

CHAPTER 7:
Affordable Housing



7.1 AFFORDABLE HOUSING REQUIREMENTS

This section of the Specific Plan addresses provision of affordable housing within the Plan area in a manner consistent with established County requirements.

Objective 7.1-1: Assist in providing housing to meet the needs of very low-, low-, and moderate-income groups and insure that housing opportunities are open to all without regard to race, color, age, sex, religion, national origin, family status, or physical ability.

Policy 7.1-1: Assist the County in meeting its regional housing needs goal.

Policy 7.1-2: Provide an adequate housing supply with a balanced inventory of dwelling types and densities.

Policy 7.1-3: Retain flexibility in the provision of affordable housing within the Specific Plan area. The intent of the Specific Plan is to provide the required number of affordable units or the resources to develop the required number of affordable units for the Sutter Pointe community. This may occur on- or off-site by meeting the requirements outlined within the County Affordable Housing Ordinance and listed within the Specific Plan, as determined within the project Development Agreements.

Policy 7.1-4: The owner(s) of each land use parcel shall have the ability to transfer the affordable obligation from one parcel to another without amendment to this Specific Plan.

The Sutter County Housing Element establishes a goal to encourage the adequate supply of various housing types at a range of densities. Chapter 1600 of the Sutter County Ordinance Code, the County’s Affordable Housing Program Ordinance, specifies that five percent of housing development projects of 10 or more dwelling units be set aside for moderate- or low-income households as for-sale affordable units, and very low- and low-income households as affordable rental units.

The Sutter Pointe Specific Plan proposes a mix of housing types that consist of primarily medium density single-family residential neighborhoods. The Plan also includes low and high density residential housing dispersed in various locations. Medium and high density parcels generally have lower per unit land and development costs and provide the greatest opportunities to create affordable housing.

Sutter Pointe’s affordable housing strategy has been structured to be consistent with and implement the County’s Affordable Housing Program Ordinance. The Specific Plan also provides for 3,000 senior housing units to be located throughout the Plan area, which provide additional affordable housing opportunities for seniors.



7.2 DEFINITION OF HOUSING AFFORDABILITY

Both State law and County ordinances define affordability in terms of target income households and the relative percentage these households must pay to purchase or rent decent and safe housing. Target income households include the categories Very Low-, Low-, and Moderate-income (see Table 7.1).

Numerous assumptions are required to translate household income to affordable rental rates and purchase prices. Lenders ultimately determine the actual purchasing power of household income at a given point in time. For planning purposes, the County assumes that moderate-, low-, and very low-income households should not spend more than 30 percent of their monthly gross income on housing costs, including utilities.

It is recognized that the various factors that determine affordability continually change, and that project-specific affordability standards will be established and adjusted as development occurs.

TABLE 7.1: DEFINITION OF HOUSEHOLD INCOME CATEGORIES

INCOME CATEGORY	PERCENT OF MEDIAN INCOME
Very Low-Income	Less than 50 percent of Median
Low-Income	Between 50 percent and 80 percent of Median
Moderate-Income	Between 81 percent and 120 percent of Median
Above Moderate-Income	More than 121 percent of Median

7.3 AFFORDABLE HOUSING PROGRAM

Consistent with the County’s Affordable Housing Program, approximately 5 percent of the units (875 units) in the Plan area have been designated for moderate-, low-, and very low-income households. This includes a mix of purchase housing affordable to moderate-income households and rental housing affordable to low- and very low-income households. In addition, 3,000 senior units are proposed to be developed within the Plan area, some of which may be used to meet the 5 percent goal.

Consistent with the County’s Housing Element policies supporting provision of affordable housing by target income groups, as well as 2007 Regional Housing Needs Assessment allocations for Sutter County, approximately 33 percent of the proposed affordable units will be available to very low-income residents, 27 percent to low-income residents, and 40 percent to moderate-income residents. Sutter Pointe’s affordable housing goals are summarized in Table 7.2.

Affordable housing units within the Sutter Pointe Specific Plan should be located near transit routes and centers and within close proximity to retail and service centers to allow for easy access to goods, services, and transit. Whenever possible, affordable housing units should also be located in close proximity to schools. Desirable locations for affordable housing include those adjacent to the mixed-use Town Center and East Activity Center.

TABLE 7.2: SUTTER POINTE SPECIFIC PLAN AFFORDABLE HOUSING GOAL

Total Dwelling Units	17,500
5% Affordable Housing Goal	875
Total Affordable Units required	875
	Number of Units/ Percent of Total Affordable Units
Moderate-income (purchase)	346 (40 percent)
Low-income (rental)	236 (27 percent)
Very low-income (rental)	293 (33 percent)

The Sutter Pointe Specific Plan affordable housing goal has been allocated on a pro-rated basis to each residential parcel within the Plan area to Mixed-Use, Low Density Residential, Medium Density Residential, and High Density Residential sites as identified in Table 7.3. Senior housing units have similarly been allocated. The intent is to ensure that each parcel shares in the obligation to provide both affordable and senior housing.

However, the financial reality of developing affordable and senior housing will likely result in a transfer of affordable and/or senior units from Low Density Residential parcels to High Density and possibly Medium Density Residential parcels. The owner(s) of each land use parcel will have the ability to transfer the affordable obligation from one parcel to another without amendment to this Specific Plan provided the owner(s) of the receiving parcel(s) consent, the number of transferred affordable and/or senior units does not exceed the overall density established for the receiving land use parcel (shown in Table 3.5 of Chapter 3, Land Use), and the transfer does not result in a net reduction of affordable or senior housing units to be provided within the current development phase.

Exceptions to these transfer provisions may be approved by the Planning Commission to promote construction of high-quality affordable housing projects. An Affordable Housing Development Agreement or other form of documentation is required for each parcel with an affordable or senior housing allocation to detail and secure specific requirements and obligations.

Among other provisions, the Affordability Agreement will:

- Document any transfers of affordable and/or senior housing obligations between land use parcels;
- Specify the number of affordable units to be reserved at each income level;
- Specify the term of the affordability obligation;
- Establish conditions of sale for purchase units; and
- Establish criteria and a basis for annual rent or purchase price increases.

Project applicants will be required to submit a site plan that identifies the location of each type of affordable and/or senior unit within the proposed development. Affordable rent for each unit will be determined by the Sutter County Housing Authority on an annual basis.

The requirements of the affordable housing ordinance will be satisfied using a combination of tools that may result in some on-site affordable housing development. Alternative means may also be employed for meeting the remaining percentage of affordable housing units that are not constructed, such as irrevocable land dedication, paying an in-lieu fee, or working with a non-profit housing developer to provide affordable units elsewhere in Sutter County. The Sutter County Housing Authority is able to develop affordable units using these alternatives to on-site development. It is the County's goal that the required number of affordable units be constructed and that the units be affordable to very low-, low-, and moderate-income households.

The County has established the following incentives to encourage development of affordable housing units:

- Fast track application processing;
- Fee waivers;
- Density bonuses;
- Reduction of design and development standards;
- Accelerated infrastructure improvements; and
- Technical and financial assistance.

TABLE 7.3: AFFORDABLE AND SENIOR HOUSING ALLOCATION

Land Use Parcel	Total Dwelling Units	Senior Units	Total Affordable Units (5% of dwelling units)	Very Low-Income	Low-Income	Moderate-Income
MIXED USE (MU)						
MU-1	196	34	10	3	3	4
MU-2	43	7	2	1	1	0
MU-3	30	5	2	1	1	0
MU-4	22	4	1	0	0	1
MU-5	308	53	15	5	4	6
Subtotal	599	103	30	10	9	11
LOW DENSITY RESIDENTIAL (LDR)						
LDR-1	79	13	4	1	1	2
LDR-2	85	14	4	1	1	2
LDR-3	87	15	4	1	1	2
LDR-4	83	14	4	1	1	2
LDR-5	174	30	8	3	2	3
LDR-6	259	44	13	4	4	5
LDR-7	694	119	35	12	9	14
Subtotal	1,461	249	72	23	19	30
MEDIUM DENSITY RESIDENTIAL (MDR)						
MDR-1	123	21	6	2	2	2
MDR-2	86	15	4	1	1	2
MDR-3	81	14	4	1	1	2
MDR-4	673	115	33	11	9	13
MDR-5	640	110	32	11	9	12
MDR-6	318	55	16	5	4	7
MDR-7	331	57	17	6	5	6

TABLE 7.3: AFFORDABLE AND SENIOR HOUSING ALLOCATION (CONTINUED)

Land Use Parcel	Total Dwelling Units	Senior Units	Total Affordable Units (5% of dwelling units)	Very Low-Income	Low-Income	Moderate-Income
MDR-8	269	46	13	4	4	5
MDR-9	105	18	5	2	1	2
MDR-10	271	46	14	5	4	5
MDR-11	304	52	15	5	4	6
MDR-12	157	27	8	3	2	3
MDR-13	180	31	9	3	2	4
MDR-14	1,236	210	62	20	17	25
MDR-15	410	70	21	7	6	8
MDR-16	471	80	21	7	6	8
MDR-17	315	54	16	5	4	7
MDR-18	169	29	8	3	2	3
MDR-19	107	18	5	2	1	2
MDR-20	173	30	9	3	2	4
MDR-21	495	84	25	8	7	10
MDR-22	265	45	13	4	4	5
MDR-23	454	78	23	8	6	9
MDR-24	494	85	25	8	7	10
MDR-25	371	63	17	6	5	7
MDR-26	442	75	22	7	6	9
MDR-27	266	45	13	4	4	5
MDR-28	355	61	18	6	5	7
MDR-29	498	85	25	8	7	10
MDR-30	603	103	30	10	8	12
MDR-31	402	69	20	7	5	8

TABLE 7.3: AFFORDABLE AND SENIOR HOUSING ALLOCATION (CONTINUED)

Land Use Parcel	Total Dwelling Units	Senior Units	Total Affordable Units (5% of dwelling units)	Very Low-Income	Low-Income	Moderate-Income
MDR-32	346	59	17	6	5	6
MDR-33	604	104	30	10	8	12
Subtotal	12,014	2054	596	198	163	236
HIGH DENSITY RESIDENTIAL (HDR)						
HDR-1	756	129	38	13	10	15
HDR-2	274	47	14	5	4	5
HDR-3	399	68	20	7	5	8
HDR-4	213	36	11	4	3	4
HDR-5	692	119	35	12	9	14
HDR-6	654	112	33	11	9	13
HDR-7	438	75	22	7	6	9
Subtotal	3,426	587	172	58	46	68
TOTAL	17,500	2,992	871	290	237	345

7.4 FLEXIBILITY IN IMPLEMENTATION

Creative approaches to providing a range of housing opportunities to meet the needs of moderate, low-, and very low-income households will be explored by the project developers. It is important to retain flexibility to ensure that affordable housing goals are achieved. For residential development projects in which on-site construction of affordable units is not feasible, as defined in Section 1600-200 of the Affordable Housing Program Ordinance, a project applicant may request approval from the Planning Commission of an alternative, or combination of alternatives, to on-site construction or affordable housing. Requests and plans shall be submitted at the time of tentative subdivision map (or design review in the case of multi-family sites) application submittal and may be approved, conditionally approved, or rejected by the Planning Commission.

The following may be considered as alternative means to assist in achieving affordable housing goals. One or more of these techniques may be specified and detailed in the Project Development Agreements and subject to Affordability Agreements.

OFF-SITE CONSTRUCTION REQUEST

As an alternative to on-site construction, a project applicant may request the Planning Commission approve off-site construction of affordable units. The units may be constructed on land previously dedicated to the County or to a non-profit housing corporation engaged in the development of affordable housing within the unincorporated area of the County, or on property owned by the project applicant elsewhere within the unincorporated area of the County.

IRREVOCABLE OFFER TO DEDICATE LAND

As an alternative to on-site construction, a project applicant may irrevocably offer to dedicate sufficient land zoned for and approved for residential development at a density consistent with the General Plan. Such sites must be of sufficient size to allow for development of a number of affordable units at least equal to the number otherwise required by the Affordable Housing Program Ordinance. The land that is dedicated must be of at least equal value to the in-lieu fee that would otherwise be paid, as supported by an appraisal performed by a State certified appraiser. The project applicant must identify the land to be dedicated at the time the project applicant applies

for the project approval, but no later than the application for a tentative subdivision or parcel map. Such requests are subject to County analysis of the appropriateness of such dedication and an agreement between the project applicant and the County.

PAYMENT OF IN-LIEU FEES

As an alternative to on-site construction of residential units or the dedication of land, the Planning Commission, upon request by the project applicant, may approve the payment of an in-lieu fee to an established Affordable Housing Trust Fund for future construction of affordable units. To implement this option, a fee schedule must be adopted and periodically amended by resolution of the Board of Supervisors. The in-lieu fee must be paid prior to the issuance of a certificate of occupancy for the market rate units in the residential development.

The County has not established an in-lieu fee, and would need to do so in order for this option to be used. The in-lieu fee would be roughly equal to the cost to develop an affordable housing unit, minus any federal or state subsidy that may be attained and applied.

NON-PROFIT AGENCY AND HOUSING AUTHORITY PARTICIPATION

As an alternative to on-site construction of affordable units, a project applicant may request the Planning Commission's approval to allow the project applicant to work with non-profit agencies or the Housing Authority in creating affordable housing units on another site. A plan describing such a partnership and the project must be submitted to the Development Services Department for review by the Planning Commission. The number of affordable units proposed in such a partnership project must be at least equal to the number of units required to be built by the project applicant if such a partnership does not exist.

DEVELOPMENT OF SECOND UNITS

Second units provide affordable units for residents within the community such as seniors, students, the disabled, in-home health care providers, and family members. In addition, homeowners benefit by receiving a secondary source of income.

The County reserves the right to consider alternatives to achieving affordable housing within the Sutter Pointe Specific Plan should the cost of producing the affordable housing preclude the County from accessing federal and state financing programs, or legislation mandates the County to alter its approach to affordable housing.

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