

CHAPTER 4 EXISTING HOUSING

4.1 HOUSING AGE AND CONDITION

Table 14 shows that most of the housing in Vacaville was constructed after 1970.

TABLE 14 AGE OF EXISTING DWELLING UNITS

Year of Structure Built	Units	Percent of Stock
Built 1939 or earlier	463	1.4%
Built 1940 to 1949	410	1.2%
Built 1950 to 1959	2,412	7.2%
Built 1960 to 1969	2,665	8.0%
Built 1970 to 1979	9,299	27.8%
Built 1980 to 1989	8,044	24.1%
Built 1990 to 1999	5,601	16.7%
Built 2000 to 2009	4,058	12.1%
Built 2010 or later	491	1.5%
2013 Total	33,443	100.0%

Source: 2011-2013 American Community Survey, DP04.

Based on the data in Table 14, there are 23,293 housing units over 20 years old in Vacaville, approximately 70 percent of the total housing stock. The last windshield survey of units in target neighborhoods was conducted in March 2009 to determine the condition of the existing housing stock. The survey, conducted by City staff that administered a residential rehabilitation program, concentrated on units located in the City's five Community Development Block Grant (CDBG) target areas at that time. . Nearly half of the housing units in the target areas were documented to be in need of rehabilitation. Based on staff experience, the condition of older housing was estimated using five categories:

1. **No Visible Structural Repairs Needed:** The housing units in this category showed no evidence that structural repairs were necessary. Homes in this category have been rehabbed by current homeowners. Examples of modifications made to homes in this category would include: newer roof installs, installation of rain gutters, exterior paint application, exterior stucco to structure, energy efficient windows, garage door replacement, and front yard landscaping. Interiors of homes were not inspected; typically, homes in this category appear to have made necessary modifications/repairs to the interiors of the homes.
2. **No Visible Structural Repairs Needed; Curb Appeal Related Modifications Needed:** The housing units in this category meet the same criteria as homes in category # 1. Although there are no notable repairs necessary to the structure of the homes placed in this category, the homes do need some repairs to exteriors of the homes to improve the curb appeal.

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Homes in this category require repairs/modifications such as: exterior painting, garage door replacement, yard landscaping, fence repairs, and sidewalk and driveway repair. Estimated cost to improve curb appeal for homes in this category was between \$10,000 and \$20,000.

3. Structural Repairs Required Within Three Years if not Addressed: The housing units in this category require repairs that may include roof repair, gutter repair/installation, window/door repair, tree removal, garage door replacement, landscaping and fence repair, and exterior paint. Although not visible from the outside, such units typically may require bathroom and kitchen repairs, water heater replacement, and weatherization. Homes in this category show various evidences of beginning stages of structural damage. Cost to make visible repairs and avoid additional damage to structure was between \$15,000 and \$30,000.
4. Structural Deficiencies: The housing units in this category would require extensive repairs to address current building codes and Housing Quality Standards (HQS). Repairs in this category may include roof replacement; window/door replacement; correcting dry rot/termite damage; heating, ventilating, and air conditioning (HVAC) repairs; landscaping and fence replacement; drainage improvements; and cracked sidewalks/driveways. Interior improvements may include bathroom and kitchen repair, water heater replacement, new electrical circuits and wiring, sheet rock replacement, painting, floor covering, and weatherization. Estimated cost of repairs for this category was between \$30,000 and \$45,000.
5. Major Structural Deficiencies: The housing units in this category would require repairs that may include repairing/replacing leaning porches, sagging roofs, exposed framing, foundation replacement, and other obvious deterioration. Interior repairs may include those listed above as well as replacement of sub flooring and flooring. Homes in this category require extensive repair/modifications to the structure. Cost of repairs was very likely to exceed \$45,000.

Table 15 estimates the rehabilitation needs for older homes constructed prior to 1980 in the CDBG target areas. 2,609 units constructed before 1980 were surveyed. Of the 2,609 units, 894 units required repairs costing under \$20,000 to improve curb appeal of the unit. 922 units required repairs within three years to avoid structural damage. An additional 387 units required significant repairs to correct structural deficiencies; 17 units had extensive damage to the exterior and are categorized as having major structural deficiencies. Of the units surveyed, approximately 51 percent require rehabilitation.

If the results of the survey are applied to the entire housing stock over 20 years old, there are 8,232 housing units in Vacaville in need of repairs to address minor damage and avoid structural damage likely to occur if not repaired required within three years; 3,454 housing units with building code and HQS violations, and 151 units with major structural damage.

4.2 HOUSING TYPE

Policies in the General Plan assure a housing mix that provides a variety of housing choices while maintaining neighborhood identity. Policies also ensure that the residential growth rate can be accommodated by the provisions of municipal services. The policies in this document are intended to preserve and enhance the City's reputation as a provider of affordable housing, while ensuring a mix of well-designed and planned residential development.

TABLE 15 CONDITION OF HOUSING OVER 20 YEARS OLD, 2009

Development Period	1	2	3	4	5	# of Homes Surveyed
CDBG – Acacia	79	149	182	86	5	501
CDBG - Core	82	289	253	76	3	703
CDBG - Fairmont	9	17	56	62	6	150
CDBG - Mariposa	17	37	198	85	2	339
CDBG - Leisure Town	202	402	233	78	0	915
Non CDBG Areas					1	1
Totals	389	894	922	387	17	2,609
Percentages	14.91%	34.27%	35.34%	14.83%	0.65%	100.00%

Key:

1. No Visible Structure Deficiencies
2. No Structural Deficiencies – Minor Curb Appeal Deficiencies
3. Structural Repairs Required within 3 Year Time Frame
4. Structural Deficiencies – Repairs Needed
5. Major Structural Deficiencies

Source: Vacaville Department of Housing and Redevelopment Windshield Survey, 2009.

Residential growth has been accommodated by the building of numerous subdivisions and multi-family projects in the 1970s through the early 2000s. From 2000 to 2013, the average annual growth rate was 356 units per year, as shown in Table 16. The City experienced a noticeable decrease in the number of single-family residential permits issued following the economic downturn in the housing market beginning in 2006. Table 16 illustrates a 51 percent reduction in the number of building permits issued for single-family homes between 2006 and 2008. However, there was a significant increase between 2012 and 2013, with over 3.5 times the number of permits issued in 2013 than in 2012, before decreasing again in 2014.

Table 17 shows the existing housing mix within the City. In January 2014, the City's housing mix was 78.6 percent single family and 21.4 percent multi-family.

Table 18 shows the proportion of owner-occupied and renter-occupied housing units, 2000 through 2012. The percentage of owner-occupied dwellings decreased by 7 percent from 2000 to 2012, while there was about a 7 percent increase in renter-occupied units.

4.3 HOUSING COST AND AFFORDABILITY

The Planning Commission and City Council regularly review and keep up-to-date on housing affordability issues. The City of Vacaville prepared a comprehensive report on housing affordability in January 2005 (Housing Affordability in Vacaville, January 2005). The report was prepared as the housing market neared its peak in terms of the purchase price of homes. Many Vacaville residents could not afford to purchase a home. In 2004, a family of four, earning the median income of \$73,900, could afford to purchase a \$331,000 home based on a 30-year fixed mortgage at 5.7 percent interest and with a 20 percent down payment. However, the median price for a home was \$380,000, placing home ownership out of reach for many families.

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TABLE 16 VACAVILLE CONSTRUCTION BY TYPE OF HOUSING UNIT, 2000 – 2013

Year	Single-Family	Multi-Family	Total
2000	526	203	729
2001	318	413	731
2002	140	461	601
2003	479	59	538
2004	202	7	209
2005	268	22	290
2006	292	2	294
2007	263	64	327
2008	142	232	374
2009	304	1	305
2010	214	0	214
2011	140	2	142
2012	97	0	97
2013	125	222	347
2014 (August)	69	69	138
Total	3,579	1,757	5,336
Annual Average 2000-2013	239	117	356

Source: 10-Year Building Activity Report – Permit Issued, Building Division, Community development Department, 2013 and 2014.

TABLE 17 EXISTING HOUSING UNITS BY TYPE, JANUARY 2014

Total Units	Single-Family		Multi-Family	
	Number	Percent	Number	Percent
33,409	26,273	78.6%	7,136	21.4%

Note: The Single-Family category includes mobile, attached, and detached homes.
Source: Department of Finance, 2014, "E-5 City/County Population and Housing Estimates."

TABLE 18 HOUSING UNIT TENURE – 2000, 2010 AND 2012

	2000		2010		2012	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	18,757	66.74%	19,721	63.43%	18,547	59.66%
Renter-Occupied	9,348	33.26%	11,371	36.57%	12,543	40.34%
Total Occupied Units	28,105	100.00%	31,092	100.00%	31,090	100.00%

Note: Excludes vacant housing units.
Source: US Census Bureau, 2000 Census, SF1: DP-1; US Census Bureau, 2010 Census DP: DP-1; 2012 American Community Survey 1-Year Estimates, DP4.

After that time, however, the housing market changed drastically as the nation entered into an economic recession and then began an increasingly rapid recovery. Based on the information in Table 19, the median sales prices for homes in Vacaville decreased 50 percent between the peak of the housing market in 2006 and the low in 2012. While there were several reasons for the falling housing prices, one main reason was the collapse of the sub-prime mortgage housing market. The collapse began in 2006 when subprime lending, the interest-only adjustable-rate mortgage (ARM), and the negative-equity option ARM were no longer able to sustain the flow of new buyers, and homeowners could not afford their mortgages once their ARM mortgages adjusted to higher interest rates. The result of this was an exponential increase in the number of mortgage defaults and foreclosures.

**TABLE 19 ANNUAL MEDIAN HOME SALE PRICES
VACAVILLE, 2005-2013**

Year	Median Sale Price
January 2005	\$393,000
January 2006	\$453,000
January 2007	\$439,000
January 2008	\$375,000
January 2009	\$295,000
January 2010	\$237,000
January 2011	\$234,000
January 2012	\$224,000
January 2013	\$236,000
January 2014	\$309,000

Source: Zillow, "Vacaville Market Overview," <http://www.zillow.com/vacaville-ca/home-values>, accessed June 26, 2014.

While home prices dropped during the recession, they started increasing again quickly in 2013, with a 16.4 percent increase between April 2013 and May 2014.¹ As of 2014, a family of four earning the median income of \$82,600 could afford to purchase a \$394,420 home based on a 30-year fixed mortgage at 6 percent interest and with a 20 percent down payment. The median sale price for a home as of June 2014 was \$328,750, making homes affordable to households with moderate incomes.

Housing Affordability by Household Income

Housing affordability can be inferred by comparing the cost of renting or owning a home with the maximum affordable housing cost to households at different income levels. The Area Median Income (AMI) provides a benchmark for estimating the affordability of housing and the ability of newcomers to move into the community. Taken together, this information can generally demonstrate who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding or a burden related to housing cost.

¹ Zillow, "Vacaville Home Prices & Values," <http://www.zillow.com/vacaville-ca/home-values>, accessed June 26, 2014.

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In evaluating affordability, the maximum affordable price refers to the maximum amount that could be afforded by households in the upper range of their respective income category. Households in the lower end of each category can afford less in comparison. The maximum affordable rental and house prices for residents of Solano County are shown in Tables 20 and 22. The affordability of the County housing stock for each income group is discussed below. HCD has published the 2014 County Area Median Income (AMI) to be \$82,600.

Rental Housing

Extremely Low-Income Households: Extremely low-income households are households earning 30 percent or less of the County AMI. As shown in Table 20, these households have monthly incomes ranging from \$1,450 for a one-person household to \$2,067 for a four-person household. The maximum affordable rent for a one- to four-person household ranges from \$435 per month to \$620 per month.

Very Low-Income Households: Very low-income households are classified as those earning 30 to 50 percent of the County AMI. As shown in Table 20, the maximum affordable rent for a one- to four-person household ranges from \$724 per month to \$1,033 per month.

Low-Income Households: Low-income households are classified as those earning 51 to 80 percent of the County AMI. The maximum affordable rent for a low-income household ranges from \$1,138 for one person to \$1,625 for a four-person family.

Moderate-Income Households: Moderate-income households earn between 81 and 120 of the County AMI. The maximum affordable rental prices for moderate-income households range from \$1,734 for a one-person household to \$2,478 for a four-person household.

TABLE 20 AFFORDABLE RENTAL PRICES, SOLANO COUNTY

Income Group	1-Person		2-Person		3-Person		4-Person	
	Monthly Rent	Monthly Income	Monthly Rent	Monthly Income	Monthly Rent	Monthly Income	Monthly Rent	Monthly Income
Extremely Low	\$435	\$1,450	\$496	\$1,654	\$559	\$1,863	\$620	\$2,067
Very Low	\$724	\$2,413	\$826	\$2,754	\$930	\$3,100	\$1,033	\$3,442
Low	\$1,138	\$3,792	\$1,300	\$4,333	\$1,463	\$4,875	\$1,625	\$5,417
Moderate	\$1,734	\$5,779	\$1,983	\$6,608	\$2,230	\$7,433	\$2,478	\$8,258
Above Moderate	>\$1,734	>\$5,779	>\$1,983	>\$6,608	>\$2,230	>\$7,433	>\$2,478	>\$8,258

Note: Monthly rates do not include utilities.

Source: California Department of Housing and Community Development, State Income Limits, February 25, 2013.

Table 21 provides a sampling of rents charged by apartment complexes within the City, and indicates which units are affordable to low and moderate-income households, based on number of occupants. The selected projects represent apartment complexes of varying age and size throughout the City.

TABLE 21 APARTMENT RENTAL PRICES AND AFFORDABILITY, VACAVILLE

Project ^a	Year Constructed	Unit Size	Avg. Rent	Household Size	Affordability		
					Very Low Income	Low Income	Moderate Income
Project A 136 Units 21 un/ac	1986 (Remodeled in 2008)	1 BR/1 BA	\$1,125	2	-	X	X
		2 BR/1 BA	\$1,240	3	-	X	X
		2 BR/2 BA	\$1,355	3	-	X	X
Project B 240 Units 24 un/ac	1987 (Remodeled in 2006)	1 BR/1 BA	\$1,185	2	-	-	X
		2 BR/1.5 BA	\$1,e355	3	-	X	X
		2 BR/2 BA	\$1,395	3	-	X	X
Project C ^b 148 Units 22 Un/Ac	2003	2 BR/1 BA	\$1,805	3	-	-	X
		2 BR/2 BA	\$1,970	3	-	-	X
		3 BR/3 BA	\$2,390	4	-	-	X
Project D 140 Units 23 un/ac	1982	1 BR/1 BA	\$965	2	-	X	X
		2 BR/2 BA	\$1,100	3	-	X	X
		3 BR/2 BA	\$1,395	4	-	X	X
Project E ^C 64 Units 21 un/ac	1998	1 BR/1 BA	\$825	2	X	X	X
Project F 264 Units 24 un/ac	1986	Studio/1 BA	\$1,295	2	-	X	X
		1 BR/1 BA	\$1,330	2	-	-	X
		2 BR/2 BA	\$1,400	3	-	X	X
Project G ^b 312 Units 17 un/ac	2004	1 BR/1 BA	\$1,460	2	-	X	X
		2 BR/1 BA	\$1,530	3	-	-	X
		2 BR/2 BA	\$1,660	3	-	-	X
		3 BR/2 BA	\$1,890	3 or 4	-	-	X
Project H ^b 312 Units 21 un/ac	1999	1 BR/1 BA	\$1,125	2	-	X	X
		2 BR/2 BA	\$1,355	3	-	X	X
		3 BR/2 BA	\$1,785	3 or 4	-	-	X
Project I 194 Units	1977	Studio/BA	\$995	1	-	X	X
		1 BR/1 BA	\$1,096	2	-	X	X
		2 BR/1 BA	\$1,245	3	-	X	X
Project J 176 Units	1985	1 BR/1 BA	\$995	1	-	X	X
		2 BR/1 BA	\$1,095	3	-	X	X
		2 BR/2 BA	\$1,245	3	-	X	X
Project K 44 Units	1985	3 BR/2 BA	\$1,635	4	-	-	X

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Project ^a	Year Constructed	Unit Size	Avg. Rent	Household Size	Affordability		
					Very Low Income	Low Income	Moderate Income
Project L ^b 208 Units	2001	1 BR/1 BA	\$1,515	1	-	-	X
		2 BR/2 BA	\$1,690	3	-	-	X
		3 BR/2 BA	\$2,005	4	-	-	X
Project M 135 Units	1967	1 BR/1 BA	\$900	1	-	X	X
		2 BR/1.5BA	\$1,125	3	-	X	X
Project N 64 Units	1975	1/BR/1BA	\$970	2	-	X	X
		2 BR/1BA	\$1,145	3	-	X	X
Project O 296 Units	1985	1 BR/1 BA	\$960	2	-	X	X
		2 BR/2 BA	\$1,060	3	-	X	X
		3 BR/2 BA	\$1,930	4	-	-	X
Project P ^b (Pre-Leasing)	2014	1 BR/1 BA	\$1,470	2	-	-	X
		2 BR/2 BA	\$1,670	3	-	-	X
		3 BR/2 BA	\$1,930	4	-	-	X
Project Q 286 Units	1985	1 BR/1 BA	\$1,035	2	-	X	X
		2 BR/1 BA	\$1,234	3	-	X	X
		2 BR/2 BA	\$1,295	3	-	X	X
Project R 88 Units	1960s	1 BR/1 BA	\$900	2	-	X	X
		2 BR/1 BA	\$1,025	3	-	X	X
		2 BR/2 BA	\$1,225	3	-	X	X
Project S 37 Units	1960s	1 Br/1 BA	\$1,000	2	-	X	X

Note: Affordable rents equal no more than 30 percent of the monthly household income, as reported by HUD in 2014. Actual rents are as of October 2008.

^a Projects are not identified by name. This table is for informational purposes only.

^b These apartments are "luxury" apartments.

^c Senior Restricted Apartment Complex.

Source: Apartment Complex websites and various rental housing websites.

Ownership Housing

Table 22 provides data on housing affordability for the different income categories. It is extremely difficult for low and very-low income households to enter the "for sale" market, although, through the City's first-time homebuyer loan program, a number of program participants were low and very-low income households.

Rental housing, both single family and multi-family, is the primary source of affordable housing for these households.

TABLE 22 OWNERSHIP HOUSING AFFORDABILITY, SOLANO COUNTY

Household Income ^a Category	Annual Income ^b Range	Maximum Affordable Monthly Housing Payment ^c	Maximum Affordable Purchase Price Range ^d		
			With 5% Down	With 10% Down	With 20% Down
Very-Low Income	Below \$41,300	Below \$1,033	\$118,770	\$124,490	\$137,750
Low Income	\$41,300 to \$65,000	\$1,625	\$209,440	\$219,520	\$242,900
Moderate Income	\$65,000 to \$99,100	\$2,478	\$340,090	\$356,460	\$394,420
Above Moderate Income	Above \$99,100	Above \$2,478	Above \$340,090	Above \$356,460	Above \$394,420

^a Based on a percentage of the Area Median Income (AMI) and a four person household.

^b Ranges are based on 2014 income limits for Solano County published by California Department of Housing and Community Development.

^c Assumes that 30% of income goes towards housing

^d Assumes 30 percent of monthly income spent for housing, 10 percent of which is for insurance and other housing-related costs; 30-year fixed-rate mortgage at 6 percent. Does not include allowance for utilities. Loan organization fees (points), title insurance, and other closing costs could add another 3 percent to the down payment and effectively lower the affordable purchase threshold. See Table 54.

Sources: United State Department of Housing and Urban Development; California Department of Housing and Community Development; Mortgage 101.com Mortgage Calculator.

Several developers are currently offering new homes for sale in Vacaville. Examples of new subdivisions are summarized in Table 23. Some of the units within the Cambridge, Ivywood and Sanctuary developments are affordable for families with moderate incomes. None of these representative homes are affordable for low-income households.

TABLE 23 REPRESENTATIVE “FOR SALE” HOUSING DEVELOPMENTS, 2013

Project/ Location	Unit Size (sq.ft.)	Lot Size (sq.ft.)	Number of Units	Price	Affordability	
					Low Income	Moderate Income
Cambridge (Southtown Phase 2)	1,626 - 2,400	3,600 - 4,500	201	\$315,000 - \$325,500	-	X
Ivywood	1,949 - 2,229	3,175 -15,415	37	\$309,500 - \$409,000	-	X ^a
Casa Bella (North Village Unit 3)	2,375 - 3,192	10,046 - 12,264	35	\$478,000 - \$530,000	-	-
Sanctuary (North Village Unit 4)	1,574 - 2,368	3,625 - 6,598	162	\$387,000 - \$431,850	-	X ^a
Providence (North Village Unit 5)	1,750 - 2,860	4,500 - 6,778	64	\$431,000 - \$492,000	-	-

Note: Affordability assumes no more than 30 percent of income spent on housing for a four-person household.

^a Some units affordable for households with moderate incomes

Source: Subdivision Websites and Solano County Assessor Information.

Overcrowding

Overcrowding is typically defined as more than one person per room, based on the Census Bureau’s definition of “room,” which excludes bathrooms, porches, balconies, foyers, halls, or half-rooms. Severe overcrowding occurs when there are more than 1.5 persons per room. Overcrowding can result when there is an insufficient number of adequately sized units within a

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community, or when high housing costs relative to income force too many individuals or families to share housing. Overcrowding can accelerate deterioration of the housing stock.

As illustrated in Table 24, in 2010, overcrowded and severely overcrowded households represented 2.35 percent of the total households or 727 households in Vacaville. Of the 727 overcrowded households in 2010, approximately 40 percent were renters, while the remaining 60 percent were homeowners. This disproportionate impact on owner households describes the need to establish priority in policies and programs to increase a variety of housing types and proactively assist in the development of affordable housing.

TABLE 24 OVERCROWDED HOUSEHOLDS, 2010

Persons per Room	Owner		Renter		Total Households	
	Number	Percent	Number	Percent	Number	Percent
1.00 or less (Not Overcrowded)	19,194	97.80%	10,971	97.38%	30,166	97.65%
1.01 to 1.50 (Overcrowded)	387	1.97%	199	1.77%	586	1.90%
1.51 or more (Severely Overcrowded)	45	0.23%	96	0.85%	141	0.46%
Total	19,626		11,266		30,893	
Percent Overcrowded by Tenure	2.20%		2.62%		2.35%	

Source: US Census Bureau, 2012 American Community Survey 5-year Estimates, B25014.

To address overcrowding, the City is in the process of amending the Land Use and Development Code to facilitate construction of secondary dwelling units. Additionally, this Housing Element includes guiding and implementing policies to increase the supply of multi-family units with three or more bedrooms, continue to provide assistance through subsidized rental assistance through the Housing Choice Voucher program, and alleviate housing costs for homeowners through programs such as down payment assistance and the Section 8 Homeowners Program.

Overpayment

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross income on housing. Severe housing cost burden occurs when a household pays more than 50 percent of its income on housing. The prevalence of overpayment varies significantly by income, tenure, household type, and household size. The 2010 U.S. Census provides data regarding indicators of housing affordability.

Table 25 illustrates to what extent households are overpaying for housing cost by their income range and whether or not they were overpaying (30+ percent of household income). Approximately 54 percent of all rental households and 37 percent of all ownership households were overpaying for housing cost in 2010. Table 26 illustrates the percentage of extremely low, very low, and low-income households overpaying for housing. Approximately 90 percent of extremely low-income households, 82 percent of very low income households, 65 percent of low-income income households, and 26 percent of moderate-income and above households were overpaying for housing in 2011. To address overpayment, Vacaville will pursue a variety of programs to expand affordability and increase below-market rate housing (see Sections 4.5 and 4.6).

TABLE 25 HOUSING COST AS A PERCENTAGE OF HOUSEHOLD INCOME, 2010

Income Range	Total Households	% of Total Households	0-20% of HH Income	20-29% of HH Income	30+% of HH Income
Owner-Occupied Units					
\$0 - \$20,000	1,162	6%	87	87	988
\$20,000 - \$34,999	1,519	8%	469	194	856
\$35,000 - \$49,999	1,742	9%	465	245	1,032
\$50,000+	15,153	77%	6,317	4,375	4,461
Subtotal	19,576		7,338	4,901	7,337
Renter-Occupied Units					
\$0 - \$20,000	1,802	16%	24	74	1,704
\$20,000 - \$34,999	1,530	8%	88	49	1,393
\$35,000 - \$49,999	1,846	9%	64	196	1,586
\$50,000+	5,804	30%	1,874	2,736	1,194
Subtotal	10,982		2,050	3,055	5,877
Total	30,558		9,388	7,956	13,214

Source: US Census Bureau, 2008-2012 American Community Survey 5-year Estimates, B25106.

4.4 HOUSING VACANCY

Vacancy trends are a way of analyzing housing supply and demand. For example, if the housing demand is greater than the supply, the vacancy rate is likely to be lower and the price of housing increasing. The 2010 Census reported that 1,722 (5.2 percent) of the 32,814 housing units were vacant in Vacaville. Table 30 shows distribution of vacant housing units in the City and Solano County in 2010.

Staff of the former Department of Housing and Redevelopment conducted an annual vacancy and rent survey until 2011 and the Department of Housing Services completed a vacancy and rent survey in 2014. The results of these surveys are summarized in Tables 27 through 30. Table 27 summarizes vacancy survey results from 2000 to 2011 and 2014 and provides vacancy rates by the number of bedrooms. Vacancy rates reached their peak in 2005, 8 percent overall, corresponding with the peak of the single-family housing market, and then began an overall trend of descending with the economy, as more households could no longer afford ownership and became renters. As of October 2014, the overall vacancy rate was 2.3 percent, with vacancies for three-bedroom units even lower at 1.5 percent. Rates this low indicate a market where it is challenging for renters to find housing, particularly housing that is affordable.

In addition to conducting an annual vacancy and rental survey, the former Department of Housing and Redevelopment conducted an annual vacancy and rental survey addendum for senior-only housing units until 2011. As part of the 2014 survey, the Department of Housing Services included information pertaining to senior-restricted units. The vacancy rate for senior-only apartments has remained very low, with the exception of 2004 and 2005. This time period corresponds with the peak of the single family housing market. In 2005, the overall vacancy rate

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TABLE 26 PERCENTAGE OF HOUSEHOLDS BY INCOME LEVEL OVERPAYING FOR HOUSING, 2007-2011

	Renter		Owner		Total	
	Households	% of Households Overpaying	Households	% of Households Overpaying	Households	% of Households Overpaying
Extremely Low Income	1,520	91.8%	815	86.5%	2,335	89.9%
Overpaying	1,395		705		2,100	
Very Low Income	1,400	89.3%	980	70.4%	2,380	81.5%
Overpaying	1,250		690		1,940	
Low Income	2,370	73.4%	2,640	56.6%	5,010	64.6%
Overpaying	1,740		1,495		3,235	
Moderate Income and Above	5,170	18.4%	15,540	28.1%	20,710	25.6%
Overpaying	950		4,370		5,310	

Note: Paying more than 30 percent of income for housing is considered overpaying.
Sources: US Housing and Urban Development, 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) Data.

TABLE 27 APARTMENT VACANCY RATES BY UNIT SIZE OCTOBER 2000 THROUGH OCTOBER 2011 and 2014

	No. of Units Surveyed	Vacant/ Available for Rent	Overall Vacancy Rate	Vacancy by Unit Size		
				1 Bedroom Vacancy Rate	2 Bedroom Vacancy Rate	3 Bedroom Vacancy Rate
October 2000	4,570	74	1.60%	2.5%	1.0%	1.7%
October 2001	4,576	190	4.20%	3.3%	5.0%	0.6%
October 2002	4,569	174	3.80%	2.8%	4.3%	7.0%
October 2003	4,420	224	5.10%	4.6%	5.5%	4.6%
October 2004	3,774	243	6.40%	5.6%	6.7%	14.0%
October 2005	4,768	381	8%	7.5%	8.3%	7.9%
October 2006	4,626	211	4.60%	3.9%	4.9%	6.1%
October 2007	4,626	172	3.70%	3.4%	3.8%	5.3%
October 2008	4,969	247	5%	4.7%	5.1%	6.7%
October 2009	4,905	194	4.0%	4.8%	3.3%	4.1%
October 2010	4,690	163	3.5%	3.1%	3.7%	3.5%
October 2011	4,957	83	1.7%	1.7%	1.7%	1.2%
October 2014	4,907	97	2.3%	2.7%	2.0%	1.5%

Source: Department of Housing and Redevelopment and Department of Housing Services Apartment Vacancy and Rent Surveys, 2000-2011 and 2014.

for senior-restricted units was 7.1 percent. As of 2014, the overall vacancy dropped to 0 percent. The historic vacancy rates for senior-restricted units are summarized in Table 28.

**TABLE 28 SENIOR RESTRICTED APARTMENT VACANCY AND RENTAL RATES
OCTOBER 2000 THROUGH OCTOBER 2014**

	No. of Units Surveyed ^a	Overall Vacancy Rate for Senior Restricted Units	1 Bedroom Vacancy Rate	2 Bedroom Vacancy Rate	Median Rent	
					1 Bedroom Units	2 Bedroom Units
October 2000 ^b	N/A	N/A	N/A	N/A	N/A	N/A
October 2001	542	3.70%	0.00%	8.40%	\$678	\$945
October 2002	642	0.20%	0.30%	0.00%	\$695	\$955
October 2003	642	0.00%	0.00%	0.00%	\$733	\$955
October 2004	693	6.80%	9.60%	2.00%	\$785	\$955
October 2005	506	7.10%	4.80%	10.80%	\$773	\$960
October 2006	428	1.40%	1.90%	0.00%	\$850	\$1,005
October 2007	428	1.40%	1.00%	2.60%	\$825	\$1,030
October 2008	428	0.20%	0.00%	0.90%	\$850	\$1,045
October 2009	428	5.10%	5.10%	5.20%	\$870	\$1,045
October 2010	428	1.20%	1.30%	0.90%	\$850	\$1,045
October 2011	428	0.90%	1.30%	0.00%	\$850	\$1,045
October 2014	484	0.00%	0.00%	0.00%	\$923	\$1,105

^a Affordable housing units with restricted rents were not included in the survey. There are no 3 bedroom senior restricted units within the City of Vacaville.

^b Apartment Rent and Vacancy Survey did not include a Senior-Only Addendum prior to 2001.

Source: Department of Housing and Redevelopment Apartment Vacancy and Rent Surveys – Senior Only Addendum, 2000-2014, and Department of Housing Services Apartment and Vacancy and Rent Survey, 2014.

As listed in Table 29, the median rent in October 2011 for a one-bedroom apartment was \$950, and \$1,103 and \$1,300 for two- and three-bedroom units respectively. Unlike home prices, which fell significantly during the recession (see Table 19, in this Chapter), between 2000 and 2011, median rents have steadily increased overall, with slight fluctuations from the trend from year to year. As of October 2014, the median rental rates significantly exceed the affordable range for very-low-income households (\$724-\$1,033), and also exceed the affordability range for most low-income households (\$1,138-\$1,625).

4.5 BELOW MARKET-RATE HOUSING

“Below market rate housing” is a term used to describe units offered at rents or sale prices below that which they would command on the open market. In the past, below market-rate units were produced almost exclusively as a result of direct federal subsidies. With drastic cutbacks in such programs, it has been left to local governments to find new ways of increasing the supply of housing affordable to very-low-, low-, and moderate- income households. The

4. EXISTING HOUSING

TABLE 29 APARTMENT MEDIAN RENTS BY SIZE, OCTOBER 2000 THROUGH OCTOBER 2011

	Median Rents		
	1 Bedroom	2 Bedroom	3 Bedroom
October 2000	\$773	\$890	\$875
October 2001	\$860	\$975	\$1,095
October 2002	\$865	\$995	\$1,150
October 2003	\$870	\$995	\$1,150
October 2004	\$875	\$1,000	\$1,103
October 2005	\$900	\$999	\$1,245
October 2006	\$950	\$1,095	\$1,195
October 2007	\$953	\$1,095	\$1,375
October 2008	\$920	\$1,105	\$1,250
October 2009	\$947	\$1,125	\$1,400
October 2010	\$925	\$1,120	\$1,335
October 2011	\$950	\$1,103	\$1,300
October 2014	\$1,085	\$1,300	\$1,400

Source: Department of Housing and Redevelopment Apartment Vacancy and Rent Surveys, 2000-2011; and Department of Housing Services Apartment and Vacancy and Rent Survey – Below Market Rate Addendum, 2014.

following is a brief description of programs currently at work in Vacaville to provide affordable, below market rate units.

Public Housing

Although the Vacaville Housing Authority has Article 34 authority to construct public housing, the City currently does not own or operate any conventional public housing.

Housing Choice (Section 8) Vouchers

The Vacaville Housing Authority (VHA) administers the U.S. Department of Housing and Urban Development's (HUD) Housing Choice Voucher program for very-low and extremely-low income households. The Housing Choice Voucher has no ceilings on rents, but rents must meet a reasonableness test. The tenant is responsible for paying the difference between the "voucher payment standard" and the actual rent, and the VHA pays the difference between 30 percent of the renter's income and the payment standard for which the renter is eligible. As of October 2014, the VHA administers 1,193 vouchers under this program, and there are 4,338 families on the waiting list.

It should be noted that Housing Choice Voucher assistance is available to only approximately one in three lower-income households.

TABLE 30 DISTRIBUTION OF VACANT HOUSING UNITS, 2010

	Vacaville	Solano County
Total Vacant Housing Units	1,722	10,940
For Rent	834	4,342
For Sale Only	415	2,296
Rented or Sold, Not Occupied	107	571
For Seasonal, Recreational, or Occasional Use	48	589
For Migrant Workers	0	39
Other	318	3,103

Source: US Census Bureau, 2010 Census, SF1:H5.

Security Deposit Loan Program

The Vacaville Housing Authority (VHA) offers a guarantee program to participants using a Family Unification Program Housing Choice Voucher who can afford to pay rent but do not have the necessary funds for a large security deposit. Under this program, eligible applicants may receive a VHA guarantee from the VHA for an amount not to exceed the Security Deposit being requested by the landlord, or \$1,000, whichever is less. If the landlord agrees to participate in the program, the participant makes monthly payments towards their Security Deposit obligation to the landlord. If a payment is missed by the participant, the VHA will make the payment directly to the landlord.

Other Federally Assisted Housing

Table 31 lists the various rental subsidy programs offered within Vacaville, and the number of units affected by such programs. One project, Twin Oaks Apartments, contains a total of 45 Section 8 units. The Autumn Leaves project was built with Section 202/8 funds and provides 56 studio and one-bedroom units to elderly and disabled renters. For Section 8 and 202 units, tenants pay a maximum of 30 percent of their income for rent with eligibility limited to those with incomes of 50 percent or less of the area median income.

Redevelopment

Prior to the dissolution of Redevelopment Agencies in California in February 2012, 20 percent Housing Set Aside Funds (Low Income Housing Funds) had been used to subsidize rents of units for extremely low, very low, low and moderate-income households. Although redevelopment has been eliminated, the covenants requiring restricted rents continue and Department of Housing Services staff monitor 126 affordability agreements covering 1,007 units for compliance each year.

Since the dissolution of Redevelopment, the City has retained the functions/rights as the "Housing Successor." The City's Housing Successor received approval of the Housing Assets List from the Department of Finance (DOF). Although there is no longer an on-going funding source for affordable housing preservation/development, the real property assets of the City, as Housing Successor, will be used to create additional affordable housing opportunities. For example, a 41-unit, new construction affordable housing apartment complex is currently being negotiated between staff and a for-profit/non-profit partnership entity to be located on Housing Successor land.

4. EXISTING HOUSING

TABLE 31 RENT SUBSIDY PROGRAMS, 2014

Program/Complex	Section 8	Housing Choice Voucher	Section 202/8	Local	Total Units
Vacaville Housing Authority	--	1,147	--	--	1,147
Twin Oaks Apartments	45	--	--	--	45
Autumn Leaves Sr. Apartments	--	--	56	--	56
Saratoga Phase I	--	--	--	20	20
Saratoga Phase II	--	--	--	20	20
Vacaville Comm. Housing	--	--	--	678	387
Vacaville Senior Manor	--	--	--	60	60
Habitat for Humanity	--	--	--	4	4
Vasquez Apartments	--	--	--	2	2
Sycamore Apartments	--	--	--	52	52
TOTAL UNITS	45	1,147	56	836	1,793

Source: Vacaville Department of Housing Services.

Emergency and Transitional Shelter

A 48-bed emergency shelter, owned and operated by Vacaville Social Services Corporation (VSSC), is located in Vacaville. VSSC also administers a transitional housing program that provides transitional housing to ten to twenty households per year. The Vacaville Community Welfare Association, as well as local churches, continues to offer limited help and coupons for overnight accommodation at local motels. The City and other local homeless assistance providers participate in the Solano County Continuum of Care Collaborative, Housing First Solano, to oversee the development of the homelessness Continuum of Care.

Emergency Rental Assistance to Prevent Homelessness

Emergency rental assistance to prevent homelessness is provided by Solano County through the Health and Social Services Department Cal-Works Homelessness Program. Under the program, households may receive \$30 - \$60 per night for 16 nights in a motel. The program will pay the last month's rent and/or a security deposit for up to twice the monthly rent. This program also pays utility deposits. It is only available for those enrolled in the Cal-Works (Welfare to Work) Program.

The City conducts screening for the Season of Sharing and Youth Connections programs. The two privately funded programs provide emergency rental assistance to eligible lower-income Vacaville households.

Other Programs

Through the Density Bonus provisions in the Land Use and Development Code, several multi-family projects were produced. These include Autumn Leaves and Saratoga Apartments. In

addition to these sources of below-market-rate units, Vacaville has also produced units with its Housing Opportunity Area (HOA) policy and by issuing mortgage revenue bonds.

Mortgage revenue bonds issued by the City since 1982 have helped build 976 apartment units, including 195 affordable to lower-income households in the Spring Glenn, Hidden Creek, Quail Run, and Sycamores projects. Also, 71 single-family units, affordable to households with income between 78 and 117 percent of the area median, were built with funds from bond issues in 1982 and 1984. In 1999 and 2000, tax-exempt bonds and tax credits were utilized to construct 228 affordable senior rental units. In 2014 Low Income Housing Tax Credits (LIHTC) along with tax-exempt bonds are planned to finance the construction/rehabilitation of 130 affordable units on Callen Street/Bennett Hill Court area.

Since 2012, through HOME funded down payment assistance loans 17 eligible low-income first-time home buyers were provided with \$562,061 to purchase a home. In addition, one eligible first-time home buyer received a \$47,560 down payment assistance loan through the CalHOME program in 2013.

The City also assigns its California Debt Limit Allocation Committee (CDLAC), a per capita portion of private activity bonds, to California Home Finance Authority in order to participate in the Mortgage Credit Certificate program.

4.6 PRESERVING BELOW MARKET-RATE HOUSING

Inventory of Units at Risk of Losing Use Restrictions

As shown in Table 32, the City of Vacaville has 1,043 units of subsidized below market-rate housing, and 274 units are at risk of conversion to market-rent status within the next ten years (2015 – 2025). The complexes at risk are Quail Run (60 units), Vaca Gables (65 units), Hillside Seniors (15 units), and Vacaville Depot (134 units).

Of the 769 units due to expire after 2025, 668 are owned by non-profit housing corporations that are committed to providing affordable housing for Vacaville residents in perpetuity.

The Department of Housing Services has a program to monitor and address at-risk units:

1. A list of “at risk” projects is maintained through the use of existing databases (e.g. HUD, State HCD and the California Tax Credit Allocation Committee.)
2. Maintain contact with owners of “at risk” units to determine their interest in selling, prepaying, terminating or continuing participation in a subsidy program.
3. Ascertain HUD’s interest in issuing Housing Choice Vouchers for “opt out” units, in order to preserve and/or extend affordability.
4. Work with owners, tenants, and nonprofit organizations to assist in the nonprofit acquisition of at-risk projects to ensure long-term affordability of the development.

Quail Run had an affordability agreement with the City of Vacaville for 20 percent, or 60, of its 296 units. The restricted units are affordable to households with incomes less than 80 percent of the local area median income. These units were assisted with Multi-Family Mortgage Revenue Bonds. It is anticipated that these units will be replaced either by units that have been rehabilitated with government assistance in exchange for affordability restrictions or by newly constructed units with affordability restrictions.

4. EXISTING HOUSING

TABLE 32 LOW-INCOME RENTAL UNITS SUBJECT TO TERMINATION OF FEDERAL, LOCAL MORTGAGE AND/OR RENT SUBSIDIES, MAY 2014

Project Name	Section of Act	Total Units Total Elderly		Earliest Date of Subsidy Termination	
		FHA/Local	Section 8	FHA/City	Section 8
Quail Run	City MRB	60 ^a /296		July 2018	
Vaca Gables		65		Mar. 2020	
Hillside Seniors		15		Jun. 2021	
Vacaville Depot		134		Apr. 2023	
The Sycamores	City MRB	52 ^a /264		May 2029	
Saratoga I (50+)		20 ^a /108		Dec. 2039	
Saratoga II (50+)		20 ^a /120		Dec. 2040	
Vacaville Senior Manor (50+)		60		Oct. 2064	
The Orchards/Maples		168		July 2065	
The Willows		157		July 2065	
Vacaville Highlands		11		Dec. 2065	
Meadows Court		51		Oct. 2065	
Vacaville Meadows		65		Jun. 2067	
Bennett Hill/Callen (Phase 1)		64		Mar. 2069	
Autumn Leaves (50+)	-202		56		Indefinite
Twin Oaks			45		Indefinite

Shading = units are at risk of conversion to market-rent status within the next 10 years

^a Number of units of the entire project that are reserved for lower income households per the regulatory agreement with the City. Sources: California Housing Partnership, U.S. Department of Housing and Urban Development, MIDLIS and MIS databases, and Department of Housing Services.

The Department of Housing Services consistently works to preserve affordable housing in the City of Vacaville by leveraging financial resources from State and federal programs in order to reinvest and rehabilitate existing affordable housing projects nearing the end of the affordability restrictions extending their subsidy into the future.

Vaca Gables and Hillside Senior apartments are owned by a local non-profit affordable housing provider. Department of Housing Services staff communicate regularly with the owner who is committed to providing affordable housing at these complexes in perpetuity. In 2012, the regulatory agreement for Vacaville Meadows, that restricts rents to affordable rates, was extended to June 2067. In 2014, the 12 Rocky Hill Villages apartments were incorporated into a rehabilitation project with 52 additional apartment units (Bennett Hill/Callen) and the regulatory agreement was renewed and extended to 2069.

Two complexes that were considered at-risk in the previous Housing Element cycle (2007-2014) are currently stable. Autumn Leaves (56 senior units), which expired in 2010, is still affordable,

with rents subsidized by HUD. Twin Oaks (45 units) was sold to Highlands Properties, which used tax credits for acquisition and rehabilitation and is therefore required to maintain the units' affordability.

Cost of Preservation versus Replacement

Generally, the cost of preserving existing units is more cost effective than replacing units through new construction. However, replacement of these units with units that have been rehabilitated through federal, State, or local loans may be cost effective in some instances. The maximum loan amount through the Neighborhood Conservation Program (NCP), a program which no longer exists, was \$45,000 per unit. Each unit that was assisted in this manner is required to be income and rent restricted for a minimum of 55 years.

Tables 33 and 34 present an analysis of the cost to replace all at-risk units. It is estimated that the cost to replace all at risk units is \$54.5 million. The 60 locally subsidized Quail Run Apartments would be the most likely units to opt out of renewing its affordability agreement. The cost to replace the 17 one-bedroom and 43 two-bedroom units is \$10.7 million. Below are projected costs for replacing all at-risk units through new construction.

TABLE 33 PROJECTED REPLACEMENT COST OF ALL AT-RISK UNITS THROUGH NEW CONSTRUCTION; REPLACEMENT COSTS BY UNIT TYPE^a

Unit Size	Cost per Square Foot ^a	Average Square Foot/Unit ^b	Replacement Costs Per Unit ^c
Studio	\$200	480	\$120,166
1 bedroom	\$200	600	\$144,166
2 bedroom	\$200	842	\$192,566
3 bedroom	\$200	1,196	\$263,366
4 bedroom	\$200	1,713	\$342,600

^a Based on cost to develop the new 60 unit Senior Manor units on Lawrence Drive in Vacaville.

^b Based on average square footage of at risk units.

^c Includes construction costs, financing and land acquisition costs. All three at-risk projects are zoned high density residential. Acquisition cost of \$24,166 per unit based on the appraisal of the land at the corner of Harbison and Ulatis which was zoned high density residential or 14-24 units per acre which using the appraised value of \$2,175,000 and 20 units to the acre equals \$24,166 per unit.

Source: Appraisal report for 6.42 acre Multi-Family Residential Site located at Harbison Drive and Ulatis Drive, Vacaville, California 95687.

TABLE 34 PROJECTED REPLACEMENT COSTS OF ALL AT-RISK UNITS THROUGH NEW CONSTRUCTION; REPLACEMENT OF COSTS OF "AT-RISK" UNITS^a

Unit Size	Cost per Unit	Number of Units	Replacement Cost by Unit Size
Studio	\$120,166	0	\$0
1 bedroom	\$144,166	62	\$8,938,292
2 bedroom	\$192,566	145	\$27,922,070
3 bedroom	\$263,366	67	\$17,645,522
4 bedroom	\$342,600	0	\$0

^a Based on number of "At Risk" units by bedroom size.

4. EXISTING HOUSING

Resources for Preservation

A variety of programs exist to assist cities to acquire, replace or subsidize at-risk affordable housing units. The following summarizes financial resources available to the City of Vacaville.

Federal Programs

HOME Investment Partnership – The City of Vacaville utilizes funds from HUD to increase the supply of decent, safe, sanitary and affordable housing to lower income households. Eligible activities include new construction, acquisition, rental assistance and rehabilitation. HOME funds have been used for acquisition and rehabilitation and for new construction projects.

Section 8 Rental Assistance Program – The Section 8 Rental Assistance program provides rental assistance payments to owners of private, market rate units on behalf of very-low income tenants. Rental assistance is provided through the Vacaville Housing Authority to 1,193 households through Section 8 Housing Choice Vouchers. HUD issued Preservation Vouchers for the households in the Meadowood, Shasta Terrace, Spring Glenn, and Vacaville Park apartments, which opted out of their affordability agreements with HUD. It is anticipated that HUD will issue Preservation Vouchers for the at risk units it subsidized in Vacaville, should the owners opt out of those agreements.

Section 811/202 Program – Non-profit and consumer cooperatives can receive no interest capital advances from HUD under the Section 202 program for the construction of very-low income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction and rental assistance.

State Programs

CalHome Down Payment Assistance Program – The City of Vacaville utilizes these funds to provide assistance in the form of a deferred payment loan as ‘gap’ financing to eligible households in purchasing their first home. These loans are available for down payment and closing cost assistance to low income households.

California Housing Finance Agency (CalHFA) Multi-Family Programs – CalHFA’s Multi-Family Programs provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for low and moderate income families and individuals. One of the programs is the Preservation Acquisition Finance Program which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

Low Income Housing Tax Credit (LIHTC) – This program provides tax credits to individuals and corporations that invest in low-income rental housing. The LIHTC program creates affordable housing opportunities when the developer of a project “sells” the tax credits to an investor or investors who contribute equity to the development in exchange for an ownership position in the project. The City has worked with various developers on seven tax credit projects, resulting in the development and rehabilitation of over 450 affordable units. In addition, the Callen St/Bennett Hill project will use LIHTC for an additional 130 affordable units.

California Community Reinvestment Corporation (CCRC) – The California Community Reinvestment Corporation is a multi-family affordable housing lender whose mission is to

increase the availability of affordable housing for low-income families, seniors and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation and acquisition of properties. Several projects owned by Vacaville Community Housing were assisted by loans from CCRC for acquisition and rehabilitation activities.

4.7 FORECLOSURES

Impact on Housing Conditions

According to information provided by Data Quick, a leading company that tracks foreclosures, the City of Vacaville had 705 homes foreclosed upon in 2008, a 154 percent increase over 2007, when there were only 278 homes foreclosed upon.

When a home is going through the foreclosure process, property owners often vacate the unit before the lockout period in order to secure new housing. In some cases, these property owners leave excessive damages to the home during move out. In most cases, these homes are left vacant and unattended for extended periods of time, leaving them open to vandalism and lack of maintenance, resulting in neighborhood blight. In August of 2008, the Vacaville City Council amended an Ordinance to enable the City to require those responsible for the foreclosed homes, mainly banks and mortgage companies, to maintain the properties and retain local management if they are out of the area. This has greatly benefited Vacaville and has prevented the foreclosure crisis from having a significant impact on the quality of the housing stock.

However, due to the abundance of foreclosed homes, which can often be purchased at below market value, foreclosures have had a significant impact on the new home market. With a decreased demand for new housing, construction has suffered resulting in stalled construction projects and fewer permits issued for construction even though there is substantial inventory of approved residential units.

In response to the current market situation, the City has created and expanded programs to:

- Counsel homeowners at risk of foreclosure with a goal of preserving home ownership.
- Assist first time homebuyers in purchasing foreclosed homes.
- Track notices of default and offering free counseling to property owners early in the foreclosure process.

Due to the elimination of redevelopment, the financing for these programs ended and the programs were discontinued. However, foreclosures have slowed nationwide and in Solano County as of 2013. According to RealtyTrac, while Solano County had been in the top five counties in California for foreclosures, as of July 2013 it was no longer in the top five. As of 2013, 1 in 654 Vacaville homes was in foreclosure, compared with 1 in 468 in all of Solano County and 1 in 799 statewide.² As foreclosures have slowed and sales prices have increased, construction has picked up again, with residential building permits in 2013 issued at over 3.5 times the rate of those issued in 2012 (see Table 16, in this chapter).

² "Solano County Falls Off Top of State Foreclosure List," *Vallejo Times-Herald*, July 13, 2013.

4. EXISTING HOUSING

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