

# VALLEY VOICE

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## Affordable housing subject of forum — and in short supply

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By: Catherine Doe

Tulare County Association of Realtors member, Brian Gilbert, said that Visalia is the last nice place in California where you can find an affordable home. According to the California Association of Realtors, two-thirds of Central Valley residents can afford a median priced home in their town versus only 34% of Bay Area residents.

That was the good news.

The bad news, Gilbert says, is Bay Area residents and our neighbors to the south are buying homes here because they can't afford to buy a house where they live. And their purchase power is driving the locals out of the market.

Newly elected Governor Gavin Newsom declared that California was in the middle of a housing crisis. That crisis in the Central Valley manifests itself in a combination of an insufficient number of homes for sale or rent, rising prices, and an increase in homelessness.

To address this crises, the *Visalia Times-Delta* and First Presbyterian Church 210 Connect tackled the subject of homelessness in their last forum, and On March 11, they followed up with the theme "Housing for All?" with a panel of six housing specialists.

### **What does affordable mean?**

The definition of affordable housing is spending 30% or less of your income on a mortgage or rent.

The question broached by the panel—30% of what? Visalia City Council Member Greg Collins says a city needs to accommodate all income levels.

Collins said Woodlake presents one type of housing affordability, but when it comes to Visalia that would be a different type. He said, from a city planner point of view, there are three levels of affordability, low income, moderate, and above moderate.

"The goal is to have a range of housing to provide at all levels. Low income housing happens to be the most challenging."

With housing prices skyrocketing, spending 30% or less of one's income has become an unattainable goal. Collins said that two of his children live in Los Angeles and struggle to keep their housing costs under 30% even with splitting the rent with roommates.

Here in Tulare County Dirk Holkeboer, Executive Director of Habitat for Humanity, said that 56% of people who rent are cost burdened, a statistic Paul Hurley, the forum's moderator, repeated so no one missed it.

"A person would need to earn \$16 an h

our fulltime to afford an \$850 apartment.” That’s a lot of financial pressure he said.

Earning minimum wage, which is \$11 an hour, would translate into paying \$528 a month in rent. That is pretty much nonexistent anywhere in California.

Holkeboer said extremely low vacancy rates were driving up rents, a fact backed up by, Steve Duerre, property manager with the Equity Group. Duerre said that he normally has 100 units available but now has only 40 or 50.

Even though vacancies are low, qualified renters are hard to find also, which begs the question where are people living? Duerre said the Equity Group has had to relax their restriction on renting only to people who would use 30% of their income on rent because that is no longer realistic.

Panel members said it is not uncommon for renters or home owners to be spending 50% of their income on housing.

One reason for the downturn in affordable housing was the recession.

The recession reduced personal income and construction came to a standstill. Collins said that in the years around 2005 there were approximately 1300 units being built every year in Visalia. That number has dropped to 400 to 500 a year.

But California’s population has increased by 1.5 million since the recession and the number of houses being built has not kept up. Compounding the problem is that the existing stock of homes is aging. Betsy McGovern-Garcia, program developer for Self-Help Enterprises, said with fewer new homes being built we need to preserve the housing stock we have, but seniors living on fixed incomes own houses that are literally falling down around them.

Despite the low inventory of homes, Gilbert said that the real estate market experienced a slight downturn last October. Prices for homes are now flat and will continue that way through 2019 with a possible downturn in 2020.

“A seller may see multiple offers on a house priced under \$200,000, but a home priced at \$400,000 to \$500,000 will attract very few buyers.”

### **Availability of Affordable Homes**

Habitat for Humanity, Self Help, Visalia Senior Housing, and Section 8 provide resources to those who cannot afford to buy or rent a home, but it doesn’t cover the need.

McGovern-Garcia said that in total Self Help Enterprises has built 6200 single family homes for low income buyers. Right now they have three developments in the works and a waiting list of 557 families.

Duerre said that he used to have 200 Section 8 units, a government subsidized rental program, but now is down to 50 units. He said the state has made it so expensive for landlords that very few can afford to participate in the program. A dearth of new units has contributed to the fact that there are 8000 people on the waiting list to get into a Section 8 rental.

Tom Lewis, President of Visalia Senior Housing, said that they have 204 units in total and that 65-85 seniors are on the waiting list for each one of their three buildings.

### **Alternative Housing**

The panel did not have many solutions but gave examples of alternative housing.

Such examples of alternative housing are tiny homes, in-law units, and building more homes per acre.

Collins said they used to be called Granny flats but that was no longer politically correct so they are now called accessory dwelling units (ADU). An ADU is a smaller, independent home located on the same lot as a stand-alone single-family home.

Cities are encouraging homeowners to build ADUs because it is a way for the city to increase their housing stock without building additional infrastructure. Only one permit is necessary for a home owner to build an ADU.

Landlords, Duerre said, can make much more money on ADUs because they are more desirable to live in than apartments.

Another strategy for cities is high-density housing, but that often incurs protestations from the neighbors. High-density housing can either be an apartment building or building more homes per acre. According to Collins, lot sizes used to typically be seven to eight thousand square-feet. That has reduced to 5000 square-feet, but as the homes are much better designed it is not noticeable.

### **What's Next?**

One of the senior forum attendees pined for the days when living was easier.

“Seventy years ago when my husband and I got married we paid \$60 a month for an incredible one bedroom apartment in suburban Philadelphia, and that included utilities. I wish we had that affordability now,” she said.

Holkeboer said, “We have to see that access to affordable housing at all levels of income is an investment in the entire community. It effects us all.”