

5.1 Overview

State law (California Government Code Section 65584) requires that each city and county plan to accommodate a fair share of the region's housing construction needs. In urban areas, state law provides for councils of governments to prepare regional housing allocation plans that assign a share of a region's housing construction need to each city and county. In the six-county greater Sacramento region (comprising the counties of Sacramento, Placer, El Dorado, Yolo, Sutter, and Yuba), the Sacramento Area Council of Governments (SACOG) is the entity authorized to determine the future housing needs for the region. SACOG adopted a regional housing allocation plan in February 2008, called the "Regional Housing Needs Plan" (RHNP). Each city and county receives a total number of housing units that it must plan for within a 7.5-year time frame. Within each allocation number, allocations are broken down to provide for very-low, low, moderate, and above-moderate incomes.

The City of Roseville General Plan Housing Element, with a SACOG RHNP allocation, establishes a citywide goal to provide decent, safe, adequate, and affordable housing in sufficient quantities for all economic segments of the community. Given the nature of the housing market in Roseville and the South Placer area, it is a particular challenge to create housing opportunities that are affordable to middle- and lower-income residents. Typically, such affordable housing opportunities require market restriction and/or subsidies. In an attempt to maximize efforts to meet affordable housing needs and to provide a mechanism whereby the City, property owners, and business community can actively work together in developing new affordable housing, the City's Housing Element specifies an affordable

housing goal of ten percent (10%) of all new housing units in the City be affordable to middle-, low-, and very-low-income households.

The housing for the Sierra Vista Specific Plan is planned to have a mix of housing types in low-, medium-, and high-density residential neighborhoods. Similar to existing low-density residential (LDR) areas of Roseville, it is anticipated that Sierra Vista's LDR neighborhoods will provide market-rate housing affordable predominately to moderate- and above-moderate-income households. The Plan Area's medium-density (MDR) and high-density (HDR) residential areas will generally have the greatest opportunity to create affordable housing at the middle, low, and very-low income levels. As outlined later in this chapter, the SVSP affordable housing plan focuses on MDR and HDR parcels, and has been structured to be consistent with the General Plan's affordable housing goals.

5.2 Definition of Housing Affordability

Housing affordability is based on household income categories defined by the U.S. Department of Housing and Urban Development (HUD). These five income categories are used for comparative purposes and are based on a percentage of the county median income, adjusted for household size (Table 5-1). All jurisdictions within Placer County, including Roseville, utilize the same basic income calculations irrespective of actual income level distribution in the community.

Table 5-1: Definition of Household Income Categories

Income Category	Percent of Income
Very-Low-Income	Less than 50% of Median
Low-Income	50% to 80% of Median
Middle-Income	80% to 100% of Median
Moderate-Income	100% to 120% of Median
Above Moderate-Income	120% + of Median

Based upon sales and rental prices, and the definition of affordability, the City's Housing Element includes the following housing assistance needs identified for each income group:

- ❑ **Very-Low-Income Households** not currently owning their own home will not be able to qualify for home ownership without substantial subsidies, unless their incomes rise significantly. Rental subsidies for very-low-income households are needed to maintain affordability.

- ❑ **Low-Income Households** not currently owning their own home will require loan subsidies in order to afford and qualify for home ownership. Rental subsidies for low-income households are needed to maintain affordability.
- ❑ **Middle- and Moderate-Income Households** may require some assistance in purchasing a home, since the price range of new homes in Roseville may exceed these households' ability to pay. This household group is expected to afford rental units without financial assistance.
- ❑ **Above Moderate-Income Households** are considered financially able to find affordable units, both for purchase and rent, within Roseville's housing market.

Numerous assumptions are required to translate household income to affordable rental rates and purchase prices. Lenders ultimately determine the actual purchasing power of households' income at a given point in time. A household can qualify to purchase a home that is based on annual income, the down payment, the level of other long-term obligations, and interest rates.

For planning purposes, the City of Roseville assumes that for rental units, low and very-low income households should not spend more than thirty (30%) of their monthly gross income on housing costs, including utilities. For middle-income households, thirty five (35%) of monthly gross income is used to determine housing cost affordability. Purchase housing costs include payment of principal, interest, taxes, insurance and any homeowner's association dues.

It is recognized that the various factors that determine affordability continually change, and that project-specific affordability standards need to be established and adjusted as development occurs. To this end, the 10% affordable housing goal is calculated for each specific plan area based on the total residential units mapped.

5.3 Affordable Housing Program

Consistent with the City's General Plan affordable housing goal, ten percent (10%) of Sierra Vista's 8,679 residential units have been designated for middle-, low-, and very-low-income households. This includes a mix of both purchase and rental housing made affordable to households in income brackets identified below, pursuant to the provisions of the Development Agreements for each property owner within the Plan Area. In accordance with General Plan policy, twenty percent (20%) of the affordable housing units will be made available to middle-income households, forty percent (40%) to low-income households, and forty percent (40%) to very-low-income households. The SVSP affordable housing goal is summarized in Table 5-2.

Table 5-2: Affordable Housing Goal

Income Category	Units Required to Meet Goal
40% Very-Low-Income	347 du
40% Low-Income	347 du
20% Middle-Income	174 du
Total Affordable Housing Need	868 du (10% of 8,679 du)

Allocation of Affordable Housing Goal

The affordable housing units within the SVSP have been allocated to specific MDR and HDR parcels as identified in Table 5-3, with designated parcels reflected on Figure 5-1. The intent is to distribute affordable units throughout the Plan Area. In addition, through implementation of the Affordable Housing Plan, the City should work with property owners to define alternative solutions, such as carriage units or granny flats in LDR and MDR areas, which also meet the intent of the Program.

Table 5-3: Affordable Housing Allocation

Parcel	Land Use	Total Units in Parcel	Total Affordable Allocation	Very Low Income Rental	Low Income Rental	Middle ¹ Income Purchase
CG-20	MDR	44	20			20
CG-31	HDR	420	100	50	50	
FD-32B	HDR	116	81			81
FD-34	HDR	256 ⁶	256	256 ⁷		
KT-30⁵	HDR	171	155	77	78	
JM-30³	HDR	176	176	88	88	
WB-30	HDR	355 ⁶	351 ²		351 ²	
WB-31⁸	HDR	293	6		6	
WB-32	HDR	192 ⁶	190 ²		190 ²	
Total			1,335²	471	763²	101

1. Middle-income purchase unit obligations may also be fulfilled via additional low-income rental units. 41 middle-income units were converted to low-income units via the Westbrook SPA approved in 2016.

2. Includes 162 units transferred to Westbrook from WRSP Parcel W-16.

3. Parcel JM-30 includes 8 units (4 Very-Low and 4 Low) transferred from NRSP Parcel M-31 (File #PL17-0204), 5 units transferred from SVSP Parcel JM-40 (File #PL20-0103), and 12 units transferred from SVSP Parcel JM-21 (File #PL20-0191).

5. Parcel KT-30 includes 31 units transferred from SVSP Parcel KT-20 (File #PL21-0289).

6. Total units in parcel is reflective of the density bonus processed with File #PL23-0064.

7. Very-low income obligation transferred from Parcel WB-30 and WB-32 (File #PL23-0064).

8. WB-31 includes 4 Low Income units transferred from WB-30 and 2 Low Income units transferred from WB-32 (File #PL24-0009).

NOTE: SVSP Section 5.4 allows for the transfer of affordable units. Check with the Housing Division to confirm current affordable housing obligations.

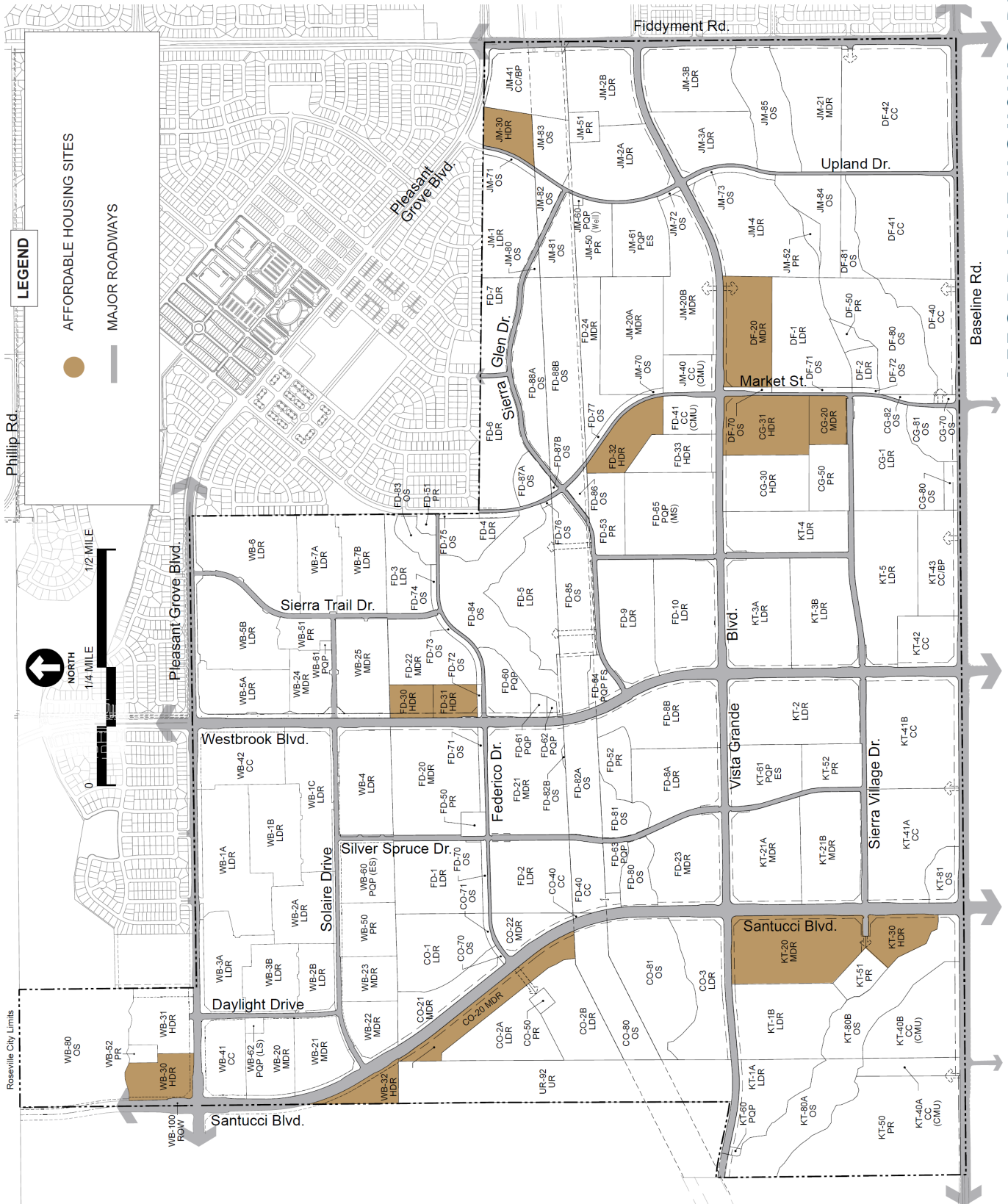


Figure 5-1: Affordable Housing Sites (refer to Table 5-3 for most current allocations)

5.4 Administration and Implementation

Residential builders are encouraged to explore creative approaches in providing a range of housing opportunities to meet the needs of middle-, low-, and very-low-income households. Over time, housing markets, income categories, funding programs, and other factors change, and it is important to retain some level of flexibility to ensure that affordable housing goals are achieved. The City's affordable housing goal is intended to be flexible in recognition that the actual number of affordable units constructed depends on the level of available subsidies.

The options outlined below may be considered to assist in achieving the SVSP affordable housing goal. It should be noted that the City reserves the right to consider alternatives to achieving affordable housing within the SVSP (such as allowing carriage units or granny flats in LDR or MDR areas), should the cost of producing the affordable housing preclude the City from accessing federal and state financing programs, or if legislation mandates the City to alter its approach to affordable housing.

A. Carriage Housing/ Expanded Living Area

A carriage house/expanded living area is eligible for consideration as affordable under the City's Affordable Housing Program. In order to consider allowing a carriage house/expanded living area towards meeting a portion of the Plan Area's 10% affordable housing goal, a practical mechanism must be in place for the application and monitoring for compliance of such units, as individual home owners will be the providers of affordable rental housing. Affordable rental housing provided by individual homeowners is not typical for rent-restricted units. Therefore, the following criteria are required of carriage housing/ expanded living area in order to secure a minimal level of success in the rental of these units as affordable:

- ❑ All homes within a subdivision constructed to include carriage houses/ expanded living areas must have a recorded covenant regarding the allowance and restriction to rent the carriage units as affordable to very-low and low income categories;
- ❑ The number of units with the deed restriction must be 2.5-times the number of affordable carriage units assigned to the large lot parcel. For example, if credit is given for 10 affordable rental units, there would need to be a minimum of 25 units in the subdivision with an affordable rental unit deed restriction;
- ❑ Separate electric meters must be installed on carriage units that are used as affordable housing; and
- ❑ Carriage houses/expanded living areas are not required to be rented, however, if they are, they may only be rented at affordable

rent levels as outlined in the California Health and Safety Code §50053. For example, considering the size of the units as studios, the affordability of rents would be for a one-person household at 50% of median income, which equates to a very-low income unit.

For homes that are constructed to include carriage houses, no additional impact fees are required above what is normally collected for issuance of a building permit. All fees based on square footage for the primary residence will be expanded to include the carriage house conditioned living space in fee determinations.

B. Transfers/Credits

Subject to administrative approval by the director of the City's Housing Division, the affordable housing allocations identified on Table 5-3 may be transferred among parcels within the SVSP. In addition, to the extent that the number of affordable units produced on a parcel exceeds the number of affordable units allocated to that parcel, the excess units may be credited towards meeting the SVSP affordable housing goal assigned to other parcels. Transfer and/or credits may be approved by the director of the City's Housing Division without the need for amendments to this Specific Plan or related Affordable Housing Regulatory Agreements or Development Agreements if it is determined that:

- ❑ The transfers are applied to parcels within the SVSP and covered by the same development agreement; and
- ❑ The transfers/credits maintain the ability to produce affordable units and achieve the SVSP affordable housing goal.

Requests for transfers and/or credits shall include information as deemed necessary by the City to ensure consistency with the SVSP's affordable housing program. In addition, a revised affordable housing allocation (Table 5-3) shall be provided reflecting adjusted affordable unit allocations. The City's housing division shall maintain all revisions to Table 5-3 as the official SVSP affordable housing allocation record. The affordable housing unit transfer shall be memorialized by way of a recorded Memorandum of Understanding (or substitute form as specified by the City).

C. Density Bonus

The City may, in accordance with its Density Bonus Ordinance (Zoning Ordinance, Chapter 19.28) assign additional residential units to projects for the purpose of achieving the affordable housing goal. The increase in units provided by a density bonus is intended to reduce average per unit development costs. In the SVSP, a density bonus is assigned by City approval of an Affordable Housing Regulatory Agreement (or substitute form as specified by the City) to individual projects on a case-by-case basis,

and may constitute a portion of the subsidy (if required) for the provision of affordable units.

D. In-Lieu Fee

To the extent an in-lieu affordable housing fee is adopted on a citywide basis, a portion of the affordable housing allocations identified on Table 5-3 may be satisfied with an in-lieu fee, subject to approval by the director of the City's Housing Division.

E. Affordable Housing Regulatory Agreement

An Affordable Housing Regulatory Agreement (or substitute form as specified by the City) is required for each parcel with an affordable housing allocation to detail and secure specific requirements and obligations. Among other provisions, the Affordable Housing Regulatory Agreement will:

- Specify the number of affordable units to be reserved at each income level.
- Specify the term of the affordability obligation.
- Set initial rent or purchase prices for the designated affordable units.
- Establish criteria and a basis for annual rent or purchase price increases.
- Provide the City with a mechanism to monitor actual rents and purchase prices paid.
- Identify any City or other subsidies required to assist in meeting the affordability requirement and, if applicable, the basis and terms for refunding such subsidies.

Affordable Housing Regulatory Agreements require City approval prior to the issuance of building permits, or recordation of a final small lot map where a subdivision map is required, for any large-lot parcel with an affordable housing allocation. The total number of affordable units required is to be calculated based on the number of final units mapped.