

Appendix A: California's Diverse Needs

Housing needs vary across population groups and places, making one-size-fits-all policies difficult to implement and inefficient for meeting the diverse needs of all Californians. This appendix focuses on the specific housing needs of certain special population groups and briefly examines how they can be addressed across California's diverse areas.

Vulnerable Populations

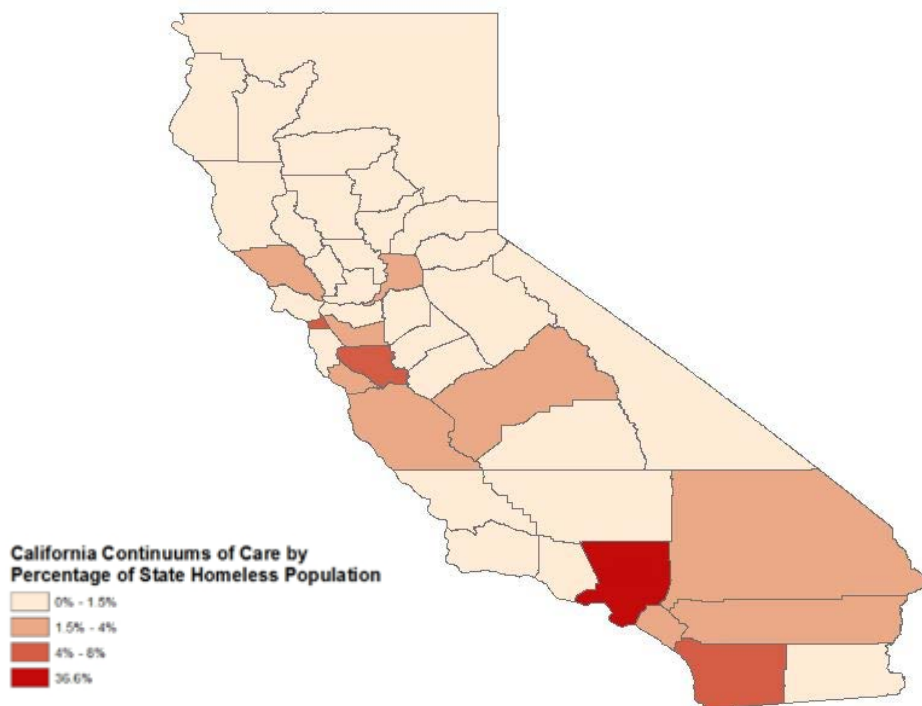
Housing costs and supply issues particularly affect certain vulnerable population groups that tend to have the lowest incomes as well as sometimes experience barriers to housing stability. These groups require targeted policy and programmatic responses. Such groups include persons experiencing homelessness, seniors, persons with disabilities, farmworkers, and tribal populations. It is important to note that California's special needs populations do not fit neatly into these categories; many people have multiple special needs. For example, persons with disabilities can also be chronically homeless, or certain tribal populations may also have specific housing requirements for older members.

Persons Experiencing Homelessness

This section highlights major demographic and housing issues for persons experiencing homelessness and the State's role in addressing the housing needs.

On a single night in 2016, more than 118,000 people experienced homelessness in California—22 percent of the entire nation's homeless population.ⁱ By comparison, California has 12 percent of the total population in the US. Most of California's homeless population resides in major metropolitan areas; however, homelessness impacts communities of all sizes and people experience homelessness throughout all regions of the State.

Figure A.1
One-Third of California's Homeless Population Is in Los Angeles County

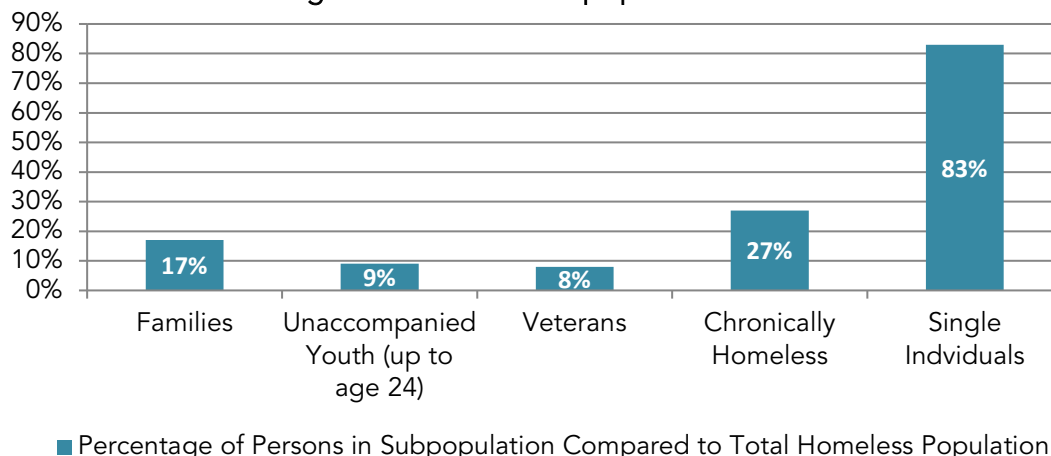


Source: 2016 Point-In-Time (PIT) Estimates of Homeless People by Continuum of Care
<https://www.hudexchange.info/resources/documents/2007-2016-PIT-Counts-by-CoC.xlsx>. Graphic by HCD.

The Point-In-Time (PIT) estimates¹ and the Annual Homeless Assessment Report to Congress (AHAR), Part 1, provide useful information on homeless subpopulations, including individuals, families, unaccompanied youth, veterans, and people experiencing chronic homelessness. It is noted that the PIT estimate does not represent the total number of people who experience homelessness over the course of a year, which could be two to three times the PIT number. On a single night in 2016, single individuals made up 83 percent of California's homeless population, accounting for 28 percent of the nation's individuals experiencing homelessness, with 11 percent of the nation's homeless individuals living in Los Angeles alone. California also had the highest number of unaccompanied youth, veterans and chronically homeless in the United States, with nearly one-third of the nation's youth, nearly one-fourth of the nation's homeless veterans, and more than one-third of the nation's chronically homeless residents.ⁱⁱ In addition to the PIT estimates, HUD publishes annual estimates and characteristics of sheltered homeless persons (living in shelters, transitional housing, and permanent supportive housing) collected through local Homeless Management Information Systems (HMIS) in the AHAR, Part 2. Nationally, in 2015, this number was approximately 2.5 times the PIT estimate (1.48 million compared to 564,708).

¹ The Point-in-Time (PIT) count is an annual count of sheltered and unsheltered homeless persons on a single night in January as required by HUD.

Figure A.2
Percentage of Homeless Subpopulations in California*



Note: Subpopulations are not mutually exclusive and not all persons experiencing homelessness are included in a subpopulation.
 Source: HUD 2016 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations.
https://www.hudexchange.info/resource/reportmanagement/published/CoC_PopSub_State_CA_2016.pdf

Demographics of Persons Experiencing Homelessness

While a complex issue, studies have looked at demographic characteristics that affect who becomes at-risk of or experiences homelessness. Understanding demographics and trends can help to inform strategies and solutions to address homelessness.

- HMIS and PIT data demonstrates clear racial disparities in the experience of homelessness. For example, nationally, African-Americans make up only 12 percent of all Americans, but comprised 39 percent of Americans experiencing homelessness in the 2016 PIT. In California, African-Americans make up 6.5 percent of the State’s population, but represent 27 percent of persons experiencing homelessness.
- Other households with increased risk of homelessness include single, female-headed households with young children and single-person households.ⁱⁱⁱ Single-headed households living in poverty are especially vulnerable to economic triggers into homelessness due to job loss, illness, or other catastrophic events or income changes.
- According to the 2015 AHAR, Part 2, adults with disabilities were almost three times more likely to be homeless than adults without disabilities. Adults with disabilities made up more than 40 percent of those experiencing sheltered homelessness nationally in 2015.
- Research projects a significant increase in people experiencing homelessness who are aging. As the “baby-boomer” generation ages, the number of homeless people nationally who are seniors is projected to increase 33 percent between 2010 and 2020 and to more than double by 2050.^{iv} Research further demonstrates people experiencing homelessness age much more quickly than housed populations. A recent study showed

52-year-old individual experiencing homelessness has chronic physical conditions similar to a housed individual who is 76.^v

- According to the 2016 AHAR, Part 1, 66 percent of California’s homeless population is unsheltered, compared to 32 percent nationally. This is important because the health of unsheltered persons experiencing homelessness deteriorates more quickly than the sheltered population.

Chronically Homeless Population

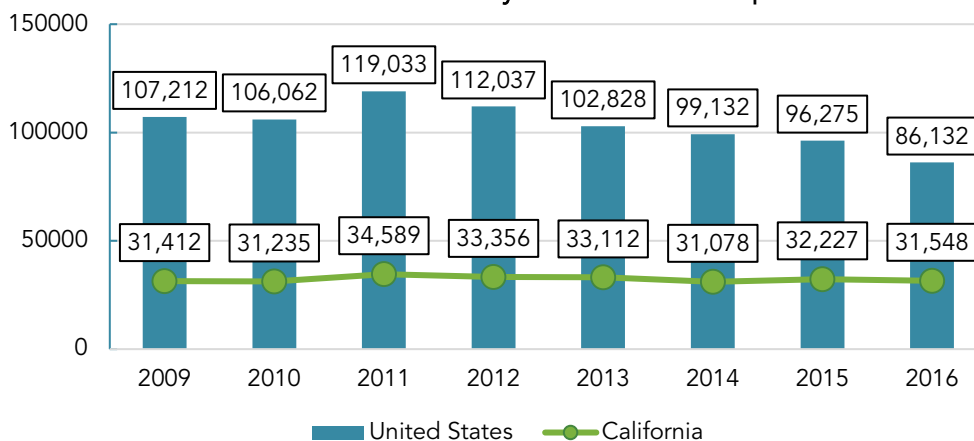
Chronically homeless individuals commonly have complex conditions, including behavioral and physical health issues that worsen while homeless. The chronically homeless population consumes a much greater share of the homeless services resources^{vi}, but also cycle through other costly public institutions such as emergency rooms, hospital inpatient settings, jails and nursing homes. Thirty-nine percent of the nation’s chronically homeless population lives in California (29,802 persons according to 2016 PIT), 94 percent of whom are single individuals. California experiences a disproportionate amount of chronically homeless in comparison to the nation. The chronically homeless population is 27 percent of California’s total homeless population, while nationally the chronically homeless population is 16 percent of the total. Also of note, given that the majority of persons experiencing chronic homelessness meet the definition due to experiencing episodic periods of homelessness, the PIT counts may miss a significant portion of the population who may be housed when the count occurs.^{vii}

Chronically Homeless Definition:

A chronically homeless individual is a homeless individual with a disabling health condition who either has been continuously homeless for a year or more or has had at least four episodes of homelessness in the past three years adding up to 12 months.

Federal Departments of Housing and Urban Development and Veterans Affairs

Figure A.3
Chronic Homelessness Remains Steady in California Despite National Decline



Source: United States Department of Housing and Urban Development, 2009-2016 California and National Point-in-Time estimates of Chronically Homeless Individuals. <https://www.hudexchange.info/resources/documents/2007-2016-PIT-Counts-by-State.xlsx>. Graphic by HCD.

While overall homelessness has declined, the chronically homeless population has remained steady or has risen in some areas of the State over the past five years. For example, Los Angeles experienced a 40 percent rise in chronic homelessness from 2011 to 2016.

Who Becomes Homeless?

According to the Substance Abuse and Mental Health Services Agency research, the causes of homelessness are complex. In most cases, homelessness can be associated with a combination of structural and individual factors. Some of these factors include access to housing, size and availability of social safety-net programs (including income-support and behavioral-health programs), poverty and unemployment, and mental health and/or other debilitating illness (including veterans with war-related disabilities). However, accurate data to assess or determine who is likely to become homeless, and therefore target prevention efforts to those individuals and families, is not available or reliable.

Researchers have associated flat incomes during periods of increasing rent levels, along with shortfalls of affordable housing, with homelessness rates. For example, research found that every \$100 increase in median rent was associated with a 15 percent increase in homelessness in metropolitan areas and a 39 percent increase in non-metro areas^{viii}. As individuals attempt to exit homelessness, housing affordability impact the length of stay in homelessness because individuals may have difficulty finding homes that they can afford or must compete in tight markets with other renters who likely have stronger employment, credit and rental histories. Low rental housing vacancy rates in a community, common especially in coastal regions, contribute also to increased rents, increased homelessness, and difficulties exiting homelessness.

Impacts on Individuals and Communities

Homelessness has significant costs for the individuals that experience it:

- Homelessness both causes and results from serious health issues, including mental health and addictive disorders.
- The mortality rate of individuals experiencing homelessness is four to nine times higher than for the general population ^{ix}.
- Mothers experiencing homelessness are four to seven times more likely to suffer from depression than their female peers ^x.
- For people with physical and mental-health challenges, experiencing homelessness can create barriers to work and creative contributions, and the loss of future productivity to society is impossible to measure.
- Children experiencing homelessness are more likely than their peers to suffer from acute and chronic illness.
- Young children experiencing homelessness demonstrate delays in fine- and gross-motor skills and social skills.

Appendix A: California's Diverse Needs

- For older children, unstable living situations impact education. Within a single year 97 percent of children who are homeless move as many as three times, 40 percent attend two different schools, and one-third repeat a grade.^{xi}
- Chronically homeless individuals die 30 years younger than average life expectancy.^{xii}

Homelessness also increases societal costs as homeless individuals cycle between homelessness, incarceration, nursing homes, and hospitals at public expense:

- A recent study in Santa Clara County looked at the public cost of homelessness across the healthcare, social welfare, and correctional systems and found that five percent of the homeless population who are also frequent users of public and medical services use about 47 percent of all public costs with an average individual cost of \$100,000 per year.^{xiii}
- According to a report in the *New England Journal of Medicine*, persons experiencing homelessness spend an average of four days longer per hospital visit than comparable non-homeless persons. The extra cost of these visits is approximately \$2,414 per hospitalization.^{xiv}
- A study in Los Angeles showed typical public cost for residents in supportive housing is only \$605 a month, while the typical public cost for similar homeless persons is \$2,897 per person, per month^{xv}.

Federal, State and Local Efforts to Solve Homelessness

Reducing homelessness requires a coordinated effort across federal, local, and State policies; programs; and investments as well as between various sectors (housing, health, and social services). At the federal level, two major actions initiated significant homelessness policy and investments shifts.

Federal Efforts:

Signed into law in 2009, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act established a federal goal of “ensuring that individuals and families experiencing homelessness return to permanent housing within 30 days.” HEARTH selection criteria and performance measurements include:

- Reducing the number of people who become homeless.
- Reducing the length of time people remain homeless.
- Reducing returns to homelessness.
- Increasing jobs and income for persons exiting homelessness.
- Thoroughness in reaching all segments of the homeless population.

In 2010, the United States Interagency Council on Homelessness released *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* (amended in 2015) to “transform

Appendix A: California's Diverse Needs

homeless services into crisis response systems that prevent homelessness and rapidly return people who experience homelessness to stable housing.”

The plan identified four goals:

- 1) Ending chronic homelessness by 2017.
- 2) Preventing and ending homelessness among veterans by 2015.
- 3) Preventing and ending homelessness among families, youth and children by 2020.
- 4) Setting a path to ending all types of homelessness.

Through targeted initiatives at the national level, progress has been impressive with respective reductions since 2010 by 21 percent (chronic), 33 percent (veterans), and 15 percent (families). Applying a “systems approach” to ending homelessness, federal efforts have promoted:

- Using program- and system-level data and evidenced-informed practices to guide investments and improve results.
- Connecting people experiencing homelessness or at risk of homelessness quickly to permanent housing. Coordinated entry systems are an important local tool to streamline access to services (whether prevention, rapid re-housing, shelter, affordable housing, shelter, or permanent supportive housing) and to provide the most cost-effective intervention that prevents or ends the households' homelessness.
- Employing housing first not only for permanent supportive housing but as an overall orientation in responding to homelessness. Housing first strategies employ proactive outreach and engagement, low barrier and streamlined entry into housing, and voluntary services focusing on housing stability.
- Leveraging and integrating mainstream resources beyond targeted homelessness programs, in the areas of housing, employment, healthcare, education, and income supports.

Local Efforts:

Through the Continuum of Care (CoC) program, HUD awards funds to local programs through local/regional bodies. The funding allows communities to work toward achieving the HEARTH goals. In 2015, California's 43 CoCs, covering most of California's geography, received \$336.5 million for permanent housing (rapid re-housing and permanent supportive housing), transitional housing, supportive services, homelessness prevention and HMIS activities.^{xvi} In addition to strategically applying for federal CoC resources and community-wide planning, CoCs are also responsible for:

- Improving coordination of mainstream resources with other programs targeted to people experiencing homelessness.
- Establishing and operating a centralized or coordinated entry system.
- Establishing and following written standards for providing CoC services and assistance;

Appendix A: California’s Diverse Needs

- Operating HMIS and evaluating and reporting to HUD outcomes of CoC and the federal Emergency Solutions Grant Program.
- Conducting the bi-annual PIT homeless count.
- Reporting housing inventory and other information reflected in the Housing Inventory Count and CoC Dashboard Reports published by HUD. ^{xvii}

In addition to the CoCs’ role, cities and counties, other local funders, and the non-profit sector play a distinct and critical role in responding to the crisis of homelessness. For example, local governments finance and approve new, permanent housing targeted to persons experiencing homelessness, use land-use policy to maximize housing opportunities, and work to prioritize housing resources (such as federal Housing Choice Vouchers). Hospitals or health-care systems participate in multi-sector outreach teams to support coordinated entry systems, operate drop-in centers, and partner with service providers to identify frequent users of health services and help them transition to stable housing with intensive services.

State Efforts:

In February 2016, the Legislative Analyst’s Office (LAO) issued an “Overview of State Homelessness Programs”. Funding in State programs comes from State and federal sources and may be ongoing or in the form of one- time allocations. Several State housing, social services, and health entities administer these programs, including the HCD, the California Housing Finance Agency, Tax Credit Allocation Committee, Office of Emergency Services, California Department of Veteran’s Affairs, Department of Social Services, and Department of Health Care Services. The following table highlights significant or current programs and funding. (For a detailed description of these programs, refer to Exhibit C1.)

**Table A.1
State Programs for Addressing Homelessness**

Build Housing And Shelter	Help Pay For Housing	Provide Other Types Of Related Assistance
Low-Income Housing Tax Credit	Emergency Solutions Grants	Whole Person Care Pilots
Veteran Housing and Homelessness Prevention Program	CalWORKs Housing Support Program	Mental Health Services Act-Funded Mental Health Services
Multifamily Housing Program	CalWORKS Homeless Assistance	Medi-Cal
Mental Health Services Act State Housing Program	Community Services Block Grants	Supplemental Security Income/State Supplementary Payment
Emergency Housing Assistance Program (Capital)	Community-Based Transitional Housing Program	CalWORKS
No Place Like Home - Permanent supportive housing for persons who are in need of mental health services		

2013 Policy Academy to Reduce Chronic Homelessness:

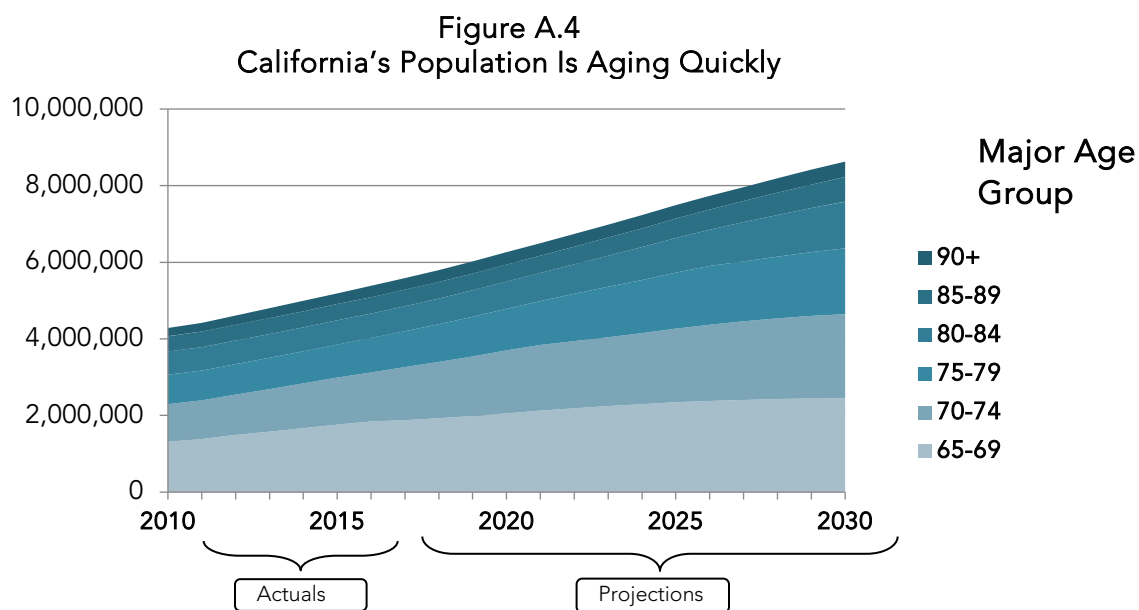
In 2013, California was one of four states selected to participate in the federally sponsored Substance Abuse and Mental Health Services Administration Policy Academy. Led by the HCD, this Academy brought together State agencies and departments, federal agencies, local governments, service and housing providers, continuums of care, public housing authorities, and statewide advocacy groups for intensive research, discussion, and policy development.

Homeless Coordinating and Financing Council

In 2016, the Governor Signed Senate Bill 1380 (Mitchell), Chapter 847, which requires agencies and departments that oversee homeless programs to adopt guidelines and regulations incorporating core components of the Housing First model. In addition, the State will establish a Homeless Coordinating and Financing Council in 2017 to oversee the implementation of the Housing First guidelines and regulations and, among other things, to identify resources, benefits, and services that can be accessed to prevent and end homelessness in California.

Seniors

California’s senior population (65 and over) is currently 4.6 million^{xviii} but this number will substantially increase over the next 20 years as the “baby boom” generation enters this age group. The California Department of Finance estimates the senior population in California will increase 63 percent to 7.5 million by 2025 and to 9.5 million in 2035.^{xix} Figure A.4 shows the surge in the senior population expected in the next two decades.

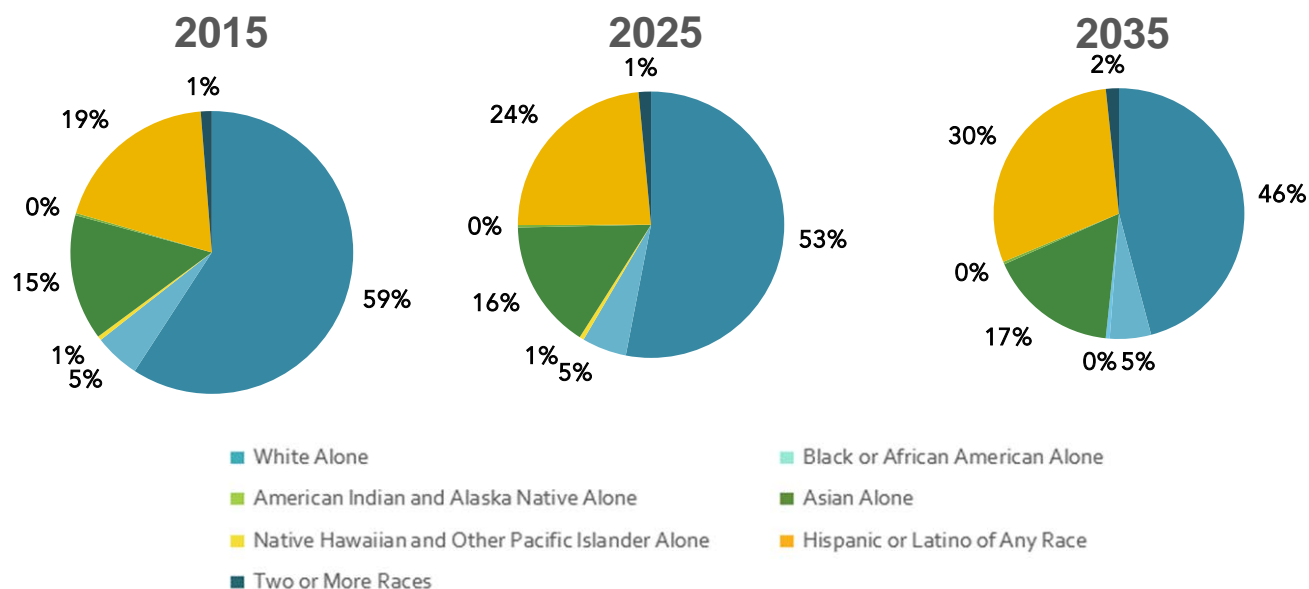


Source: State of California, Department of Finance, Report P-1 (Age): State and County Population Projections by Major Age Groups, 2010-2060. Sacramento, California, December 2014. Graphic by HCD.

Seniors by Ethnicity

Within this growing senior population, there is also a gradual shift towards greater ethnic diversity. Hispanics and Asians will make up the majority of this growing population. This shift may affect housing and care needs. For example, studies have shown that Hispanic households have a higher prevalence of in-home care-giving compared to other ethnic groups.^{xx}

Figure A.5
The Senior Population Is Becoming More Diverse



Source: Analysis of State of California, Department of Finance State and County Population Projections by Race/Ethnicity, Sex and Age 2010-2060. Graphic by HCD.

Eldest Seniors

Housing and care needs shift as the senior population ages. The fastest growing group within the senior population is aged 80 and older. The California Department of Finance projects the eldest senior population to more than double between 2015 and 2035^{xxi} from 1.3 million to 2.8 million. Currently, 36 percent of the eldest seniors have incomes below 200 percent of the federal poverty level^{xxii}. They are also the most vulnerable since they are most likely to require some form of medical and/or housing subsidy.

Table A.2
Eldest Senior Population Expected to Double 2015-2035

	Young Seniors (60-69)	Mature Seniors (70-79)	Eldest Seniors (80+)
California (% Change)	26%	104%	111%

Source: State of California, Department of Finance State and County Population Projections by Race/Ethnicity, Sex and Age 2010-2060.

Housing Needs and Other Policy Considerations for Seniors

Senior housing options operate on a continuum depending on the desires and needs of the individual. These housing options include traditional homeownership and rental housing, senior-only, independent-living homeownership and rental housing, congregate care, assisted living, skilled nursing, and living with a relative either in the home or in an accessory dwelling unit. Of those living independently, most senior households own their home (73.4 percent) versus rent their home (26.6 percent).^{xxiii}

There are an estimated 1.3 million low-income senior households. California seniors have a median personal income of \$21,300. The average annual social security benefit for California seniors is \$12,179, which, for more than half the seniors in the State, accounts for 80 percent or more of their income. This leaves many seniors without enough income to meet their basic needs for food, shelter, and health care. Assistance for lower-income seniors can range from income-restricted multifamily housing, housing vouchers (rental assistance), in-home supportive care, and Medicaid or Medi-Cal-supported skilled nursing. Nearly two-thirds of senior renter households are rent burdened (paying more than 30 percent of their income towards housing).^{xxiv}

In California, low-incomes among seniors make it difficult to afford independent-living and assisted-living arrangements. Seniors who remain living at home ("aging in place") will need in-home assistance as they age and their ability for self-care diminishes. The California Department of Social Services shows about 445,000 seniors had in-home supportive services benefits in fiscal year 2014-2015 and expects this number to double by 2030.^{xxv} The Assisted Living Waiver Program, administered by the California Department of Health Care Services, also assists seniors who are aging-in-place. The program was created to help Medi-Cal recipients remain in their communities as an alternative to residing in nursing homes. However, the program only pays for medical services. Program recipients still must pay for room and board, which may be cost-prohibitive depending on the assisted living facility.

State Housing Solutions for Seniors

California has a variety of programs that directly or indirectly provide affordable rental options and homeownership assistance. However, there are no dedicated funding programs exclusively for senior housing. The following are examples of programs that have financed senior-only multifamily developments or assisted senior households:

- Multifamily Housing Program (California Department of Housing and Community Development)
- 4- and 9-percent tax credits (California Tax Credit Allocation Committee)
- Mental Health Services Act Housing Program (California Housing Finance Agency)
- Mortgage Reinstatement Assistance Program (California Housing Finance Agency)
- Reverse Mortgage Assistance Pilot Program (California Housing Finance Agency)

Appendix A: California’s Diverse Needs

Funding for subsidized units for seniors in California is typically awarded through HUD or the California Tax Credit Allocation Committee. Though there may be some overlap, the combined total number of subsidized, senior units from these programs is approximately 50,800.^{2 3}

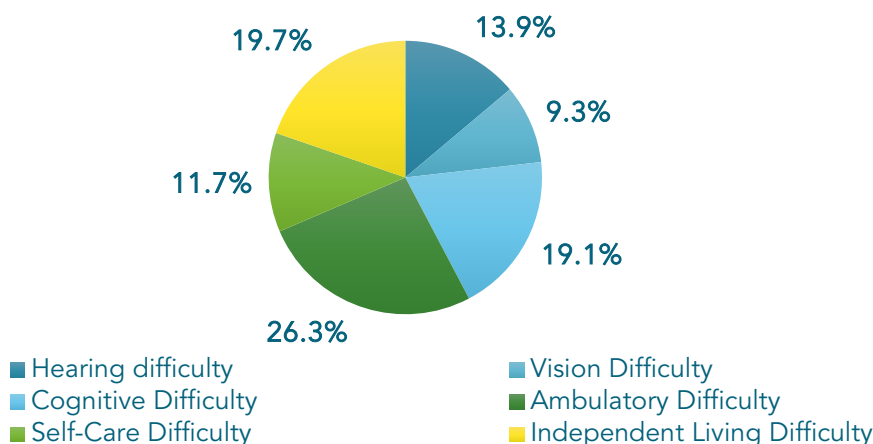
In addition, programs like the California Housing Finance Agency's Mortgage Reinstatement Assistance Program and the Reverse Mortgage Assistance Pilot Program aim to help seniors who are at-risk of losing their homes.

Persons with Disabilities, Including Persons with Developmental Disabilities

The State of California defines disability as a physical or mental impairment that “limits a major life activity” (Government Code Section 12926-12926.1). This segment of the population needs affordable, conveniently located, and accessible housing, which can be adapted to accommodate the limitations of a specific disability.

According to the U.S. Census, California has 3.8 million persons with disabilities.^{xxvi} Figure A.6 shows the breakdown of reported disabilities by type. Those with ambulatory difficulty (i.e. those who need wheelchairs, canes, or other movement assistance) represent the largest percentage of people who reported that they have a disability. Housing for this group may require reasonable accommodation for their disabilities⁴ or homes built with universal design standards.⁵ In addition, 20 percent reported having an independent-living difficulty that requires flexible housing solutions (e.g., housing with supportive services, group homes, etc.).

Figure A.6
One-Third of Reported Disabilities Are Self-Care or Independent-Living Difficulties



Source: Disability Characteristics 2010-2014 American Community Survey 5-year estimates Table S1810. Graphic by HCD.

² According to the HUD Inventory of Units for Seniors and Persons with Disabilities Report last completed in 2010 California has 38,259 subsidized affordable housing units for seniors. HUD Inventory of Units for the Elderly and Persons with Disabilities.

³ Since 2010, the CTCAC has awarded funding through their 9% and 4% tax credits for 12,504 units for low income seniors Analysis of TCAC California Mapped Developments data list.

⁴ Accommodations made to the structure, rental policies, or others so that a person with a disability can enjoy the use of housing.

⁵ Universal design involves designing spaces so that they can be used by the widest range of people possible taking into account physical, perceptual and cognitive abilities.

The effect of disabilities on housing needs can vary depending on age and severity. For example, families with children who have severe disabilities may need access to affordable family housing to ensure that they can meet the child’s care expenses. Adults with disabilities may need housing types that enable independent living within the community. Seniors with disabilities may need access to assisted living and in-home care. Table A.3 demonstrates that many persons with disabilities experience multiple disabilities with over half of disabled seniors reporting either independent-living difficulty or multiple types of disabilities.

Table A.3
Half of Persons with Disabilities Have Two or More Types of Disabilities

Age Group	Number Of Persons With Disabilities	Percent With Self-Care Limitations	Percent With Independent Living Difficulty	Percent With Two Or More Types Of Disabilities
Under 18	288,110	20.9%	NA	30.2%
18-64 Years	1,916,028	19.6%	37%	46.0%
Over 64 Years	1,647,304	28.5%	49.5%	59.0%

Source: Disability Characteristics 2010-2014 American Community Survey 5-year estimates Table S1810 and C18108

Housing Needs and Other Policy Considerations for Persons with Disabilities

The development of affordable and accessible homes is critical to the long-term stability of persons with disabilities, whose living arrangements depend on the severity of their disabilities. To maintain independent living, disabled persons may require assistance, and many live at home in an independent environment with the help of other family members. Other forms of assistance include special housing-design features for the physically disabled (including universal design criteria), income support for those who are unable to work, and in-home supportive services for persons with medical conditions.

One of the biggest obstacles to living independently in the community is limited financial resources. For the overall population, one in five California residents live under or near the poverty level; however, one in three persons with disabilities live under or near the poverty level (and 54 percent have very-low incomes).^{xxvii xxviii} Families with children who have disabilities that include self-care limitations can find themselves additionally cost burdened due to the child’s health care needs. For these families, having access to affordable, accessible housing is critical to ensure sufficient family resources are available to meet the children's needs.

In addition to affordability, other challenges can affect the housing needs of persons with disabilities, such as discrimination, reasonable accommodation, and community integration.

Discrimination:

The Federal Fair Housing Amendments Act and California Fair Employment and Housing Act prohibit discrimination in the sale or rental of housing based upon a person's mental or physical disability.^{xxixxxx}

However, studies show that persons with disabilities are more likely to experience discrimination when seeking housing compared to other protected classes. In California, 41 percent of the discrimination complaints received by the California Department of Fair Employment and Housing and the U.S Department of Housing and Urban Development were due to a disability^{xxxi}.

Reasonable Accommodation:

In some cases, a person's disability may require certain accommodations in order to utilize housing fully. Tenants who rent can request accommodations from the property owner, and tenants who own their homes can request accommodations from the local government. To meet Fair Housing requirements and requirements of State Housing Element Law^{xxxii} many local governments have adopted reasonable accommodation procedures or ordinances. These ordinances allow individuals to ask for modifications in the application of land use, zoning and building regulations, policies, practices, and procedures.

Community Integration:

One of the challenges persons with disabilities face is finding access to housing choices throughout the community. Historically, many people with disabilities had very few housing choices except for institutionalized settings that inhibited them from living independently. The Supreme Court through *Olmstead v. L.C.*, 527 U.S. 581 (1999), held that states are required to eliminate unnecessary segregation of persons with disabilities and to ensure that persons with disabilities receive services in the most-integrated setting appropriate to their needs. Ensuring community integration is a complex issue requiring balance between providing supportive housing opportunities, efficient delivery of services, and avoiding the creation of institutionalized settings. While California has established an Olmstead Advisory Group, most of the efforts have been to transition individuals from institutional settings^{xxxiii} to community-integrated housing.

Persons with Developmental Disabilities

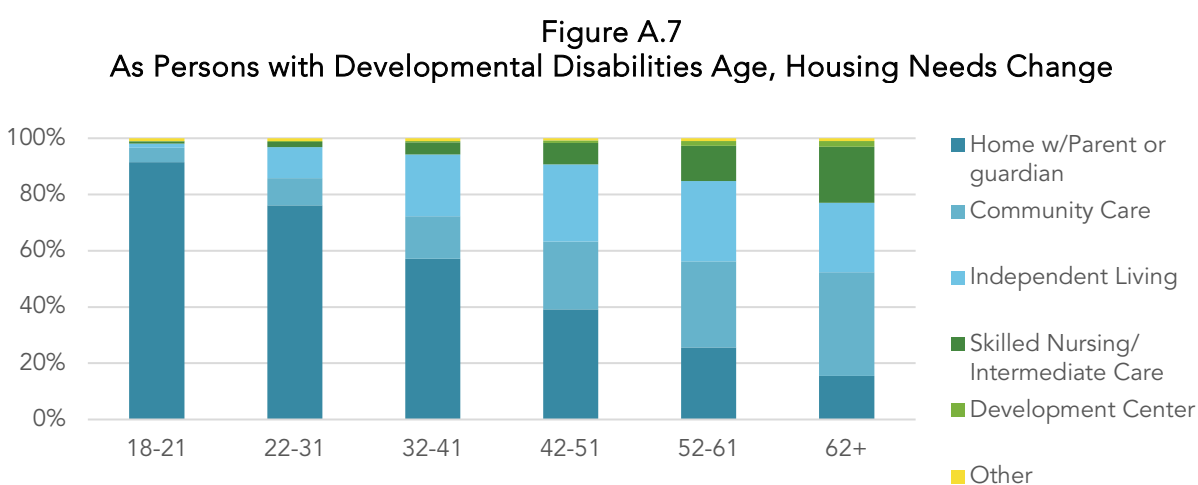
Persons with developmental disabilities represent a subcategory that requires specialized housing solutions in addition to the ones mentioned above. The term "developmental disability" refers to a severe and chronic disability that is attributable to a mental or physical impairment that begins before a person reaches adulthood. These disabilities include intellectual disability, cerebral palsy, epilepsy, autism, and disabling conditions closely related to intellectual disability or requiring similar treatment.^{xxxiv} The number of persons with developmental disabilities is difficult to quantify in California. The California State Council on Developmental Services uses Gollay and Associate's national prevalence of persons with developmental disabilities estimate of 1.8 percent to calculate that 684,000 Californians meet the federal definition of having a developmental disability. Client data from nonprofit regional

Appendix A: California's Diverse Needs

centers and development centers contracted with the California Department of Developmental Services shows 250,000 people received assistance in 2015.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment that provides supervision. The most severely affected individuals may require institutional care. Because developmental disabilities exist before adulthood, a major issue in supportive housing for people with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

Figure A.7 demonstrates that as people with developmental disabilities age, they become less reliant on home care with a parent or guardian and live independently or in community care facilities.



Source: State of California Developmental Services, Statewide Report from the Client Master File, December 2015. Graphic by HCD.

State Housing Solutions for Persons with Developmental Disabilities

State agencies that address the needs of Californians with disabilities include the Department of Housing and Community Development (HCD), Health and Human Services Agency, Department of Public Health Office of Health Equity, Department of Developmental Services, and California Housing Finance Agency. Within these departments and agencies, California administers a number of programs to address the housing needs of Californians with disabilities. These programs include special needs funding as part of the Tax Credit Allocation Committee program, HCD's Multifamily Housing Program—Supportive Housing, Mental Health Services Act Housing Program, and the Federal Housing Choice Voucher Program. State Housing Element Law requires each jurisdiction to assess the housing needs of persons with disabilities, including developmental disabilities, and to analyze potential governmental constraints to the development, improvement and maintenance of housing for persons with disabilities. California's Lanterman Developmental Disabilities Services Act requires California to provide services and support to people with developmental disabilities.^{xxxv} In addition, HCD has

developed a model universal-design ordinance applicable to new construction and alterations that local governments may voluntarily adopt.

Farmworkers

California is the largest producer of agricultural goods in the country, and is one of the largest agricultural producing regions in the world.^{xxxvi} Farmworkers play a key role in the operation and delivery of the State’s food system. Despite this, farmworkers face a number of economic disadvantages compared to California’s population as a whole. Farmworkers tend to have low incomes, higher risk of living in poverty, and have limited access to safe, healthy, and affordable housing choices.

It is difficult to determine the number of farmworkers both migratory and permanent. Estimates range from. 391,700 to 802,662 depending on the source.

**Table A.4
Farmworker Numbers Are Difficult to Calculate**

Agency	Who Is Counted	Count
2010-2014 American Community Survey 5-Year Estimates	Agriculture, forestry, fishing and hunting, and mining	401,363
Employment Development Department (EDD) 2015	Agriculture, forestry, fishing and hunting	391,700
USDA Census of Agriculture (2012)	Hired farm labor – workers and payroll	465,422
Giannini Foundation of Agriculture, University of California, 2012	Workers with one agricultural job	802,622

Shifting Characteristics for Farmworkers

Characteristics of the farmworker population have changed during the past two decades. For example, there has also been a decrease in the number of single farmworkers. In 1990, 41 percent of farmworkers were singles. In 2012, 75 percent of farmworkers worked alongside or lived with family members.^{xxxvii}

Another shift is in the share of farmworkers who are unauthorized to work in the United States. In 1990, only 13 percent of farmworkers were unauthorized. This was due primarily to the 1986 Immigration Reform and Control Act that granted legal status to many previously unauthorized workers and provided a path to legal, permanent-residence status and citizenship. By 2012, the number of unauthorized farmworkers in California had climbed to 60 percent; while 9 percent reported they were U.S. citizens, 31 percent were legal permanent residents. Farmworkers who

lack authorization to work in the United States are more vulnerable to exploitation by employers and face more challenges in obtaining decent housing. In addition, access to market-rate and subsidized housing is limited for farmworkers without proper documentation or those who cannot pass a credit check.

The H-2A Temporary Agricultural Worker program allows U.S. Employers who meet specific regulatory requirements, such as showing they initially attempted to find U.S. workers to fill the positions, to bring foreign workers to the United States to fill temporary agricultural jobs.^{xxxviii} The H-2A program has been used more frequently in California over the past few years as employers have reported a shortage of local agricultural workers. H-2A workers must be provided housing at no cost to the worker,^{xxxix} however as discussed elsewhere in this report, there are barriers to building sufficient affordable housing, and the opposition to housing for guest agricultural workers can be particularly difficult to overcome. As a result, there are some concerns that the housing that is provided to H-2A workers may exhibit health and safety concerns. HCD's Codes and Standards division inspects all new and 25 percent of all the permitted employee housing facilities in California that house 5 employees or more, and has been active in monitoring the H-2A housing it is aware of. HCD will be working with the Employment Development Department to attempt to better track and monitor the housing provided to H-2A workers.

Finally, there have been substantial changes in agricultural employment between 1975 and 2013. Self-employed agricultural workers (farmers and ranchers, including unpaid family workers) have sharply declined from 70,600 in 1975 to 42,500 in 2013. Direct-hire farm labor employment has also declined from 241,300 in 1975 to 203,000 in 2013. In contrast, labor-contract employment has dramatically increased by 292 percent, from 35,000 in 1975 to 137,350 in 2013.^{xi} In addition, there are fewer farmworkers migrating from farm to farm on an annual basis. In 1990, for example, 43 percent of farmworkers migrated (the remaining 57 percent were settled farmworkers who lived within 75 miles of their agricultural job sites).^{xii} In 2012, only 16 percent of farmworkers migrated.^{xiii}

These shifting demographics have implications for the types of housing needed for farmworkers. Greater numbers of farmworkers are living in off-farm permanent housing. Approximately one-quarter of all farmworkers live in urban cities and 65 percent live in incorporated cities within the most-agriculturally productive counties of the State. The Census numbers reflect only units that are formally defined as "housing," so farmworkers who live in other forms of shelter like motels or illegal units are not included in these totals.^{xiiii} In addition, greater numbers of farmworkers require housing more appropriate for families (e.g., more bedrooms, housing not intended to share amongst farmworker singles).

Housing Needs and Other Policy Consideration for Farmworkers

Farmworkers live in a range of housing types. According to the National Agricultural Workers Survey, which is an interview-based survey of people performing seasonal agricultural jobs administered by the U.S. Department of Labor, in 2012 farmworkers lived in single-family homes, apartments, trailers or mobile homes, and other types of housing, including

dormitories, barracks, boarding houses, duplexes, triplexes, motels or hotels.^{xiv} Some housing requirements can pose a particular challenge to farmworkers. For example, farmworkers may have difficulty establishing creditworthiness or demonstrating long-term residency commitments that are often standard requirements in the private rental-housing market.

On average, farmworker incomes are less than half of the area median household income. As a result, farmworkers also bear a heavy housing cost burden based upon median rents.

**Table A.5
Farmworkers Have Low Incomes and High Housing Costs**

County	*Total Farmworkers	County Median Household Income**	***Farmworker Average Annual Income	Housing Cost Burden
Kern	101,884	\$48,552	\$19,804	54%
Fresno	94,039	\$45,563	\$21,057	50%
Monterey	75,045	\$59,168	\$27,090	54%
Tulare	65,141	\$43,803	\$20,678	48%
State	~800,000*	\$61,094	\$24,672	47%

Source: *Giannini Foundation of Agriculture, University of California, 2012. **HCD 2016 State Income Limits ***2012 Employment Development Department.

Substandard and structurally deficient conditions are common in farmworker housing; conditions that are often worsened by crowding or lack of affordability. The lack of an adequate, affordable housing supply forces farmworkers to live in overcrowded and unsafe houses and apartments or to seek housing in garages or other substandard structures that sometimes do not provide basic shelter or sanitation. Information about housing conditions for California farmworkers as a whole would help to assess the scale of the problem, but such information is not available. To date, there has not been a survey of farm-labor housing conditions throughout California.^{xiv} However, there have been several county-level surveys of farmworker housing, such as those recently conducted by Kern, Monterey, Napa, Santa Cruz and Ventura counties. Most of these surveys suggest that overcrowding and sub-standard housing conditions are common.^{xvi}

Housing Strategies for Farmworkers at the State and Federal Level

State law specifically identifies the provision of housing for farmworkers a matter of statewide importance^{xvii}. Farmworker housing needs are addressed through operation and maintenance of migrant centers, targeted multifamily housing programs, and administration of the State Employee Housing Law. To date, federal and State funds have constructed on-site and community housing for 16,851 farmworkers, 1,892 seasonal migrant center units, 120 USDA Rural Development Farmworker Centers and 6,700 permanent Joe Serna Jr. Farmworker Grant units. This is only enough housing for less than 10 percent of the farmworker population.

Appendix A: California's Diverse Needs

Although California has farmworker multifamily housing programs, some on-farm employer housing, and 24 State-operated seasonal migrant centers, these programs only address a small portion of the total farmworker housing need. This is in addition to any locally funded or private farmworker housing created.

Table A.6
Seasonal and Permanent Units/Beds

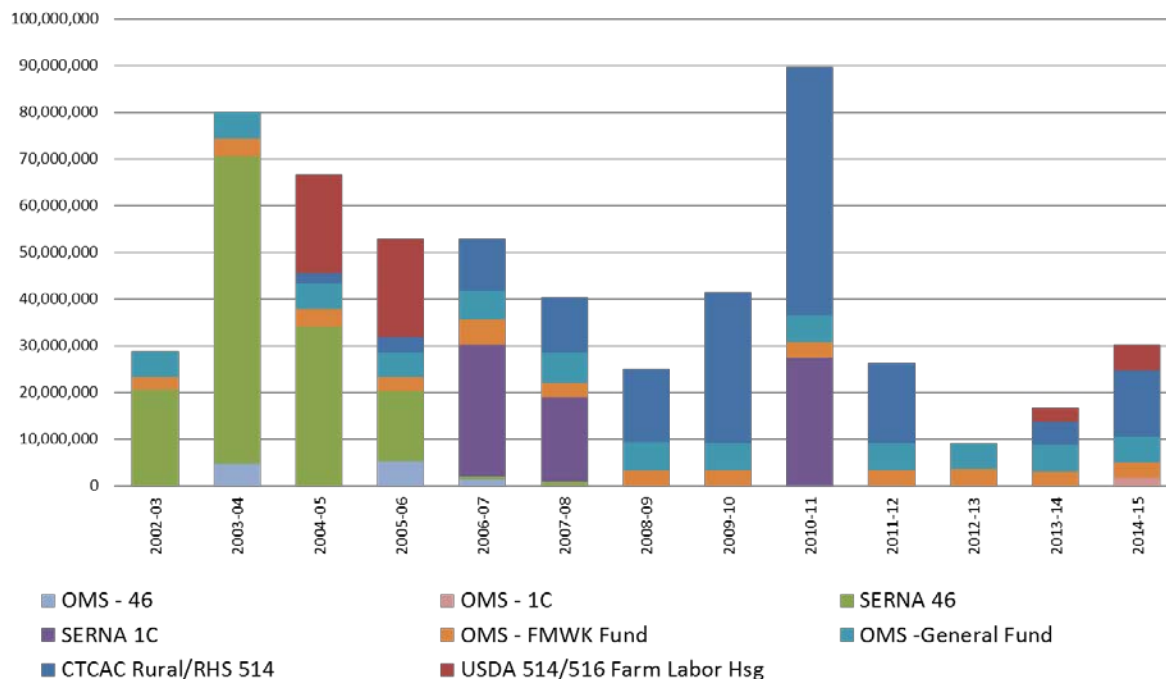
Program	Seasonal Units	Permanent Units
Office of Migrant Services	1,892	-
Joe Serna, Jr. Farmworker Grant	-	6,700
USDA Section 514/516	-	4,170
USDA Rural Development Farmworker Centers	72	48
Total Units	1,964	10,918

Program	Seasonal Beds	Permanent Beds
Farmworker Housing Facilities	3,678	13,173

Source: California Department of Housing and Community Development, 2015.

Funding for new farmworker housing is limited. Since 2002, California has awarded all of the Proposition 46 and 1C funding available for rental and ownership opportunities for farmworkers. In addition, the California Tax Credit Allocation Committee (TCAC) and USDA farmworker funding have been inconsistent throughout the years. As Figure A.8 shows, the CTCAC and USDA farmworker funding programs are erratic at the State level during periods of growth and economic recession. USDA funding is also driven by national budgetary decisions and, therefore, should not be considered a constant source of funding for farmworker housing programs. While funding from the California Office of Migrant Services supports the operations of centers, it does not support new development.

Figure A.8
Farmworker Housing Funding 2002-2015



Sources: HCD CAPES Awards Data, TCAC, USDA data provided by HAC. Graphic by HCD.

Ninety-five percent of farmworkers live in housing units not located on a farm, with the remaining five percent living on the farm where they work. For those living on the farms, another important source of farmworker housing (especially for seasonal workers) is on-site employee housing. Under the State Employee Housing Act, employers of farmworkers can build onsite housing for their employees on land that permits "agricultural uses" provided the housing consists of no more than 36 beds in group quarters or includes 12 housing units (or less). In addition, employee housing is also allowed to be built on land that permits single-family residential for six or fewer persons per home ^{xlviii}.

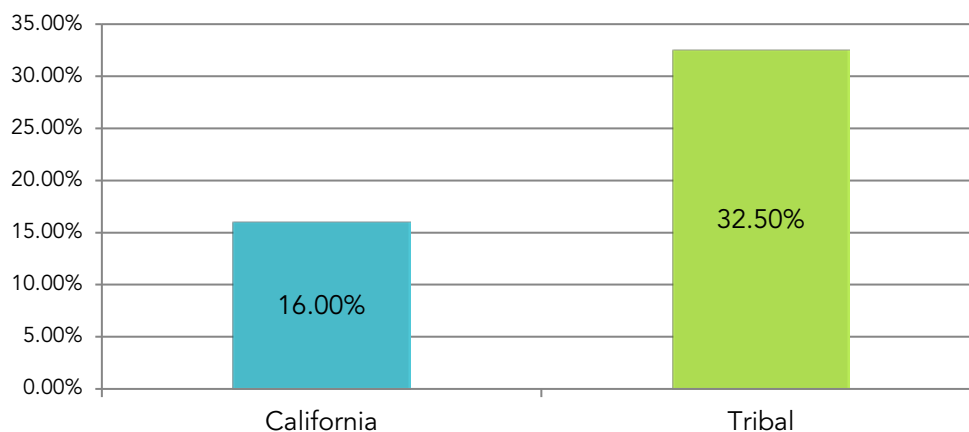
The California Department of Housing and Community Development adopts and enforces statewide regulations for privately owned and operated employee housing facilities that provide housing for five or more employees. Though an important source of housing for farmworkers, only 3.6 percent of farm employers participating in a 2012 annual survey indicated they provided housing for seasonal employees, compared to 20.6 percent in 1986. ^{xlix} The number of employee housing facilities has declined dramatically in the last 51 years, from an estimated high of 5,000 camps in 1964, to fewer than 750 in 2015. This is partly due to closures following more stringent building standards enacted in the 70s and changes in household dynamics of the farmworker population. Also during this time, trends in hiring changed and more farmworkers were hired by contractors and not directly by farmers which made it less important for farmers to offer housing as an incentive.

Tribal Population

According to the 2010 U.S. Census, California has the largest Native American population in the nation. Nearly 216,000 Californians identified solely as “American Indian,” 10.9 percent of the national total. California currently has 109 federally-recognized tribes, almost one-fifth (19.2 percent) of all tribes nationwide.^l These tribes—which include nearly 100 small reservations and Rancherias—are spread out across the State, in urban, suburban, and rural jurisdictions. California differs from other states in that only a small percentage of California tribes' land base is held in trust by the U.S. government.

Poverty disproportionately affects tribal populations. The rate of tribal poverty is more than twice that of the rest of the State's population, and one-third of tribal residents live below the federal poverty rate.

Figure A.9
Tribal Poverty Is More Than Twice That of California's General Population



Source: Special geographic analysis of 2010 Census by California Coalition for Rural Housing delineated by tribal census tracts and tribal block groups unique to and within the boundaries of federally recognized tribes. Graphic by HCD.

Other Policy Considerations for Tribal Populations

Due to low incomes and relatively high housing costs, many tribal members have a serious housing affordability problem. Most tribal members (93 percent) reside in single-family (59 percent) or mobile homes (34 percent).^{li} Data from the American Community Survey 2009-2013 indicates that, of the occupied units on tribal land, 8.4 percent lacked complete plumbing and 6.5 percent lacked complete kitchens. In comparison, only 0.5 percent of all occupied units in California lacked complete plumbing and 1.2 percent lacked complete kitchens.

In September 2015, HCD contracted with the California Coalition for Rural Housing to conduct a study on the housing conditions and needs on American Indian lands. The study includes an analysis of existing data, surveys with tribal leaders, a physical survey to assess housing conditions on tribal lands, and an analysis of infrastructure, including water and sewer systems.

Appendix A: California's Diverse Needs

The study also analyzes tribal utilization of State and federal housing funds and assesses tribal participation in local and State planning.

According to survey data, respondents estimate that between 15 and 20 percent of homes on tribal land require major physical improvements and need to be modernized, substantially rehabilitated, or completely replaced. Housing condition problems identified by respondents included energy-inefficiency, leaking roofs, failing or inadequate plumbing, faulty wiring, poor insulation, poor ventilation, subsiding foundations, and dry rot. Other problems cited were the presence of mold, mildew, and termites as well as the need to replace old roofs, siding, and HVAC systems.^{lii}

Housing Solutions for Tribal Populations

Nearly all tribes receive Native American Housing Assistance and Self-Determination Act funding annually, but the grants are typically small (~\$50,000) and are often used for housing rehab and maintenance activities. Tribes can also apply for Indian Community Development Block Grant (ICDBG) awards, but these funds are highly competitive. Between 2012 and 2014, only approximately one-quarter of tribes received an ICDBG grant.

The State of California's Community Development Block Grant (CDBG) program provides annual grant funding on a competitive basis to small rural cities and counties throughout the state, known as non-entitlement areas. Federally recognized tribes are not eligible for State CDBG funding based on federal regulations, which limit CDBG funding awards to cities and counties. However, all tribal members are considered citizens of the jurisdiction by HUD regardless of whether tribal members are part of a non-federally recognized tribe, or a federally recognized tribe on tribal land. As such, all tribal members are considered to be like any other eligible resident of the jurisdiction who may access CDBG program activities operated by the jurisdiction in which they live and a tribe may work with a jurisdiction to apply on their behalf.

In addition, State CDBG statute requires a set aside of 1.25 percent of annual CDBG funding, which allows eligible cities and counties to access additional annual CDBG funding to serve areas in their jurisdictions where groups of non-federally recognized tribal members live. The CDBG non-recognized tribe set aside's fundable activities are limited by state statute to "housing and housing related" (public infrastructure) activities only.

Barriers to State-administered funding programs can make it difficult to access funding sources such as requirements for local government partnerships and different underwriting standards than federal programs. To overcome these barriers, programs could directly name tribes as eligible applicants, and consider adjustments to land ownership, zoning, and affordability requirements to increase potential successful applications from tribes. The California Department of Housing and Community Development's Tribal Working Group has discussed these and other issues, resulting in several upcoming modifications to the HOME program guidelines and the Uniform Multifamily Regulations.

California's Diverse Places

California's policies support affordable housing, sustainability and economic growth, but the challenges and strategies to get there will differ depending on the place. In some places with very high housing costs (e.g., coastal areas, San Francisco, San Jose, Los Angeles), challenges may be more related to avoiding displacement and housing lower-wage earners. In the Central Valley, challenges may relate to both the cost of housing and stimulating economic growth, as well as connecting housing to transportation. Cities like Fresno and Stockton need to contend with multiple challenges, including addressing aging housing stock and community development needs in pockets of urban poverty, as well as ensuring that expanding supply is done in ways that contribute to the State's environmental goals.

This section will examine the impact of place types and geography on the types of housing challenges communities face in order to identify trends that provide insight into the underlying issues. With a better understanding of how housing issues affect various communities, programs and policies can be designed to provide effective solutions to address housing problems across the entire State.

Impact of Place Type

Place type—rural, suburban, and urban areas—each present their own unique housing challenges (even when located in the same geographical area) and can require different types of solutions. Table A.7 demonstrates the differences between these place types in sales price, transportation cost and access, and other housing characteristics within the greater Los Angeles Area.

Table A.7
Housing Characteristics for Cities in the Same Geographic Region Vary
Depending on Place Type

	Los Angeles City (Urban)	Lancaster (Suburban)	Taft (Rural)
Population*	3,862,210	159,092	9,063
Median Sales Price***	\$572,800	\$216,900	\$114,700
Median Rent* (2010-2014 ACS)	\$1,194	\$1,075	\$791
Median Rent** (Zillow Median Rent Index August 2016)	\$2,715	\$1,596	\$928
Housing(H) and Transportation (T) Cost Burden****	54% H– 35% T – 19%	53% H – 29% T – 24%	58% H – 29% T – 30%
Overcrowding*	13.7%	4.2%	8.3%
Maximum Zoning Densities*****	218 units/acre	30 units/acre	24 units/acre
Median Year Structure Built*	1960	1986	1963
Transportation Access*	There are more than 200 Metro Bus lines and 6 metro rail lines	Antelope Valley Transit Authority operates bus lines	Taft Area Transit

Source: *2010-2014 American Community Survey 5-year estimates, **Zillow Median Rent Index (All Homes; Multifamily, Single Family Rental, Condo) by City. August 2016, ***Zillow.com median sales price index, ****Center for Neighborhood Technology Housing and Transportation Affordability Index, *****City Housing Elements.

Impact of Geography

California’s diverse geography means that housing challenges differ across the State depending upon factors such as land value, job opportunities, infrastructure availability, and desirability of location. For example, communities along the coast experience high housing costs while inland communities experience environmental and social economic disparities. Table A.8 demonstrates the differences between two similarly sized cities with economies that revolve around agribusiness and manufacturing. Watsonville is located in Monterey County on the coast of California and the City of Madera is located in Madera County in the Central Valley. Geographical location is reflected in the differences in income and housing costs.

Table A.8
Land and Housing Cost Differ in Coastal and Non-Coastal Cities

	Watsonville	Madera
Population*	52,035	62,559
Median Sales Price***	\$471,200	\$188,600
Median Rent* (2010-2014 ACS)	\$1,203	\$904
Median Rent** (Zillow Median Rent Index August 2016)	\$2,567	\$1,099
Median Income*	\$46,691	\$42,027
Median Land Cost****	\$479,160 per acre	\$125,500 per acre
Median Year Structure Built*	1975	1976
Major industries*	Agribusiness, Manufacturing	Agribusiness, Manufacturing

Source: *2010-2014 American Community Survey 5-year estimates, **Zillow Median Rent Index (All Homes; Multifamily, Single Family Rental, Condo) by City. August 2016, ***Zillow.com median sales price index, ****City 2015-2023 Housing Elements.

Continuum of Place-types: Urban, Suburban, and Rural Do Not Neatly Define Every Community

Neither place type nor geography fully define communities due to differing landscapes, economies, and the ways in which places evolve and change over time. This section will review the three major place types in detail, and examine some of the differences that are important to acknowledge when forming housing policy solutions. Understanding both the general challenges faced by urban, suburban, and rural communities as well as the specific differences between each community allow for the development of effective, place-based policy solutions.

Urban communities have the greatest economic opportunity compared to surrounding areas, yet they are most likely to experience the risks of economic displacement. For example, San Jose and Fresno are both urban and may share similar goals in terms of affordable housing, sustainability, and economic growth, but due to their differing geographies and economies, the strategies needed to fulfill these goals will vary.

Table A.9 demonstrates those areas where housing challenges may differ within urban place types.

Table A.9
Major Urban Cities Face Complex and Varied Housing Problems

	San Jose	Fresno
Population*	986,320	506,132
Median Sales Price***	\$828,700	\$189,700
Median Rent* (2010-2014 ACS)	\$1,528	\$890
Median Rent** (Zillow Median Rent Index August 2016)	\$3,386	\$1,217
Median Income*	\$83,787	\$41,455
Housing(H) and Transportation (T) Cost Burden****	45% H – 30% T – 15%	60% H – 33% T – 27%
Overcrowding*	9.6%	10.3%
Median Year Structure Built*	1974	1977
Transportation Access*	Santa Clara Valley Transportation Authority, Caltrain, Altamont Commuter Express, Amtrak	Fresno Area Express Bus, which has about 20 routes, Amtrak
Major Industries*	Technology, Education	Agribusiness, Health Care

Source: *2010-2014 American Community Survey 5-year estimates, **Zillow Median Rent Index (All Homes; Multifamily, Single Family Rental, Condo) by City, August 2016, ***Zillow.com median sales price index, ****Center for Neighborhood Technology Housing and Transportation Affordability Index.

Suburban communities tend to be lower-density, residentially zoned areas, but their origins, and by extension, the housing needs and characteristics of their population, can vary greatly.^{liii} Examples of suburbs include large-scale development bedroom communities, speculative residential developments on prime farmland serving a distant urban core, or amenities-laden retirement communities. Some develop at the edge of urban areas, some around a specific industry, while others are bedroom communities with an extended commuting shed⁶ to more distant urban centers. They typically experience higher-cost, new infrastructure investment and have lower-frequency transit than urban areas due to lack of ridership. While housing costs may be lower than in urban areas, high transportation costs often offset these savings.

⁶ The area from which employees travel to their places of employment.

Table A.10 highlights some of the differences between types of suburban communities. Both the City of Fremont and the City of Oakley have populations that work in Bay Area cities. The City of Oakley has newer housing stock because it only began to grow in the last 20 years due to housing pressures in the Bay Area region. By contrast, the City of Fairfield grew as a job center, primarily around a military base and manufacturing.

**Table A.10
Suburban Cities Face Distinct Challenges Depending on Type**

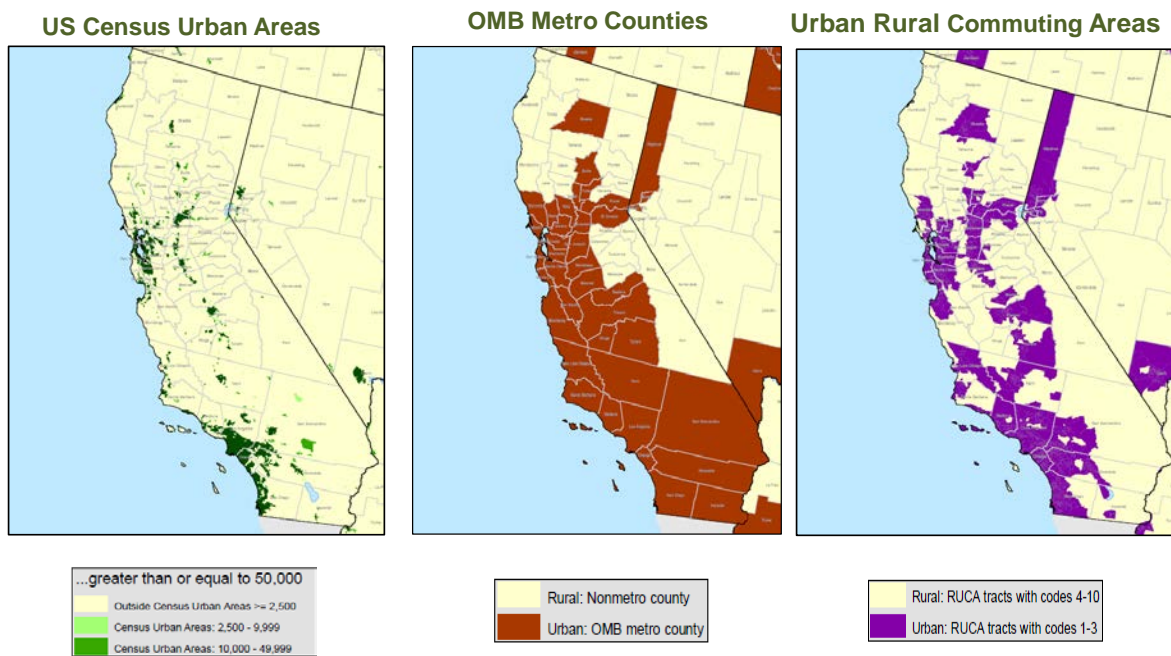
	Fremont (Urban-Suburban)	Fairfield (Job Center)	Oakley (Bedroom Community)
Population*	221,654	107,983	37,391
Maximum Zoning Densities***	70 units/acre	32 units/acre	24 units/acre
Median Sales Price****	\$907,700	\$307,900	\$387,400
Median Rent* (2010-2014 ACS)	\$1,663	\$1,304	\$1,427
Median Rent** (Zillow Median Rent Index August 2016)	\$3,170	\$2,003	\$2,208
Median Income*	\$103,591	\$66,190	\$78,597
Average Commute*	31 Min	29 Min	40 Min
Percent Working in City of Residence*	29.0%	41.7%	11.1%
Transportation Access*	Alameda-Contra Costa Bus Transit, Bay Area Rapid Transit	Fairfield and Suisun Transit, Amtrak Capitol Corridor	Tri-Delta Transit
Major Industries*	Manufacturing, Technology	Military, Government, Manufacturing	Education, Service

Source: *2010-2014 American Community Survey 5-year estimates, **Zillow Median Rent Index (All Homes; Multifamily, Single Family Rental, Condo) by City. August 2016, ***Data from 5th Cycle Housing Elements Beginning 2014, ****Zillow.com median sales price index.

Appendix A: California's Diverse Needs

Rural communities are difficult to define. For example, the U.S. Census, the Federal Office of Management and Budget, the U.S. Bureau of Labor Statistics, and the USDA all designate rural areas differently, depending on the mission of their organization. Population clusters, agricultural land use practices, economies, or commute sheds are all examples of lenses used to define "rural." Rural areas in California pass in and out of urban designation under multiple and sometimes conflicting definitions. These conflicting definitions make it difficult to invest in rural areas because communities may be eligible as "rural" under one program, but not another.

Figure A.10
When Is Rural...Rural?



Source: USDA, Economic Research Service using data from the U.S. Census Bureau's 2000 decennial census.

Rural communities range from agricultural and other resource-based production communities to natural resource tourism and recreation-based destination economies (destination communities) to fringe development (edge communities) that absorb growth from high-cost, primarily coastal, economic, and commute sheds.^{liv}

Production communities that rely heavily on agriculture for employment tend to have a higher need for access to education, employment opportunities, and housing for a workforce whose employment patterns are specific to the agricultural industry. Destination communities' workforce housing needs are specifically impacted by climate and seasonality. Environmental preservation and topography influence the location and condition of housing. In destination communities, workers with families need housing opportunities close to schools and other

amenities but, living in a tourism or destination community, they may face higher housing costs than other rural areas. Edge communities in areas of projected rapid growth face infrastructure and service capacity issues as well as housing pressures akin to higher density areas, but with fewer resources.

Because employment opportunities and services are farther away from rural communities, longer vehicle trips are required. Rural counties generally have the highest total housing and transportation cost burden relative to urban and suburban areas.^{lv} Rural job and housing markets are slower to recover after economic stress,^{lvi} although not all rural housing is for moderate or low-income families. Many rural areas also have large lot, high-income, ranchette settlements located on the fringe of urban areas or embedded in non-metropolitan areas.

Table A.11
Universal Rural Strategies Do Not Capture the Diversity
Across Rural Place Types

	Glenn County (Production)	Mariposa County (Destination)	Imperial County (Rural Edge)
Population*	28,019	17,946	177,026
Census Classification*	40.9% Rural 59.1% Urban Cluster	100% Rural	17.4% Rural 20.3% Urban Cluster
OMB Designation*	Non-Metropolitan	Non-Metropolitan	El Centro MSA
Median Sales Price***	\$176,000	\$244,200	\$173,800
Median Rent* (2010-2014 ACS)	\$716	\$772	\$838
Median Rent** (Zillow Median Rent Index August 2016)	\$1,276	\$1,448	\$1,112
Median Income*	\$40,106	\$46,952	\$50,560
Housing (H) and Transportation (T) Cost Burden****	69% H – 26% T- 43%	71% H – 34% T – 37%	66% H-33% T- 33%
Median Year Structure Built*	1973	1983	1982
Primary Industry*	Agriculture	Recreation	Government

Source: *2010-2014 American Community Survey 5-year estimates, **Zillow Median Rent Index (All Homes; Multifamily, Single Family Rental, Condo) by County. August 2016, ***Zillow.com median sales price index, ****Center for Neighborhood Technology Housing and Transportation Affordability Index.

Disadvantaged Communities

Many California residents live in areas characterized by low-investment, social and economic problems, and lack of infrastructure. As a result, California has determined that these areas need special attention to increase opportunities and improve conditions. The term “disadvantaged community” is a broad term that refers to areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, as well as lower-economic investment and opportunity. Increasing opportunities and improving conditions in these communities is especially critical for long-term childhood outcomes. Studies show that a child’s adulthood earning potential is reduced every year a child grows up in neighborhoods of poverty in comparison to children who reside in better neighborhoods^{lvii}.

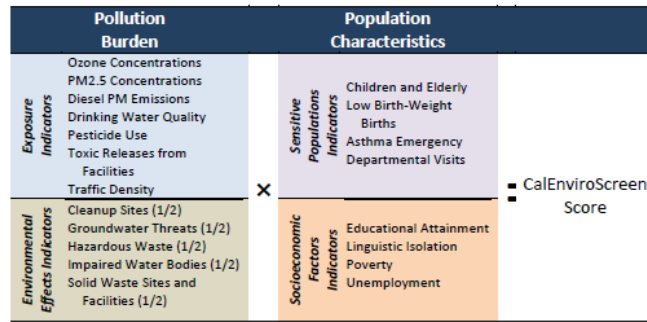
CalEnviroScreen Disadvantaged Communities

In 2012, the Legislature passed SB 535 (Chapter 830) to direct investment to disadvantaged communities statewide. The bill directed that 25 percent of the funds generated by the State’s market based Cap-and-Trade Program and allocated to the Greenhouse Gas Reduction Fund must go to projects that provide a benefit to disadvantaged communities. The bill gave the California Environmental Protection Agency (CalEPA) the responsibility for defining and identifying disadvantaged communities (for purposes of this legislation) based on geographic, socioeconomic, public-health and environmental-hazard criteria.

In order to identify these communities CalEPA uses the California Communities Environmental Health Screening Tool (CalEnviroScreen). The most recent version, CalEnviroScreen 2.0, adopted in August 2014, uses 19 environmental and socio-economic indicators to assign a score to each census tract in California (see Figure A.11). The census tracts are then ranked relative to one another. Significant public engagement shaped the tool as it stands today. The decision to use census tracts, rather than a larger geographic unit, like cities or zip codes, is extremely valuable for evaluating the indicators on a local scale, but some stakeholders still have concerns about the use of census tracts in rural areas, where low population densities can increase the geographic coverage of the census tract.

For the purposes of SB 535 and the Cap-and-Trade Program, the top 25 percent most-disadvantaged census tracts are determined to be disadvantaged communities. All programs within the Greenhouse Gas Reduction Fund have provisions for benefiting disadvantaged communities as identified by CalEnviroScreen, including the Affordable Housing and Sustainable Communities (AHSC) Program, which provides affordable housing loans for compact, transit-oriented development as well as grants for transportation infrastructure and programs that reduce greenhouse gas emissions. The AHSC Program must allocate at least 50 percent of the funding to projects that benefit disadvantaged communities.

Figure A.11
CalEnviroScreen 2.0 Indicator and Component Scoring

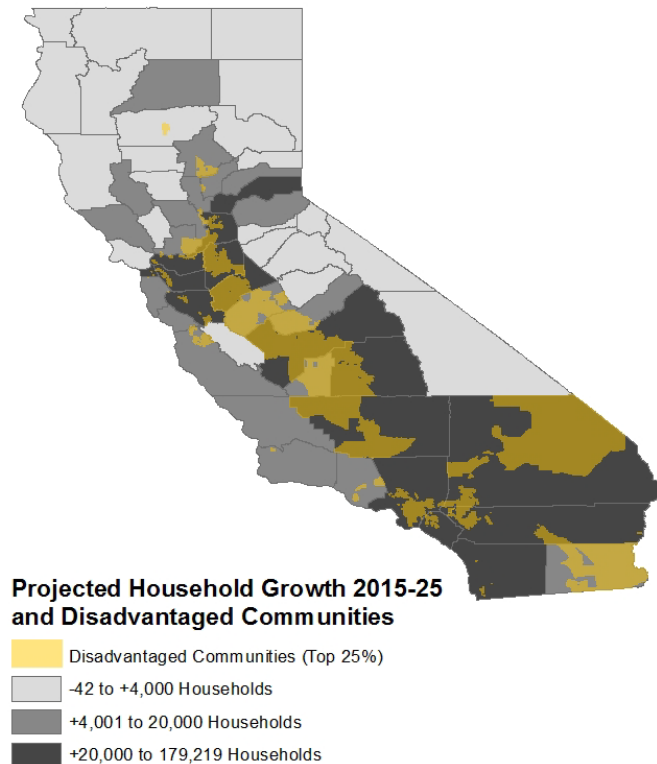


Source: California Environmental Protection Agency, Designation of Disadvantaged Communities Pursuant to Senate Bill 535 (De León), October 2014

Future Growth Impact on Disadvantaged Communities

The regions that are expected to experience the largest amounts of growth are also areas with the most CalEnviroScreen-defined disadvantaged communities. As disadvantaged communities are disproportionately affected by socioeconomic issues and environmental hazards, it becomes increasingly important to think about how growth occurs in terms of infrastructure needs, cross-regional collaboration, and maximizing infill opportunities.

Figure A.12
Disadvantaged Communities and Future Housing Growth

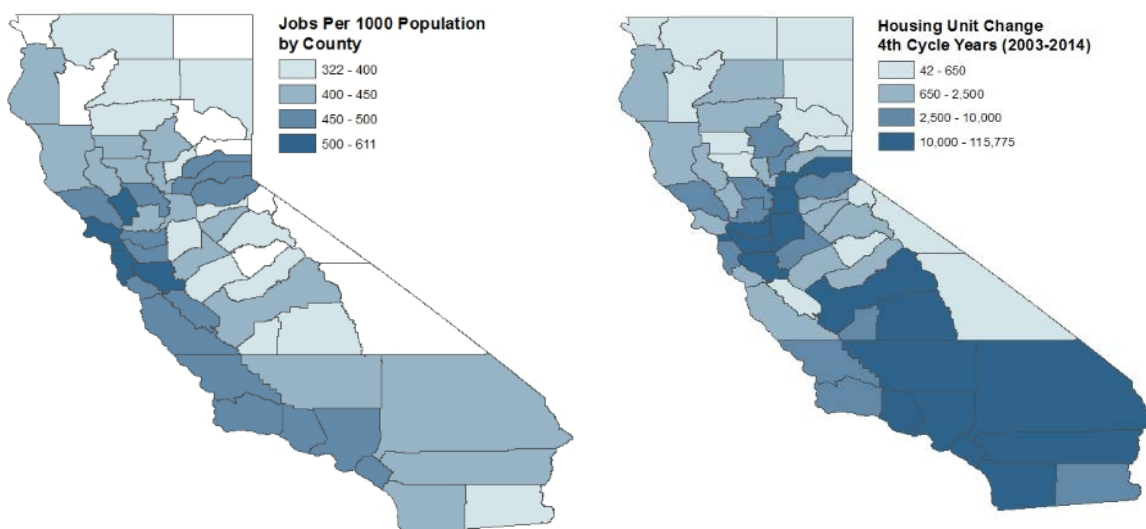


Sources: State of California, Department of Finance State and County Population Projections by Race/Ethnicity, Sex and Age 2010-2060; State of California, Office of Environmental Health Hazard Assessment, CalEnviroScreen 2.0; Graphic by HCD.

Appendix A: California's Diverse Needs

California's urban and coastal communities, where jobs and services are concentrated, are also where housing costs are the highest. To improve individual and societal outcomes, as well as community resiliency⁷, the State must both increase the availability of, and access to, housing in areas of opportunity throughout the State, those near jobs, services, high-performing schools, and transit; and improve the State's disadvantaged communities through community development interventions and infrastructure improvements. Development must also be weighed against the potential impacts of climate change on California's diverse geographic areas.

Figure A.13
Counties with High Job Availability Have Lower Housing Production



Sources: *Population*: U.S. Census Bureau, Population Division, 2015 Population Estimates. *Labor Force Estimates*: State of California Employment Development Department 2015 Labor Force by County, note counties with labor forces under 10,000 were excluded from the map. *Housing Unit Change*: DOF E5 Population and Housing Estimates for Cities, Counties, and the State; E8 Historical Population and Housing Estimates for Cities, Counties, and the State. Graphic by HCD.

Disadvantaged Unincorporated Communities

Senate Bill 244 (Chapter 513, Statutes of 2011) requires Local Agency Formation Committees to make specific written determinations on infrastructure needs or deficiencies related to public facilities and services in any Disadvantaged Unincorporated Communities (DUCs). DUCs are low-income, unincorporated communities, that can range from remote settlements throughout the State to neighborhoods that are surrounded by California's fast-growing cities, but not part of the cities themselves. They can lack access to basic community infrastructure like sidewalks, safe drinking water, and adequate waste processing. SB 244 also requires each city and county to identify and describe in its General Plan each DUC within its sphere of influence. They must

⁷ Resiliency is the ability for a community to anticipate risk, limit impact, and utilize available resources to respond to, withstand, and recover from environmental, economic or other adverse situations.

include an analysis of water, wastewater, storm water drainage, and structural fire protection needs, as well as potential funding mechanisms that could make the extension of services and facilities to identified communities financially feasible.

Infrastructure

Availability of infrastructure and infrastructure costs are a significant barrier to addressing housing challenges throughout California.

In urban and suburban areas, compact infill development at increased density is critical for addressing housing needs and using valuable, location-efficient land near transit and job centers. However, inadequate and crumbling infrastructure may require significant investment to improve capacity for development to occur.^{lviii} A 2012 survey conducted by the California Governor's Office of Planning and Research showed the lack of adequate infrastructure as one of the primary barriers to development of infill housing, which causes sprawl and higher housing and transportation costs.^{lix} Upgrades to existing infrastructure in infill areas can be more expensive than building in greenfield areas and increase housing costs.

Like urban and suburban communities, rural communities also struggle with crumbling infrastructure systems and costs associated with installing new infrastructure. Existing systems in rural areas may lack the capacity to accommodate new water and sewer connections. Some rural areas may also rely on septic systems for sewer, which constrains new development. DUCs can face deeper infrastructure problems. These communities often lack access to potable water, sewer systems, storm water drainage, and utilities.^{lx}

In addition to local challenges, infrastructure problems affect entire regions. In the coastal regions of California, access to water is a barrier to new development. For example, access to water is a primary constraint to development on the Monterey Peninsula. The California American Water Company supplies water to most of the Monterey Peninsula through wells in Carmel Valley, dams on the Carmel River, and a well drawing from the Seaside Aquifer. The Monterey Peninsula Water Management District has established water allocations for jurisdictions within its district and communities have

Lanare, California

This DUC is an unincorporated community of approximately 400 people in Fresno County, most of who are low or very low-income. It has a community-organized service district to provide drinking water, but arsenic contaminated the water. While Community Development Block Grant funding enabled the construction of an arsenic treatment plant, it was only in operation for six months. Residents currently pay at least \$54 per month in addition to the cost of bottled water they must purchase for drinking and cooking. Homes in Lanare are dependent on dilapidated septic tanks, which leak and overflow, for their wastewater needs.

Source: Seaton, Phoebe and Garibay, Veronica "American Recovery and Reinvestment Act of 2009 Analysis of Drinking Water and Waste Water Investment in Fresno and Stanislaus Counties" California Rural Legal Assistance, Inc. (2011)

distributed most of the available allocations. As a result, new development must either provide another water source such as a well or enter a waitlist for future allocations.^{lxii}

As infrastructure challenges faced by various communities differ greatly, investment strategies to solve these issues must be place-based, sufficiently flexible, and context-sensitive in order to be effective.

Resiliency

Almost every city, county, or town is vulnerable to at least one, if not several, effects of climate change. Our communities are beginning to understand these issues and many are acting to mitigate potential effects. Many climate-change impacts will exacerbate existing hazards. Modifying or expanding on existing policies and programs will address some of these hazards, while others will require institutional changes to address the impacts of climate change.

Land use and community development policies shape social and spatial environments. It is, therefore, important that State policy ensures that communities are located in places, and developed in ways, that make them abler to withstand and recover from climate threats. On one hand, land use decisions can dictate that communities and infrastructure are located to minimize the effect of climate impacts like sea-level rise, wildfires, and flooding. On the other hand, community development policy can help create sustainable and efficient communities with better access to transit options and other resources that will make residents abler to respond to disasters. In conjunction with each other, these two policy areas can create communities that are more self-sufficient, more tightly knit, and more sustainable.

Some principles that help guide ongoing and future efforts to reduce climate impacts and prepare for climate risks through land use and community development include:

- *Sustainability and Choice*: Promote vibrant and safe communities that have an affordable mix of safe and decent housing choices for different income categories.
- *Economic Development*: Retain and expand a diversity of jobs and businesses to improve and sustain economic prosperity and community resiliency.
- *Location and Connectivity*: Seek to locate housing and communities with access and connectivity to decent infrastructure, mobility choices, education, jobs, high-performing schools, open space and other community needs in a manner that seeks to preserve environmental resources and avoid, or ably adapt, to climate change.
- *Resilience in Existing Communities*: Improve housing conditions, choices, and community development deficiencies that especially impact disadvantaged and special-needs populations while avoiding the impacts of climate change.
- *Innovation*: Collaborate to develop models that will help California's communities and environment to be sustainable, equitable and adaptable under changing climatic conditions.

Conclusions

- Land use planning influences location, type, price, and supply of housing; this contributes to achieving availability, affordability, and sustainability goals.
- The State has a number of tools to promote land use planning and facilitate housing development. However, improvements in the use of existing tools and the development of new tools are needed to attain better outcomes in achieving housing and sustainability goals.
- California is not producing enough housing in the right places and at the right affordability levels to accommodate the population. The State can require planning but actual production of housing falls short of housing needs in part due to the lack of certainty of where and what is economically and politically feasible to build. There are still many market, policy, and implementation factors that hinder the development of denser, affordable housing, near jobs and services.
- The entitlement (approval) process for developing housing is uncertain, complicated and lengthy, which affects housing delivery and production costs and goals.
- Lack of enforcement of State housing laws limit the effectiveness of existing planning tools intended to guide and facilitate housing development.

End Notes

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