



# City of Vacaville

# Affordable Housing Study

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A Report to the Vacaville City Council

Prepared by  
City of Vacaville  
Community Development Department  
and  
Housing and Redevelopment Department

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# A. EXECUTIVE SUMMARY AND RECOMMENDATION

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## Purpose of Report

This report to the City Council regarding housing affordability in Vacaville was initiated by the City Council in the 2003 Strategic Plan. The purpose of this report is to evaluate actions that the City could take to encourage the construction of more affordable housing, with a focus on ownership housing, though options for affordable rental housing are also discussed.

The report also includes background information related to housing affordability. The following topics are included in this report:

- regional growth perspective
- Housing Element status
- regional and local housing affordability
- housing inventory
- special housing needs
- existing programs that address housing affordability
- potential new strategies to promote affordable housing

The report includes several chapters which provide background on housing affordability in Vacaville and leading up to Chapter H, which discusses several new strategies that the City may consider. It is expected that the City Council would identify several of these strategies for further study and possible implementation. While some of the ideas are new and require significant program or policy changes, some of the alternatives involve minor changes to current practices or are mandated by state law.

## Vacaville Housing Market Overview

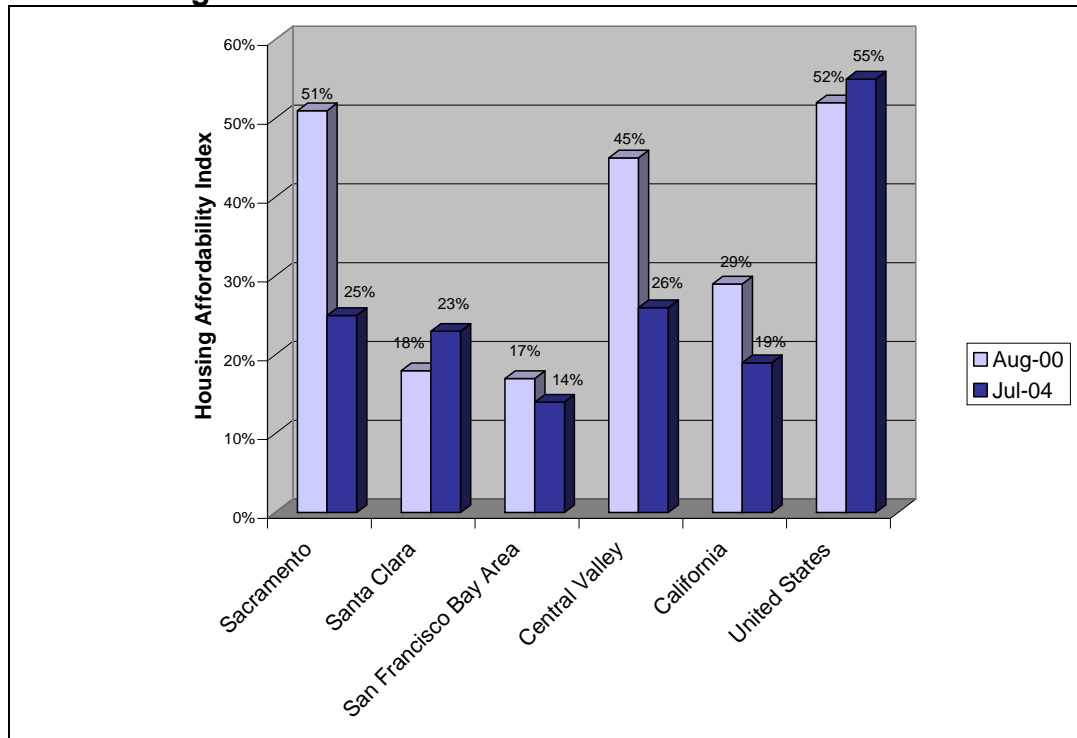
Prior to the 1990s, Vacaville was primarily a bedroom community for the Bay Area with a local economy with strong ties to local agriculture. The 1990s brought significant economic development to the community, making the City an even more desirable community to live in especially given the relative affordability compared to the greater Bay Area and even Sacramento. While Vacaville is part of the greater Bay Area, the City is influenced by both the Sacramento and Bay Area economy. While there are actions that the City can take to stimulate the local housing market, home prices will always be related to the regional demand and economy.

According to *Out of Reach 2004*, an annual publication written by the National Low Income Housing Commission, California is the least affordable state for housing, with San Francisco being the least affordable Metropolitan Statistical Area (MSA). (*The San Francisco MSA consists nearly entirely of the City of San Francisco.*) In July 2004, only 14% of families working and/or renting in the San Francisco Bay Area could afford to purchase a median priced home. This is lower than the statewide average of

Least Affordable States
1. California
2. Massachusetts
3. New Jersey
4. Maryland
5. New York
6. Connecticut
7. Hawaii
8. Alaska
9. Nevada
10. New Hampshire
--Out of Reach 2004

19% and the national average of 55%. The lack of affordable housing, has forced many Bay Area employees and their families to seek more affordable housing in cities like Vacaville which are located on the urban fringe of the Bay Area. Some Bay Area employees are now seeking affordable housing as far east as the Sacramento region and the Central Valley.

**Figure 1**  
**Housing Affordability Index**  
**August 2000 versus July 2004**  
**Percentage of Households Able To Afford a Median Priced Home**



Source: California Association of Realtors, December 2004

Figure 1 compares the Housing Affordability Index for August 2000 and July 2004 for California, the United States and four California housing markets. The Housing Affordability Index is the percentage of households that can afford to purchase the median priced home.

Sacramento is experiencing dramatically escalating housing prices. According to the California Association of Realtors, in August 2000, 51% of families within the Sacramento area could afford to purchase a median priced house. As of July 2004, the percentage of families capable of purchasing a median priced home dropped to 25%. Despite the increasing prices, Sacramento continues to offer housing that is relatively more affordable than within Solano County or any of the Bay Area counties.

## **Report Recommendations**

It is recommended that the City Council discuss and consider specific actions that relate to housing affordability and the production of affordable housing. These alternatives are discussed and analyzed in detail within Chapter H of this report. As a part of the upcoming Strategic Planning process, it is recommended that the City Council consider initiation of one or more of the preferred alternatives. These alternatives and the actions required for initiation are summarized below:

### **1. Promote Infill Development of Affordable Ownership Housing**

#### **a. Partner with Developers to Construct New Affordable Housing**

Action: The City Council and Redevelopment Agency could direct Redevelopment Agency staff to continue identification of properties suitable for future affordable housing and pursue acquisition of these properties and/or partnerships with developers. The City could also explore a private-public partnership to construct a pilot project with affordable ownership townhouse or condominium units.

#### **b. Amend the Planned Growth Ordinance to Encourage Infill Development**

Action: The City Council could initiate an amendment to the Planned Growth Ordinance to exempt infill development from the residential allocations process.

#### **c. Require Construction of Small Floor Plans in Small Lot Subdivisions**

Action: The City Council could initiate an amendment to the General Plan and related ordinances to require small lot single family projects to include a smaller floor plan model under 1,500 square feet.

#### **d. Alternative Development Standards for Small Lot Single Family Projects**

Action: The City Council could initiate amendments to the General Plan and related ordinances or design guidelines to allow more affordable alternative design and parking standards for small lot single family subdivisions.

#### **e. Promote Mixed Use Zoning or Small Lot Development on Underutilized Commercial properties**

Action: The City Council and Redevelopment Agency could direct Community Development and Housing and Redevelopment staff to initiate discussions with owners of underutilized commercial properties regarding potential redevelopment for mixed use or small lot single family development and consider expansion of redevelopment plan boundaries to incorporate such properties.

#### **f. Encourage Infill Development of Residential Zoned Properties**

Action: The City Council could direct Community Development staff to initiate discussions with owners of vacant and developable residential land regarding small lot residential development. The specific properties are identified in Figures 8 through 13.

**2. Amend the First Time Homebuyer Program**

Action: The Redevelopment Agency could initiate an increase of the maximum loan amount from \$10,000 to \$40,000 and as a part of the upcoming budget process consider an increase to the program budget.

**3. Encourage Construction of Secondary Living Units and Duet Units**

Action: The City Council could initiate amendments to the General Plan and related ordinances to permit secondary living units and duets to be built as part of new planned developments and require new annexation areas to include a component of this type of housing. The City Council could also initiate a fee study with intent to decrease impact fees for secondary living units.

**4. Amendment to the Density Bonus Ordinance per SB 1818**

Action: As mandated by new state law, the City Council could initiate amendments to the current Density Bonus ordinance to allow greater density bonuses with fewer restrictions and to provide additional incentives for affordable housing built with a density bonus.

**5. East Vacaville Planning Area General Plan Analysis**

Action: In conjunction with determining the scope for the Northeast and East Vacaville Infrastructure Study, the City Council could expand the project to address future land use alternatives for the Northeast and East Vacaville as part of the initiation of a General Plan amendment process. As a part of the analysis, land uses for seniors, apartments, small lot single family and military housing would be considered.