

HOUSING STOCK CHARACTERISTICS

Housing Conditions

In February of 2007, a City-wide windshield survey was conducted to identify general housing conditions. The condition of housing was assessed by an exterior survey of quality, condition and improvement action. Information compiled by the survey included five structural categories: foundation, roofing, siding, windows, and electrical; and two supplemental categories: frontage improvements and additional factors. Based on scores assigned to the five categories, each housing structure was rated as being in sound or dilapidated condition, or in need of minor, moderate, or substantial repairs. The information collected during the survey is summarized in Table 1, Housing Condition Survey.

A total of 14,656 properties were visually inspected, although a detailed survey form was not completed for each property. The exterior condition of each home was noted, including the condition of the roof, chimney, and gutters; porches, stairs, and garage; doors and windows; exterior surfaces; and foundation. The vast majority of the housing surveyed was found to be in good condition and was not in need of rehabilitation or replacement, though 40.2 percent (7,328 units) are considered to need some form of rehabilitation. However, 16 units were considered dilapidated and in need of replacement.

The greatest concentration of housing units in need of repair are located in the City's four Community Development Block Grant (CDBG) areas. Nearly half (47 percent) of the housing units in the target areas were in need of rehabilitation. The units in the target areas were constructed during 1940-1960. Of the 5,906 units surveyed within the target areas, 2,648 required repairs to address structural damage, and 166 of these required immediate attention to correct existing structural damage. One housing unit has major structural damage.

Typical structural defects observed included roofs in need of replacement (missing or peeling asphalt shingles, etc.), sagging porches and rotten porch railings, damaged siding, peeling paint, broken steps, and missing roof gutters. A number of the homes had outbuildings (such as detached garages or sheds) that were in poor condition or that appeared to be tipping over. The homes observed to be in need of replacement were generally pre-1930s era cottages and bungalows. Some were located on the margins of neighborhoods adjacent to industrial and/or commercial uses. A number of small 1950s-era multifamily buildings were also identified as in need of substantial rehabilitation. These buildings appeared to be structurally sound but were in need of rehabilitation, maintenance, and cosmetic improvements.

TABLE 1
Housing Condition Survey Summary - 2007

Housing Type	Sound	Minor	Moderate	Substantial	Dilapidated	Total
Single	7,806	5,149	322	56	10	13,343
Mobile	215	50	35	15	4	319
Duplex	476	350	118	6	2	952
Multifamily	2,446	1,129	93	5	0	3,673
Total	10,943	6,678	568	82	16	18,287
Percent	59.8%	36.5%	3.1%	0.5%	0.1%	100.0%
Source: City staff survey						

Conclusions

The City's housing stock is in good condition. However, a third of the City's housing stock is more than 40 years old and may require more regular maintenance and repair. Some of the more recent housing stock may also be in need of rehabilitation, particularly small multifamily rental buildings. Programs which assist lower-income and/or elderly homeowners with home maintenance and repair should continue to be an important part of the City's housing program. Programs assisting apartment owners with rehabilitation and maintenance also should continue. These programs should target smaller (2-4 unit) complexes as well as the larger (5+ unit) complexes that have benefited in the past.

The City takes a proactive approach toward housing conditions through its housing rehabilitation programs. The City has used Community Development Block Grant (CDBG) funds to provide rehabilitation assistance. Over the last housing element period 125 units were rehabilitated. The goal of the 2008-2014 period is for the rehabilitation of 150 more units including rental properties.

Existing Housing Characteristics

The proportion of single-family units increased significantly since 1990, while the proportion of 5+ unit housing structures (i.e., multifamily) has decreased in the City. For example, single-family units comprised 65.35 percent of the housing stock in 1990 and 70.6 percent in 2000. At the same time, 5+ unit housing structures were 19.7 percent in 1990 and now represent 17.1 percent of the housing stock.

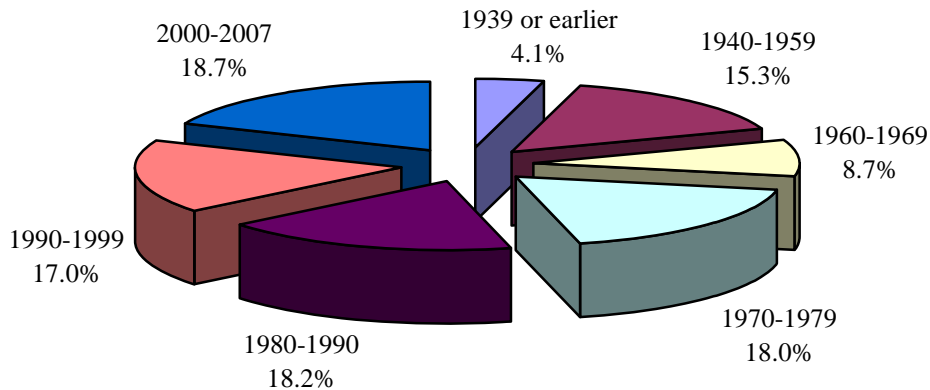
**TABLE 2
Housing Units By Type**

Unit Type	1980		1990		2000		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Single-Family	7,155	65.5	10,046	65.3	13,451	70.6	16,093	72
2-5 Units	928	8.5	1,621	10.5	1,741	9.1	2,014	9
5+ Units	2,565	23.5	3,038	19.7	3,250	17.1	3,919	17.5
Mobile Home	279	2.6	695	4.5	602	3.2	319	1.5
TOTALS	10,927	100%	15,400	100%	19,044	100%	22,345	100.0%

Source: 1980 and 1990, and 2000 US Census, 2006 American Community Survey

Approximately, 17.0 percent of the total housing stock (occupied and vacant units) was built from 1990 to 2000. Another 18.2 percent of the housing stock was built between 1980 and 1989. Over the past 8 years another 18.7 percent of the housing stock has been constructed.

**CHART 1
Housing Units By Year Built**



Source: 2000 Census and City building permit information

Substandard housing indices, without physical inspection, can generally be judged as overcrowding, units lacking complete plumbing, and constructed before 1940 without diligent maintenance. In the City, renter households are more likely to live in units that are overcrowded or lacking complete plumbing facilities. In addition, 5.1 percent of total housing was built before 1940. This supports the need for rehabilitation programs to assist both renter and homeowner housing. In the County, 13.9 percent of the housing units were overcrowded, while 6.5 percent were built before 1940.

TABLE 3
Indicators of Substandard Housing - 2000

CITY				
Indicators	Renters		Owner	
	Number	Percent	Number	Percent
Overcrowded*	1,783	22	806	7.9
Lacking Complete Plumbing Facilities	81	1	27	0.3
Built 1939 or Earlier	410	5	527	5.2
COUNTY				
Indicators	Renter		Owner	
	Number	Percent	Number	Percent
Overcrowded*	11,918	21.6	8,202	9.1
Lacking Complete Plumbing Facilities	470	0.9	357	0.4
Built 1939 or Earlier	3,911	7.1	5,457	6.1

Source: 2000 Census

***HCD NOTE: This is not intended to represent a complete analysis of overcrowding. Please see the section regarding overcrowded for the requisite analysis.**

Residential Construction Trends

An average of 584 units a year were constructed in the City over the last seven years for a total of 4,085 housing units. Of the new homes 69.6 percent were conventional single-family units, and 31.3 percent were multifamily units in large complexes containing structures with more than five units. Of the new single-family units constructed during this time period the City estimates that approximately 7 percent also constructed second dwelling units on the property.

TABLE 4
Building Permits By Year

Year	Single-Family Units	2-4 units	5+ Multifamily Units
2000	250	55	34
2001	286	45	78
2002	325	26	56
2003	450	72	125
2004	500	50	188
2005	456	25	275
2006	375	38	75
2007	200	42	59
Total	2,842	353	890

Source: City Building Permit Records Through December 2007.

TABLE 4
Pending Housing Developments

Developer/ Development Name	Number/Type of Units	Unit Size (sq. ft.)	Price Range	Status
Sunvista Home Builders	120 Single-Family	1,200 -2,400	\$430,000 - \$650,00	UC
Sierra Lofts	45 Townhomes	1,300	\$300,000	A
Charleston Senior Villa	40 Multifamily	650 – 750	50% AMI LIHTC	A
Meadowbrook Apartments	120 Multifamily	750-1,200	30%-60% AMI LIHTC and MHP	UC
Status: C = Complete; UC = Under Construction; A = Approved (Tentative or Final Map) Sources: City, and discussions with developers				

Vacancy Trends

Vacancy trends in housing are analyzed using a “vacancy rate” which establishes the relationship between housing supply and demand. For example, if the demand for housing is greater than the available supply, then the vacancy rate is low, and the price of housing will most likely increase. Additionally, the vacancy rate indicates whether or not the City has an adequate housing supply to provide choice and mobility. HUD standards indicate that a vacancy rate of five percent is sufficient to provide choice and mobility.

In 2000, the Census reported a vacancy rate of 3.8 percent. The State Department of Finance (DOF) Population Research Unit publishes an annual estimate of population, housing units, vacancy, and household size for all incorporated cities in the State. In 2002, the DOF estimated the vacancy rate for all housing units in the City was 3.59 percent. However, the DOF estimate is for all housing unit types and does not exclude seasonal, recreational, or occasional use and all other vacant. Table 48, Occupancy Status of Housing Stock, shows the characteristics of the City’s vacant housing units per the 2000 Census.

**TABLE 5
Occupancy Status of Housing Stock**

TYPE	NUMBER
Occupied	18,343
Vacant	701
For Rent	326
For Sale Only	184
Rented/Sold, Not Occupied	34
For Seasonal/Recreational or Occasional Use	107
For Migrant Workers	0
Other Vacant	50

Source: 2000 Census

Multifamily Vacancy

The City prepares an annual citywide survey of apartments and publishes data on vacancy rates and rental rates. A total of 2,392 multifamily units were surveyed for rent levels and vacancies. According to the results of the most recent October 2007 survey the overall apartment vacancy rate was 1.61 percent. Rates are especially low for two- and three-bedroom units, at 2.1 and 0.99 percent, respectively. In the five subsidized apartments surveyed, there were waiting lists in almost all properties and no vacancies. Low vacancy rates often stimulate higher rental rates, and as a result, very low- and low-income households often pay more than 30 percent of their income towards rent.

Vacancy rates are not available for single-family home rentals, however, based on discussions with local property management companies, single-family rentals are in high demand. Most units are rented or leased before they actually become vacant and many prospective tenants are turned away because of a lack of rentals. It is estimated that the inventory of single-family home rentals has declined, although there is no hard data available to document this theory. This has increased the demand for multifamily units.

**TABLE 6
Apartment Vacancy Rates
October 2005, 2006, and 2007**

	October 2005	October 2006	October 2007
Total Surveyed Units	2,950	2,168	2,392
Vacant/Available for Rent	65	21	39
Vacancy Rate	2.2	0.96	1.61

Source: Community Development Department

TABLE 7
Apartment Vacancy Rates by Size
October 2006 and October 2007

	One Bedroom		Two Bedroom		Three Bedroom	
	Oct. 06	Oct. 07	Oct. 06	Oct. 07	Oct. 06	Oct. 07
Total Surveyed	1,002	1,102	950	995	176	181
Vacant/Available for Rent	8	27	10	21	2	2
Vacancy Rate	0.79	2.46	1.05	2.1	1.15	0.99
Vacant and Under Rehabilitation	8	5	11	3	1	0

Source: Community Development Department

2.2.d (2) Single-Family Vacancy

According to the California Association of Realtors, there were a total of 139 single-family listings in the City on December 17, 2007. The estimated vacancy rate for single-family dwellings is 1 percent based on a total of 14,364 single-family units. This indicates a “tight” housing market resulting in increased demand for new housing, but insufficient supply to meet that demand. This effect will further decrease affordability of single-family housing.

Housing Costs and Affordability

One of the major barriers to housing availability is the cost of housing. In order to provide housing to all economic levels in the community, a wide variety of housing opportunities at various prices should be made available. The following table describes the acceptable monthly payment for households in the four major groups: very low-, low-, moderate- and above moderate-income.

TABLE 8
Income Groups By Affordability (2007)

Income Group	Income Range	Ideal Monthly Payment *
Very Low	Less Than \$24,000	Less Than \$600
Low	\$24,001 - \$38,400	\$600 to \$960
Moderate	\$38,401 - \$57,600	\$960 to \$1,440
Above Moderate	Greater Than \$57,600	Greater Than \$1,440

Source: 2007 HUD AMI at \$48,000; * 30% of income equal to monthly payment

Single-Family Sales Units

Since 1999, the median single-family home sale price ranged from a low of \$198,682 to a current high of \$372,602. This means that home prices are increasing at about 10.9 percent a year, which out paces the area income growth by 3.5 percent. While home

prices are increasing, the 2007 median sale price is still substantially lower than the State's 2007 median sales price of \$497,110. In December, 2007, there were 140 single-family units listed for sale in the City ranging from a \$123,000 one-bedroom/one-bath "fixer-upper" home to a \$950,000 13-bedroom home with a pool.

TABLE 9
Median Single-Family Sales Price (1999-2007)

Year	Number of Sales	Median Sales Price
2007	874	\$372,602
2006	867	\$362,685
2005	861	\$350,475
2004	705	\$325,000
2003	493	\$300,000
2002	442	\$250,000
2001	500	\$215,000
2000	375	\$202,602
1999	426	\$198,682

Source: Association of Realtors

Rental Units

According to the 2006 American Community Survey, the median rent was \$720 in the City, compared to \$695 for the County. In a recent October 2007 survey, conducted by the City, the total median rent for multifamily dwellings was \$810. Rents ranged from \$545 for a studio apartment, to \$1,240 for a three-bedroom.

A total of six properties are subsidized in the City. The median rents of those apartments financed through the Low Income Tax Credit Program, ranging from \$460 for a 1-bedroom to \$702 for a 3-bedroom.

TABLE 10
Current Median Rents*

Bedroom Type	Median Tax Credit Rents	Median Market Rents
Studio	NA	\$565
One-Bedroom	\$460	\$640
Two-Bedroom	\$565	\$810
Three-Bedroom	\$702	\$1,102

Note* Rents are net rents, apartment utilities are \$42 for a studio, \$54 for a 1-bedroom, \$63 for 2-bedroom, \$75 for 3-bedroom, and \$90 for 4-bedroom

Affordability

Affordability is defined as a household spending 30 percent or less of household income for shelter. Shelter is defined as gross rent or gross monthly owner costs. Gross rent is the contract rent, plus utilities. In most cases, the contract rent includes payment for

water, sewer and garbage. “Gross monthly owner costs” includes mortgage payments, taxes, insurance, utilities (including gas and electric), condominium fees, and site rent for mobilehomes.

As noted on Table 11, 45 percent of renter households pay in excess of 30 percent of their income for shelter. To put this in perspective, Table 11, Affordable Rental Rates, shows the current 2007, income ranges based on the Area Median Income (AMI) of \$48,000 along with the “affordability range.” For instance, a very low-income family of four can generally afford a total of \$537 a month for rent and utilities in a 2-bedroom apartment. The current market rental rates are affordable to those households with moderate- and above moderate-income. Most low income households could afford a studio, 1-bedroom, or 2-bedroom, market-rate unit.

TABLE 11
Affordable Rental Rates

Income Range	Maximum Affordability				
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Less Than \$24,000	\$558	\$546	\$537	\$525	\$510
\$24,001 - \$38,400	\$918	\$906	\$897	\$885	\$870
\$38,401 - \$57,600	\$1,398	\$1,386	\$1,377	\$1,365	\$1,350
Greater Than \$57,600	>\$1,398	>\$1,386	>\$1,377	>\$1,365	>\$1,350

Apartment utilities are \$42 for a studio, \$54 for a 1-bedroom, \$63 for 2-bedroom, \$75 for 3-bedroom, and \$90 for 4-bedroom.

While shelter costs for rental units are generally figured to be affordable at 30 percent of gross income, households are able to obtain a mortgage loan based on 35 percent of gross income. This is subject to individual credit and budgeting conditions and those with less revolving loan-type debt can generally find financing for a more expensive home. For instance, using the income categories, very low-income households in the City could afford a home up to \$71,103; however, currently there are no homes available at that price.

Conclusions

Since 2000, home prices and rents in the City have increased at a faster rate than household income. Many households in the City spend more than a third of their income on housing. The number of households that can comfortably afford the median priced home in the City — and the number that can afford the median priced apartment — has declined since 2000. Programs to assist moderate-income first-time buyers and lower-income renters could help narrow the affordability gap.