The Affordable Housing Crisis – What's a City or County To Do? About two and a half years ago, a Public Policy Institute of California poll found that affordable housing was at the top of Californians’ list of concerns, just below the problem of traffic congestion.

A follow up report by Housing California and PolicyLink estimated that the state backlog of affordable housing production was over 651,000 units and the state needed to build 52,000 units of affordable housing annually to keep up with the growth of California households earning less than $41,000 a year.

To make matters worse, lower-priced housing is often located far from job centers — leading to worse traffic congestion, more air pollution, and higher transportation costs for those who can least afford it.

With the current construction slowdown, now may be a good time to evaluate what local governments can do to address affordable housing before the construction boom begins again.

Encourage SROs: SROs (Single Room Occupancy Units) offer a small, one-room affordable housing option for low-income residents. The City of San Diego has demonstrated that this type of affordable housing can be built by the private sector without city subsidies, simply by changing local zoning codes.

In the mid 1980s, San Diego officials realized their downtown was gentrifying and low-income people were being forced to leave. Seventy two percent of the city’s SRO units had been lost to developers who were rapidly demolishing grungy old hotel buildings in order to erect tourist hotels, condos, and upscale shops. In response, the City adopted an SRO ordinance in 1985 that demanded that every SRO unit a developer converted or demolished must be replaced, one-for-one, elsewhere in San Diego. Developers were offered the option of contributing an in-lieu fee to the city’s affordable housing fund or building SRO units.

To encourage developers to keep the money and build the units, the City Council in 1987 adopted a package of 27 changes to the zoning and building codes. The new zoning allowed SRO housing anywhere in the downtown, and by classifying it as commercial use like a hotel, SRO units were relieved from school fees.

Because most SRO residents don’t have cars, parking requirements were removed. A garbage disposal and microwave oven replaced a full kitchen. Toilets could be installed without installing a full bathroom – showers or a complete bathroom could be provided down the hall and shared by others.

The response to these zoning changes was an SRO building boom of almost 3,000 new SRO units to the city, few of them publicly subsidized. The best of them became exemplars of walkable, mixed-use urban design.

In the late nineties, with Central San Diego becoming increasingly affluent, the redevelopment agency pushed for regulatory changes to discourage further SRO production.

Today in downtown San Diego, SRO buildings blend into San Diego’s historic architecture and don’t stand out as different. They sit across from multimillion-dollar condos and many have uses on the ground floor that cater to upscale customers. Reportedly, low and high-income residents coexist without any problems.

San Diego’s SROs are inhabited by working people, students, disabled people, seniors, and others and provide a valuable housing option for service employees and others who need or want to live downtown. Most rents generally run between $400 and $700 a month.

Get Help from the Developer: Developers John Anderson and Tom DiGiovanni have become very popular leaders in Northern California by demonstrating how to build more affordable housing without creating blocks and blocks of identically-priced, cookie-cutter units. Their neighborhoods feature a mixture of housing types, costs, colors and sizes.

The largest houses in Doe Mill (their initial development, built in Chico, CA) are 1,860 sq. ft., making them smaller and less expensive than the typical U.S. house. Lots are also smaller than usual, 3,500 to 4,000 sq. ft. Anderson employs a technique he refers to as “mass customization” by creating “Chevy” or “Cadillac” options in the interior of the home. He builds with standard lumber dimensions and lays out floor plans in two-foot increments to standardize as much as possible. Interiors are carefully laid out with open layouts that can...
be customized later. This technique makes affordable and expensive units indistinguishable from one another.

Accessory units are optional for buyers. They rent for $600 to $700 a month, creating a supply of inexpensive apartments. That income pays the cost of the extra unit and an additional $200 to $300, which can be applied to the mortgage on the main house.

In Doe Mill there are several clusters of courtyard housing tucked into the neighborhood. These units cost $50,000 less than the least expensive street fronting houses in the project. The courtyard bungalows are small, starting at 960 square feet, and have no garage, just a parking space or carport. This design achieves a density of 17 units/acre and the reduced land costs reduce the sales price of the home.

Implement an Inclusionary Housing Ordinance: Many cities and counties throughout the nation now require builders to make a specified percentage of the homes they build in a new development affordable to lower income families. In California last year there were an estimated 170 such programs in existence.

The California Coalition for Rural Housing (CCRH) recently launched a free, searchable database of more than 130 inclusionary housing programs. The database provides summaries of the characteristics for each policy. Users may search for these summaries by jurisdiction name or by more than 30 other variables. Each summary provides a link to the jurisdiction’s full policy. To access the database, visit www.calruralhousing.org.

House the Workforce: One of the most desirable and costly places to live in the country, the City of Santa Barbara, has a particularly difficult challenge housing the many service workers in the area.

The Santa Barbara Housing Authority has been tackling the challenge of keeping workers off the road by providing affordable housing in town. One of their more recently built housing complexes is in downtown Santa Barbara where property values are extraordinarily high. Studio and one-bedroom units are available exclusively to people who work in the downtown area with an income below about $36,000 per year for one person and $62,000 per year for two. Priority is given to those who do not own a car. Below market fixed monthly rents range from $481 to $851.

With 56 units per acre, the project promotes high-density housing, but the design fits beautifully into the historic architecture of downtown Santa Barbara.

Reduce Other Living Expenses to Make Rents More Affordable: The traditional definition of housing affordability is probably too restrictive. Today the average U.S. household spends 19 percent of its budget on transportation. This high figure would indicate that the impact of transportation should be considered when cities look at affordable housing.

The City of Los Angeles connected transportation and affordability when they assisted the development of a ten-acre site adjacent to a new light-rail stop by expediting the permitting process, providing a zoning change, and relaxing parking regulations. The development offers lower cost housing and the possibility of discarding the family car. Residents have a seven-minute ride to jobs in downtown Los Angeles via transit.

When is such a Subsidy Worth the Cost to the Community?: The Brookings Institution has prepared a document that helps communities define affordability as related to transportation costs by considering walkable access to schools, shopping, recreation and public transportation. The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice is available on the Brookings web page.

Reduced utility bills can contribute significantly to the affordability of a housing unit. John Shirey, Executive Director of the California Redevelopment Association, recently advised LGC members to add funds to housing in redevelopment areas to make them energy-efficient. Taking such action can save up to $50 a month on utility bills, he reports.

For some low-income residents, a community garden included in a housing complex offers a welcome option for reducing food costs by allowing residents to grow some of their own vegetables.

In Washington, the City of Seattle’s Department of Neighborhood’s Patch Programs, in cooperation with the nonprofit P-Patch Trust, provides organic community garden space for residents of 70 Seattle neighborhoods. These programs serve more than 6,000 urban gardeners on 23 acres of land with an emphasis on low-income and immigrant populations and youth.

Approach the State for Assistance: California’s voters have passed bonds to assist with housing affordability, notably Proposition 46 and last November’s Proposition 1C and there is still some money remaining. To explore this option, visit the Housing and Community Development Department’s web page at www.hcd.ca.gov. Note that guidelines for the expenditure of a portion of the Prop. 1C money are still being pondered by the legislature.