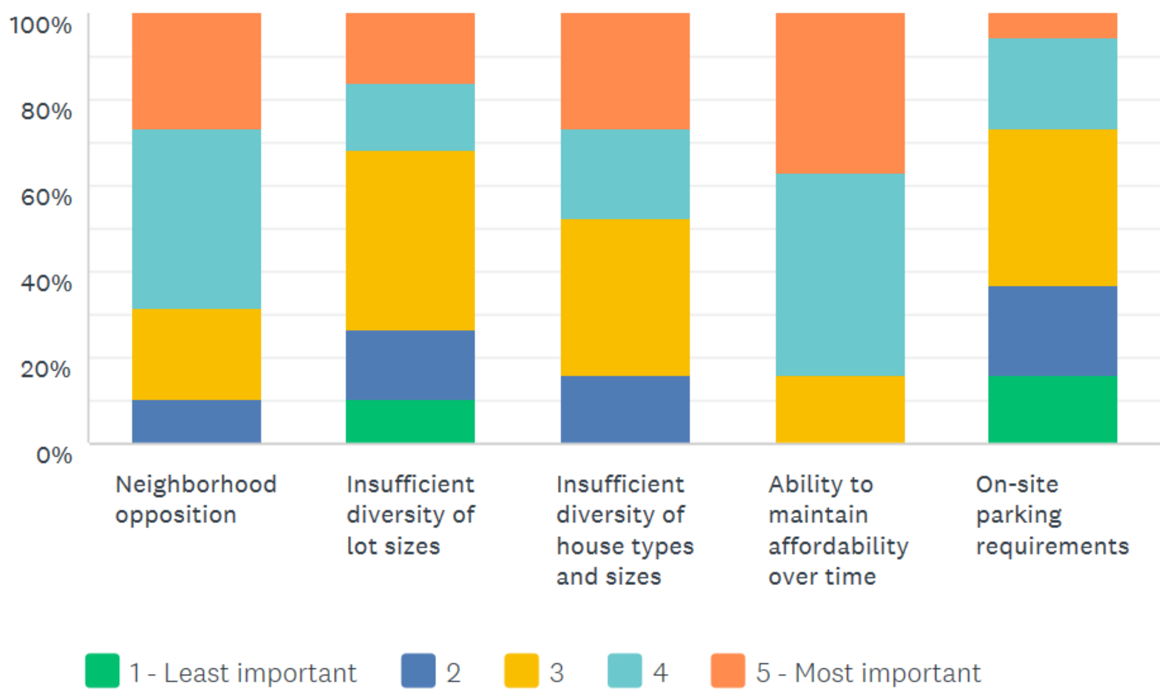
Question 5 – On a scale of 1- least important, to 5- most important, rate the importance of the following neighborhood characteristics:

Proximity to daily needs, public transit, as well as having attractive designs and scales were identified as important neighborhood characteristics. Only 19 responded to this question.



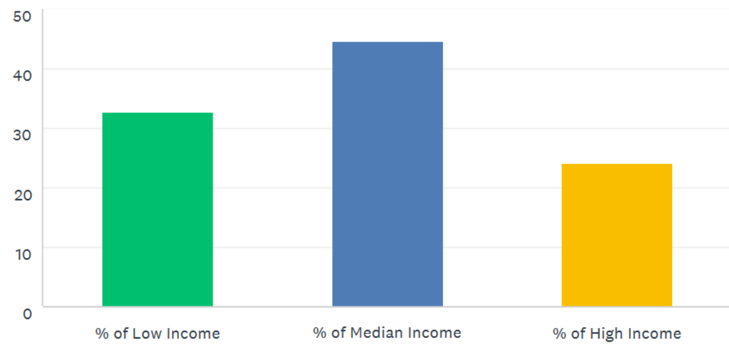
Answer Choices	1 Least Important	2	3	4	5 Most Important
Overall neighborhood compatibility	0	5.26%	42.11%	26.35%	26.32%
Proximity to schools and parks	5.26%	0	26.35%	42.11%	26.32%
Proximity to daily needs/shopping	0	5.26%	10.53%	52.63%	31.58%
Proximity to public transit	0	10.53%	21.05%	21.05%	47.37%
Income-diverse	5.26%	21.05%	36.84%	21.05%	15.79%
Attractive design and scale	5.26%	10.53%	10.53%	52.63%	21.05%

Question 6 – On a scale of 1 - least important, to 5 - most important, rate the impediments to making income-diverse neighborhoods:



Answer Choices	**1 Least Important**	**2**	**3**	**4**	**5 Most Important**
Neighborhood opposition	0.00%	10.53%	21.05%	42.11%	26.32%
Insufficient diversity of lot sizes	10.53%	15.79%	42.11%	15.79%	15.79%
Insufficient diversity of house types and sizes	0.00%	15.79%	36.84%	21.05%	26.32%
Ability to maintain affordability over time	0.00%	0.00%	15.79%	47.37%	36.84%
On-site parking requirements	15.79%	21.05%	36.84%	21.05%	5.26%

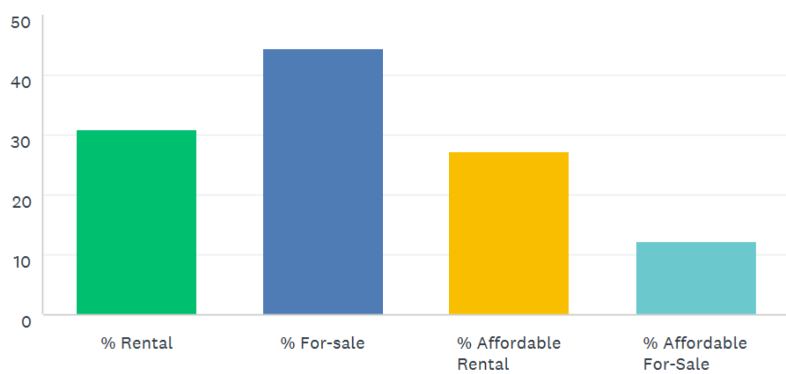
Question 7 – What makes up an optimal income-diverse neighborhood?



Answer Choices	Average Number
% of Low Income	33%
% of Median Income	45%
% of High Income	22%

Question 8 – What makes an optimum neighborhood mix of affordable rental and for-sale housing? (If not relevant, please skip)

Only 9 responded, 11 skipped.

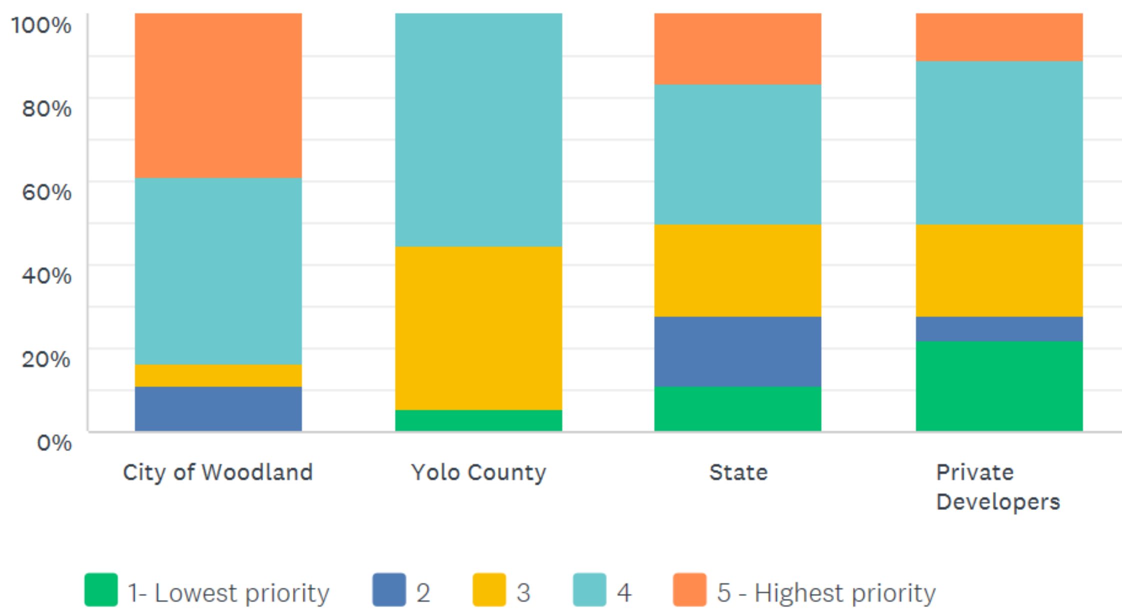


Answer Choices	Average Number
% Rental	31%
% For-sale	44%
% Affordable Rental	27%
% Affordable For-Sale	12%

Question 9 – What are ways the private sector can increase the supply of owner-occupied and rental affordable units:

Responses
Increase accessibility to adequate shopping at fair prices. Discount some portion of property for tax credit regarding affordable housing and rents. Offer work to rent, work to own options that offer some level of reduction in cost.
Not encourage minimum wage to go up. When people get paid more the cost of goods gets higher. When things are more expensive people can not afford things.
Reduce fees and tax credits
moving away from oil driven energy resources and moving towards small scale community efforts. There is a big market and money to be made
Pushing for flexible lot size & zoning
If the builder can make money building a home that meets our median income, they will do so all day long because they would sell immediately
Subsidizing the units or tax-rebates
Increase occupancy of existing spaces, build more diverse (home size) communities
Being creative in smaller products since smaller builders would be one the one to carry most of this weight. Possibly collaborating with non-profits and avoid using government dollars on these projects. There are also not enough incentives for private developers to build affordable units. We also need to stop looking at larger builders that would not be interested in these projects and look smaller builders who would benefit from them. Private developers can also look into subcontracting their affordable units to smaller builders. Most private developers are only interested in their numbers.
Subsidies, maybe loans to first responders- firefighters, nurses, police.
Improve the economics through reduced requirements, realistic fees, and expedited permitting
If fees can come down and the City develops some approved (craftsman) type of designs then owners and contractors can afford to build these properties
Having adequate land zoned for this purpose.
Designate 3-5 acre parcels for affordable rental housing within single family subdivisions
market conditions

Question 10– From 1 - lowest priority, to 5 - highest priority, who should take responsibility for housing affordability in Woodland?

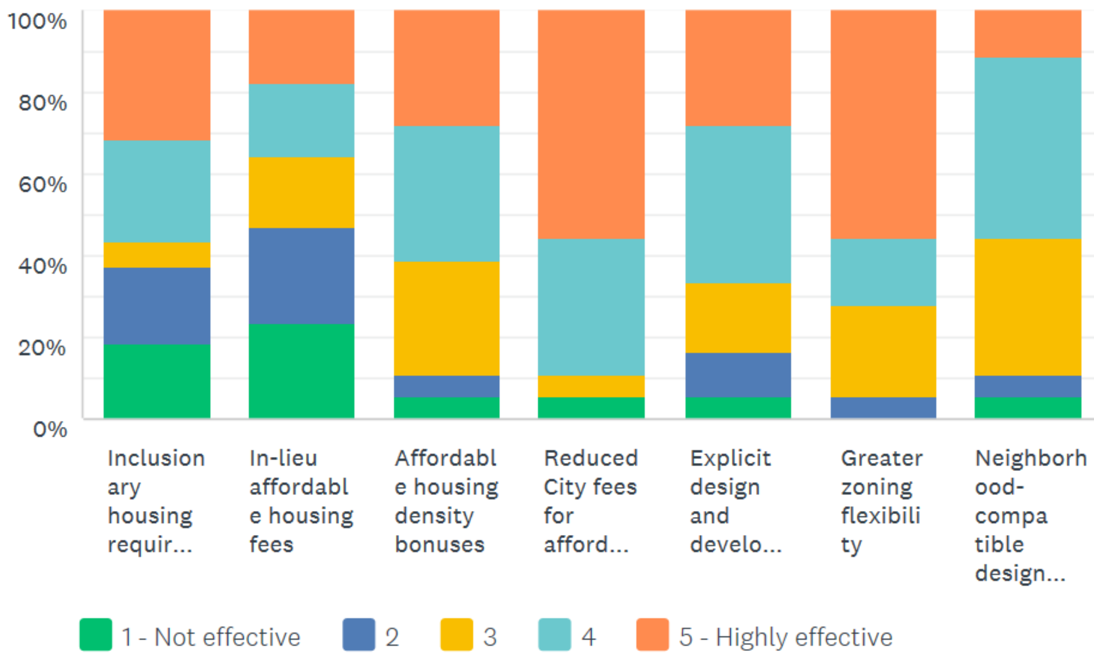


Answer Choices	**1 Least Important**	**2**	**3**	**4**	**5 Most Important**
City of Woodland	0.00%	11.11%	5.56%	44.44%	38.89%
Yolo County	5.56%	0.00%	38.89%	55.56%	0.00%
State	11.11%	16.67%	22.22%	33.33%	16.67%
Private Developers	22.22%	5.56%	22.22%	38.89%	11.11%
Other (please specify)	If subsidies can be given for new housing, or permits reduced for new affordable housing, then it would help, a little				
	Local housing authorities or other housing groups, 5				
	Private developers will focus on profit, so finding profitable ways to distribute affordable housing throughout developments is a must				
	Don't forget the nonprofits that operate in this space				

Question 11– What are ways the public sector can increase the supply of owner-occupied and rental affordable units:

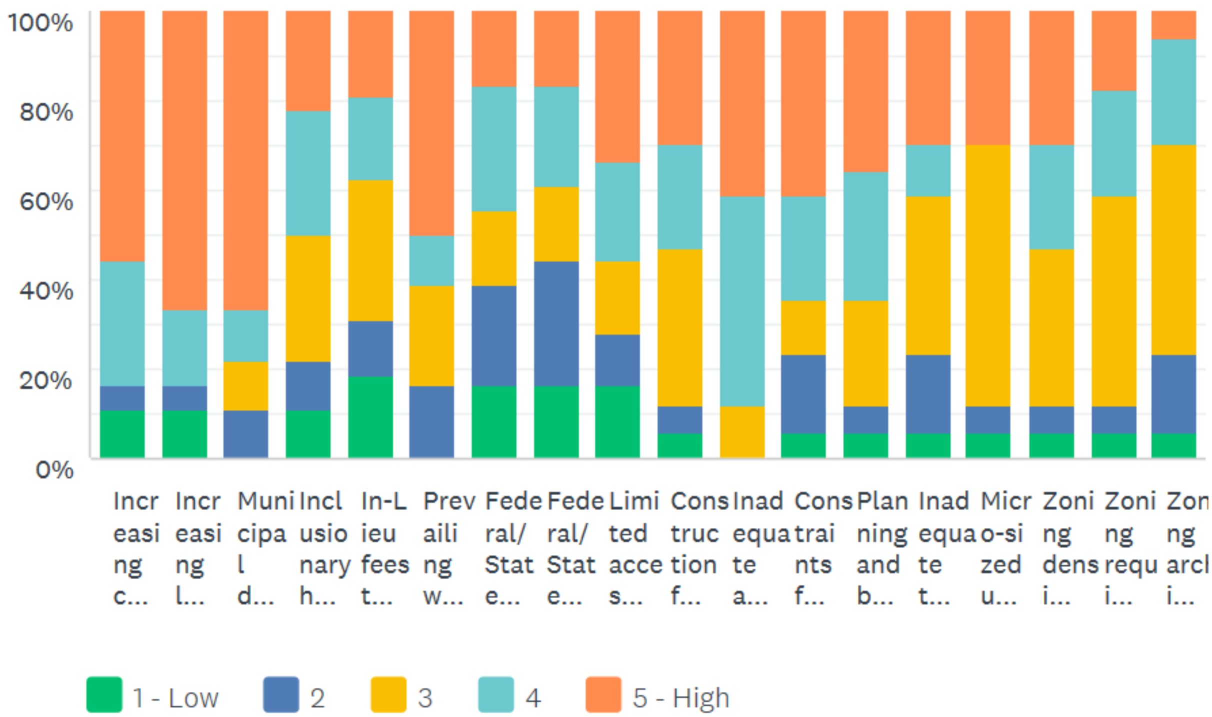
Responses
Subsidize, tax credits, place housing where they have access to goods, services, schools, and transportation.
Promote the idea of working and saving money to own your own home.
Lowering costs
As above
choosing where to spend there dollar votes
Subsidizing both rental (more Section 8) and first-time home buyers
fundraising? such as Habitat? Certainly supporting our City when they try to make affordable housing happen
By building them or creating incentives to build them
Work with owners and developers on ways to reduce costs and force rental rate constraints
work with City and County to establish rules and process for maintaining occupancy
Public sector can slightly avoid these projects and hold back from putting in government money. This would reduce a lot of the impediments involved in these projects since incorporating government money would create a lot of overlays.
I don't support owner occupied as an objective. I do believe state resources can invent cities and counties to do morev
reduce fees and improve flexibility in working with exiting property owners
By providing more subsidies, eg. Section 8 vouchers and Low Income Housing Tax Credits, State Housing Trust Fund
Provide more subsidy $ for deploy targeted rental housing
market conditions

Question 12– Please rank from 1 - not effective, to 5 - highly effective, the following affordable housing strategies:



Answer Choices	1 Least Important	2	3	4	5 Most Important
Inclusionary housing requirements	18.75%	18.75%	6.25%	25.00%	31.25%
In-lieu affordable housing fees	23.53%	23.53%	17.65%	17.65%	17.65%
Affordable housing density bonuses	5.56%	5.56%	27.78%	33.33%	27.78%
Reduced City fees for affordable housing	5.56%	0.00%	5.56%	33.33%	55.56%
Explicit design and development standards	5.56%	11.11%	16.67%	38.89%	27.78%
Greater zoning flexibility	0.00%	5.56%	22.22%	16.67%	55.56%
Neighborhood-compatible design and scale	5.56%	5.56%	33.33%	44.44%	11.11%
Other (please specify)	The current affordable housing formula makes it very difficult to create a home that is truly affordable long term				

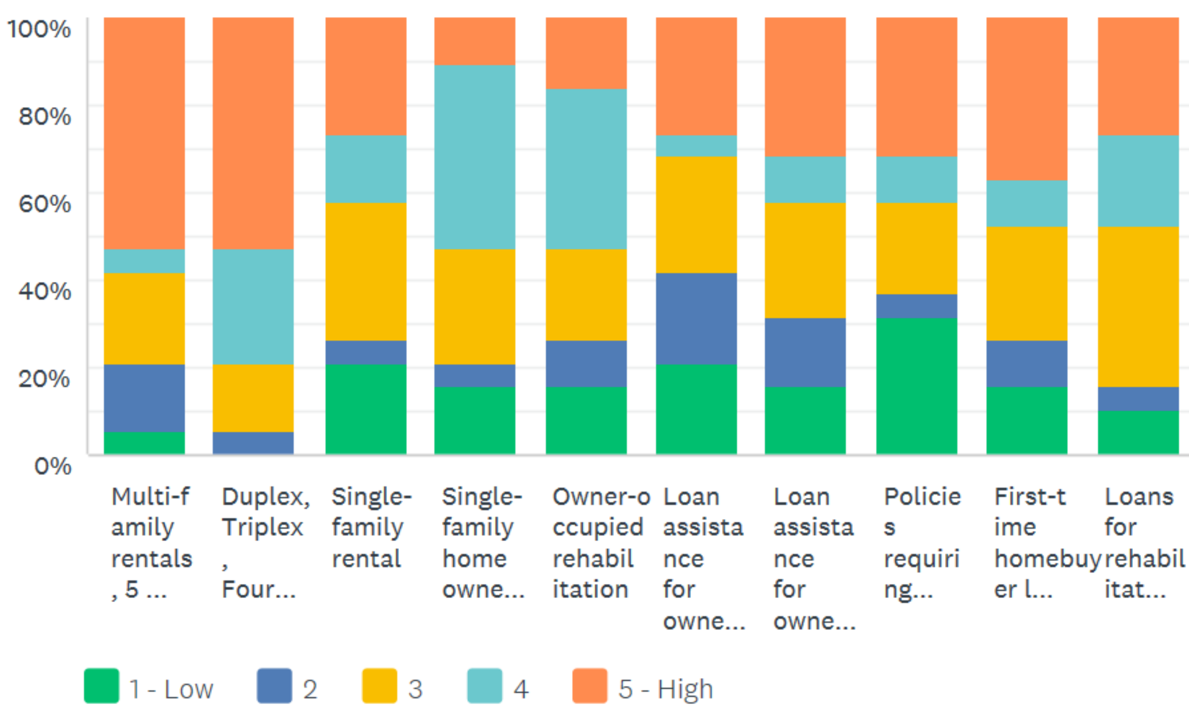
Question 13– Please rank from 1 - not effective, to 5 - highly effective, the following affordable housing strategies:



Answer Choices	1 Least Important	2	3	4	5 Most Important
Increasing construction costs	11.11%	5.56%	0.00%	27.78%	55.56%
Increasing land costs	11.11%	5.56%	0.00%	16.67%	66.67%
Municipal development fees	0.00%	11.11%	11.11%	11.11%	66.67%
Inclusionary housing requirements that increase unsubsidized housing costs	11.11%	11.11%	27.78%	27.78%	22.22%
In-Lieu fees that increase unsubsidized housing costs	18.75%	12.50%	31.25%	18.75%	18.75%
Prevailing wage labor cost	0.00%	16.67%	22.22%	11.11%	50.00%
Federal/State future financing uncertainties	16.67%	22.22%	16.67%	27.78%	16.67%
Federal/State financing regulations	16.67%	27.78%	16.67%	22.22%	16.67%
Limited access to affordable financing	16.67%	11.11%	16.67%	22.22%	33.33%
Construction financing constraints	5.88%	5.88%	35.29%	23.53%	29.41%

Inadequate affordable land availability	0.00%	0.00%	11.76%	47.06%	41.18%
Constraints for building 2 to 12 unit apartments and row homes	5.88%	17.65%	11.76%	23.53%	41.18%
Planning and building approval process	5.88%	5.88%	23.53%	29.41%	35.29%
Inadequate tenant rental assistance	5.88%	17.65%	35.29%	11.76%	29.41%
Micro-sized unit prohibitions	5.88%	5.88%	58.82%	0.00%	29.41%
Zoning density & min. lot sizes requirements	5.88%	5.88%	35.29%	23.53%	29.41%
Zoning requirements for multifamily parking	5.88%	5.88%	47.06%	23.53%	17.65%
Zoning architectural design standards	5.88%	17.65%	47.06%	23.53%	5.88%

Question 14– Please rank from 1, lowest, to 5 highest, the need for following types of affordable units and assistance programs:



Answer Choices	1 Least Important	2	3	4	5 Most Important
Multi-family rentals, 5 or more units	5.26%	15.79%	21.05%	5.26%	52.63%

Duplex, Triplex, Fourplex rentals	0.00%	5.26%	15.79%	26.32%	52.63%
Single-family rental	21.05%	5.26%	31.58%	15.79%	26.32%
Single-family home ownership	15.79%	5.26%	26.32%	42.11%	10.53%
Owner-occupied rehabilitation	15.79%	10.53%	21.05%	36.84%	15.79%
Loan assistance for owners of 5 + apartment complexes	21.05%	21.05%	26.32%	5.26%	26.32%
Loan assistance for owners of 2 to 4 unit apartment buildings	15.79%	15.79%	26.32%	10.53%	31.58%
Policies requiring affordable, single-family rentals	31.58%	5.26%	21.05%	10.53%	31.58%
First-time homebuyer loan assistance	15.79%	10.53%	26.32%	10.53%	36.84%
Loans for rehabilitation work	10.53%	5.26%	36.84%	21.05%	26.32%

Question 15– Should the City of Woodland encourage the development/construction of more innovative housing for moderate-income or "work-force" households earning more than 80% and no greater than 120% of median household adjusted for household size, such as 4 people, the approx. income range is more than $59,750/year and no greater than $89,625/year?If yes, how and where?

Responses
Yes lower down payments or matching down payment, fixed rate mtg.
When you say four people, does that include children? Construction for rentals or to buy homes? At the moment our town can not hold more people. We do not have the police force that can protect us. We do not have enough schools to educate new children.
YES/see number 12/across Woodland neighborhoods
it should be centrally located
Yes; by allowing zoning and lot size flexibility
Yes,
Yes, I don't know how but probably put incentives for someone to do it. Probably somewhere close to public transit.
Yes, distributed throughout the City with a focus on some of units as part of redevelopment efforts since close to services
Yes, in infill sites. This can be done through smaller lot sizes, reducing parking standards, infill development impact costs, making stock plans available to reduce planning costs.
Yes
Yes. Infill opportunity exists throughout the community. We need lofts and other open plan options
Yes - especially in areas of infill within the city
Yes, in the new parts of town and small infill apartments
Yes, but not at the cost of funding special needs housing for senior and disabled individuals, who have the greatest need, based on their very limited SSI/SSA income
Everywhere

Question 16– Please provide any additional suggestions and/or attach information that will help inform the affordability discussion

Response
We should bring more jobs into town so we can afford the houses we have.
1 in 10 new homes must be "affordable". That is a good provision, but the current formula just makes no sense. Too convoluted and puts additional expense on the builder, thus causing homes to be more expensive. With mello

roos fees and LLA, it is almost impossible for an affordable buyer to qualify, then there is little incentive for them to take that opportunity because the City keeps a huge portion of the equity
Education and Jobs are the real issue ... better-educated workforce leads to better jobs with higher pay and can lead to attracting business.
Complexes of less than 75-100 units are inefficient to manage with requirement for onsite presence from staff. Therefore smaller complexes that can be owned or managed by individuals or given the City/County government by developers (rather than in-lieu fess) should be encourage to better disburse affordable units throughout the City. Also, managing disbursed rental units provided to the City or County by developers can be managed by groups like the Housing Authority rather than have City/County staff attempt to do this kind of work.
Lamin terms would be answerable
Some of the questions are confusing so the responses may not in all cases accurately reflect my views
I would be happy to discuss this further. Call me at (530) 400-2927 if you need any further input.
Help development and housing will improve

Inclusionary Housing - City Comparison Table

June 2016

City	Inclusionary Requirements	In-Lieu Fee	Other Alternatives to On-Site Construction	# of Years Units are Required to be Affordable?	Miscellaneous Notes	Reference
Woodland	For sale (projects with at least 8 units) - 10% of units shall be affordable to low income households Mutlifamily rental units (projects with at least 10 units) - 10% affordable to low income and 20% affordable to very low income, or 25% affordabl to very low income	In-lieu fee: for projects with less than 50 units where city council detemines it is not feasible or suitable to require on-site affordable units, the city and developer can agree to a contribution of in-lieu fees instead.	Developer can propose to sell or dedicate sufficient residential lots to a nonprofit developer to satisfy its obligation or to dedicate appropriate off-site land, subject to approval by Community Development Director.	Rental - units shall be permanently affordable.		Chapter 6 A of Municipal Code
Elk Grove	No % requirement, just a fee requirement.	In-lieu fee calculated based on square feet. For interior remodels, calculated based on square feet of new land use minus square feet of existing land use. 3,858 per single family unit, $2,314 per multi-family unit. $0.64 - 1.87 per building square foot depending on commercial use (retail, manufacturing, warehouse, hotel).	N/A	N/A	Nexus study prepared by David Rosen Provisions for establishment and use of affordable housing fund (16.89.030) Most of the funds are used as gap financing to help private/non-profit developers create affordable units. Technically they are loans with very small payments and no interest. 1,600 affordable units have been developed in the past 13 years, and they have leveraged $64 million over this period.	Chapter 16.88, and 16.89
Roseville	10% of units	Not allowed to provide an in-lieu fee.	Must provide units either on-site or within same Specific Plan area.			Housing Element
Davis	For market rate single-family detached units on lots bigger than 5,000 sq/ft - 25% shall be affordable. For market rate single-family detached units on lots smaller than 5,000 sq/ft - 15% shall be affordable. For market rate single-family attached units - 10% shall be affordable. Ownership Units shall be priced to accommodate income ranges from 80%-100% of area median income. Separate requirements for inclusionary % requirement for rental housing developments (Section 18.050.060).	$75,000 per required affordable housing unit (fee schedule). In-lieu fees are subject to city council review based on project size, net density, projected housing costs, and other local objectives (such as smart growth). For projects totalling 201 units or more: In-Lieu fees for no more than 50% of the affordable hosuing obligation (if approved) For small developments of 15 or fewer units, they shall either meet a construction subsidy or a comination of onsite construction and in-lieu fees.	Acquisition and recordation of permanent affordability restrictions on existing housing units within the city, can count towards requirement subject to city council discretion. Land dedication shall be of an irrevocable offer of sufficient land that will accommodate the affordable housing requirement (no less than 2 acres) and have complete public works infustructure already present	Units shall be maintained perpetutity as affordable units	Residential developments consisting of fewer than 5 units are exempt from affordable housing requirments. Residential components of a vertical mixed use development are exempt from these requirments. "Affordable Housing" is calculated as 35% of gross monthly income. <u>On Site Construction</u> -City can award a density bonus -Developer must provide mix of two- and three-bedromm units w/ a minimum of 50% units as three-bedroom -Community development director shall determine maximum sale price for these units annually	Chapter 18, Article 18.05
West Sacramento	Rental Units 10% of all rental units in a residential project shall be made afforable to very low income and low income households. 5% shall be affordable to very low income households and 5% shall be affordable to lower income households. For-Sale units: 10% shall be afforable to low income households.	Housing Trust Fund Program Developers can satisfy all or part of the requirement with a $5,640 per unit in-lieu fee. These funds are used for gap financing loans, infrastructure improvements and studies.	Acquisition, Rehabilitation, and Conversion of exisiting market rate units to inclusionary units. Off-site onstruction Preservation of At-Risk Units: City manager must determine that the units subject to be acquired are currently affordable units and bare the risk of converting to market rate units within the next 5 years	Rental units - 55 yrs For-sale units - 45 yrs	The city shall permit substituition of rental units for for-sale units (to meet all or a portion of the inclusionary obligation)	Chapter 15.40

City	Inclusionary Requirements	In-Lieu Fee	Other Alternatives to On-Site Construction	# of Years Units are Required to be Affordable?	Miscellaneous Notes	Reference
Sacramento	Residential project that does not exceed 100 gross acres in size = owner shall pay housing impact fee on all newly constructed market rate dwelling units Residential project that does exceed 100 gross acres in size = owner pays the housing impact fee as well as must obtain a city council approval that the development will comply with the the variety of income types listed in the housing element policy. **Housing impact fee is subject to city council discussion, and all fees collected shall be placed in low income housing fund Development projects in which at least 10% of units are affordable	In-lieu fee for commercial based on square footage and ranges $0.60 to $2.47 per square foot based on type of use (https://www.cityofsacramento.org/layouts/Corporate/FC_Search/GetAttachment.aspx?filename=21000123137982006-02-07Housing_Trust_Fund_Fees.pdf).	Land dedication (must be approved by the Sacramento Housing and Redevelopment Agency). Land dedications must have all site improvements completed. Construction of affordable housing units (must be more than 400 feet away from another multi-unit affordable housing dwelling complex).	Development projects with at least 10% affordable units must remain affordable for at least 30 years	Maximum number of affordable dwelling units in any multi-unit dwelling developments shall not exceed 150 Exemptions from affordable housing obligation include: mobilehome parks, development project adopted prior to October 3, 2000,	Section 17.712.030
Folsom	For-sale development projects and rental projects (receiving funding assisitamce from the city) with 10 or more units shall have 10% inclusionary housing units. This 10 % shall be 3% very low income units and 7% low income units When 4 or fewer inclusionary units are required, the inclusionary units shall be: 1 inclusionary unit - one low income unit 2 inclusioanry units - one low income unit and one very low income unit 3 inclusionary units - two low income units and one very low income unit 4 inclusionary units - three low income units and one very low income unit	In-Lieu Fee: must satisfy all of the inclusionary housing requirments: multiply one percent of the lowest priced for-sale residential unit in the proposed subdivision by the total number of for-sale residential units in the proposed subdivision. For custom lot subdivisions where only lots will be sold, multiply one-half percent of the estimated cost of the least expensive homes anticipated for the proposed subdivision by the total number of for-sale lots in the proposed subdivision.	Land Dedication: must be at least the same number of units and infustructure as what the developer needed to provide onsite. Off-site Construction: must be within the city limits of Folsom Acquisition, Rehabilitation, and Conversion of Market Rate Units: Must be at or above affordable rent rates and then converted into affordable for-sale housing units. Conversion of Market Rate Units: developer may convert existing market rate units in Folsom which do noit require rehabilitation and are at or above existing affordable rents to affordable for-sale housing developments Open interpretation Alternatives: Developer can propose a different strategy but it must be approved by the city	Rental units - 30 yrs	Inclusionary Housing Unit Size - should accomadate a variety of family sizes and include a mixture of studio, one-, two-, or three-bedroom units Projects less than 40 residential units are exempt from unit size requirements.	Chapter 17.104
Rancho Cordova	No set requirement for an inclusionary % or an in-lieu fee. They do it on a case-by-case basis throught the Development Agreement process since they have not prepared a nexus study yet. They use Elk Grove's nexus study as a starting point. They are potentially looking at having a nexus study done to include requirements for non-residential projects and to the requirement for residential projects more explicit.					