

March 2007

MANUFACTURED HOUSING COMES OF AGE

By Steve Sanders

Figuring out how to make housing in California more affordable can be a puzzle for home-seekers and local officials. Increasingly, manufactured housing is becoming an important part of that puzzle's solution, as more cities and buyers invest in factory-built homes. **For more, see Page 7.**



MANUFACTURED HOUSING DEVELOPMENT UNVEILED IN ESCONDIDO

Brotherton Square First of its Kind in San Diego County

By Brian Heaton

The perception of "manufactured housing" has come a long way in recent years. Once referring to simple trailers and mobile homes, the term now applies to factory-built, full-size houses that look virtually the same as any other home in a neighborhood.

In Escondido, not only has the city approved the use of this type of housing, it will be the only municipality in San Diego County to have a community created entirely with manufactured homes. **For more, see Page 6.**



LAS BRISAS HELPS REVITALIZE SOUTH LOS ANGELES

Once a home to a blighted old smokehouse and alley, the property at 87th and Main Streets in South Los Angeles now stands as a sparkling new community for 66 families. **For more, see Page 8.**

**WANT DETAILS
ON HOUSING BILLS?**

Visit the League of California Cities website at www.cacities.org/billsearch.

IN THIS ISSUE:

- Page 2 HOUSING IN THE NEWS
- Page 3 COMPLIANCE MONITORING – A CRITICAL COMPONENT OF AFFORDABLE HOUSING
- Page 4 GETTING TO YIMBY
- Page 9 UPCOMING HOUSING FORUMS
- Page 10 ABOUT *FOCUS ON HOUSING*

HOUSING IN THE NEWS

New Housing Planned for Ventura

A 179-home project was approved by the Ventura City Council last month, which will include 60 affordable apartments and 60 townhomes priced for entry-level buyers.

The City Council voted unanimously in support of Citrus Place, which will also contain 59 single-family homes to be sold at market rates. The development will be constructed on undeveloped land just outside city limits, which will be annexed for the project. In a separate vote, the City Council also approved giving \$3 million in city affordable housing funds to assist in the construction of the 60 affordable units.

Alameda County Tackles Chronic Homelessness

Alameda County has unveiled the EveryOne Home plan, a strategy to end homelessness in the county within the next 15 years.

Under the plan, several public officials and private organizations will strive to build 15,000 housing units for the homeless, complete with support services for issues they may face. The cost is estimated at \$2.1 billion, which will be funded from an array of sources.

Woodland Awarded \$1.25 Million for Affordable Housing

The city of Woodland has received a \$1.25 million loan from the California Housing Finance Agency (CalHFA)'s HELP program to purchase an affordable housing complex for seniors.

The loan will be combined with other funds to renovate the Fair Plaza East Apartments, at a cost of \$6 million. The development consists of 68 affordable rental units for seniors with incomes between 50-60 percent of the area's median income.

\$1.5 Million Expected for Davis Development

The city of Davis is expecting approximately \$1.5 million for development projects, thanks to funds from the Community Development Block Grant (CDBG) and Housing Opportunities Made Equal (HOME).

Approximately \$900,000 is expected from CDBG, with 20 percent of the funds to be reserved for fair housing activities in the city. Ten percent of the HOME funds (roughly \$500,000 is expected) can also be set-aside for that same purpose.

Pasadena Backs Affordable Housing/Art Center Plan

The Pasadena City Council approved a hybrid affordable, self-help housing project/art and education center project last month. The project will be worked on jointly by the San Gabriel Valley Habitat for Humanity, the Arroyo Seco Foundation and the California Art Club.

A 5.1-acre site that formerly served as the Desiderio Army Reserve Center will be the location for the undertaking. Overall, the project will consist of nine affordable houses. A full proposal will go before the city's planning commission and city council in April.

El Dorado County to Review Affordable Housing Plan

A plan to build a 70-unit affordable apartment complex in El Dorado County will be discussed by the county's board of supervisors in March.

If approved, the apartments would be built on a 6.97-acre site south of Highway 50 and west of Placerville. It would include seven two- and three-story buildings, offering one- to four-bedroom units.

Continued on Page 3

Folsom Acquiring Land to Host Transitional Housing for the Homeless

The Folsom City Council voted to spend up to \$1.4 million to acquire a site that will be home to a transitional housing facility.

Powerhose Ministries, the group behind the proposed facility, would like to use the property located at 1301 Bidwell Street in Folsom, which is currently being used as a church. The initial project would be for a 20-bed facility, with the ability to expand in the future.

COMPLIANCE MONITORING – A CRITICAL COMPONENT OF AFFORDABLE HOUSING

Compliance monitoring is an often-forgotten, but vital part of the affordable housing effort in California. As cities struggle to increase the affordable housing stock in the face of rising land and construction costs, city officials and developers rely on a number of federal, state and local programs to reduce the costs associated with building affordable housing.


Many of these programs contain affordability restrictions and require monitoring that can range from 30 to 55 years – a difficult task. But thanks to California Communities, a service is available to provide compliance services to support local affordable housing programs for agencies that do not have the resources and technical capabilities required to perform compliance monitoring.

U.S. Communities Compliance Services is a part of California Communities, a joint powers authority sponsored by the League of California Cities and California State Association of Counties (CSAC). U.S. Communities can provide compliance services to support local affordable housing programs. U.S. Communities also has custom software to assist cities and counties that wish to manage their own affordable housing compliance requirements.

Compliance monitoring consists of reviewing and analyzing regular reports from the owner as well as periodic site visits to audit tenant files and perform a physical inspection. Since compliance monitoring is detailed and can be quite technical, it is helpful for the compliance manager to have a nationally recognized certification in affordable housing compliance.

The required monthly or quarterly reports can add up to a lot of paperwork and dedicated time and resources for a public agency. It is important for the public agency to have a well organized and dependable system to track, analyze and file the reports.

Continued on Page 4



AN EXCELLENT RESOURCE FOR PLANNING COMMISSIONERS

The *Planning Commissioner's Handbook* describes the tools available for planning commissioners and others to assist in reaching the community's goal of quality planning. It is an excellent reference for new and long-term commissioners and planners.

The *Planning Commissioner's Handbook* is available from the League for \$35 for city officials and \$55 for non-city officials, plus shipping and handling. Order online through CityBooks at www.cacities.org/store or call (916) 658-8257.

Performing the compliance review will significantly improve the quality of the housing project and ensure the required units are truly being rented to deserving low-income individuals. Moreover, if tax-exempt revenue bonds were used as a funding source, proper compliance monitoring will help to ensure the property remains affordable in the face of an Internal Revenue Service (IRS) audit.

If the property is selected for an audit, the IRS will require the issuer to provide copies of the compliance reports as well as the issuer's analysis. It is important for local agencies to support affordable housing in their communities, but it is equally important for the public agency to be aware of the requirements for compliance monitoring that come along with the programs that fund it.

For further information on U.S. Communities Compliance Services, contact Lorna Henri at lhenri@cacommunities.org, or visit www.housingcompliance.org.

GETTING TO YIMBY –

A Column by Steve Sanders of the Institute for Local Government

California is growing. In recent times, the state's population has expanded by approximately 500,000 each year. That's like adding a new city the size of Oakland or Sacramento every 10 months!

One of the biggest questions facing local communities is: where are these people going to live?

Efforts to provide housing that accommodates this growth are often controversial. For a variety of reasons – fear, uncertainty, lack of information, misconceptions about affordable housing – residents may resist the development of new housing in their neighborhood. When proposals for new housing create disputes, local officials are caught in the middle.

To help local leaders address the concerns that residents may have, the Institute for Local Government (with support from the Bank of America Foundation) is preparing a new publication called *Yes In My Back Yard: A Guide for California Officials*. The publication is slated for release later this spring.

In our research, ILG has identified four key principles of local leadership that are vital to successfully resolving community concerns over housing:

- Understanding the Issues
- Engaging the Public and Building Trust
- Addressing Legitimate Community Concerns
- Following Through on Plans and Commitments

“Understanding the Issues” includes understanding the context and the proposal. What is the housing situation in the community? What is the history of past efforts or proposals for housing? What is being proposed? Who is proposing the project and what is their track record? Is there

Continued on Page 6

League Mission

Restore and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

YIMBY from page 4

any flexibility to negotiate changes or attach conditions to mitigate impacts?

Understanding the stakeholders is also important. Who will be served by the project or plan? What communities – geographic, social, cultural, or economic – will be affected? Who are the neighbors and what are their concerns? Who are the leaders?

What are the community's fears, doubts or hopes? Are they concerned that property values will fall or the neighborhood will become blighted? Do they fear that traffic will increase or schools become over-crowded? Are they worried about gentrification, that rising costs will displace existing residents? Do they doubt that new housing will fit with the neighborhood's current character or design? All these concerns must be understood if they are to be addressed.

"Engaging the Public and Building Trust" is the second key principle. This often means going beyond the legally required formal process for considering local land use decisions. A wealth of tools and techniques are available to help local officials deal with the uncertainty, ambiguity, and fears that can stand in the way of a healthy community dialogue and debate, one that builds trust between residents and local officials.

The third key principle is to "Address Legitimate Community Concerns" to the furthest extent possible. If the housing proposal is properly understood, including its potential impacts and the community has been engaged through an open, informative and impartial process, then legitimate concerns can rise to the fore, leaving fears and prejudices behind.

There is a wide array of measures that can address legitimate community concerns about design and density; safety and security; public facilities and services; community costs, benefits and impacts; or natural resources and the environment. Focusing public attention on how best to address these issues moves the discussion in a direction where community trust and acceptance

can be built and problems can be resolved.

The fourth principle is to "Follow Through on Plans and Commitments." Typically, conflicts over housing reach a crescendo at the final city council hearing, and then recede as people's energy and attention moves elsewhere. But to create a receptive environment to housing over the longer term, it is important that plans are carried out and commitments to the community are kept.

Ultimately, this is the responsibility of local officials. If they carry it out well, chances are the next housing proposal to come along will meet with greater community acceptance, and even support. And that makes life better for everyone.

Editor's Note: If you have examples that may be of interest to the Institute for Local Government as it conducts research for "Yes In My Back Yard: A Guide for California Officials," please contact Steve Sanders at ssanders@cacities.org.

Looking for California's Best to Fill a Position in Your City?

Western City magazine's job opportunity section is *the* source for job seekers looking for positions in local government. According to our reader survey, the job opportunity section is the best read section of our magazine!

When you place an ad in *Western City* magazine, it will be posted at no additional charge on our website, which receives over 80,000 hits per month.

Call to place your recruitment ad today!

We Have What You Need

(800) 262-1801 or visit our website at www.westerncity.com



A manufactured home nearly installed in Brotherton Square.

Called Brotherton Square, the community is being developed by the Trinity Housing Group of Del Mar (Trinity). It features 22 two-story homes, all built off-site by Silvercrest Western Homes Corporation (Silvercrest). Constructed at the manufacturer's Corona location, the homes will be transported to the site and installed on their own foundations. For each house, the process takes approximately 90 minutes.

According to Trinity President Steve Kuptz, from site turnover to completion the entire project will take approximately five months, roughly three to four months faster than a traditional home development. In addition, the reduced construction costs are a significant advantage of the project.

“At the end of the day, there is a \$10 per square foot savings, and an overall \$10,000-\$15,000 savings on each home,” Kuptz said. “There is also cost certainty. I don't have to worry about the general contractor coming to me about prices going up. All of that is factored into the contract.”

Other benefits over traditional stick-built homes include greater delivery and construction certainty, better site management and safety, and minimal on-site storage needs. It's the quality of the homes, however, which really stands out.

“Silvercrest gives a seven-year warranty,” Kuptz revealed. “A typical home gets just a one-year [warranty] and the quality is every bit as good as stick-built homes.”

Workforce Affordability a Priority

Available to first-time homebuyers who qualify for low- and moderate-income housing, Brotherton Square features homes ranging in size from 1,160 to 1,420 square feet. Five of the homes are reserved for those families earning 80 percent or less of the area median income (AMI). The other homes are set-aside for families making 120 percent or less of the AMI.

Along with income requirements, potential



Workers attach the second level of a manufactured home in Brotherton Square.

buyers must have lived or worked in Escondido for at least a year. It's a step the city felt was important to maintain its workforce and to give established residents of Escondido the first shot at owning a home in this unique development.

“A lot of workers can't afford to live [in the city] without doubling up or sharing,” said Beverly Peterka, Escondido's housing division manager. “There is not enough affordable housing. Our city council thought it would give families that live here a chance to move into their own single-family homes.”

Challenges

Continued on Page 7

The location revives an area once highly trafficked in the early 1970s that had become blighted. Located at Brotherton Road and South Escondido Boulevard in Escondido, the site previously served as home for the Penny Lodge Motel.

“The motel was a problem property for the city,” Peterka explained. “We knew it was right for redevelopment and with adjacent housing there, it was a great fit for homebuyer opportunities.”

Once the property was acquired and rezoned, the challenge arose to adapt the manufactured homes for high density. The challenge was overcome, as Silvercrest modified the homes and were able to place them on small, single lots, with a nine-inch airspace in-between, making efficient use of the property.

Marketing, however, remains the greatest challenge for Brotherton Square. Out of the 22 homes being constructed, at press time, only five of the homes were sold, with another two in escrow. Kuptz estimates Brotherton Square should be fully complete by mid-May, and a model home is already open at the site.

“People want to see what it looks like first,” admitted Kuptz. “As soon as you say ‘manufactured home,’ people think it’s a trailer. It’s one thing to say it; it’s another to actually see it.”



For information on housing issues, visit the Housing Resource Center at www.cacities.org/hrc.

Driven in part by high housing costs, California is experiencing an upsurge of manufactured housing development. Using standardized designs and state-of-the-art materials and fabrication processes, manufactured homes cost of fraction of what on-site “stick-built” homes cost to build.

In many cases, entire new subdivisions are being built specifically for manufactured homes, designed to be indistinguishable from neighborhoods of traditional homes. Manufactured houses are also used on infill development sites, filling vacant holes in existing neighborhoods.

Just what is a manufactured home? Many people have an outmoded image, based on old-style trailer parks. In fact, manufactured homes are just one form of prefabricated housing. The Institute for Local Government’s Housing Resource Center Web site describes four types of prefabricated housing:

- **Manufactured Home.** A manufactured home is a structure built in a factory and transported as a complete unit. Manufactured homes are constructed to the National Manufactured Housing Construction and Safety Standards (HUD Code). These “HUD-code homes” may be placed on non-permanent foundations and retain personal property form of title, or they may be permanently affixed to a foundation to be converted to real property.
- **Mobile Home.** The term “mobile home” is often inaccurately used interchangeably with manufactured home. Technically, the term mobile home only applies to factory-built homes produced prior to the introduction of the HUD Code.
- **Modular Home.** Modular homes are constructed to applicable local or state building codes. For purposes of building code compliance, modular housing is equivalent to “stick-built” housing. All modular homes that are placed on foundations become real property.

Continued on Page 8

MFG. HOUSING from page 7

- **Panelized Home.** Panelized homes require more on-site assembly than manufactured or modular homes. Panelized homes are sold as a packaged kit, or they can be custom-made by design. Panelized homes are equivalent to “stick-built” housing.

According to Steve Hullibarger, writing in *Modern Homes Development* published by the Manufactured Housing Institute, California encourages the development of quality manufactured housing communities, with the most favorable zoning and regulatory environment in the United States for the usage of manufactured homes.

Overcoming Resistance

Over the years, some residents and local officials have been reluctant to accept manufactured housing in their communities. Concerns have ranged from worries about long-term maintenance and upkeep, impacts on property values, issues of design compatibility and neighborhood character. These are not insurmountable problems, however.

According to *The Practice of Local Government Planning*, Third Edition, 2000, by the American Planning Institute:

“Developers of manufactured housing have worked hard to overcome the stigma by paying special attention to good site design, amenities, and community facilities ... Roof pitches are increasing and eave overhangs are becoming more common, giving the units a more conventional look and feel ... Large, luxurious designer bathrooms are now common, along with bigger kitchens and family rooms. Manufactured housing now offers new families an affordable home ownership opportunity.”

Prefabricated housing has come of age, with some of the most modern, innovative and exciting housing designs anywhere, as a quick glance at the 16 entries highlighted in the Dwell Home

Design Invitational will attest – www.thedwellhome.com. With appealing designs, efficient fabrication techniques, and modern materials, it seems clear that the future for manufactured homes, as well as for other types of prefabricated housing, is bright and bound to get brighter. That’s good news for everyone who wants to help solve the puzzle of affordable housing in California.

LAS BRISAS from page 1

Opened on November 4, 2006, Las Brisas Family Apartments includes two four-story buildings designed around a courtyard, with a mix of two-, three-, and four-bedroom units. Located



The site of Las Brisas before redevelopment.

close to parks and schools, amenities at Las Brisas include a clubhouse, tot lot, open green space, and a subterranean parking garage.

Los Angeles City Council Member Bernard Parks (District 8) attended the development’s grand opening, calling Las Brisas a project that would help to lose the stigma of living in South Los Angeles.

Continued on Page 9



Las Brisas after redevelopment.

Developed by AMCAL Enterprises, Inc., the project cost a total of \$14.13 million, and is 100 percent affordable. Thirty-three of the units are set-aside for those families making 50 percent or less of the area median income (AMI), while the other units are also affordable, available for those making 30, 40, and 60 percent AMI.

Las Brisas: At a Glance

- Developer:** AMCAL Enterprises, Inc.
- General Partner:** AMCAL Multi-Housing, Inc.
- Non-Profit Partner:** Las Palmas Foundation
- Contractor:** AMCAL General Contractors
- Architect:** Van Tilburg, Banvard & Soderbergh
- Property Manager:** Solari Enterprises
- Total Cost:** \$14.13 million

Unit Mix:

- Thirty-one (31) two-bedroom (815 sq.ft.)
- Fourteen (14) three-bedroom (1,070 sq.ft.)
- Twenty-one (21) four-bedroom (1,275 sq.ft.)

Affordability:

- Seven (7) units – 30 percent AMI
- Seven (7) units – 40 percent AMI
- Thirty-three (33) units – 50 percent AMI
- Eighteen (18) units – 60 percent AMI

February 28-March 3 – California Redevelopment Association Annual Conference & Expo – Long Beach

The California Redevelopment Association (CRA) is holding its 2007 Annual Conference & Expo from February 28-March 3 at the Hyatt Regency & Long Beach Convention Center, in Long Beach.

Breakout sessions include updates on eminent domain, manufactured housing, neighborhood revitalization, and much more! To register, visit www.calredevelop.org. The cost for the full event registration is \$465 for CRA members and \$615 for non-members.

March 21-23 - League of California Cities Planners Institute - San Diego

The League of California Cities' Planners Institute will be held on March 21-23 at the Town and Country Resort & Convention Center in San Diego.

Sessions of note include those on community makeovers, housing elements and affordability, CEQA, redevelopment, group homes, community acceptance, and much more!

The cost for this event is \$490 for city officials and \$700 for all other attendees. For more information and to register, visit www.cacities.org/events.

March 28-29 – CRA Presents an Introduction to Redevelopment Seminar and Relationship and Consensus Building Workshop - Modesto

The California Redevelopment Association (CRA) is hosting two events at the DoubleTree Hotel in Modesto on March 28-29. The first, entitled "Introduction to Redevelopment Seminar" runs on both days, beginning at 9 a.m. on March 28, concluding before Noon on March 29.

Continued on Page 10

HOUSING FORUMS from page 9

The seminar is designed to provide the basics of redevelopment in a down-to-earth and understandable format. It is taught with staff and elected officials in mind who are new to the field or have little background in redevelopment.

At Noon on March 29, "Relationship and Consensus Building Workshop" begins with a luncheon, and continues until 3:30 p.m. discussing how building political and community support can facilitate redevelopment plan approvals and make redevelopment projects successful.

For more information on these events and to register, visit www.calredevelop.org.

Focus on Housing is published monthly by the League of California Cities, in support of the League goal of working to expand the supply and affordability of housing, and to engage the League membership in discussion and debate on housing policy issues.

Communications Specialist Brian Heaton (bheaton@cacities.org) serves as editor and principal writer.

To subscribe, please fill out the subscription information on the left hand panel of the newsletter. For more information, or to submit information or story ideas, please contact Brian at the e-mail address above.