



PLACER COUNTY

HOUSING ELEMENT



PART I - BACKGROUND REPORT

Public Review Draft
January 2013

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PLACER COUNTY HOUSING ELEMENT

PART I – BACKGROUND REPORT

**PUBLIC REVIEW DRAFT
JANUARY 2013**



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INTRODUCTION

State Housing Element Law (Government Code Section 65580 *et seq.*) mandates that local governments must adequately plan to meet the existing and projected housing needs of all economic segments of the community. This Placer County Housing Element Background Report provides current (to September 1, 2012) information on household characteristics, housing needs, housing supply, land inventory for new development, housing programs, constraints, and incentives for new housing development in Placer County. It also evaluates progress made since Placer County's last Housing Element was adopted in 2009. Where available, population and housing projections are provided as well.

The Background Report of the Housing Element identifies the nature and extent of the county's housing needs, which in turn provides the basis for the County's response to those needs in the Policy Document. The Background Report also presents information on the community's setting in order to provide a better understanding of its housing needs.

Placer County last updated its Housing Element in 2009, intended to serve a 7½-year planning period from January 1, 2006 to June 30, 2013. Placer County previously adopted a 1989 Housing Element before the 2003 document. The timelines for the RHNA process changed after the State of California passed Senate Bill 375 in 2008. One key goal of SB 375 is to better coordinate transportation planning with land use and housing planning. For this reason, the RHNA process is now tied to the adoption of every two cycles of the regional Metropolitan Transportation Plan (MTP). Therefore, the schedule for updating the current Housing Element was accelerated to coincide with the MTP adoption by SACOG. In the future, the Housing Element will be updated every eight years.

This (2013) Housing Element is a comprehensive update of the 2008 Housing Element. The 8¾-year planning period is for January 1, 2013 to October 31, 2021. Upon its adoption, this Element will become part of the Placer County General Plan, which was last updated in August 1994. The 1994 General Plan included the following nine elements:

- Land Use
- Housing
- Transportation and Circulation
- Public Facilities and Services
- Recreation and Cultural Resources
- Natural Resources
- Agriculture and Forestry
- Safety and Safety
- Noise



The adoption of this Housing Element may necessitate revisions of some of the other Placer County General Plan Elements to maintain internal consistency with those Elements as mandated by State law.

Overview of State Requirements

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a comprehensive, long-term general plan for the physical development of their city or county. The housing element is one of the seven mandated elements of the general plan. State law requires local government plans to address the existing and projected housing needs of all economic segments of the community through their housing elements. The law acknowledges that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, affordable housing development. As a result, housing policy in the state rests largely upon the effective implementation of local general plans, local housing elements in particular.

The purpose of the housing element is to identify the community's housing needs, to state the community's goals and objectives with regard to housing production, rehabilitation, and conservation to meet those needs, and to define the policies and programs that the community will implement to achieve the stated goals and objectives.

State law requires cities and counties to address the needs of all income groups in their housing elements. The official definition of these needs is provided by the California Department of Housing and Community Development (HCD) for each city and county within its geographic jurisdiction. Beyond these income-based housing needs, the housing element must also address special needs groups such as persons with disabilities and homeless persons.

As required by State Housing Element Law (Government Code Section 65583(a)) the assessment and inventory for this Element includes the following:

- Analysis of population and employment trends and projections, and a quantification of the locality's existing and projected housing needs for all income levels. This analysis of existing and projected needs includes Placer County's share of the regional housing need.
- Analysis and documentation of household characteristics, including level of payment compared to ability to pay; housing characteristics, including overcrowding; and housing stock condition.
- An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment; and an analysis of the relationship of zoning, public facilities, and services to these sites.
- The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.



- Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. Analysis of local efforts to remove governmental constraints.
- Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.
- Analysis of any special housing needs for the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.
- Analysis of opportunities for residential energy conservation.
- Analysis of “at-risk” assisted housing developments that are eligible to change from low-income housing uses during the next 10 years.

The Housing Element Background Report identifies the nature and extent of the county’s housing needs in the unincorporated areas of the county, which in turn provides the basis for the County’s response to those needs in the Housing Element Policy Document. In addition to identifying housing needs, the Background Report also presents information on the setting in which the needs occur, which provides a better understanding of the community and facilitates planning for housing.

The following is a summary of the major sections of the Housing Element Background Report:

Section I: Needs Assessment

- A. Housing Stock and Demographic Profile
- B. Housing Needs

Section II: Resource Inventory

- A. Availability of Land and Services
- B. Inventory of Local, State, and Federal Housing and Financing Programs
- C. Energy Conservation Opportunities

Section III: Potential Housing Constraints

- A. Potential Governmental Constraints
- B. Potential Non-Governmental Constraints



Section IV: Evaluation

A. Housing Accomplishments

B. Review of Existing (2009) Housing Element

The Background Report satisfies State requirements and provides the foundation for the goals, policies, implementation programs, and quantified objectives. The Background Report sections draw on a broad range of informational sources. Information on population, housing stock, and economics comes primarily from the 2010 U.S. Census, the 2006-2010 American Community Survey, the California Department of Finance (DOF), and Placer County records. Information on available sites and services for housing comes from numerous public agencies. Information on constraints on housing production and past and current housing efforts in Placer County comes from County staff, other public agencies, and a number of private sources.

General Plan and Housing Element Differences

The housing element is one of seven State-mandated elements that every general plan must contain. Although the housing element must follow all the requirements of the general plan, the housing element has several State-mandated requirements that distinguish it from other general plan elements. Whereas the State allows local government the ability to decide when to update their general plan, State law sets the schedule for periodic update (eight-year timeframe) of the housing element. Local governments are also required to submit draft and adopted housing elements to HCD for State law compliance review. This review ensures that the housing element meets the various State mandates. When the County satisfies these requirements, the State will “certify” that the element is legally adequate. Failing to comply with State law could result in potentially serious consequences such as reduced access to infrastructure, transportation, and housing funding and vulnerability to lawsuits.

Public Participation

As part of the Housing Element update process, the County implemented the State’s public participation requirements in Housing Element Law, set forth in Government Code Section 65583(c)(7), that jurisdictions “...shall make a diligent effort to achieve participation of all economic segments of the community in the development of the housing element.”

On October 25, 2012, County staff and the Housing Element Consultants conducted a workshop at the Community Development Resources Center in Auburn. County staff distributed announcements of the workshop to a mailing list of various stakeholders including local residents, housing developers, social service providers, neighborhood associations, and the business community. Furthermore, the County publicized the workshop on the County website, through a press release, a Placer County affordable housing Yahoo Group message board, and on announcement boards at County facilities.

The Consultants presented a brief overview of the Housing Element Update and then facilitated an interactive discussion to solicit ideas from participants about the most critical housing issues



facing Placer County residents, and identify new ways that the County and the community might address these issues. Workshop participants included: several representatives of special needs groups, including seniors, persons with disabilities, the homeless, and foster children; affordable housing developers; realtors; homeless individuals; and low-income individuals. The discussion focused heavily on identifying the needs of extremely low-income residents and special needs groups. It also focused on “thinking outside the box” to identify new, lower-cost solutions that might better serve the community with the limited resources available from Federal, State, and local sources. See Appendix D for a list of workshop participants and a summary of the issues and ideas provided by the community.

The County will review the Housing Element at Planning Commission and City Council study sessions and public hearings. The public hearings will provide additional opportunities for public comment.

SECTION I: NEEDS ASSESSMENT

This section begins with a description of demographic, housing, and employment characteristics of Placer County. The section then discusses existing housing needs of Placer County based on housing and demographic characteristics. The section also discusses the housing needs of “special” population groups as defined in State law. Finally, the section discusses the county’s future housing needs based on the regional “fair share” allocation in the Regional Housing Needs Allocation (RHNA) prepared by the Sacramento Area Council of Governments (SACOG).

A. Housing Stock and Demographic Profile

The purpose of this section is to establish “baseline” population, employment, and housing characteristics for Placer County. The main sources of the information are the 2010 U.S. Census and 2006-2010 American Community Survey. Other sources of information include the following: the California Department of Finance (DOF); the California Employment Development Department (EDD); the U.S. Department of Housing and Urban Development (HUD); the U.S. Department of Agriculture (USDA); and local market data (such as home sales prices, rents, wages, etc.).

1. Demographic and Employment Characteristics and Trends

Population/Demographic Trends and Employment Characteristics and Trends

Population

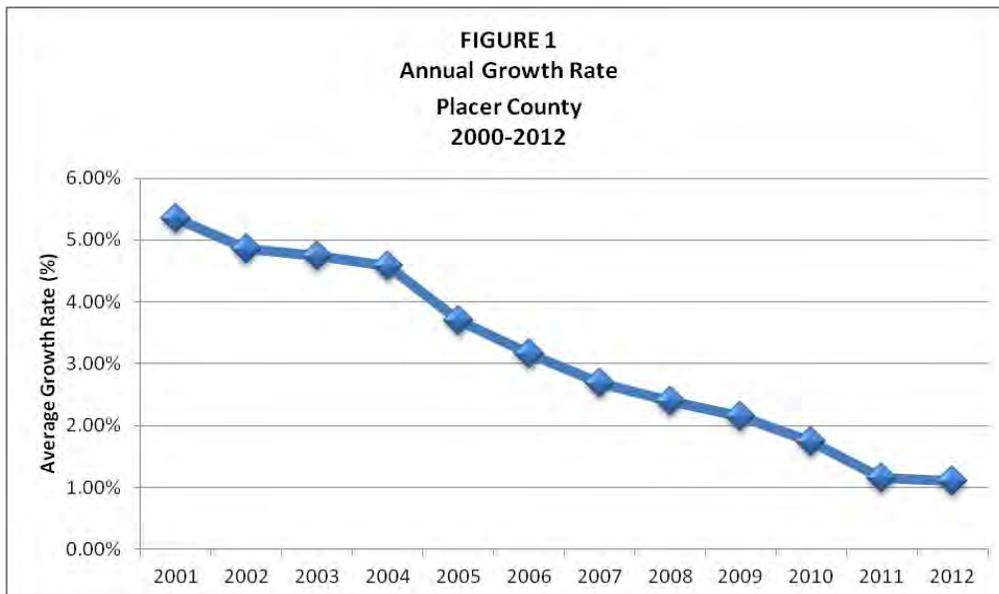
Table 1 shows the long-term historic population trends for Placer County. As shown in the table, the County experienced rapid growth throughout the second half of the twentieth century and into the twenty-first century. The county grew the fastest between 1970 and 1980 when the average annual growth rate (AAGR) was 4.25 percent. Recently, Placer County has been one of the fastest growing counties in California and in the United States. From 2000 to 2010, Placer



County’s population grew from 248,399 to 348,432 residents—an average annual growth rate (AAGR) of 3.4 percent. While the County’s population is continually growing, the average annual growth rate has been decreasing since 1980. Between 2010 and 2012, the County grew by an estimated 6,896 persons, an average annual growth rate of 1.1 percent. Figure 1 shows the slowing annual growth rate between 2001 and 2012.

TABLE 1 HISTORIC POPULATION Placer County 1940-2012			
Year	Population	Change	AAGR
1940	28,108	-	-
1950	41,649	13,541	4.0%
1960	56,998	15,349	3.2%
1970	77,306	20,308	3.1%
1980	117,247	39,941	4.3%
1990	172,796	55,549	4.0%
2000	248,399	75,603	3.7%
2010	348,432	100,033	3.4%
2012	355,328	6,896	1.1%

Note: AAGR for 2010-2012 calculated for 1.75-year period (April 1, 2010 to Jan. 1, 2012).
 Source: DOF, Table 2a Historical Census Populations of California State, Counties, Cities, Places, and Towns, 1850-2010; DOF Table E-1 City/County Population Estimates with Annual Percent Change, 2011-12.



Note: AAGR for 2000-2001 and 2010-2011 calculated for .75-year period (April 1, 2000 to Jan. 1, 2001; April 1, 2010 to January 1, 2011). AAGR for 2009-2010 calculated for a 1.25-year period (January 1, 2009 to April 1, 2010).

Source: DOF Table 2: E-4 Population Estimates for Cities, Counties, and State, 201-2010 with 2000 and 2010 Census Counts; DOF Table E-1 City/County Population Estimates with Annual Percent Change, 2011-12.



While the county has grown at a rapid pace, much of this growth has occurred within the cities. Table 2 shows population, households, average household size, and housing units¹ for unincorporated and incorporated Placer County and the state of California for 1990, 2000, and 2010. The table also shows 1990 to 2000 and 2000 to 2010 absolute growth and AAGRs.

Unincorporated Placer County's population grew at an AAGR of 1.8 percent between 1990 and 2000. This was higher than California's growth rate of 1.3 percent. Relative to the incorporated areas of the county, which grew at an AAGR of 5.2 percent, the unincorporated areas of the county grew at a much slower rate. It has been Placer County General Plan policy to steer urban growth to the cities.

Housing units grew at a slower rate than population for unincorporated Placer County between 1990 and 2000, but households grew at a faster rate than population as the average household size decreased. In California, on the other hand, the average household size increased from 1990 to 2000 as population grew faster than the number of households.

From 2000 to 2010, Placer County as a whole had a 3.4 percent AAGR for population, a rate nearly three times California's population AAGR of 1.0 percent during this period. Most of this growth occurred in the incorporated areas of the county where the AAGR was 5.0 percent between 2000 and 2010. Growth in unincorporated areas of the county slowed to an AAGR of 0.7 percent.

Placer County's housing units grew at an AAGR of 4.2 percent between 2000 and 2010, which is almost four times the rate of housing unit growth in California during this period (1.1 percent AAGR). Housing units in the incorporated areas grew a rate of 5.1 percent, while housing units in the unincorporated areas of the county grew at a much lower rate of 1.4 percent. Housing units grew at a higher rate than population, and the average household size in unincorporated Placer County decreased from 2.66 in 2000 to 2.57 in 2010. California's average household size continued to increase over this time period (2.87 in 2000 and 2.90 in 2010) as population grew faster than households and housing units.

¹ A household is defined by the U.S. Census Bureau as "A person or group of people who occupy a housing unit as their usual place of residence. The number of households equals the number of occupied housing units in a census." A housing unit is defined as "A single-family house, townhouse, mobile home or trailer, apartment, group of rooms, or single room that is occupied as a separate living quarters or, if vacant, is intended for occupancy as a separate living quarters".



**TABLE 2
POPULATION, HOUSEHOLDS, HOUSING SIZE & HOUSING UNITS
Placer County and California
1990, 2000 & 2010**

	Unincorporated Placer County			Incorporated Cities within Placer County			California		
	1990	2000	2010	1990	2000	2010	1990	2000	2010
Population									
Number	84,227	100,701	108,128	88,569	147,698	240,304	29,758,213	33,873,086	37,253,956
Growth from Previous Period	-	16,474	7,427	-	59,129	92,606	-	4,114,873	3,380,870
% AAGR from Previous Period	-	1.8%	0.7%	-	5.2%	5.0%	-	1.3%	1.0%
Households									
Number	30,829	37,334	41,351	33,272	56,048	91,276	10,380,856	11,502,871	12,577,498
Growth from Previous Period	-	6,505	4,017	-	22,776	35,228	-	1,122,015	1,074,627
% AAGR from Previous Period	-	1.9%	1.0%	-	5.4%	5.0%	-	1.0%	0.9%
Average Household Size	2.69	2.66	2.57	2.63	2.61	2.61	2.79	2.87	2.90
Housing Units									
Number	42,507	48,433	55,891	35,372	58,869	96,757	11,182,513	12,214,550	13,680,081
Growth from Previous Period	-	5,926	7,458	-	23,497	37,888	-	1,032,037	1,465,531
% AAGR from Previous Period	-	1.3%	1.4%	-	5.2%	5.1%	-	0.9%	1.1%

Sources: California Department of Finance 2012, Table E-5 and Table E-8; and U.S. Census 1990, 2000, and 2010



Table 3 and Figure 2 show a breakdown of the population growth in Placer County's incorporated cities. As shown in the table, the majority of the county's population growth occurred in the incorporated areas of the county, particularly in Lincoln, Rocklin and Roseville. Lincoln was the fastest growing city in the county, with a population increase from 11,205 residents in 2000 to 42,819 residents in 2010—a 14.3 percent AAGR. The cities of Rocklin and Roseville also experienced significant population increases over this seven year period, with AAGRs of 4.6 and 4.0 percent respectively. As stated earlier, the unincorporated portion of Placer County had an AAGR of 0.7 percent from 2000 to 2010.

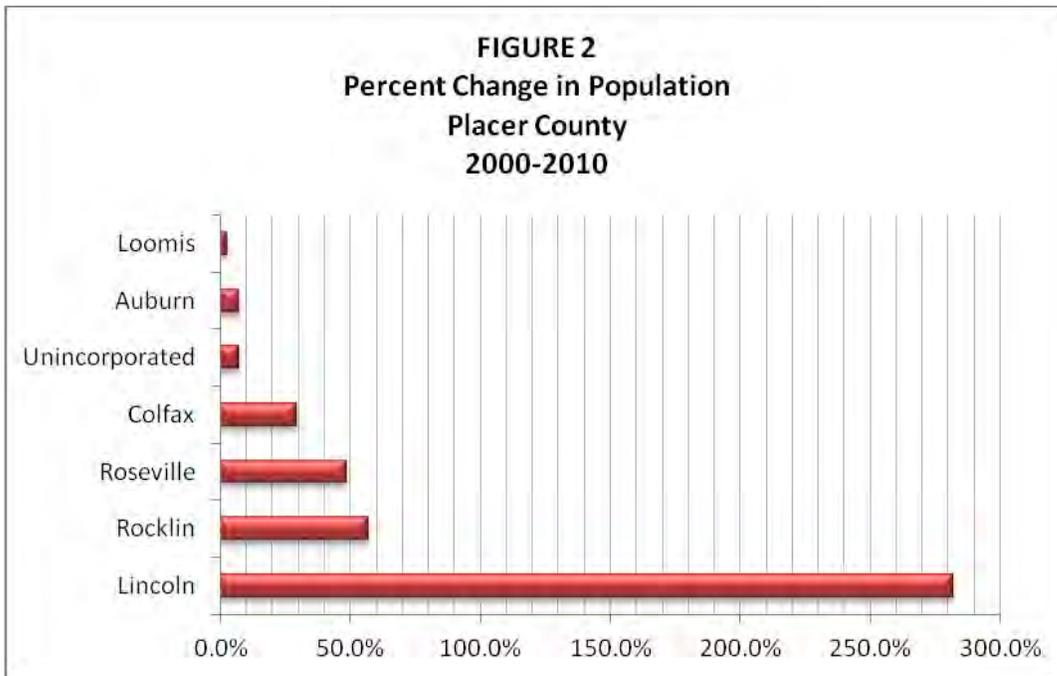
The table also shows the population of several unincorporated communities in Placer County, defined as Census Designated Places (CDPs) in the U.S. Census. While it is difficult to compare the population in these communities between 2000 and 2010 since several of the communities were not defined as CDPs in the 2000 U.S. Census, what the information does show is that the county is made up of several small communities. The largest communities within the county are Granite Bay and North Auburn. Granite Bay had a population of 20,402 in 2010, making up nearly 19 percent of the total unincorporated county population, and North Auburn had a population of 13,022 in 2010, making up 12 percent of the unincorporated county population. About half of the county population (53,404) lives in the remaining unincorporated county in more remote areas that are not defined by the U.S. Census.



**TABLE 3
POPULATION CHANGE
Placer County and California
2000 & 2010**

Area	2000	2010	Absolute Change	% Change	AAGR
Auburn	12,462	13,330	868	6.97%	0.7%
Colfax	1,520	1,963	443	29.14%	2.6%
Lincoln	11,205	42,819	31,614	282.14%	14.3%
Loomis	6,260	6,430	170	2.72%	0.3%
Rocklin	36,330	56,974	20,644	56.82%	4.6%
Roseville	79,921	118,788	38,867	48.63%	4.0%
<i>Incorporated County</i>	<i>147,698</i>	<i>240,304</i>	<i>92,606</i>	<i>62.70%</i>	<i>5.0%</i>
Alta	N/A	610	N/A	N/A	N/A
Carnelian Bay	N/A	524	N/A	N/A	N/A
Dollar Point	1,539	1,215	-324	-21.05%	-2.3%
Dutch Flat	N/A	160	N/A	N/A	N/A
Foresthill	1,791	1,483	-308	-17.20%	-1.9%
Granite Bay	19,388	20,402	1,014	5.23%	0.5%
Kings Beach	4,037	3,796	-241	-5.97%	-0.6%
Kingvale	N/A	143	N/A	N/A	N/A
Meadow Vista	3,096	3,217	121	3.91%	0.4%
Newcastle	N/A	1,224	N/A	N/A	N/A
North Auburn	11,847	13,022	1,175	9.92%	0.9%
Penryn	N/A	831	N/A	N/A	N/A
Sheridan	N/A	1,238	N/A	N/A	N/A
Sunnyside	1,761	4,235	2,474	140.49%	9.17%
Tahoe Vista	1,668	1,433	-235	-14.09%	-1.51%
Tahoma	N/A	1,191	N/A	N/A	N/A
Remaining Unincorporated County	55,574	53,404	N/A	N/A	N/A
<i>Unincorporated County</i>	<i>100,701</i>	<i>108,128</i>	<i>7,427</i>	<i>7.38%</i>	<i>0.7%</i>
County Total	248,399	348,432	100,033	40.27%	3.4%

Source: U.S. Census 2000 and 2010



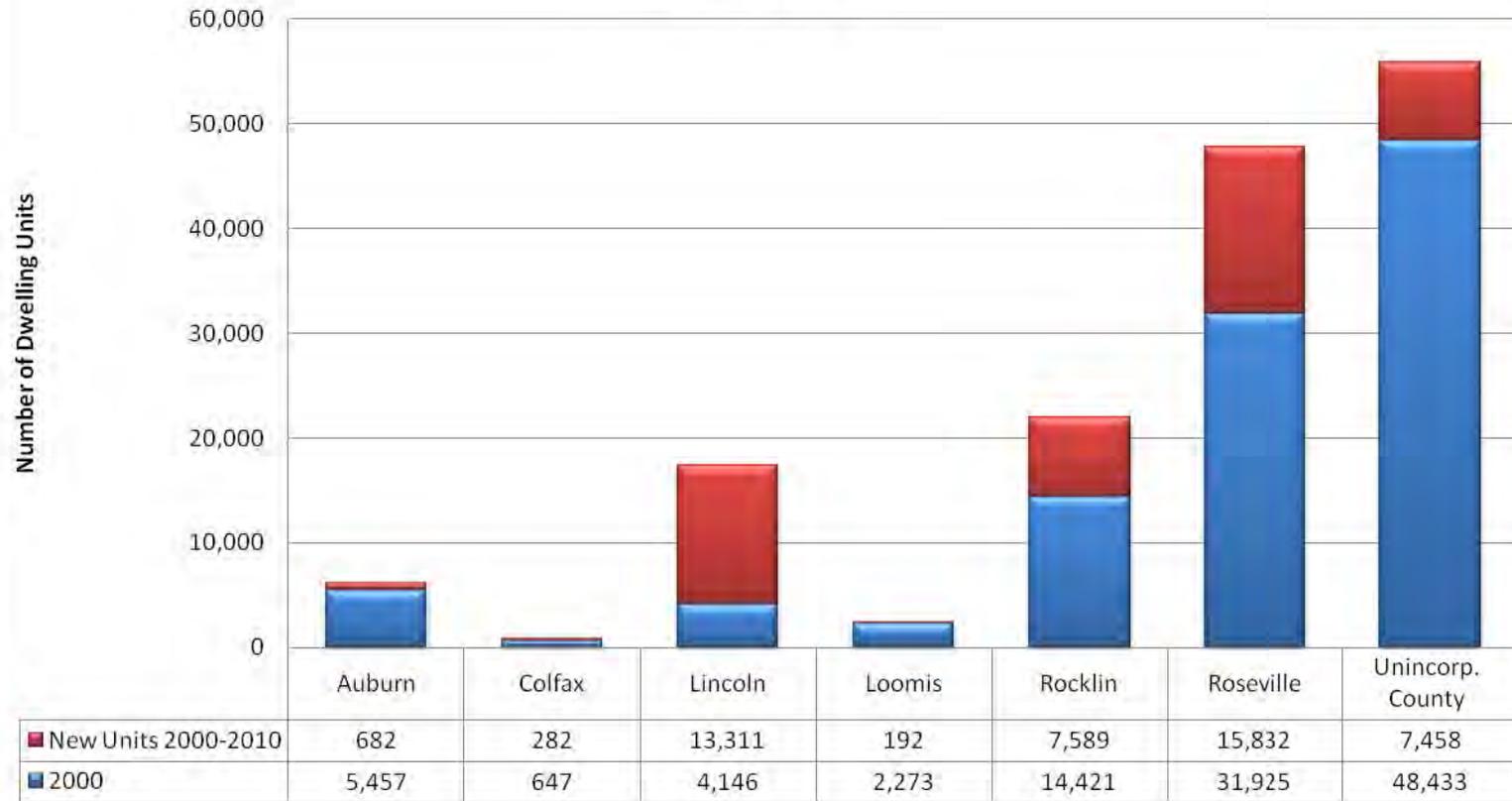
Source: U.S. Census 2000, and 2010

Figure 3 shows the total housing units and housing unit growth for jurisdictions in Placer County. Between 2000 and 2010, 7,458 housing units were built in unincorporated Placer County. The majority of housing unit growth occurred in the incorporated cities of Lincoln, Rocklin, and Roseville (36,732 units total).

The data on population and housing growth shows that Placer County has seen tremendous growth during the last decades, especially in the incorporated areas of the county. Placer County is consistently one of the fastest growing counties in the state.



FIGURE 3
Housing Unit Growth
Placer County Jurisdictions
2000-2010



Source: U.S. Census 2000 and 2010



Age

Table 4 illustrates the age distribution in both unincorporated and incorporated Placer County and California in 2010. Compared to California, Placer County had a higher proportion of residents in the 35 and older age groups and a smaller proportion of residents in the younger age groups, especially the 20 to 34 age groups. Children under 5 and residents between 25 and 44 years of age represented a much smaller portion of the population in the unincorporated county compared to the incorporated county. Residents over the age of 45 made up a larger percentage of the unincorporated county population than the population in the county’s incorporated cities. There were proportionally more seniors in Placer County in 2010 compared to the state, with seniors over 65 years of age making up 15.4 percent of the population in both the unincorporated and incorporated county.

The median age of Placer County increased from 38 to 40 years old from 2000 to 2010, indicating that the county’s population is getting older. California’s median age also increased from 33 in 2000 to 35 years of age in 2010, but remains lower than the median age in Placer County.

**TABLE 4
AGE CHARACTERISTICS
Placer County and California
2010**

Age Group	Unincorporated		Incorporated		California	
	Number	Percent	Number	Percent	Number	Percent
Under 5	4,729	4.4%	16,122	6.7%	2,531,333	6.8%
5 to 14	13,262	12.3%	35,328	14.7%	5,096,769	13.7%
15 to 19	7,738	7.2%	16,560	6.9%	2,823,940	7.6%
20 to 24	5,426	5.0%	12,690	5.3%	2,765,949	7.4%
25 to 34	9,350	8.6%	29,823	12.4%	5,317,877	14.3%
35 to 44	12,229	11.3%	34,336	14.3%	5,182,710	13.9%
45 to 54	19,642	18.2%	33,697	14.0%	5,252,371	14.1%
55 to 64	18,104	16.7%	26,014	10.8%	4,036,493	10.8%
65 and over	17,828	16.5%	35,734	14.9%	4,246,514	11.4%
Total	108,128	100.0%	240,304	100.0%	37,253,956	100.0%

Source: U.S. Census 2010

Race and Ethnicity

Table 5 summarizes U.S. Census data related to the race and ethnicity of residents of Placer County and California in 2010. The table shows that 82.6 percent of unincorporated and 73.2 percent of incorporated Placer County’s population was white in 2010. Placer County’s non-Hispanic white population made up a significantly larger proportion of the population compared to California’s 40.1 percent non-Hispanic white population. Hispanics made up 9.4 percent of the population in the unincorporated county and 12.5 percent in the incorporated county, compared to 35.3 percent of the state’s total population. All other racial categories were represented in Placer County during the 2010 Census, but together made up 12.3 percent of the county’s population.



Placer County’s population is less racially diverse than the State of California as a whole. This is especially true for the unincorporated areas of the county.

**TABLE 5
POPULATION BREAKDOWN BY RACE/ETHNICITY
Placer County and California
2010**

Race/Ethnicity	Unincorporated County		Incorporated County		California	
	Number	Percent	Number	Percent	Number	Percent
White (non-Hispanic)	89,351	82.6%	175,943	73.2%	14,956,253	40.1%
Hispanic	10,181	9.4%	30,082	12.5%	13,167,031	35.3%
Asian	3,135	2.9%	16,828	7.0%	4,775,070	12.8%
Two or more races	3,589	3.3%	11,516	4.8%	1,815,384	4.9%
Black or African-American	754	0.7%	3,673	1.5%	2,163,804	5.8%
American Indian & Alaska Native	817	0.8%	1,263	0.5%	162,250	0.4%
Some other race	170	0.2%	433	0.2%	85,587	0.2%
Native Hawaiian & Other Pacific Islander	131	0.1%	566	0.2%	128,577	0.3%
Total	108,128	100.0%	240,304	100.0%	37,253,956	100.0%

Source: U.S. Census 2010

Household Characteristics

Table 6 compares 2000 and 2010 Census data for a variety of housing characteristics, including tenure, vacancy, and household type for unincorporated and incorporated Placer County and California.

The rate of homeownership in unincorporated and incorporated Placer County fell between 2000 and 2010 from 79.2 percent to 57.6 percent in the unincorporated areas and from 69.2 percent to 64.1 percent in the incorporated areas. Placer County’s homeownership rate is slightly higher than that for the state as a whole (55.9 percent in 2010).

The housing vacancy rate in unincorporated Placer County increased by 3 percent from 2000 to 2010; 26.0 percent of housing units in the unincorporated areas of the county were vacant in 2010. This vacancy rate is much higher than the 8.1 percent vacancy rate for housing units in all of California for 2010. The high vacancy rate in Placer County is due primarily to the predominance of vacation homes in the Lake Tahoe area. In 2010, 62.2 percent of vacant housing units in the unincorporated county were for seasonal, recreational, or occasional use. (Vacancy rates will be discussed later in the chapter.)

The Census divides households into two types depending on their composition. Family households are those that consist of two or more related persons living together. Non-family households include either persons who live alone or groups composed of non-related individuals.



As shown in Table 6, 73.5 percent of households in unincorporated Placer County were family households in 2010 compared to 71.4 percent in California. The proportion of family households in the unincorporated county decreased from 73.5 percent of households in 2000. This shift to a higher proportion of non-family households in the unincorporated county brought the county slightly closer to the proportion of family to non-family households seen across the state.

Table 7 shows the average household size for Placer County as a whole and the state of California. Average household size is a function of the number of people living in households (the population in group quarters is not counted) divided by the number of occupied housing units. In Placer County, the 2010 average persons per household was 2.60 persons, lower than the state's average of 2.90 persons. Unlike for the State of California in which the average household size increased from 2000 to 2010, Placer County's average household size decreased from an average 2.63 persons in 2000

Since a majority of rental units are usually apartments with a small number of rooms, the average household size of renter households tends to be lower than that of owner households across the state. Placer County is no exception, with an average household size for renter-occupied households of 2.50 persons in 2010, compared to 2.64 persons per owner-occupied household.



**TABLE 6
SUMMARY OF HOUSING CHARACTERISTICS
Placer County and California
2000 and 2010**

	Unincorporated Placer County				Incorporated Placer County				California			
	2000		2010		2000		2010		2000		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Population	100,725	-	108,128	-	147,674	-	240,304	-	33,873,086	-	37,253,956	-
<i>Household Population</i>												
Persons Living in Households	99,140	98.4%	106,224	98.2%	146,371	99.1%	238,401	99.2%	33,051,894	97.6%	36,434,140	97.8%
Persons Living in Group Quarters	1,585	1.6%	1,904	1.8%	1,303	0.9%	1,903	0.8%	819,754	2.4%	819,816	2.2%
Total Housing Units	48,444	-	55,891	-	58,858	-	96,757	-	12,214,549	-	13,680,081	-
<i>Occupancy</i>												
Occupied Housing Units	37,345	77.1%	41,351	74.0%	56,037	95.2%	91,276	94.3%	11,502,870	94.2%	12,577,498	91.9%
Vacant Housing Units	11,099	22.9%	14,540	26.0%	2,821	4.8%	5,481	5.7%	711,679	5.8%	1,102,583	8.1%
<i>Tenure</i>												
Owner-Occupied	29,581	79.2%	32,194	57.6%	38,791	69.2%	62,029	64.1%	6,546,334	56.9%	7,035,371	55.9%
Renter-Occupied	7,764	20.8%	9,157	16.4%	17,246	30.8%	29,247	30.2%	4,956,536	43.1%	5,542,127	44.1%
Total Households	37,345	-	41,351	-	56,037	-	91,276	-	11,502,870	-	12,877,498	-
<i>Household Type</i>												
Family households	27,436	73.5%	29,540	71.4%	40,306	71.9%	63,996	70.1%	7,920,049	68.9%	8,642,473	68.7%
Non-family households	9,909	26.5%	11,811	28.6%	15,731	28.1%	27,280	29.9%	3,582,821	31.1%	3,935,025	31.3%

Source: U.S. Census, 2000 and 2010



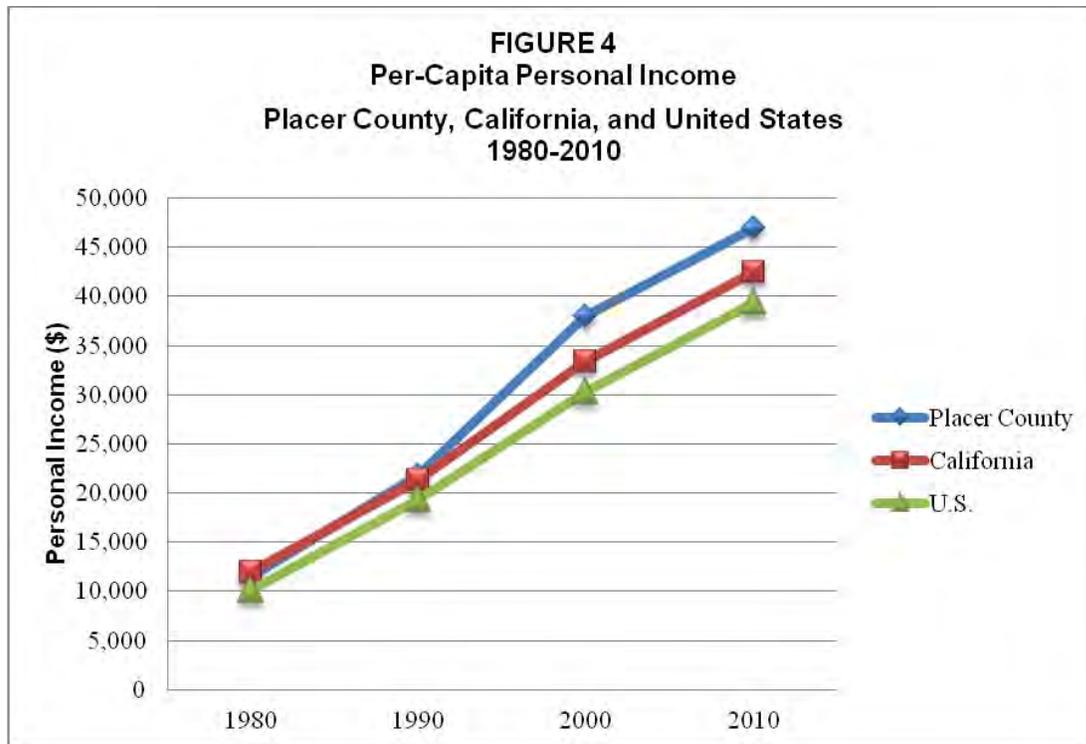
**TABLE 7
AVERAGE HOUSEHOLD SIZE BY TENURE
Placer County and California
2000 and 2010**

	Placer County		California	
	2000	2010	2000	2010
Persons per household	2.63	2.60	2.87	2.90
Household size: owner-occupied units	2.71	2.64	2.93	2.95
Household size: renter-occupied units	2.42	2.50	2.79	2.83

Source: U.S. Census, 2000 and 2010

Personal Income

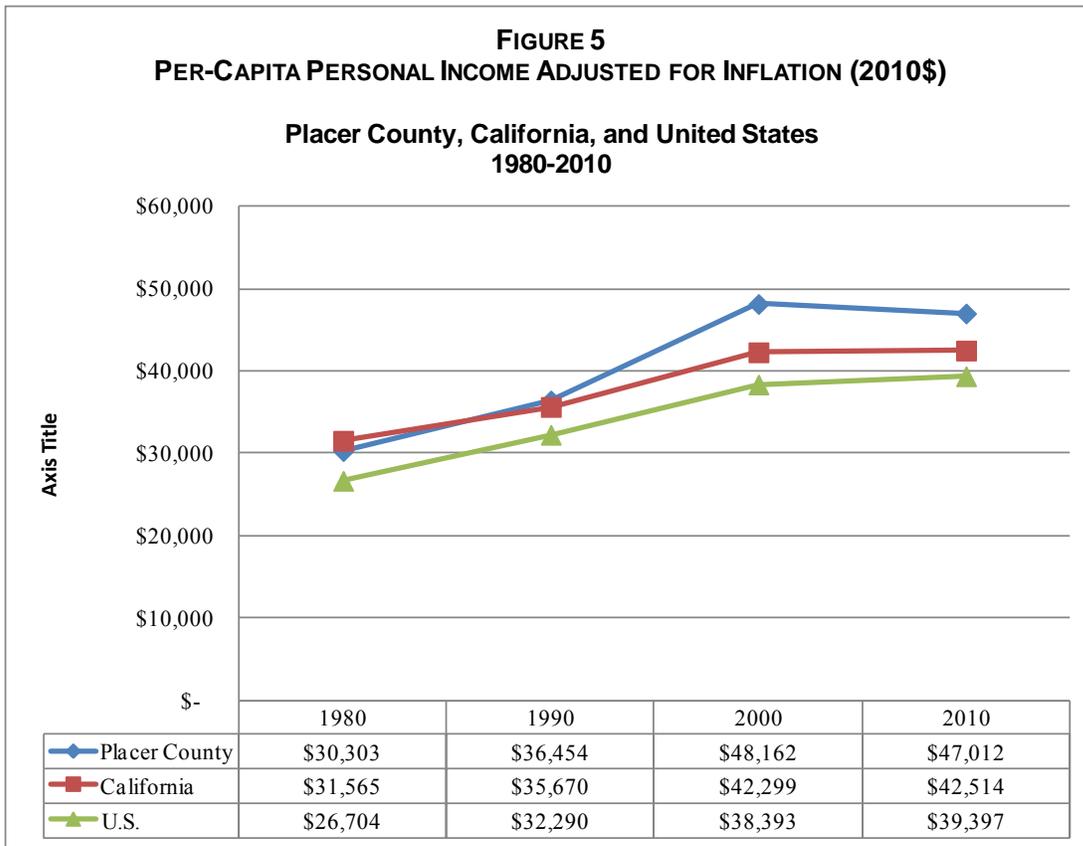
When adjusted for inflation, per-capita income has actually remained stagnant and even decreased in many parts of the country over the past decade. In Placer County, per-capita income dropped by 2.4 percent from 2000 to 2010, from \$48,162 in 2000 (2010 dollars) to \$47,012 in 2010. Evidence shows that much of this decline in income affected the younger generation (ages 25 to 34) – the generation that is expected to be forming new households and purchasing their first homes. So while the housing market has become more affordable during this recession (discussed later in this report), buying power, especially for first-time homebuyers, has declined.



Source: Department of Commerce, Bureau of Economic Analysis 2010.



FIGURE 5
PER-CAPITA PERSONAL INCOME ADJUSTED FOR INFLATION (2010\$)
Placer County, California, and United States
1980-2010



Sources: Department of Commerce, Bureau of Economic Analysis 2010. CPI Inflation Calculator

Household Income

Table 8 shows the distribution of household incomes for Placer County and California for 2009, based on Census income data contained in the 2006-2010 American Community Survey. In unincorporated Placer County, 22.7 percent of all households earned under \$35,000 in 2009, compared to 29.0 percent of households in the state as a whole. At the other end of the income spectrum, 36.3 percent of households in the unincorporated county earned over \$100,000 in 2009, higher than the 27.9 percent in California as a whole. The median household income in Placer County in 2009 was \$74,447, which was significantly higher than California’s median income of \$60,883.



**TABLE 8
HOUSEHOLD INCOME DISTRIBUTION
Placer County and California
2009**

Income Group	Unincorporated Placer County		Incorporated Placer County		California	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	1,480	3.6%	3,016	3.4%	658,672	5.3%
\$10,000 to \$14,999	1,735	4.2%	2,751	3.1%	631,056	5.1%
\$15,000 to \$24,999	2,847	6.9%	6,383	7.3%	1,173,282	9.5%
\$25,000 to \$34,999	3,302	8.0%	6,452	7.3%	1,133,156	9.1%
\$35,000 to \$49,999	4,663	11.3%	10,147	11.6%	1,568,638	12.7%
\$50,000 to \$74,999	6,914	16.7%	15,322	17.4%	2,183,946	17.6%
\$75,000 to \$99,999	5,380	13.0%	14,129	16.1%	1,586,032	12.8%
\$100,000 to \$149,999	6,982	16.9%	17,774	20.2%	1,861,933	15.0%
Over \$150,000	8,012	19.4%	11,864	13.5%	1,596,137	12.9%
Total	41,315	100.0%	87,838	100.0%	12,392,852	100.0%

Source: American Community Survey 2006-2010 5-year estimates

Existing and Projected Employment

Placer County has a healthy and diverse economy ranging from the tourism industry, focused mainly in the North Lake Tahoe Area, to technology, predominately located in the southwestern portion of the County. Table 9 shows the employment and unemployment rates along with industry employment by major classification for all of Placer County and California for 2000 and 2010. This data is from the California Employment Development Department (EDD).

The number of jobs that the EDD reports for Civilian Employment differs from the number of jobs reported for Total Industry Employment (also known as Wage and Salary Employment). Civilian Labor Force counts the number of working people by where they live. This includes business owners, the self-employed, unpaid family workers, private household workers, and wage and salary workers. A person with more than one job is only counted once. Total Industry Employment counts the number of jobs by the place of work. This does not include business owners, the self-employed, unpaid family workers, or private household workers. If someone holds more than one job, they may be counted more than once. These industry employment estimates are by place of work, not by place of residence, so they indicate the number of jobs within a given jurisdiction.

As shown in Table 9, Placer County had an unemployment rate of 3.6 percent in 2000, slightly lower than the 4.9 percent rate in California as a whole. However, both Placer County and California had much higher unemployment rates in 2010 compared to 2000.

Table 9 also shows that Placer County has a diverse economy. While no single industry dominates the county’s economy, the most significant employment contributors in Placer County include tourist-related jobs (retail trade and leisure and hospitality) and government jobs. Other important industries include professional and business services and construction. While most



industries either grew or remained stable between 2000 and 2010, the construction and manufacturing industries lost a significant proportion of jobs from 2000 to 2010, decreasing from 20.8 percent to only 11.9 percent of total industry employment.

**TABLE 9
EMPLOYMENT BY INDUSTRY
Placer County and California
2000 and 2010**

	Placer County				California			
	2000		2010		2000		2010	
Civilian Labor Force	132,100	100.0%	176,700	100.0%	16,857,600	100.0%	18,316,400	100.0%
Civilian Employment	127,400	96.4%	156,500	88.6%	16,024,300	95.1%	16,051,500	87.6%
Civilian Unemployment	4,800	3.6%	20,200	11.4%	833,200	4.9%	2,264,900	12.4%
Total Industry Employment	111,500	100.0%	126,200	100.0%	14,896,700	100.0%	14,319,500	100.0%
Total Farm	400	0.4%	300	0.2%	408,500	2.7%	382,800	2.7%
Total Non-farm	111,100	99.6%	125,800	99.7%	14,488,200	97.3%	13,936,700	97.3%
Natural Resources and Mining	100	0.1%	100	0.1%	26,500	0.2%	26,800	0.2%
Construction	11,900	10.7%	8,400	6.7%	733,400	4.9%	559,800	3.9%
Manufacturing	11,300	10.1%	6,600	5.2%	1,852,700	12.4%	1,241,000	8.7%
Wholesale Trade	3,000	2.7%	3,700	2.9%	646,200	4.3%	644,000	4.5%
Retail Trade	14,900	13.4%	19,300	15.3%	1,563,400	10.5%	1,513,300	10.6%
Transport., Warehousing & Utilities	2,700	2.4%	3,000	2.4%	518,300	3.5%	466,300	3.3%
Information	2,500	2.2%	2,500	2.0%	576,700	3.9%	427,700	3.0%
Financial Activities	6,700	6.0%	9,700	7.7%	800,800	5.4%	760,200	5.3%
Professional and Business Services	12,500	11.2%	13,000	10.3%	2,222,600	14.9%	2,074,400	14.5%
Educational and Health Services	9,500	8.5%	18,100	14.3%	1,407,100	9.4%	1,788,300	12.5%
Leisure and Hospitality	13,700	12.3%	18,100	14.3%	1,335,600	9.0%	1,501,600	10.5%
Other Services	4,700	4.2%	4,500	3.6%	487,700	3.3%	484,900	3.4%
Government	17,700	15.9%	18,900	15.0%	2,318,100	15.6%	2,448,400	17.1%

Source: California Employment Development Department, *Employment by Industry Data, 2000-2010*



Potential Population Change and Job Growth Impacts on Housing Need

The Department of Finance (DOF) produces the official population projections by county for California. The most recent projections for 2010 to 2050 in 10-year increments were produced in May 2012. Table 10 shows the population for Placer County in 2010 along with the DOF population projections for 2015, 2020, 2025, and 2030. The table also shows the population AAGR for each time period. Based on the 2010 population and 2015 DOF population projection, Placer County is projected to have a 2010 to 2015 AAGR of 1.14 percent, a 2015 to 2020 AAGR of 1.31 percent, a 2020 to 2025 AAGR of 1.39 percent, and a 2025 to 2030 AAGR of 1.38 percent. From 2010 to 2030, Placer County is projected to have approximately 103,571 additional people that will need housing.

TABLE 10 EXISTING AND PROJECTED POPULATION Placer County 2010-2030					
	Placer County				
	2010⁽¹⁾	2015	2020	2025	2030
Population	350,553	370,936	395,783	424,134	454,124
AAGR from previous period	-	1.14%	1.31%	1.39%	1.38%

Sources: *DOF Interim Population Projections for California and Its Counties 2010-2050, May 2012.*

Table 11 shows employment projections for the incorporated cities and the unincorporated portion of Placer County based on statistics produced by SACOG in 2012. Employment in the unincorporated portion of the county is expected to grow at a slightly higher rate than in the incorporated cities.

TABLE 11 SACOG EMPLOYMENT PROJECTIONS BY NUMBER OF EMPLOYEES Placer County 2008 to 2035				
Place	2008	2020	2035	AARG 2008-2035
Unincorporated County	31,550	36,991	49,521	1.33%
Auburn	8,982	9,281	9,889	0.27%
Colfax	987	1,109	1,646	0.98%
Lincoln	9,524	13,232	19,487	2.78%
Loomis	4,236	4,527	5,183	0.56%
Rocklin	17,311	21,259	26,439	1.73%
Roseville	69,072	78,834	97,552	1.11%
County Total	141,662	165,233	209,717	1.29%

Source: *Draft Final SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy, 2035. February 20, 2012.*



2. Housing Characteristics and Trends

The discussion of the housing stock in Placer County in this subsection uses a significant amount of data from the 2006-2010 American Community Survey, whereas the housing unit totals shown in other sections of this document are based primarily on the 2010 Census. The American Community Survey is based on a sample, whereas the Census is based on a complete count. Therefore, totals from the two sources may vary.

Housing Inventory/Supply

Table 12 summarizes housing units by type for all housing units in Placer County and California in 2000 and 2010. Single-family homes continue to be the largest percentage of the housing stock in both unincorporated and incorporated Placer County. From 2000 to 2010, of the 7,458 new housing units constructed in the unincorporated county, 6,495, or 87 percent, were single-family houses. Approximately 17 percent of all new units built in the unincorporated county were multi-family units, and there was a net loss of 305 mobile home units. In 2010, single-family homes made up 83.9 percent of all housing units in unincorporated Placer County, compared to 65.3 percent in all of California. In 2010, multi-family homes made up only 10.5 percent of the housing stock for the unincorporated county and 21.5 percent of the housing stock of the incorporated county. These percentages were much lower than for all of California, in which 30.6 percent of the housing stock was multi-family. Mobile homes made up only 2.8 percent of Placer County's total housing stock, which is only slightly lower than the 4.1 percent for all housing units in the state (See Table 12).

The majority of residential growth between 2000 and 2010 occurred in the incorporated areas of the county. Over 83.6 percent of all new units were constructed in the incorporated areas, and nearly 82.3 percent of all new single-family homes were built in the incorporated areas.



TABLE 12 HOUSING UNITS BY TYPE Placer County and California 2000 and 2010					
	2000		2010		Change in Units
	Units	Percent	Units	Percent	
Unincorporated Placer County					
Single Family	40,393	83.4%	46,888	83.9%	6,495
2 to 4 units	2,479	5.1%	3,067	5.5%	588
5+ units	2,103	4.3%	2,783	5.0%	680
Mobile Homes	3,458	7.1%	3,153	5.6%	-305
Total	48,433	100.0%	55,891	100.0%	7,458
Incorporated Placer County					
Single Family	45,208	76.8%	75,472	78.0%	30,264
2 to 4 units	3,196	5.4%	5,921	6.1%	2,725
5+ units	9,254	15.7%	14,892	15.4%	5,638
Mobile Homes	1,211	2.1%	1,102	1.1%	-109
Total	58,869	100.0%	96,757	100.0%	37,888
Placer County Total					
Single Family	85,601	79.8%	122,360	80.2%	36,759
2 to 4 units	5,675	5.3%	8,358	5.5%	2,683
5+ units	11,357	10.6%	17,675	11.6%	6,318
Mobile Homes	4,669	4.4%	4,255	2.8%	-414
Total	107,302	100.0%	152,648	100.0%	45,346
California					
Single Family	7,815,035	64.0%	8,925,496	65.3%	111,0461
2 to 4 units	1,024,896	8.4%	1,110,623	8.1%	85,727
5+ units	2,804,931	23.0%	3,076,511	22.5%	271,580
Mobile Homes	569,688	4.7%	557,674	4.1%	-12,014
Total	12,214,550	100.0%	13,670,304	100.0%	145,575 4

Source: California Department of Finance, Table e-5, 2012

Housing Demolition

From January 1, 2007 to September 1, 2012, 78 single-family dwellings were demolished in unincorporated Placer County. These units represent a small portion of the total housing stock. The loss of affordable housing through demolition is not a significant problem facing Placer County.



Housing Conditions

Placer County has not conducted a countywide housing conditions survey since 1995. The survey concluded that the areas of Sheridan and Foresthill required more attention, because they both had high percentages of housing in need of rehabilitation. The survey also concluded that special attention should be given to the Auburn-Bowman and Kings Beach areas, since they had a large number of homes in need of rehabilitation. Statistically these areas have a large number of lower income households, most of which are unlikely to have the financial resources to make needed repairs. Based on the results of the 1995 survey, a few of these small communities within the unincorporated county have conducted housing conditions surveys which are included in Tables 14 and 15.

The U.S. Census provides limited data that can be used to infer the condition of Placer County's housing stock. For example, the Census reports on whether housing units have complete plumbing and kitchen facilities. Since only one percent of all housing units in Placer County lack complete plumbing or kitchen facilities (see Table 13 below), these indicators do not reveal much about overall housing conditions.

Since housing stock age and condition are generally correlated, one Census variable that provides an indication of housing conditions is the age of a community's housing stock. Table 13 shows the decade built for owner-occupied and renter-occupied housing units in unincorporated and incorporated Placer County and California in 2010. As shown in the table, Placer County's housing stock is relatively new compared to California's housing stock.

In 2010, 13.0 percent of the housing stock in the unincorporated county was less than 10 years old. While this percentage is lower than that of the incorporated areas of the county (36.6 percent), it is higher than that of California (10.2 percent). Placer County has a much smaller proportion of its housing stock more than 50 years old compared to California as a whole, with only 15 percent of the unincorporated housing stock and 8.4 percent of the incorporated housing stock built before 1960. In California, 30.9 percent of the total housing stock was built prior to 1960.

The median year built for owner-occupied units in all of Placer County in 2010 was 1991, compared to 1974 for California. The median year built for renter-occupied units in Placer County in 2010 was 1987, compared to 1971 for California. This data regarding housing stock age and kitchen and plumbing facilities may suggest that, while the majority of homes in Placer County are relatively new, there is still a small proportion of the housing stock in Placer County that is in need of rehabilitation.



TABLE 13
AGE OF HOUSING STOCK & HOUSING STOCK CONDITIONS BY TENURE
Placer County and California
2010

	Unincorporated		Incorporated		California	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied Housing Units						
Built 2005 or later	1,595	4.8%	6,433	10.5%	272,232	3.8%
Built 2000 to 2004	2,944	8.9%	17,464	28.6%	554,176	7.8%
Built 1990 to 1999	5,697	17.2%	16,176	26.5%	841,695	11.8%
Built 1980 to 1989	6,853	20.7%	9,105	14.9%	1,125,766	15.8%
Built 1970 to 1979	8,013	24.2%	5,225	8.6%	1,226,543	17.2%
Built 1960 to 1969	3,655	11.0%	2,278	3.7%	940,529	13.2%
Built 1950 to 1959	2,278	6.9%	2,058	3.4%	1,102,634	15.5%
Built 1940 to 1949	946	2.9%	864	1.4%	465,033	6.5%
Built 1939 or earlier	1,156	3.5%	1,466	2.4%	583,442	8.2%
Total	33,137	100.0%	61,069	100.0%	7,112,050	100.0%
Units Lacking Complete Plumbing Facilities	134	0.4%	37	0.1%	26,557	0.4%
Units Lacking Complete Kitchen Facilities	119	0.4%	99	0.2%	25,188	0.4%
Renter Occupied Housing Units						
Built 2005 or later	216	2.6%	1,629	6.1%	153,734	2.9%
Built 2000 to 2004	603	7.4%	6,583	24.6%	287,575	5.4%
Built 1990 to 1999	918	11.2%	5,918	22.1%	480,167	9.1%
Built 1980 to 1989	1,135	13.9%	5,020	18.8%	801,797	15.2%
Built 1970 to 1979	2,000	24.5%	3,150	11.8%	1,078,011	20.4%
Built 1960 to 1969	1,476	18.0%	1,499	5.6%	807,640	15.3%
Built 1950 to 1959	812	9.9%	978	3.7%	696,185	13.2%
Built 1940 to 1949	557	6.8%	652	2.4%	373,381	7.1%
Built 1939 or earlier	461	5.6%	1,340	5.0%	602,302	11.4%
Total	8,178	100.0%	26,769	100.0%	5,280,802	100.0%
Units Lacking Complete Plumbing Facilities	0	0.0%	121	0.5%	42,239	0.8%
Units Lacking Complete Kitchen Facilities	169	2.1%	442	1.7%	105,867	2.0%
Total Occupied Housing Units						
Built 2005 or later	1,811	4.4%	8,062	9.2%	425,966	3.4%
Built 2000 to 2004	3,547	8.6%	24,047	27.4%	841,751	6.8%
Built 1990 to 1999	6,615	16.0%	22,094	25.2%	1,321,862	10.7%
Built 1980 to 1989	7,988	19.3%	14,125	16.1%	1,927,563	15.6%
Built 1970 to 1979	10,013	24.2%	8,375	9.5%	2,304,554	18.6%
Built 1960 to 1969	5,131	12.4%	3,777	4.3%	1,748,179	14.1%
Built 1950 to 1959	3,090	7.5%	3,036	3.5%	1,798,819	14.5%
Built 1940 to 1949	1,503	3.6%	1,516	1.7%	838,414	6.8%
Built 1939 or earlier	1,617	3.9%	2,806	3.2%	1,185,744	9.6%
Total	41,315	100.0%	87,838	100.0%	12,392,852	100.0%
Units Lacking Complete Plumbing Facilities	119	0.3%	220	0.3%	67,427	0.5%
Units Lacking Complete Kitchen Facilities	303	0.7%	479	0.5%	132,424	1.1%

Source: American Community Survey 5-year Estimates 2006-2010



Foresthill

In 2002, Mercy Housing California conducted an exterior housing conditions survey for the unincorporated community of Foresthill.² The survey rates the conditions of five housing elements: foundation, roofing, siding/stucco, windows and electrical. The survey concluded that 7.5 percent (126 homes) of the community’s housing stock was in need of some form of rehabilitation. About 1 percent of the homes (14 homes) were considered in need of substantial rehabilitation, and over 2 percent (36 homes) were considered dilapidated (see Table 14).

TABLE 14 EXTERIOR HOUSING CONDITIONS SURVEY Foresthill 2002		
Condition	Number of Units	Percent of Total
Sound	1,551	92.5%
Minor	49	2.9%
Moderate	27	1.6%
Substantial	14	0.8%
Dilapidated	36	2.1%
<i>Total Substandard</i>	<i>126</i>	<i>7.5%</i>
<i>Total Standard</i>	<i>1,551</i>	<i>92.5%</i>
Total Units in Area	1,677	100.0%

Source: Mercy Housing California, 2002

Sheridan

In 2003, the Placer County Redevelopment Agency conducted a housing conditions survey to evaluate all residential structures within the Sheridan Sewer District. The survey methodology was similar to that of the Foresthill housing conditions survey, and covered 174 homes. The survey concluded that 57.3 percent (110 homes) of the community’s housing stock was in need of some form of rehabilitation. Four homes (2.1 percent) were considered in need of substantial rehabilitation, and only one home (0.5 percent) was considered dilapidated (see Table 15).

² The survey covered all housing units in the 95631 zip code area. Multi-family complexes were considered one unit for the purpose of the survey.



TABLE 15 HOUSING CONDITIONS SURVEY Sheridan 2003		
Condition	Number of Units	Percent of Total
Sound	82	42.7%
Minor	89	46.4%
Moderate	16	8.3%
Substantial	4	2.1%
Dilapidated	1	0.5%
<i>Total Substandard</i>	<i>110</i>	<i>57.3%</i>
<i>Total Standard</i>	<i>82</i>	<i>42.7%</i>
Total Units in Area	192	100.0%

Source: Placer County Redevelopment Agency, 2003

Vacancy Rates

According to the 2010 U.S. Census, Placer County had a vacancy rate of 15.1 percent in 2010, significantly higher than the vacancy rate in California (8.1 percent). It is important to note that these counts include all vacant units, including those units held vacant for seasonal use; not all of the vacant units were offered for sale or for rent at the time of data collection. According to surveys conducted by local agencies for grant applications, in 2011 the vacancy rate for rental units was 1.7 percent. Generally, a 6 percent rate for rental units and a 2 percent vacancy rate in units available for owner-occupancy are considered optimal to keep prices down and to ensure that units are available to new and relocating residents.

Table 16 below provides a detailed breakdown of the types of vacant units in unincorporated and incorporated Placer County and California at the time of the 2010 Census. Of the unincorporated county's vacant housing units in 2010, only 6.7 percent were classified as for rent, for sale, or already rented or sold but not occupied, compared to 38.4 percent in the incorporated county and 34 percent in California. In comparison with the incorporated areas of the county and California, a much larger percentage of vacant units were available for seasonal, recreational, or occasional use in the unincorporated county in 2010 (79.6 percent compared to 8 percent and 27.5 percent respectively). This high vacancy rate in the unincorporated county is due in large part to the predominance of vacation homes in the Lake Tahoe area.



**TABLE 16
VACANT UNITS BY TYPE
Placer County and California
2010**

Vacancy Status	Unincorporated Placer County		Incorporated Placer County		California	
	Number	Percent	Number	Percent	Number	Percent
For rent	975	6.7%	2,105	38.4%	374,610	34.0%
For sale only	787	5.4%	1,497	27.3%	115,343	14.0%
Rented or sold; not occupied	274	1.9%	402	7.3%	54,635	5.0%
For seasonal; recreational; or occasional use	11,579	79.6%	441	8.0%	302,815	27.5%
For migrant workers	9	0.1%	0	0.0%	2,100	0.2%
Other vacant	916	6.3%	1,036	18.9%	213,648	19.4%
Total	14,540	100.0%	5,481	100.0%	1,102,583	100.0%

Source: U.S. Census 2010

Overcrowded Housing

U.S. Census Bureau standards define a housing unit as overcrowded when the total number of occupants is greater than one person per room, excluding kitchens and bathrooms. A typical home might have a total of five rooms (three bedrooms, living room, and dining room). If more than five people were living in the home, it would be considered overcrowded. There is some debate about whether units with larger households where seven people might occupy a home with six rooms should really be considered overcrowded. Nonetheless, units with more than 1.5 persons per room are considered severely overcrowded, and should be recognized as a significant housing problem.

Table 17 compares occupants per room and overcrowding by tenure for unincorporated and incorporated Placer County and California in 2010. Both the unincorporated and incorporated areas of the county had very small proportions of overcrowded owner-occupied units compared to all of California in 2010 (1.3 percent and 0.7 percent compared to 4 percent). Severely overcrowded units made up 0.2 percent of owner-occupied units in the unincorporated and incorporated county, compared to 0.9 percent of owner-occupied housing units in California.

Overcrowding is typically more of a problem in rental units than owner units. When broken out by tenure, renter households accounted for 16.4 percent of all households in the unincorporated county; however, they accounted for over 46 percent of all overcrowded households in Placer County in 2010. To put it another way, 40.7 percent of renter-occupied households in the unincorporated county were overcrowded, in comparison to 1.3 percent of owner-occupied households. 2.6 percent of rental units in the unincorporated county were severely overcrowded compared to 0.2 percent of owner-occupied units. A similar disparity between renters and owners is evident in the incorporated county; however the rates of overcrowding are slightly lower. In the state of California, the rate of overcrowding for renter-occupied households (13.3 percent) is



much higher than in Placer County. Relative to the rest of the State, overcrowding is not a significant problem in the county.

Overcrowding was slightly more prevalent in households in the Tahoe Basin portion of Placer County (Lake Tahoe county subdivision in the Census) where some seasonal, lower-income wage-earners are crowding into homes, particularly in Kings Beach where overcrowding is an issue year-round. In 2010, nearly 6.5 percent of all households in the Tahoe Basin portion of the county were overcrowded, compared to less than 2 percent in the entire county; however, overcrowding in the Basin portion of the county was less prevalent than in California as a whole where 8 percent of all households were overcrowded in 2010.

TABLE 17 OVERCROWDING Placer County and California 2010						
Persons per Room	Unincorporated Placer County		Incorporated Placer County		California	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied						
0.50 or less	25,474	76.9%	47,124	77.2%	4,721,154	66.4%
0.51 to 1.00	7,219	21.8%	13,552	22.2%	2,102,208	29.6%
1.01 to 1.50	366	1.1%	299	0.5%	222,257	3.1%
1.51 or more	78	0.2%	94	0.2%	66,431	0.9%
Total	33,137	100.0%	61,069	100.0%	7,112,050	100.0%
Renter-Occupied						
0.50 or less	4,782	58.5%	17,134	64.0%	2,493,007	47.2%
0.51 to 1.00	3,013	36.8%	8,664	32.4%	2,089,411	39.6%
1.01 to 1.50	173	2.1%	709	2.6%	431,095	8.2%
1.51 or more	210	2.6%	262	1.0%	267,289	5.1%
Total	8,178	100.0%	26,769	100.0%	5,280,802	100.0%
Total occupied						
0.50 or less	30,256	73.2%	64,258	73.2%	7,214,161	58.2%
0.51 to 1.00	10,232	24.8%	22,216	25.3%	4,191,619	33.8%
1.01 to 1.50	539	1.3%	1,008	1.1%	653,352	5.3%
1.51 or more	288	0.7%	356	0.4%	333,720	2.7%
Total	41,315	100.0%	87,838	100.0%	12,392,852	100.0%

Source: American Community Survey 5-year Estimates 2006-2010

Household Size

As shown previously in Table 7, Placer County’s average household size in 2010 was 2.60 persons, lower than the state average of 2.90 persons. Placer County had an average household size for renter households of 2.50 persons in 2010, compared to 2.64 persons per owner household.

Table 16 shows the number of persons per household by tenure in unincorporated and incorporated Placer County and California in 2010. The unincorporated and incorporated areas of



the county had lower proportions of large households (five or more members) than California in 2010 (9.2 percent and 10.1 percent compared to 16.1 percent). Unincorporated and incorporated Placer County also had slightly higher proportions of one- and two-person households than California in 2000 (61.1 percent and 56.9 percent compared to 51.4 percent).

**TABLE 18
HOUSEHOLD SIZE BY TENURE
Placer County and California
2010**

	Unincorporated Placer County		Incorporated Placer County		California	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied						
1 Person	6,030	18.7%	11,983	19.3%	1,340,915	19.1%
2 Persons	13,654	42.4%	23,324	37.6%	2,269,063	32.3%
3 Persons	4,897	15.2%	9,816	15.8%	1,164,562	16.6%
4 Persons	4,652	14.4%	10,433	16.8%	1,129,739	16.1%
5 Persons	1,871	5.8%	4,340	7.0%	577,673	8.2%
6 Persons	696	2.2%	1,420	2.3%	273,058	3.9%
7 Persons or more	394	1.2%	713	1.1%	280,361	4.0%
Total	32,194	100.0%	62,029	100.0%	7,035,371	100.0%
Renter Occupied						
1 Persons	2,946	32.2%	9,537	32.6%	1,588,527	28.7%
2 Persons	2,546	27.8%	8,027	27.4%	1,384,739	25.0%
3 Persons	1,467	16.0%	4,716	16.1%	879,250	15.9%
4 Persons	1,151	12.6%	3,779	12.9%	753,712	13.6%
5 Persons	634	6.9%	1,953	6.7%	462,735	8.3%
6 Persons	257	2.8%	754	2.6%	234,413	4.2%
7 Persons or more	156	1.7%	481	1.6%	238,751	4.3%
Total	9,157	100.0%	29,247	100.0%	5,542,127	100.0%
All Households						
1 Person	8,976	21.7%	21,520	23.6%	2,929,442	23.3%
2 Persons	16,200	39.2%	31,351	34.3%	3,653,802	29.1%
3 Persons	6,364	15.4%	14,532	15.9%	2,043,812	16.2%
4 Persons	5,803	14.0%	14,212	15.6%	1,883,451	15.0%
5 Persons	2,505	6.1%	6,293	6.9%	1,040,108	8.3%
6 Persons	953	2.3%	2,174	2.4%	507,471	4.0%
7 Persons or more	550	1.3%	1,194	1.3%	519,112	4.1%
Total	41,351	100.0%	91,276	100.0%	12,577,498	100.0%

Source: U.S. Census 2010

Table 19 shows the number of bedrooms by housing unit in unincorporated and incorporated Placer County and California in 2010. As shown in the table, 72.5 percent of occupied housing units in the unincorporated areas of the county and 66.6 percent in the incorporated areas contained three or more bedrooms in 2010. This is significantly higher than the statewide percentage of 55 percent. The large number of housing units with three or more bedrooms is



likely due to a combination of factors, including higher rates of homeownership and a larger percentage of newer units in Placer County.

Renter-occupied units tend to have a smaller number of bedrooms than owner-occupied units. This was the case in Placer County in 2010, where 81.4 percent of the owner-occupied units in unincorporated areas and 81.9 percent in incorporated areas had three or more bedrooms, compared to only 36.4 percent of the renter-occupied units in unincorporated areas and 31.9 percent in incorporated areas. However, this figure is much larger than the 25.3 percent of renter-occupied housing units with three or more bedrooms in California.

Based on this information regarding housing unit size, and the information on household sizes discussed earlier, Placer County has a much lower need for large housing units than California. Placer County has a smaller average household size, larger housing units, and lower overcrowding rates than the state average.



**TABLE 19
NUMBER OF BEDROOMS BY TENURE
Placer County and California
2010**

	Unincorporated Placer County		Incorporated Placer County		California	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied						
No bedroom	127	0.4%	176	0.3%	29,450	0.4%
1 bedroom	924	2.8%	483	0.8%	196,639	2.8%
2 bedrooms	5,096	15.4%	10,507	17.2%	1,388,341	19.5%
3 bedrooms	15,346	46.3%	25,207	41.3%	3,222,396	45.3%
4 bedrooms	9,010	27.2%	19,286	31.6%	1,809,849	25.4%
5 or more bedrooms	2,634	7.9%	5,410	8.9%	465,375	6.5%
Total	33,137	100.0%	61,069	100.0%	7,112,050	100.0%
Renter Occupied						
No bedroom	446	5.5%	489	1.8%	342,212	6.5%
1 bedroom	1,216	14.9%	6,963	26.0%	1,535,827	29.1%
2 bedrooms	3,545	43.3%	10,761	40.2%	2,071,371	39.2%
3 bedrooms	1,976	24.2%	6,028	22.5%	996,943	18.9%
4 bedrooms	683	8.4%	2,126	7.9%	277,400	5.3%
5 or more bedrooms	312	3.8%	402	1.5%	57,049	1.1%
Total	8,178	100.0%	26,769	100.0%	5,280,802	100.0%
All Households						
No bedroom	573	1.4%	665	0.8%	371,662	3.0%
1 bedroom	2,140	5.2%	7,446	8.5%	1,732,466	14.0%
2 bedrooms	8,641	20.9%	21,268	24.2%	3,459,712	27.9%
3 bedrooms	17,322	41.9%	31,235	35.6%	4,219,339	34.0%
4 bedrooms	9,693	23.5%	21,412	24.4%	2,087,249	16.8%
5 or more bedrooms	2,946	7.1%	5,812	6.6%	522,424	4.2%
Total	41,315	100.0%	87,838	100.0%	12,392,852	100.0%

Source: American Community Survey 5-year Estimates 2006-2010



Housing Affordability

Description of Measures

There are five main approaches to measuring housing affordability commonly used by housing researchers.³

- Share of income
- Supply-demand mismatch
- Housing wage
- Median ratios comparison
- Residual income

The **share of income approach** is the most common. It measures housing affordability in terms of the percentage of income that a household spends on its housing. Households allocating above a defined share of income on housing are classified as having a housing affordability problem. The standard threshold is 30 percent of gross income spent on gross housing costs, including utilities. Above this ratio, households are often referred to as suffering from a “housing cost burden.”⁴

While simple to understand and relatively easy to calculate, this approach has several drawbacks:

- It considers how much people spend on housing but not what they get in return for it in terms of neighborhood and housing quality, as well as proximity to jobs and shopping.
- Focusing exclusively on housing costs as a share of income does not take into account tradeoffs households make to lower housing costs that add to other costs, such as longer commutes,⁵ poor housing quality, distressed neighborhoods, or crowded conditions.
- It does not consider situations where spending large shares of income on housing is more of a choice rather than a necessity – some households choose to spend more on housing because they value it more. Determining whether a household is spending more by

³ Categories and descriptions of each are derived from the report: *Measuring The Nation’s Rental Housing Affordability Problem*, Joint Center For Housing Studies, Harvard University (June 2005).

⁴ A “cost burden” is defined by HUD as the fraction of a household’s total gross income spent on housing costs; in other words – the ratio between housing cost and income. However, the general term “cost burden” is often used as shorthand for a cost burden exceeding 30 percent of income. HUD defines a “moderate cost burden” as housing costs between 31 and 50 percent of reported income and a “severe cost burden” as housing costs exceeding 50 percent of reported income.

⁵ A Center for Housing Policy (CHP) study found that the share of total household expenditures on transportation was three times higher for households spending less than 30 percent on housing than for households with half their expenditures on housing. Other trade-offs were also evident, including reduced spending on healthcare and food among households with higher housing expenditures. “Something’s Gotta Give: Working Families and the Cost of Housing,” *New Century Housing*, Vol. 5-1, Center for Housing Policy, 2005.



choice or necessity requires subjectively defined standards of minimally acceptable housing.

- It does not capture the extent to which changes in rental affordability over time may reflect changes in the quality of housing rather than differences in the rate of increase in rents of housing of constant quality relative to the changing incomes of the households that typically occupy these constant quality units. In other words, it does not distinguish changes in housing affordability caused by changes in the price of housing from changes in its quality.

In general, while cost burdens are heavily concentrated at the bottom of the income distribution nationwide, they also appear in higher income ranges. The *Measuring the Nation's Rental Housing Affordability Problem* report states that “recent studies by the National Housing Conference show high levels of cost burdens among working families, especially in the higher cost housing markets where incomes for some essential service occupations (including teachers, nurses, police officers, and janitors) are not adequately adjusted for the local cost of living. Furthermore, trade-offs of housing and transportation costs are more acutely observed among middle-income households, who often opt to live far away from employment centers in order to find affordable housing, but end up with longer and costlier commutes as a result.”⁶

While nationally there is an increasing mismatch between the incomes of renter households in the bottom 20th percentile and the rents of housing in the bottom 20th percentile, a number of observers have also suggested that the affordable housing crisis is, at least in part, actually an income crisis.

In the **supply-demand mismatch approach**, the number of households with incomes at or below a particular level is compared with the number of rentals with rents that are affordable at 30 percent of the threshold income (with adjustments for household size and number of bedrooms). The difference between the number of households at or below the adjusted income thresholds and the number of rentals at or below the adjusted rent thresholds is considered a measure of the mismatch between the supply and demand for affordable housing. An extension of this “mismatch” approach subtracts units that are affordable but occupied by higher income households because they are not available for occupancy by households with incomes below the threshold.

While relatively straightforward, this approach is more easily misinterpreted than measures of the share of households reporting cost burdens for the following reasons:

- It implicitly assumes that rentals affordable at 30 percent of income are considered affordable by all those who might rent them.
- It implies that all the units below an income threshold are affordable to all households below those thresholds.

⁶ *Measuring The Nation's Rental Housing Affordability Problem*, Joint Center For Housing Studies, Harvard University (June 2005), p. 40.



- It does not take into account the location of “affordable” rentals and whether these align with the location of households that might “demand” them want to live.
- As one moves up the income distribution, results are harder to interpret meaningfully (e.g., what is the meaning of a “gap” between the number of rentals “affordable” to households earning between 80 and 100 percent of area median income and the number of these households when they can, by definition, afford all the rentals below the lower threshold cutoff?)

In the **housing wage approach**, the rent of a standard, modest quality rental with either one or two bedrooms in an area is compared to the multiples of full-time minimum wage work it would take to afford (at 30 percent of income) that apartment. The rent standard commonly used is HUD’s fair market rent (FMR).⁷ As stated in the *Measuring The Nation’s Rental Housing Affordability Problem* report, this approach “provides a simple way to convey what turns out to be a consistent problem across all measured geographies – in every metro area it takes more than one full-time minimum wage job to afford a unit somewhat below the middle of the rent distribution.” The National Low Income Housing Coalition (NLIHC) produced a 2004 report that showed that in no state is minimum-wage full-time work sufficient to afford the FMR for a two-bedroom apartment.⁸

In the **median ratios comparison approach**, a ratio is formed between the rent at some point in a rent distribution and the corresponding point in an income distribution. Most commonly, the median rent in an area is compared to the median household income in the same area. In this example, the share of income that the median household would have to spend to rent a median rental is used as a measure of how unaffordable the housing stock is in a particular market to households in that market.

While this approach provides a quick summary of the housing-income situation (and may be most useful when comparing different areas to each other), it’s major drawback is that, like the supply-demand mismatch approach and the housing wage approach, it takes a criterion household and compares it to a criterion rent instead of comparing what individual households are actually spending for their housing.

The **residual income approach** examines the absolute amount of income left over after housing expenses, rather than the share of income allocated to housing, to identify affordability problems. This approach focuses on the proportion of households most harmed by high housing costs, and classifies households with too little income left over to meet basic needs as “shelter poor.” This approach has several shortcomings, including potentially understating the affordability problems of larger households and those with children who may face additional necessary expenses.

⁷ HUD’s FMR standard is typically the 40th percentile rent of recently rented apartments within an entire metropolitan area or of non-metropolitan areas of a state. It is estimated using a random-digit dialing survey.

⁸ *Out of Reach 2003: America’s Housing Wage Climbs*, National Low Income Housing Coalition. 2004.



When discussing housing affordability and notwithstanding the caveats discussed above, this Housing Element primarily uses the housing costs burden concept from the **share of income approach** for three reasons: 1) HCD requires a cost burden analysis; 2) it is a straightforward and easily understood measure; and 3) the data is readily available. However, we have supplemented the cost burden analysis with data regarding FMRs and local income levels.

Housing Cost Burdens

The HCD Housing Element Review Worksheet calls for an analysis of the proportion of “lower income” households “overpaying for housing.” Lower-income households are defined as those that earn 80 percent or less of the area median income. This is a share of income approach to measure housing affordability in terms of the percentage of income that a household spends on its housing.

An assessment of housing cost burdens requires that information about household size be combined with information on household income for each household individually. HUD creates a special Census tabulation for use in Consolidated Plans.⁹ The data in this section uses this Comprehensive Housing Affordability Strategy (CHAS) data from HUD’s State of the Cities Data Systems (SOCDS) website.

A “moderate cost burden” is defined by HUD as gross housing costs between 31 and 50 percent of gross income. A “severe cost burden” is defined as gross housing costs exceeding 50 percent of gross income. For renters, gross housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Income groups are shown in the SOCDS CHAS tabulation based on the HUD-adjusted area median family income (HAMFI). In 1974, Congress defined “low-income” and “very low-income” for HUD rental programs as incomes not exceeding 80 and 50 percent, respectively, of the area median family income, as adjusted by HUD.¹⁰

Table 20 shows the CHAS special tabulation data from the 2005-2009 American Community Survey regarding the percentage of households with a moderate housing cost burden (greater than 30 percent) and severe cost burden (greater than 50 percent) by income group and tenure for unincorporated and incorporated Placer County and California. As shown in the table, 38.7

⁹ The Comprehensive Housing Affordability Strategy (CHAS) data file is a detailed tabulation of the Decennial Census sponsored by HUD. It includes extensive data on a variety of physical and financial housing characteristics and needs categorized by HUD-defined income limits (30, 50, and 80 percent of area median income) and HUD-specified household types. As with the long form in the Decennial Census, CHAS indicators are estimates based on a sample of households. These “special tabulation” data are used by local governments for housing planning as part of the Consolidated Planning process and by HUD for various allocation formulas to distribute funds to localities.

¹⁰ Statutory adjustments now include upper and lower caps for areas with low or high ratios of housing costs to income and, for each non-metropolitan county, a lower cap equal to its state’s non-metropolitan average. Estimates of the median family income and the official income cutoffs for each metropolitan area and non-metropolitan county are based on the most recent Decennial Census results and updated each year by HUD. Each base income cutoff is assumed to apply to a household of four, and official cutoffs are further adjusted by household size: one person, 70 percent of base; two persons, 80 percent; three persons, 90 percent; five persons, 108 percent; six persons, 116 percent; etc.



percent of all households in the unincorporated county and 32.2 percent of all households in the incorporated county had a moderate housing cost burden in 2009. These percentages are lower than the percentage of households in California with a moderate housing cost burden of 44.8 percent in 2009. As would be expected, housing cost burdens were more severe for households with lower incomes. Among lower-income households (incomes less than or equal to 80 percent of the area median income), 63.9 percent of households in the unincorporated county had a moderate housing cost burden in 2009 compared to just 26.9 percent of non-lower-income households. The percentage of lower-income households with a moderate housing cost burden in the unincorporated county is slightly lower than that for California (7.07 percent).

Housing cost burden was generally higher among renter households. For example, 48.3 percent of all renter households paid 30 percent or more of their monthly incomes for housing costs in unincorporated Placer County in 2009, compared to 36.5 percent of all owner households. However, while the percentage of renters that experienced moderate cost burdens was higher than the percentage of owners, in absolute numbers the number of renters with housing cost burdens was lower than the number of owners with cost burdens in the unincorporated county: 3,725 renter households compared to 11,915 owner households when combining all income groups.

Table 21 shows housing cost burden information for unincorporated Placer County for 2000 by household type, tenure, and income group. Comparable data was not available from the 2005-2009 HUD CHAS. The low-income household types with the largest numbers of households with a housing cost burden greater than 30 percent, are “small related” owner households and elderly owners. However, these are also the two household types with the largest number of households, and the percentages of these households with a moderate and severe housing cost burden are relatively low. 59.2 percent of elderly renters had a moderate housing cost burden and 35.5 percent had a severe housing cost burden; however, elderly renter households make up only 5.7 percent of all households. The information in this table regarding senior and large households is addressed in more detail in the Special Needs Housing section of this report.



**TABLE 20
HOUSING COST BURDEN BY HOUSEHOLD INCOME CLASSIFICATION
Placer County and California
2009**

	Unincorporated Placer County			Incorporated Placer County			California		
	Owners	Renters	Total	Owners	Renters	Total	Owners	Renters	Total
Household Income <= 80% MFI									
Total Households	8,405	4,515	12,920	12,350	13,150	25,500	2,004,345	3,031,970	5,036,315
Number w/ cost burden > 30%	5,100	3,155	8,255	8,085	10,445	18,530	1,291,170	2,267,030	3,558,200
Percent w/ cost burden > 30%	60.7%	69.9%	63.9%	65.5%	79.4%	72.7%	64.4%	74.8%	70.7%
Number w/ cost burden > 50%	3,095	1,715	4,810	5,445	5,070	10,515	871,250	1,277,135	2,148,385
Percent w/ cost burden > 50%	36.8%	38.0%	37.2%	44.1%	38.6%	41.2%	43.5%	42.1%	42.7%
Household Income > 80% MFI									
Total Households	24,270	3,190	27,460	47,025	11,595	58,620	5,016,355	2,013,955	7,030,310
Number w/ cost burden > 30%	6,815	570	7,385	14,990	1,690	16,680	1,586,600	283,585	1,870,185
Percent w/ cost burden > 30%	28.1%	17.9%	26.9%	31.9%	14.6%	28.5%	31.6%	14.1%	26.6%
Number w/ cost burden > 50%	2,290	115	2,405	3,085	95	3,180	391,445	23,130	414,575
Percent w/ cost burden > 50%	9.4%	3.6%	8.8%	6.6%	0.8%	5.4%	7.8%	1.1%	5.9%
Total Households									
Total Households	32,675	7,705	40,380	84,445	24,860	109,305	7,061,430	5,125,760	12,127,190
Number w/ cost burden > 30%	11,915	3,725	15,640	23,075	12,135	35,210	2,877,770	2,550,615	5,428,385
Percent w/ cost burden > 30%	36.5%	48.3%	38.7%	27.3%	48.8%	32.2%	40.8%	49.8%	44.8%
Number w/ cost burden > 50%	5,385	1,830	7,215	8,530	5,165	13,695	1,262,695	1,300,265	2,562,960
Percent w/ cost burden > 50%	16.5%	23.8%	17.9%	10.1%	20.8%	12.5%	17.9%	25.4%	21.1%

Source: HUD SOCDs, Comprehensive Housing Affordability Strategy (CHAS) database, 2005-2009



TABLE 21
HOUSING COST BURDEN BY HOUSEHOLD TYPE & INCOME CLASSIFICATION
Unincorporated Placer County
2000

	Owners					Renters					Total
	Elderly (1 & 2)	Small Related (2 to 4)	Large Related (5 or more)	All Other	Total House- holds	Elderly (1 & 2)	Small Related (2 to 4)	Large Related (5 or more)	All Other	Total House- holds	
Household Income <= 80% MFI											
Total Households	3,492	1,945	433	1,040	6,910	622	1,652	330	1,493	4,097	11,007
Number w/ cost burden > 30%	1,524	1,294	298	689	3,808	368	983	181	970	2,506	6,313
Percent w/ cost burden > 30%	43.6%	66.5%	68.8%	66.2%	55.1%	59.2%	59.5%	54.8%	65.0%	61.2%	57.4%
Number w/ cost burden > 50%	775	950	176	497	2,398	221	447	42	437	1,151	3,550
Percent w/ cost burden > 50%	22.2%	48.9%	40.6%	47.8%	34.7%	35.5%	27.1%	12.7%	29.3%	28.1%	32.2%
Household Income > 80% MFI											
Total Households	4,804	12,963	2,485	2,353	22,605	302	1,554	468	1,246	3,570	26,175
Number w/ cost burden > 30%	738	2,907	599	678	4,907	30	170	30	88	321	5,229
Percent w/ cost burden > 30%	15.4%	22.4%	24.1%	28.8%	21.7%	10.0%	10.9%	6.4%	7.1%	9.0%	20.0%
Number w/ cost burden > 50%	210	492	101	160	959	14	1	0	8	28	987
Percent w/ cost burden > 50%	4.4%	3.8%	4.1%	6.8%	4.2%	4.6%	0.1%	0.0%	0.6%	0.8%	3.8%
Total Households											
Total Households	8,296	14,908	2,918	3,393	29,515	924	3,206	798	2,739	7,667	37,182
Number w/ cost burden > 30%	2,261	4,201	897	1,368	8,715	399	1,153	211	1,058	2,827	11,542
Percent w/ cost burden > 30%	27.3%	28.2%	30.7%	40.3%	29.5%	43.1%	36.0%	26.4%	38.6%	36.9%	31.0%
Number w/ cost burden > 50%	985	1,443	277	657	3,357	234	448	42	445	1,179	4,536
Percent w/ cost burden > 50%	11.9%	9.7%	9.5%	19.4%	11.4%	25.4%	14.0%	5.3%	16.2%	15.4%	12.2%

Source: HUD SOCDs, Comprehensive Housing Affordability Strategy (CHAS) database, 2000



Ability to Pay for Housing

The following section compares 2012 income levels and ability to pay for housing with actual housing costs. Housing is classified as “affordable” if households do not pay more than 30 percent of income for payment of rent (including a monthly allowance for water, gas, and electricity) or monthly homeownership costs (including mortgage payments, taxes, and insurance). Since above moderate-income households do not generally have problems in locating affordable units, affordable units are frequently defined as those reasonably priced for households that are low- to moderate-income. The list below shows the definition of housing income limits as they are applied to housing units in Placer County.

- **Extremely Low-Income Unit:** affordable to households whose combined income is between the floor set at the minimum Supplemental Security Income (SSI) and 30 percent of the median income for Placer County as established by the U.S. Department of Housing and Urban Development (HUD) for the Sacramento Primary Metropolitan Statistical Area (PMSA) which consists of El Dorado, Placer and Sacramento Counties.
- **Very Low-Income Unit:** affordable to households whose combined income is at or lower than 50 percent of the median income as established by HUD for the Sacramento PMSA.
- **Low-Income Unit:** affordable to a household whose combined income is at or between 51 percent to 80 percent of the median income as established by HUD for the Sacramento PMSA.
- **Median-Income Unit:** affordable to a household whose combined income is at or between 81 percent and 100 percent of the median income as established by HUD for the Sacramento PMSA. Note that the California Department of Housing and Community Development (HCD) defines the median income at 100 percent.
- **Moderate-Income Unit:** affordable to a household whose combined income is at or between 101 percent to 120 percent of the median income as established by HUD for the Sacramento PMSA.
- **Above Moderate-Income Unit:** affordable to a household whose combined income is above 120 percent of the median income as established by HUD for the Sacramento PMSA.

According to HUD, the median family income for a four-person household in the Sacramento PMSA was \$76,100 in 2012. Income limits for larger or smaller households were higher or lower, respectively, and are calculated by formula by HUD (See Table 22).



**TABLE 22
INCOME LIMITS
Placer County
2012**

Income Categories	Persons per Household					
	1	2	3	4	5	6
Extremely Low-Income	\$16,000	\$18,300	\$20,600	\$22,850	\$24,700	\$26,550
Very Low-Income	\$26,650	\$30,450	\$34,250	\$38,050	\$41,100	\$44,150
Low-Income	\$42,650	\$48,750	\$54,850	\$60,900	\$65,800	\$70,650
Median-Income	\$53,287	\$60,947	\$68,607	\$76,100	\$82,261	\$88,423
Moderate-Income	\$63,960	\$73,080	\$82,200	\$91,320	\$98,640	\$105,960

Source: California Department of Housing and Community Development, 2012

Table 23 shows the 2012 HUD household income limits for Placer County by number of persons in the household for the income categories discussed above. The table also shows maximum affordable monthly rents and maximum affordable purchase prices for homes. For example, a three-person household was classified as low-income (80 percent of median) with an annual income of up to \$54,850 in 2012. A household with this income could afford to pay a monthly gross rent (including utilities) of up to \$1,371 or to purchase a house priced at \$225,051 or below.

Table 24 shows HUD-defined fair market rent levels (FMR) for Placer County in 2013. In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.¹¹ HUD uses FMRs for a variety of purposes: FMRs determine the eligibility of rental housing units for the Section 8 Housing Assistance Payments program; Section 8 Rental Certificate program participants cannot rent units whose rents exceed the FMRs; and FMRs also serve as the payment standard used to calculate subsidies under the Rental Voucher program.

As stated above, a three-person household classified as low-income (80 percent of median) with an annual income of up to \$54,850 could afford to pay \$1,371 monthly gross rent (including utilities). The 2013 FMR for a two-bedroom unit in Placer County was \$1,073. Therefore, a low-income household at the top of the income range could afford to rent a unit at the FMR level, assuming that such a unit is available for rent. However, a three-person household classified as very low-income (50 percent of median) with an annual income of up to \$34,250 could afford to pay only \$856 for monthly gross rent. This household could not afford the FMR rent of \$1,073 for a two-bedroom unit, but could afford the FMR rent of \$855 for a one-bedroom unit. Households with incomes below 50 percent of median would have even less income to spend on rent.

¹¹ According to HUD, “the level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). Public housing units and units less than 2 years old are excluded.”



**TABLE 23
ABILITY TO PAY FOR HOUSING BASED ON HUD INCOME LIMITS
Placer County*
2012**

Extremely Low-Income Households at 30% of 2012 Median Family Income						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$16,000	\$18,300	\$20,600	\$22,850	\$24,700	\$26,550
Max. Monthly Gross Rent ¹	\$400	\$458	\$515	\$571	\$618	\$664
Max. Purchase Price ²	\$65,649	\$75,086	\$84,523	\$93,754	\$101,345	\$108,936
Very Low-Income Households at 50% of 2012 Median Family Income						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$26,650	\$30,450	\$34,250	\$38,050	\$41,100	\$44,150
Max. Monthly Gross Rent ¹	\$666	\$761	\$856	\$951	\$1,028	\$1,104
Max. Purchase Price ²	\$109,346	\$124,937	\$140,529	\$156,120	\$168,635	\$181,149
Low-Income Households at 80% of 2012 Median Family Income						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$42,650	\$48,750	\$54,850	\$60,900	\$65,800	\$70,650
Max. Monthly Gross Rent ¹	\$1,066	\$1,219	\$1,371	\$1,523	\$1,645	\$1,766
Max. Purchase Price ²	\$174,994	\$200,023	\$225,051	\$249,875	\$269,980	\$289,879
Moderate-Income Households						
Median-Income Households at 100% of 2012 Median Family Income						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$53,287	\$60,947	\$68,607	\$76,100	\$82,261	\$88,423
Max. Monthly Gross Rent ¹	\$1,332	\$1,524	\$1,715	\$1,903	\$2,057	\$2,211
Max. Purchase Price ²	\$218,638	\$250,068	\$281,497	\$312,241	\$337,520	\$362,803
Moderate-Income Households at 120% of 2012 Median Family Income						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Number of Persons	1	2	3	4	5	6
Income Level	\$63,960	\$73,080	\$82,200	\$91,320	\$98,640	\$105,960
Max. Monthly Gross Rent ¹	\$1,599	\$1,827	\$2,055	\$2,283	\$2,466	\$2,649
Max. Purchase Price ²	\$262,430	\$299,850	\$337,269	\$374,689	\$404,723	\$434,758

Notes:

* Based on the Sacramento MSA (El Dorado, Placer and Sacramento Counties); FY 2012 Median Family Income: \$76,100; HUD FY 2012 Section 8 Income Limits.

¹ Assumes that 30% of income is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance

² Assumes 95% loan @ 4.5% annual interest rate and 30 year term; assumes taxes, mortgage insurance, and homeowners insurance account for 21% of total monthly payments

Sources: HUD FY 2012 Placer County Income Limits (December 1, 2011); and Mintier Harnish.