



II. COMMUNITY PROFILE

A. Introduction

This section provides a profile of existing conditions, trends, and projections related to population, housing, and employment. The City of Anderson will use information on changes in household composition, age distribution, income, employment, housing conditions, housing cost, and special housing needs to create a framework for addressing Anderson’s housing needs.

B. Population and Household Characteristics

1. Population Trends

Anderson is one of three incorporated cities in Shasta County, with an estimated population of 9,333, according to the California Department of Finance. Census Bureau data showed that between 1990 and 2000, the city’s population increased by 9.2 percent, or by 761 residents (see Table II-1). During the same period, the City of Redding and Shasta County grew 22.2 percent, and 11.0 percent, respectively.

**Table II-1
Shasta County Population Growth: 1990 and 2000**

Jurisdiction	1990	2000	Numeric Change	Percent Change
	Population	Population		
Shasta County	147,036	163,256	16,220	11.0%
Anderson	8,299	9,060	761	9.2%
Redding	66,462	81,198	14,736	22.2%
Shasta Lake	Not incorporated*	9,027	--	--

Sources: U.S. Census, 1990 and 2000
* Shasta Lake was incorporated in 1993.

Long-range projections by the California Department of Finance suggest that population growth within the vicinity of Anderson (Shasta and Tehama counties) will reach nearly 40 percent between 2002 and 2020 (see Table II-2). If Anderson’s continues to grow slightly below the countywide rate, its population would reach nearly 13,000 by 2020.

**Table II-2
Population Projections: 2000 – 2020**

	2002 Population	2005 Population	2010 Population	2020 Population	% Change (2010)	% Change (2020)
Shasta County	171,100	185,700	203,500	231,000	19%	14%
Tehama County	57,300	63,400	71,500	85,100	25%	19%

Sources: California Department of Finance, Interim County Population Projections and Report E-6
(<http://www.dof.ca.gov/HTML/DEMOGRAP/P1.doc>)

Note: The population projections were prepared in 2000 and do not reflect actual population growth between 2000 and 2003.

2. Age Distribution

As individuals age, their lifestyles, household composition, living preferences, and income levels tend to change as well. For example, young adults (18-34) typically move more frequently and do not earn as much as do older adults. Young adults cannot generally afford to, or are not ready to, purchase homes and look for rental housing to meet their needs. In contrast, middle-aged residents (35-54) typically have higher earning potential and higher rates of homeownership. Residents approaching retirement age or recently retired (early 60s to mid-70s) tend to have the highest rates of homeownership. After individuals retire, many look for smaller homes on properties that are easier to maintain or for residential communities that cater specifically to their lifestyles, needs, and preferences.

Age groups that experienced that greatest percentage growth in numbers were: 18 to 24 year olds (28.7 percent), 35 to 44 year olds (18.2 percent), and 45 to 54 year olds (56.2 percent). Much of the growth in the older adult population may be due to the influx of middle-aged adults moving into the community who are preparing for retirement. The population increase in these groups could be an indication of increasing demand for more expensive housing due to the typical purchasing power of persons in this age range. If the new housing is indeed driving the population gains in the 45 to 54 year old population, the 2010 Census should show significant gains in the 55 to 64 age group.

The substantial increase in the 18 to 24 year old population could be the result of children who moved with their families to Anderson in the 1980s and 1990s have reached adulthood and in increase in college students looking for less expensive housing than in Redding.

The number of persons age 55 or more declined 9.5 percent between 1990 and 2000. This decrease suggests that, once individuals reach their mid-50s, a significant percentage have looked outside Anderson in the past for housing that meets their changing lifestyle needs. This trend may reverse over the next decade as persons in their mid-40s to mid-50s reach their 50s and 60s, assuming that residential developers in the city can accommodate the type of housing and residential environment that persons in this age group desire.

Table II-3 shows the age characteristics of Anderson residents in 1990 and 2000.

**Table II-3
Age Characteristics: 1990 and 2000**

Age Group	1990		2000		Percent Change 1990-2000
	Persons	Percent	Persons	Percent	
Preschool (<5 yrs.)	769	9.3%	812	9.0%	5.6%
5 to 17	1,955	23.6%	2,047	22.6%	4.7%
18 to 24	670	8.1%	862	9.5%	28.7%
25 to 34	1,327	16.0%	1,248	13.8%	-6.0%
35 to 44	1,137	13.7%	1,344	14.8%	18.2%
45 to 54	630	7.6%	984	10.9%	56.2%
55 to 64	623	7.5%	564	6.2%	-9.5%
65 +	1,188	14.3%	1,199	13.2%	0.9%
Total	8,299	100.0%	9,060	100.0%	9.2%

Source: U.S. Census, 1990 and 2000

3. Race and Ethnicity

Race and ethnicity may affect housing needs due to differing housing preferences and requirements associated with the household characteristics of each group. Anderson did not experience significant changes in the racial and ethnic composition of the population between 1990 and 2000. The majority of Anderson residents in 2000 were non-Hispanic White (82.2%), as shown in Table II-4. The number of individuals identifying themselves as being of either Asian/Pacific Islander or Native American decent increased significantly during the 1990s when measured in percentage change (160.6% and 64.4% respectively). These two groups represent relatively small percentages of the city's population, however.

**Table II-4
Anderson Race and Ethnicity: 1990 and 2000**

Race/Ethnicity	1990		2000		Percent Change
	Number	Percent	Number	Percent	
Race, Not of Latino/Hispanic Origin					
White, not of Hispanic origin	7,507	90.5%	7,446	82.2%	-0.8%
African American	55	0.7%	4	0.0%	-92.7%
Native American	275	3.3%	452	5.0%	64.4%
Asian or Pacific Islander	66	0.8%	172	1.9%	160.6%
Other race	0	0.0%	282	3.1%	--
Latino/Hispanic Origin	396	4.8%	704	7.8%	77.8%
Total	8,299	100.0%	9,060	100.0%	9.25

Source: U.S. Census, 1990 and 2000

4. Household Type

Household characteristics are important indicators of the type and size of housing needed in a community.¹ A significant change in household composition since 1990 is the decrease in the number of married-couple family households. The number of married-couple families with and without children declined by nearly five percent between 1990 and 2000. During the same period of time, female-headed households and non-family households increased by 25 and 12 percent respectively.

These trends suggest two housing related needs: 1) an increasing demand for smaller housing units and rental housing to accommodate the demands of younger, non-family households, and 2) a moderate increase in the demand for the senior population due to the increase in individuals in the large pre-retirement age group.

The Census Bureau indicated that 3,372 households lived in Anderson in 2000. Approximately 69 percent of those households consisted of families (related individuals), while 31 percent of households consisted of single persons or two or more unrelated individuals living together. Approximately 23 percent of all households consisted of families with children, in contrast to nearly 20 percent consisting of married couples with no children. The number of non-family households (which are typically smaller than family households) increased by 12.4 percent between 1990 and 2000.

Table II-5 shows changes in household type in 1990 and 2000 based on data from the Census Bureau.

**Table II-5
Changes in Household Type (1990 – 2000)**

Household by Type	1990	%	2000	%	% Change
Household Population					
All Households	3,104	100.0%	3,372	100.0%	8.6%
Average Household Size	2.62	--	2.64	--	0.8%
Average Family Size	3.14	--	3.14	--	0.0%
Family Households (families)	2,168	69.8%	2,320	68.8%	7.0%
Married-Couple Family	1,508	48.6%	1,435	42.6%	-4.8%
With Children	793	25.5%	775	23.0%	-2.3%
Male Householder, no spouse present	117	3.8%	203	6.0%	73.5%
With Children	67	2.2%	153	4.5%	128.4%
Female Householder, no spouse present	543	17.5%	682	20.2%	25.6%
With Children	434	14.0%	522	15.5%	20.3%
Non-family Households	936	30.2%	1,052	31.2%	12.4%
Group Quarters (Non Household Population)					
Persons in Group Quarters	87	--	115	--	32.2%

Source: 1990 and 2000 Census Bureau

¹ The Census Bureau defines a “household” as any group of people occupying a housing unit, which includes persons living alone, families (a group of related individuals), or unrelated persons who share living quarters. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

5. Household Income²

Incomes in Anderson have, historically, been less than those countywide. In 2000, the median household income in Anderson, \$24,558, was less than the countywide median income of \$34,335. Over 69 percent of renter-households in Anderson earned 80 percent or less of the countywide median household income.³ In contrast, only 35 percent of Anderson owner-households earned less than 80 percent of County-wide median household income. Homeowners had over twice the median income of renters (approximately \$33,624 for homeowners compared to approximately \$16,565 for renters). Table II-6 shows income levels in 2000.

The poverty rate is another relative measure of financial well-being. The poverty level is a federally defined measure of the minimum income needed for subsistence living. The poverty level is an important indicator of severe financial distress, and the rate of poverty in a community (proportion of the population with poverty level incomes or less) provides important information about individuals and families who have the greatest financial need. The dollar threshold for poverty is adjusted by the federal government for household size and composition, but not by region, which may skew the results.

According to the 2000 Census, approximately 28.3 percent of the city's residents lived at or below the poverty level, compared to 15.4 percent countywide. Female-headed households with children had a significantly higher poverty rate than the general population at 43.7 percent. Female-headed households with children under five years of age were the population group most likely to live in poverty — 66.4 percent of these households had poverty level incomes. By comparison, over 44.8 percent of female-headed households with children five and under had lived below the poverty level countywide. Table II-7 compares the poverty rate among population groups in Anderson.

Persons 65 years of age or more has a relatively low poverty rate of 9.5 percent. Households in this age group, although often low income, collect Social Security, retirement benefits, and other sources of income that kept the overwhelming majority of these households above the poverty level.

² Four categories are typically used to compare incomes that are based on a percentage of household median income. These categories are “very low-income,” “low-income,” “moderate-income,” and “above-moderate-income.” The median income used to define these four income categories is the Shasta County median family income (see Appendix A). These categories are used by most agencies for defining who is “low-” or “moderate-” income for participation in various government programs.

³ The Census Bureau measure of median household income is based on incomes reported by Shasta County households during 1999. This measure is not the same as HUD's median family income estimate for Shasta County, which tends to be higher and is used to calculate eligibility for various government-assisted housing programs.

**Table II-6
Household Income by Tenure**

Income	Households	% of Total
Owner occupied	1,783	100.0%
Less than \$9,999	176	9.9%
\$10,000 to \$14,999	143	8.0%
\$15,000 to \$19,999	129	7.2%
\$20,000 to \$24,999	172	9.6%
\$25,000 to \$34,999	337	18.9%
\$35,000 to \$49,999	375	21.0%
\$50,000 to \$74,999	335	18.8%
\$75,000 to \$99,999	73	4.1%
\$100,000 or more	43	2.4%
Median Income – All Owners		\$33,624
Renter occupied	1,566	100.0%
Less than \$5,000	453	18.9%
\$5,000 to \$9,999	295	18.8%
\$15,000 to \$19,999	240	15.3%
\$20,000 to \$24,999	133	8.5%
\$25,000 to \$34,999	164	10.5%
\$35,000 to \$49,999	162	10.3%
\$50,000 to \$74,999	142	9.1%
\$75,000 to \$99,999	4	0.3%
\$100,000 or more	10	0.6%
Total:	3,349	--
Median Income – All Renters		\$16,565
Median Income – All Households		\$24,558
County Median Income – All Households		\$34,335
Source: U.S. Census Bureau, 2000		

**Table II-7
Families and Individuals Below Poverty in 1999**

Household Types	Shasta		Anderson	
	# of Families	Percent	# of Families	Percent
Families	5,006	11.3%	528	22.2%
w/children under 18	3,972	9.0%	492	20.7%
w/children under 5	708	1.6%	134	5.6%
Male householder, no spouse present	516	1.2%	91	3.8%
w/children under 18	458	1.0%	34	1.4%
w/children under 5	93	0.2%	0	0.0%
Female householder, no spouse present	2,378	5.4%	289	12.2%
w/children under 18	2,138	4.8%	276	11.6%
w/children under 5	410	0.9%	87	3.7%
Individuals	24,556	15.4%	2,520	28.3%
18 and over	15,474	9.7%	1,294	14.5%
65 and over	1750	1.1%	103	1.2%

Source: U.S. Census, 2000

C. Housing Stock Characteristics

1. Housing Type

Anderson experienced a slight increase in the number of housing units between 1990 and 2000, from 3,234 to 3,577. Another 89 housing units were added to the city's housing stock between 2000 and 2002. Construction trends over the past 12 years suggest modest, but steady growth in the city. Most of the increase in the city's housing stock was due to single-family home construction, although multifamily housing units and factory-built (mobile homes) were also added to the housing stock.

Table II-8 shows the composition of the housing stock in 1990 and 2000 based on data from the Census Bureau. The data indicates a growing demand for single-family detached housing in Anderson.

**Table II-8
Changes in Anderson's Housing Stock**

Housing Type	1990		2000		% Change 1990-2000
	Number	Percent	Number	Percent	
Single Family	2,167	67.0%	2,474	69.2%	14.2%
Detached	1,905	58.9%	2,265	63.3%	18.9%
Attached	262	8.1%	209 ⁴	5.8%	-20.2%
Multi-Family	904	28.0%	931	26.0%	3.0%
2-4 Units	357	11.0%	372	10.4%	4.2%
5+ Units	547	16.9%	559	15.6%	2.2%
Mobile Homes	127	3.9%	172	4.8%	35.4%
Other Units	36	1.1%	0	0.0%	-100.0%
Total Units	3,234	100.0%	3,577	100.0%	10.6%

Source: U.S. Census 1990 and 2000

2. Tenure

The percentage of owner-occupied units in Anderson increased slightly between 1990 and 2000, to 53.2 percent. The increasing rate of homeownership is consistent with the increase in the construction of single-family homes, most of which are owner-occupied. Table II-9 compares tenure in 1990 and 2000 in Anderson.

**Table II-9
Tenure (Occupied Housing Units)**

Tenure of Units	1990		2000		% Change 1990-2000
	Number	Percent	Number	Percent	
Owner-Occupied	1,646	52.6%	1,783	53.2%	8.3%
Renter-Occupied	1,485	47.4%	1,566	46.8%	5.5%

Source: U.S. Census, 2000

⁴ The decline in the number of single-family attached units might be the result of the way individuals interpreted their 2000 Census form with regarding the definition of single-family attached versus detached homes.

Between 1990 and 2000, the number of renter-occupied single-family units in Anderson increased by 22.0 percent, while the number of owner-occupied single-family homes increased by 7.4 percent. Although the number of both renter- and owner-occupied units is increasing, it appears as though the number of single-family rental units is increasing much faster than the other housing market segments. This could be an indication of the housing prices that are out of the reach for young adults and first-time home buyers, which is discussed below.

Table II-10 compares tenure by housing unit type and shows the trend toward higher renter occupancy of single-family homes.

**Table II-10
Tenure by Units in Structure**

Housing Type	1990		2000		% Change 1990-2000
	Number	Percent	Number	Percent	
Owner-Occupied	1,646	52.6%	1,783	53.2%	8.3%
Single Family	1,513	48.3%	1,625	48.5%	7.4%
2-4 Units	8	0.3%	34	1.0%	325.0%
5+ Units	0	0.0%	0	0.0%	0.0%
Mobile Homes	120	3.8%	124	3.7%	3.3%
Other Units	5	0.2%	0	0.0%	-100.0%
Renter-Occupied	1,485	47.4%	1,566	46.8%	5.5%
Single Family	578	18.5%	705	21.1%	22.0%
2-4 Units	333	10.6%	310	9.3%	-6.9%
5+ Units	536	17.1%	516	15.4%	-3.7%
Mobile Homes	7	0.2%	35	1.0%	400.0%
Other Units	31	1.0%	0	0.0%	-100.0%
Total Units	3,131	100.0%	3,349	100.0%	7.0%

Source: U.S. Census, 1990 and 2000

Further evidence of differences in tenure among population groups is shown in Table II-11, which compares tenure by age. Younger adults represent the majority of renters, and while older adults comprise the majority of home owners. The table shows that ownership rates among householders between 45 and 64 years of age group increased significantly, more than among the other groups. The higher rates of homeownership might be a result of single-family housing construction that targeted the higher income households near retirement age. Anderson may also be an increasingly attractive affordable community for immigrants from other parts of California.

In contrast, ownership rates dropped among householders in their 20s and 30s.

**Table II-11
Tenure by Age of Householder**

Households	1990				2000			
	Own	%	Rent	%	Own	%	Rent	%
15 to 24 years	32	15.9%	169	84.1%	37	14.1%	226	85.9%
25 to 34 years	292	46.1%	342	53.9%	239	36.9%	408	63.1%
35 to 44 years	325	46.4%	376	53.6%	339	46.2%	394	53.8%
45 to 54 years	179	45.1%	218	54.9%	352	61.4%	221	38.6%
55 to 64 years	244	61.0%	156	39.0%	283	74.7%	96	25.3%
65 years and over	574	71.9%	224	28.1%	533	70.7%	221	29.3%

Source: U. S. Census, 1990 and 2000

3. Housing Vacancy

The availability and cost of housing are affected by number of homes that are vacant and ready to occupy. An extremely low vacancy rate restricts consumer choices and forces households to bid up prices/rents to compete for available housing units. A high vacancy rate will have the opposite effect, but can also cause property owners (particularly rental property owners) to reduce property maintenance and lead to deteriorating property conditions.

The vacancy rate increased for owner-occupied housing between 1990 and 2000, from 0.7 percent to 5.6 percent, but remained the same for rental housing at 3.6 percent in both 1990 and 2000. The significant increase in the owner occupancy vacancy rate may be due to single-family home construction between 1990 and 2000. The 3.6 percent vacancy rate for renter-occupied housing is below the rate (five percent) generally considered sufficient for stable rents and adequate renter choices.

Table II-12 compares vacancy rates in 1990 and 2000.

**Table II-12
Unit Vacancy and Rate**

	1990			2000		
	Units	Vacant	%	Units	Vacant	%
Total Units	3,234	103	3.2%	3,577	222	6.2%
Owner-occupied housing units	1,646	11	0.7%	1,783	99	5.6%
Renter-occupied housing units	1,485	48	3.2%	1,566	50	3.2%

Source: U.S. Census Bureau, 1990 and 2000

Note: Total vacant units include seasonal units, units awaiting occupancy, and other vacant units not available for sale or rent.

4. Overcrowding

Overcrowding is a measure of the capacity of the housing stock to adequately accommodate residents. Too many individuals living in a housing unit with inadequate space and number of rooms can result in unhealthy living arrangements and accelerated deterioration of housing. In the United States, housing providers and government agencies typically consider a household as overcrowded if there is more than one person per room or two persons per bedroom plus one additional person. Extreme overcrowding is often defined as more than 1.5 persons per room.⁵ Overcrowding can result from circumstances such as insufficient, lower cost housing with three or more bedrooms for larger families; unrelated individuals (such as students or single adult workers) sharing dwelling units due to high housing costs; two or more families or extended family members to living together to share housing expenses.

Overcrowding increase in Anderson between 1990 and 2000, from 5.9 percent (185) to 8.9 percent (299) of all households. Renters had a substantially higher rate of overcrowding than homeowners, 8.5 percent 1990 and 11.1 percent in 2000. Among homeowners, overcrowding increased from 3.6 percent of all owner-occupants to 7.0 percent in 2000. By contrast, 23.9 percent of renters and 8.6 percent of homeowners lived in overcrowded conditions statewide.

The increase in overcrowding may be due to an increase in young adults and families of Hispanic and Asian origin with lower incomes, a higher propensity of these lower-income households to live in extended families or share housing, and a low rate of construction of lower-cost rental housing units.

Table II-13 summarizes overcrowding in 2000.

**Table II-13
Overcrowding (1990 and 2000)**

Occupant	Households			
	1990	Percent	2000	Percent
Owner-occupied	1,646		1,783	
More than one person/room	59	3.6%	125	7.0%
Renter-occupied	1485		1,566	
More than one person/room	126	8.5%	174	11.1%
Total	3,131		3,349	
More than one persons per room	185	5.9%	299	8.9%

Source: U. S. Census Bureau, 1990 and 2000

⁵ According to the U.S. Census Bureau, the number of occupants per room is obtained by dividing the number of people in each occupied housing unit by the number of rooms in the unit. "Rooms" do not include bathrooms, porches, balconies, foyers, halls, or half-rooms (2000 Census Long Form Questionnaire, question #37).

5. Housing Costs

a. Housing Prices

The price of housing in Anderson has increased considerably over the past few years. In 1995, the median selling price for a home in Anderson was \$82,809 (average for the 154 units sold that year). The 2002 median selling price for a home in Anderson was \$134,756 for the 423 properties that sold during the year. The change between 1995 and 2002 equates to a 62.7 percent increase over the period (approximately a nine percent annual increase).⁶ If housing prices continue to increase, many new workers and existing residents of Anderson will not be able afford homeownership. This leads to a greater demand for rental housing in Anderson and eventually results in rent increases.

The rate of increase in home prices since the mid-1990s is much greater than indicated by the Census Bureau's report on increases in home values between 1990 and 2000 (Table II-14). The Census Bureau's measure is based on homeowners' estimate of home values rather than actual sales prices.

Although the median sales price for a home in Anderson is within the range of affordability to a household earning the median Shasta County income, the cost of a median priced home in Anderson is increasingly unaffordable to a household earning the median Anderson income (approximately \$24,558 in 2000 in the City of Anderson). As discussed in subsequent sections of this housing element, a household would need to earn roughly between \$35,000 and \$40,000 annually to purchase a home priced near the median cost for the city.

Table II-14
Single Family Owner-Occupied Home Values

Value	1990		2000		Percent Change
	# of Homes	% of Homes	# of Homes	% of Homes	
\$0-49,999	286	19.9%	32	2.1%	-88.8%
\$50,000-99,999	1,030	71.8%	1,161	74.5%	12.7%
\$100,000-149,999	74	5.2%	277	17.8%	274.3%
\$150,000 and up	44	3.1%	89	5.7%	102.3%
Total	1,434	100.0%	1,559	100.0%	8.7%
Median Home Value	\$62,700	--	\$86,900		

Source: U.S. Census Bureau, 1990 and 2000

⁶ DataQuick, February 2003.

b. Rents

Rental costs are usually evaluated based on two factors: rents paid by existing occupants of rental units under a rental or lease agreement (“contract”) and advertised rents for vacant units. Rental costs can also be evaluated based on the “gross rent” paid by tenants, which includes utility payments, versus the contract rent for the dwelling units only.

Largely because the data is unadjusted for inflation and/or rising incomes, the number of units available in the city at lower contract rent levels decreased between 1990 and 2000. Almost three-quarters of the rental units were rented at less than \$400 per month in 1990. In 2000, less than half of all units were under this amount. In 1990, 2.6 percent of rental units had contract rents over \$550 per month, compared to 13.1 percent in 2000. Although most of these rent increases can be attributed to general inflation, a portion of the increase might be attributed to the lack of available rental units available on the market. Although the vacancy rate for rental housing remained stable between 1990 and 2000, the 3.6 vacancy rate is relatively low, resulting in rent increases above the general rate of inflation.

Information gathered from local rental property managers and the Homestore.com website corroborates the trend of increased rental costs in Anderson. The median asking rents range from approximately \$275/month for a studio apartment to almost \$615/month for a three-bedroom apartment (2002). Table II-15 compares contract rents in 1990 and 2000 and Table II-16 presents asking rents for available units in 2002.

**Table II-15
Contract Rents for the City of Anderson**

Value	1990		2000		Market Share
	# of Units	% of Units	# of Units	% of Units	Percent Change
\$100-149	90	6.1%	63	4.0%	-30.0%
\$150-199	183	12.5%	139	8.9%	-24.0%
\$200-249	74	5.0%	70	4.5%	-5.4%
\$250-299	185	12.6%	62	4.0%	-66.5%
\$300-349	246	16.8%	130	8.3%	-47.2%
\$350-399	306	20.9%	240	15.3%	-21.6%
\$400-449	151	10.3%	195	12.5%	29.1%
\$450-499	97	6.6%	178	11.4%	83.5%
\$500-549	47	3.2%	93	5.9%	97.9%
\$550-599	19	1.3%	83	5.3%	336.8%
\$600-649	14	1.0%	83	5.3%	492.9%
\$650-699	3	0.2%	26	1.7%	766.7%
\$700 to \$749	0	0.0%	45	2.9%	100.0%
\$750 to \$799	1	0.1%	7	0.4%	600.0%
\$800 to \$899	0	0.0%	0	0.0%	0.0%
\$900 to \$999	0	0.0%	0	0.0%	0.0%
\$1,000 to \$1,499	0	0.0%	0	0.0%	0.0%
\$1,500 to \$1,999	0	0.0%	0	0.0%	0.0%
\$2,000 or more	0	0.0%	0	0.0%	0.0%
No cash rent	24	1.6%	89	5.7%	270.8%
Median	\$333	--	\$478	--	43.5%
CPI Change					32%

Sources: U. S. Census Bureau, 1990 and 2000, and Bureau of Labor Statistics

**Table II-16
Median Asking Rents**

Bedrooms	Rent
Studio	\$275
1-Bedroom apt.	\$340
2-Bedroom apt.	\$470
3-Bedroom apts.	\$615

Sources: Homestore.com (accessed 1.31.03 and 2.20.03), and personal conversations with rental property managers

6. Overpayment for Housing

A household is considered to “overpay” for housing if shelter costs represent more than 30 percent of a household’s gross monthly income. This generally accepted standard is used to roughly assess the ability of the household to meet its monthly financial obligations. The ability of any particular household to devote a specified percentage of income to housing will depend on that household’s income level, size and composition, debts, and other necessary expenditures (such as on health care).

In 2000, 592 home owners and 716 renters paid more than 30 percent of their incomes for housing expenses, an increase from 1990 of 339 homeowners and 693 renters. Although the number of renters overpaying increased slightly, the percentage of such renters declined. Overpayment among renters primarily affected households earning less than \$20,000 per year. There were 661 such renters in 2000, representing 92 percent of all renters overpaying for housing. Among homeowners, overpayment primarily affected households earning \$35,000 or less. In 2000, there were 534 such households, representing 90 percent of all homeowners overpaying for housing.

The increase in overpayment among both renters and homeowners supports the previous conclusion that housing costs have increased faster than incomes in Anderson. The more than doubling in the number of homeowners overpaying for housing is particularly pronounced. The increase among homeowners may be due to a combination of rising housing costs in relation to local incomes and low interest rates, which have encouraged many households to borrow the maximum for which they can qualify to purchase homes, even at the risk of high housing payments.

Table II-17 summarized overpayment by income and tenure.

**Table II-17
Overpayment for Housing (1990 and 2000)**

Income	1990				2000			
	Renters		Owners		Renters		Owners	
	Number	% Paying 30%+	Number	% Paying 30%+	Number	% Paying 30%+	Number	% Paying 30%+
Less than \$10,000	530	77%	212	61%	453	75%	137	85%
\$10,000 to \$19,999	453	54%	362	46%	498	65%	240	68%
\$20,000 to \$34,999	309	14%	436	10%	297	19%	446	47%
\$35,000 to \$49,999	115	0%	273	0%	162	0%	330	25%
\$50,000 to \$74,999	78	0%	152	0%	142	0%	298	6%
\$75,000 to \$99,999	---	---	---	---	4	0%	65	8%
\$100,000 or more	---	---	---	---	10	0%	43	0%
Totals	1,485			1,435	1,566	47%	1,599	

Source: U.S. Census Bureau, 1990 and 2000

*Highest 1990 income category was \$50,000 or more

Note: Owner category does not include 100 percent of all owner-occupied households

7. Housing Age and Condition

The age and condition of the housing stock provide additional measures of housing adequacy and availability. Some of the indicators of substandard housing, such as an aging housing stock and the number of dwelling units lacking complete facilities indicate the potential for substandard housing conditions.

Indicators used to define substandard housing can also influence conclusions regarding the condition of housing. For example, a 1990 housing conditions survey found that approximately 79 percent of the city's housing stock (2,336 units) was in need of rehabilitation.⁷ The same survey determined that 21 percent of the stock needed either needed major repairs or were unsafe to live in. Only 12 dwelling units were determined by need replacement.

Although the city has not conducted a recent housing condition survey, age of the housing stock, tenure, and incomes of occupants can be used to estimate housing rehabilitation need. For example, communities with high percentages of homes 30 years old or more high percentages of rental housing occupied by lower-income households will tend to have greater housing rehabilitation needs than communities with a predominance of homeowners having higher incomes.

Nearly one-half (45 percent) of the city's housing was constructed before 1970 (see Table II-18) and of these, approximately 600 units are renter-occupied housing units. As previously reported, nearly half (47 percent) of housing in Anderson is renter-occupied, and incomes of renters are less than half that of owner-occupants. The city's housing rehabilitation program has improved a small number of dwelling units since 1990, but not enough to significantly reduce housing rehabilitation need. The slight increase in homeownership, although largely related to the increase in the number of new single-family homes since 1990, may have also stimulated some private investment and improvement in the housing stock.

Absent any significant trends toward an increase in homeownership and/or rising local incomes, it is unlikely that the number of dwelling units in need of rehabilitation has decreased significantly. Therefore, the city estimates that at least 2,200 dwelling units still need rehabilitation or replacement, of which 10 to 15 units will likely need to be replaced.

Table II-18
Age of Housing in Anderson (2000)

Age of Structure	Number	Percent
<10 Years	472	13.2%
10-20 Years	549	15.3%
20-30 Years	932	26.1%
30-50 Years	1,304	36.5%
50 + Years	320	8.9%
Total	3,577	100.0%
Median Year Constructed – 1972		

Source: 2000 Census

⁷ Anderson Housing Element, 1992, p.3-3. Note: Approximately 94% of Anderson's housing units were evaluated for this survey.

D. Employment Trends

Shasta County's labor force, as of March 2002, amounted to 80,800 persons, of which 6,000 (7.4 percent) were unemployed, nearly two percentage points above the statewide level.⁸ High unemployment remains a chronic challenge in the Shasta region and affects household incomes and the ability to afford housing.

A comparison of employment data in Anderson and countywide indicate some differences between jobs available in Anderson, jobs available countywide, and jobs held by residents of Anderson. By all measures, retail trade and services dominate the labor market in both the Anderson and Shasta County. Such businesses provide nearly half of all jobs in Anderson and 26 percent of all jobs countywide. About 31 percent of Anderson residents are employed in these industries, however, which means that many residents work outside the city in other types of businesses. Other major employers include government, educational and health services, and manufacturing (although there are more manufacturing jobs in Anderson than residents employed in such jobs).

Table II-19 compares employment by industry sector for Anderson residents and county residents and shows the number of percent of jobs by industry in the city.

Table II-19
Comparison of Employment
(City of Anderson and Shasta County)

Industry	1997 Economic Census (Anderson)		2002 California EDD Estimate (Shasta County)		2000 Census (Anderson)*	
	Number	Percent	Number	Percent	Number	Percent
Farming, Natural Resources, Mining	---	---	1,500	3%	51	1%
Construction	---	---	4,100	6%	294	7%
Manufacturing	527	26%	3,400	5%	245	9%
Wholesale Trade	38	2%	1,400	2%	73	2%
Retail Trade	519	26%	9,200	14%	569	17%
Transportation, Warehousing and Utilities	---	---	2,700	4%	213	6%
Information	---	---	1,100	2%	47	1%
Financial Activities	40	2%	2,800	4%	129	4%
Professional and Business Services	34	2%	6,000	9%	231	7%
Educational and Health Services	343	16%	10,400	16%	679	20%
Leisure and Hospitality (including food svc.)	457	23%	6,400	10%	485	14%
Other Services	67	3%	2,500	4%	222	7%
Government	---	---	12,900	20%	173	5%
Total	2,025	100%	64,400	100%	3,411	100%

Sources: U.S. Census Bureau, California Employment Development Department, Labor Market Report (March 2002 Benchmark), 2/28/03.

*The 2000 Census report counted the number and types of jobs reported by residents who lived in Anderson, not the number of jobs in the City of Anderson

⁸ California Employment Development Department (EDD) Shasta County Labor Market Report, March 2002. Industry categories for EDD and 1997 Census data are not comparable for some job categories.

Three employment sectors are projected for the most growth countywide: government jobs (19.8 percent), service industries (14.1 percent), and retail opportunities (11.5 percent). These industries are the same ones that have traditionally provided the bulk of jobs locally and countywide. Given that most jobs anticipated to be created during the next decade are in industries that pay low- to moderate-income wages, a large percentage of new workers may not be able to afford homeownership if current housing price trends continue, even through many households have more than one income earner. With the median home sale price at \$134,756 in 2002, a household in the Shasta County would need to earn about \$40,000 per year to afford a median-priced house under customary loan underwriting assumptions standards.⁹ Table II-20 shows the mean annual wages for common job categories in Shasta County. Most of the available jobs pay mean wages less than \$40,000.

**Table II-20
Shasta MSA Employment by Occupation**

Occupational Title	2001 Employment Estimates	% of total	Mean Annual Wage
Management Occupations	2,840	4.5%	\$63,074
Business and Financial Operations Occupations	1,610	2.6%	\$45,688
Computer and Mathematical Occupations	520	0.8%	\$46,044
Architecture and Engineering Occupations	1,050	1.7%	\$53,950
Life, Physical, and Social Science Occupations	720	1.1%	\$48,478
Community and Social Services Occupations	950	1.5%	\$37,047
Education, Training, and Library Occupations	5,370	8.5%	\$37,892
Arts, Design, Entertainment, Sports, and Media Occupations	520	0.8%	\$31,695
Healthcare Practitioners and Technical Occupations	3,700	5.9%	\$48,513
Healthcare Support Occupations	2,400	3.8%	\$21,868
Protective Service Occupations	1,520	2.4%	\$40,028
Food Preparation and Serving-Related Occupations	5,210	8.3%	\$16,178
Building and Grounds Cleaning and Maintenance Occupations	2,390	3.8%	\$21,124
Personal Care and Service Occupations	1,850	2.9%	\$18,940
Sales and Related Occupations	6,780	10.8%	\$24,024
Office and Administrative Support Occupations	11,000	17.5%	\$27,124
Farming, Fishing, and Forestry Occupations	640	1.0%	\$30,222
Construction and Extraction Occupations	3,860	6.1%	\$37,224
Installation, Maintenance, and Repair Occupations	2,760	4.4%	\$35,080
Production Occupations	2,480	3.9%	\$28,059
Transportation and Material Moving Occupations	4,650	7.4%	\$27,906

Source: CA EDD, Occupational Employment and Wage Data, December 2002.

⁹ Assumptions: Annual Interest rate of 6.5%, 30 year loan, \$5,000 available for closing costs, 1% is escrowed for property taxes, a 20% addition for principal mortgage interest payments, and 30% of gross income devoted to monthly payment. The monthly payment would be roughly \$614/month. Source: <http://finance.realtor.com/HomeFinance/calculators/mortgagequalifier.asp>.

E. Special Housing Needs

Certain groups in Anderson encounter greater difficulty finding sound, affordable housing due to their special needs and/or circumstances. Special circumstances may be related to one's employment and income (such as farmworkers), family characteristics (such as large families), medical condition or disability, and/or age (such as older adults). A focus of the Housing Element is to ensure that persons from all walks of life have the opportunity to find suitable housing in Anderson.

State Housing Element law identifies the following "special needs" groups: senior households, persons with disabilities, female-headed households, large households, farmworkers, and persons and families in need of emergency shelter. This section provides a discussion of housing needs for each particular group, and identifies the programs and services available to address their housing and supportive services needs.

1. Seniors

Senior households typically have special housing needs due to three primary concerns: 1) fixed, often low, incomes, 2) high health care costs, and 3) self-care or independent living limitations (such as health-related disabilities or diminished mobility). According to the 2000 Census, 1,199 households in Anderson were headed by persons age 65 years and older, 379 of whom lived alone.

Approximately 60 percent of households headed by seniors, over 450 households, had low-incomes (less than 80 percent of county median), and over 40 percent had very low-incomes (less than 50 percent of county median), significantly higher percentages than the overall population. These figures suggest that seniors may have limited capacity to absorb increases in housing-related expenses.

In 2000, 533 elderly households in Anderson were homeowners and 221 were renters. Because of physical and/or other limitations, senior homeowners may have difficulty in performing regular home maintenance or repair activities. In addition, because many seniors have fixed and/or limited income, they may have difficulty in affording the cost of home repairs or in making rent payments. Elderly women living alone are especially in need of assistance because they have lower incomes, as a group, than couples or older men. In 2000, 84 percent of senior households living alone were women (343 households).

Various programs can help meet the needs of seniors, including but not limited to congregate care, supportive services, rental subsidies, shared housing, and housing rehabilitation assistance. For the frail elderly or those with disabilities, housing with features that accommodate disabilities can help ensure continued independent living. Elderly with mobility/self care limitation also benefit from transportation alternatives. Senior housing with these accommodations can allow more independent living.

According to the California Department of Social Services (2003), five licensed care facilities for seniors are located in Anderson: Gentle Oaks Care Center, Terrace Gardens Guest Home, Country Manor, Merly's Guest Home, and Riverside Haven. With the exception of Country Manor, these facilities provide 24 beds for individuals age 65 years or more (the city was unable to verify the number of beds at Country Manor either through state records or a response from the operator).

2. Persons with Disabilities

Persons with disabilities typically have special housing needs because of their fixed or limited incomes, the lack of accessible and affordable housing that meets their physical and/or developmental capabilities, and the higher health costs associated with their disabilities.¹⁰ According to the 2000 Census, 4,366 Anderson residents have some type of self-reported disability, representing 48 percent of city residents. Of these persons, 1,254 are age 65 years or older.

To meet the unique housing needs of the disabled, the city offers and participates in various programs. The Shasta County Housing Authority acts as a fair housing referral and information service. Through the Shasta County Housing Authority, disabled households may receive rental assistance to help them afford housing in the community. In addition, the state building standards (Title 24 of the California Code of Regulations) require new multifamily residential buildings to comply with the federal Americans with Disabilities Act (ADA), which requires a minimum percentage of units in new developments to be fully accessible to the physically disabled.

Living arrangements for disabled persons depend on the severity of the disability. Many persons live independently with other family members. To maintain independent living, disabled persons may need special housing design features, income support, and in-home supportive services for persons with medical conditions.

Severely mentally ill persons are especially in need of assistance. Mentally disabled individuals are those with psychiatric disabilities that impair their ability to function in the community to varying degrees. The National Institute for Mental Health (2001) estimates that 2.5 percent of the adult (age 18+) population suffers from mental illness, translating to roughly estimated 227 persons with mental illness within Anderson.

Many mentally disabled persons can live and work independently within a conventional living environment. However, more severely disabled individuals require a group living environment in which partial or constant supervision is provided by trained personnel. The most severely affected individuals may require an institutional environment in which medical attention and therapy are provided within the living environment. According to the State Department of Social Services, Anderson is home to one adult day care facility with a combined capacity of 15 beds that serves adults with disabilities who unable to care for themselves. (Adult day care facilities are facilities of any capacity that provide programs for frail elderly and developmentally disabled and/or mentally disabled adults in a day care setting.)

3. Farmworkers

The city does not have a large resident farmworker population within its boundaries. According to the 2000 Census, there were 51 Anderson residents employed in farming, forestry, and fishing occupations. Most of these individuals were employed in non-farming occupations.

Farmworkers traditionally are defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Permanent farmworkers work in the fields, processing plants, or support activities on a year-round basis. When workloads increase during harvest periods, the labor force is supplemented by seasonal or migrant labor.

¹⁰ A disability is defined broadly by the Census Bureau as a physical, mental, or emotional condition that lasts over a long period of time that makes it difficult to live independently. The 2000 Census defines six disabilities: sensory, physical, mental, self-care, go-outside-home, and employment disability.

The Migrant Health Program of the U.S. Department of Health and Human Services (HHS) released a study in 2000 estimating the number of migrant and seasonal farmworkers and their non-farmworker household members in California: *Migrant and Seasonal Farmworker Enumeration Profiles Study*.¹¹ The study was based on secondary source material, including existing database information and interviews with knowledgeable individuals. The study indicates that Shasta County has an estimated 4,417 farmworkers, including 2,045 migrant and 2,372 seasonal farmworkers.

Most of these seasonal/migrant farmworkers are likely employed in the lowland valley portion of Shasta County in which Anderson is located, between the county border with Tehama County and the City of Redding. Although Anderson is not a significant source of agricultural activity and, therefore, farmworker housing need, Anderson's location at the north end of the Sacramento Valley, a region in which significant agricultural activity occurs, will likely create some demand by for temporary housing within Anderson by seasonal or migrant farmworkers.

Farmworkers' special housing needs typically arise from their very limited incomes and the often unstable, seasonal nature of their employment. Statewide surveys provide some insight into the demographic characteristics and housing needs of farmworkers. Among the major findings of then HHS report are:

- **Limited Income:** Farmworkers typically earn very low incomes. According to the Rural Community Assistance Corporation, three-fourths of California's farmworkers earned less than \$10,000 a year in 2000. Only one out of seven earned more than \$12,500.
- **Overcrowding:** Because of their very low incomes, farmworkers have limited housing choices and are often forced to double up to afford rents. A Statewide survey indicates that overcrowding is prevalent and a significant housing problem exists among farmworkers (The Parlier Survey, California Institute for Rural Studies, 1997).
- **Substandard Housing Conditions:** Many farmworkers live in overcrowded conditions and substandard housing, including shacks, illegal garage units, and other structures generally unsuitable for occupancy (The Parlier Study, 1997).

The need for seasonal labor does not necessarily translate to a need for migrant farmworker housing. Many of the farmer migrants who moved from state to state or from Mexico to California to pursue agricultural employment have now become permanent residents. As such, the housing needs of farmworkers are primarily addressed through the provision of permanent affordable housing, rather than migrant farm labor camps. Their housing need would be the same as other lower-income households and large families who are in need of affordable housing with three or four bedrooms.

4. Female-Headed Households

Female-headed households have special housing needs by virtue of their economic status and supportive services needs. Two types of female-headed households, in particular, typically need assistance in locating sound, affordable housing: elderly women living alone and single women with children. Section 1 discusses the special circumstances and needs of elderly women living alone. This section focuses on single-parent or custodial households headed by women.

¹¹ <http://bphc.hrsa.gov/migrant/enumeration/final-ca.pdf>.

Single-parent households with children often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, health care, and a variety of other supportive services. Single-parent households also tend to receive unequal treatment in the rental housing market because of their family status and financial difficulties. The relatively lower household incomes typical of female-headed households means they are more likely to experience difficulties in finding affordable, decent, and safe housing.

Anderson is home to 567 single-parent households, of which 83 percent (468) are headed by females. In 2000, 42 percent of the city's female-headed families with children lived in poverty, compared to 34 percent of all families with children and 28 percent of all residents. The median income for female-headed households with children was \$12,537, compared to \$33,526 for married-couple families.

Battered women with children comprise a sub-group of female-headed households that are especially at-risk and in need of housing and supportive service assistance. In the Anderson area, the Women's Refuge in Redding is the primary provider of social services and emergency housing facilities serving women in need. The City of Anderson makes an annual financial contribution to the women's refuge, and the Anderson Police Department works closely with the Women's refuge to assist battered women.

5. Large Households

Large households are defined as households having five or more members residing in the home. These households constitute a special need group because of an often limited supply of adequately sized, affordable housing units. Because of rising housing costs, families and/or extended families are sometimes forced to live together under one roof. Of all households in Anderson in 2000, 381 were large households, of which 43 percent of which were renter households. Large households represent 11 percent of the city's households. The housing needs of large households could be met by larger units with more bedrooms. Because larger units typically cost more, lower-income large households may reside in smaller units, likely resulting in overcrowding.

6. Homeless

Most individuals or families become homeless due to financial hardship, mental disability, or substance abuse. These factors are often interrelated. Beyond the need for housing, homeless individuals are likely to have other needs, such as support services, health care, skills training, and financial assistance to transition to independent living in permanent housing. Nationwide, about half of those experiencing homelessness over the course of a year are single adults. Most enter and exit the system fairly quickly. The remainder essentially lives in the homeless assistance system on a permanent or semi-permanent basis, or in a combination of shelters, hospitals, the streets, jails, and prisons. There are also single homeless people who are not adults, including runaway and "throwaway" youth (children whose parents will not allow them to live at home).

According to social service organizations contacted during the update of the Housing Element, including the Shasta County Community Action Agency, the Salvation Army, the Good News Rescue Mission, and the Shasta County Women's Refuge, there are no homeless shelters in the City of Anderson. Anderson-Cottonwood Christian Assistance operates an emergency food program in Anderson that may serve homeless individuals and families as well as others in need of food. The closest organizations that provide services or shelter for homeless persons are located in Redding, Shasta County (12 miles to the north) or Red Bluff, Tehama County (20 miles to the south). The Salvation Army, which, until recently, operated a rotating emergency shelter program with local churches in Red Bluff, provides motel vouchers

to those in need of temporary shelter, but no other homeless services. Nor does the Salvation Army branch in Redding provide emergency shelter services.

Because of Anderson's small size, local employment base, and absence of local social service agencies (which are located in Red Bluff and Redding), it is not likely that Anderson would have a significant homeless population or an immediate need for a permanent emergency shelter. However, Anderson is located along Interstate 5, a heavily traveled transcontinental corridor. Periodically, individuals or families without financial resources who are passing through Anderson may become stranded and need temporary assistance. A few residents of Anderson may also become temporarily homeless from time to time due to financial circumstances, substance abuse or psychological problems, domestic problems, or other factors. For these reasons, there may be a small, periodic need for temporary shelter and food assistance in the city.

The extent of this need cannot be quantified, unfortunately, because none of the social service organizations that provide assistance to residents in southern Shasta County or northern Tehama County can provide specific information on the number or characteristics of clients who are, or were, residents of Anderson. However, the largest shelter provider in the region. The Good News Rescue Mission does receive clients from Anderson, although it cannot provide a specific count.

The City of Redding supports the majority of homeless services and facilities for Shasta County. The largest facility is the Good News Rescue Mission, which operates two shelters, one for men and another for women and children. During the summer, the Mission averages 80 men and 50 women (most with children) per night. During the winter, the averages are 100 men and 60 women per night. The Mission also provides food and clothing assistance. Over the course of a year, the Mission may provide nearly 47,000 shelter-nights (number of persons served per night times 365 nights). Due to a growing demand for its services, the Mission is constructing a third shelter facility.

In addition to overnight shelter, the Good News Rescue Mission provides 390 meals per day (over 142,000 meals per year), provides dental and medical services to over 200 persons, job placement, clothing, and other supportive services.

The Mission estimates that about one-third of its male clients are homeless due to financial hardship, (most are unemployed), another third are substance abusers, and the remaining third have mental disabilities. Of the Mission's female clients, about 50 percent have mental disabilities, about 15 percent are substance abusers, and the remaining 35 percent are unemployed. The Mission does not provide services for women and children escaping domestic violence.

Women and children escaping domestic violence can seek shelter through the Shasta County Women's Refuge.

Other supportive service available in Redding are provided through Northern Valley Catholic Social Service. Northern Valley assists homeless individuals and families with children by providing counseling services, assistance in obtaining health care, information on affordable housing programs, and other life support. While Northern Valley may serve homeless residents from Anderson, they are unable to quantify the number of such clients.

F. Analysis of Assisted Housing Projects At-Risk

1. Analysis of Assisted Rental Housing Projects At-Risk of Conversion

Existing rental housing that receives governmental assistance is a significant source of affordable housing that should be preserved, to the extent feasible. The loss of such rental units reduces the availability of housing affordable to very low- and low-income households. It is far more cost-effective to preserve existing affordable housing than to replace it with newly constructed units, unless housing has reached a substantial level of deterioration.

This section of the Housing Element identifies publicly assisted rental housing in Anderson, evaluates the potential of such housing to convert to market rates during a ten-year planning period (January 2003 to July 2013), and analyzes the cost to preserve or replace those units. Resources for preservation/replacement of these units and housing programs to address their preservation are described in Section IV of the Element. The focus of the analysis in this section is on federally assisted rental housing projects because there are no other governmental assisted-rental housing units in Anderson. All but one of the government-assisted projects in Anderson were funded by the U.S. Department of Agriculture (USDA) under its Rural Housing Services Section 515 Program (formerly known as the “Farmers Home Administration”).

The conversion of federally assisted affordable housing to market-rate rents can occur because the U.S. Congress, in establishing various housing programs, allowed owners to pre-pay their 40-year mortgages after 20 years and to terminate, or “opt-out,” of their federal contracts prior to expiration. Congress has established several programs to encourage rental property owners to maintain their federal funding and the affordability of their rental units. These programs have induced many owners to keep their units affordable and have made it possible for other organization to purchase, refinance, and preserve many other affordable rental projects.

Table II-21 lists publicly assisted multifamily rental housing projects in Anderson and whether they are at risk of conversion to market rate housing between 2003 and 2013. There are eight projects containing 422 rental units assisted through a combination of federal state government programs. The primary funding sourced has been the USDA Rural Housing Services Section 515 Program. One project (Mountain View) containing 24 affordable rental housing units is immediately at-risk of conversion, although the owner has expressed a desire to renew the property’s participation in the Section 8 Program and maintain the rental unit as affordable low-income housing indefinitely.

**Table II-21
Status of Government Subsidized Rental Housing in Anderson**

Project Name	Units	Income Restricted Units	Funding Source(s)	Units by # of Bedrooms			# Senior/Family Units		Date Restrictions Expire	At Risk Status
				1	2	3	Sen	Fam		
Anderson Court Apartments	36	36	USDA Sec. 515	16	20	0	-	36	Aug 2008	At Risk
Battle Creek Apartments	24	24	USDA Sec. 515	12	6	6	-	24	May 2007	At Risk
Battle Creek Seniors	40	40	USDA Sec. 515	39	1	0	39*	-	Dec 2009	At Risk
Manzanita Hills Apartments	81	81	USDA Sec. 515	61	20	0	-	80	Sep 2009	At Risk
Manzanita Hills Apartments II	79	79	USDA Sec. 515	59	20	0	-	80	Sep 2009	At Risk
River Garden Apartments	104	104	USDA Sec. 515	80	24	0	-	104	Sep 2009	At Risk
Shady Lane Apartments	34	34	LIHTC, HCD	6	15	13	-	34	Fall 2009	At Risk
Mountain View Apartments	24	24	USDA Sec. 515/Sec. 8 Proj. Based	0	20	4	-	24	June 2003	At Risk
Total Housing Units	422	422		273	126	23	39	382		

Sources: California Housing Partnership Corporation, USDA Rural Housing Services, personal communications with individual property managers

*This project includes one non-senior manager unit.

2. Loss of Assisted Housing

Affordability covenants and deed restrictions are typically used to maintain the affordability of publicly assisted housing, ensuring that these units are available to lower-income households in the long term. Over time, Anderson may face the risk of losing some of its affordable units due to the expiration of covenants and deed restrictions. If market rents continue to increase, property owners may be inclined to discontinue public subsidies and convert the assisted units to market-rate housing.

The following is an analysis of the preservation and replacement options of the eight affordable housing projects.

3. Preservation and Replacement Options

Overview

To maintain the affordability of subsidized rental housing, Anderson can either preserve existing assisted units or facilitate the development of new units. Depending on the circumstances of at-risk projects, different options may be used to preserve or replace the units. Preservation options typically include: 1) transfer of project to non-profit ownership; 2) provision of rental assistance to tenants using non-federal funding sources; and 3) purchase of affordability covenants. In terms of replacement, the most direct option is the development of new assisted multifamily housing units. These options are described below.

a. Transfer of Ownership

Transferring ownership of an at-risk project to a non-profit housing provider is generally one of the least costly ways to ensure that at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, low-income restrictions can be secured indefinitely and the project would become potentially eligible for a greater range of governmental assistance. The cost of acquiring the projects at-risk and transferring ownership are estimated in Table II-22 and range from \$1.1 million to \$4.1 million (\$17.4 million total cost for all eight properties.)

b. Rental Assistance

Rental subsidies using non-federal (State, local or other) funding sources can be used to maintain affordability of the 422 at-risk affordable units in the eight projects. These rent subsidies can be structured to mirror the federal Section 8 program. Under Section 8, HUD pays the difference between what tenants can pay (defined as 30% of household income) and what HUD estimates as the fair market rent (FMR)¹² on the unit. In Shasta County, the 2003 FMR has been set at \$469 for a one-bedroom unit, \$587 for a two-bedroom unit, and \$815 for a three-bedroom unit. The feasibility of this alternative is highly dependent upon the availability of non-federal funding sources necessary to make rent subsidies available and the willingness of property owners to accept rental vouchers if they can be provided. The total cost of subsidizing the rents at all 422 at-risk units is estimated at \$43,532 per month or \$522,384 annually (Table II-23). Thirty years of rental subsidies in current dollars would cost \$15.7 million. The true cost would be significantly higher when adjusted for inflation if fair market rents rise more quickly than income limits.

**Table II-22
Market Value of At-Risk Projects**

Project	Low Income Units	Annual			Market Value
		Operating Costs	Gross Income	Net Income	
Anderson Court Apartments	36	\$95,200	\$231,000	\$135,700	\$1,493,000
Battle Creek Apartments	24	\$68,400	\$168,000	\$100,000	\$1,101,000
Battle Creek Sr. Complex	40	\$88,800	\$227,000	\$137,700	\$1,515,000
Manzanita Hills Apts. I	81	\$194,200	\$484,000	\$290,000	\$3,190,000
Manzanita Hills Apts. II	79	\$189,800	\$473,000	\$283,100	\$3,114,000
River Garden Apartments	104	\$248,000	\$619,000	\$371,300	\$4,084,000
Shady Lane Apartments	34	\$110,200	\$267,000	\$156,400	\$1,720,000
Mountain View Apartments	24	\$76,000	\$180,000	\$104,000	\$1,144,000
Total					\$16,217,000

Market value for project is estimated with the following assumptions:

1. Market rents are assumed to be equal to the Fair Market Rent for Shasta County, as determined by HUD.
2. Average unit size is estimated at 550 square feet for a one-bedroom unit, 750 square feet for a two-bedroom unit, and 1,000 square feet for a three-bedroom unit.
3. Vacancy rate is assumed at zero percent as all projects are currently fully occupied.
4. Annual operating expenses per square foot are estimated to be \$4.00.
5. Market value = Annual net project income times a multiplication factor of 11 (typical for residential projects).

¹² The standard used by the federal government to determine allowable rents that assisted rental property owners is subject to change.

**Table II-23
Rental Subsidies Required**

Unit Size	Total Units	Fair Market Rent¹	Household Size	Very Low Income (50% AMI)²	Affordable Cost	Monthly Per Unit Subsidy	Total Monthly Subsidy
1-br	273	469	1	\$15,900	\$397	\$72	\$19,656
2-br	126	587	2	\$18,150	\$453	\$134	\$16,884
3-br	23	815	3	\$20,450	\$511	\$304	\$ 6,992
Total	422						\$43,532

1. 2003 Fair Market Rent as determined by HUD for the Redding Metropolitan Statistical Area (MSA).
2. 2003 Area Median Household Income (AMI) limits set by HUD.
3. Affordable cost = 30 percent of household income.

c. Purchase of Affordability Covenants

Another option the city has to preserve the affordability of the at-risk projects is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include subsidizing the interest rate on the remaining loan balance, and/or supplementing the income of the projects with local subsidies. The feasibility of this option depends on whether the amount of subsidy necessary to maintain affordability of the units. By providing lump sum financial incentives or on-going subsidies in rents or reduced mortgage interest rates to the owner, the city can ensure that some or all of the units remain affordable.

d. Construction of Replacement Units

The construction of new affordable housing units is a means of replacing the at-risk units that convert to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e. square footage and number of bedrooms), location, land costs, and type of construction. Assuming an average construction cost of \$110,000 per unit, it would cost approximately \$46.4 million to develop 422 new assisted units. This analysis assumes all construction- and design-related costs of approximately \$80,000 per dwelling unit for an average unit (based on the bedroom mix of the eight projects at-risk), \$15,000 in land and land development costs, and \$15,000 in developer fees and other miscellaneous costs.

e. Cost Comparisons

The above analysis estimates the costs associated with preserving the at-risk units under various options. Transfer of ownership is will likely provide the most cost-effective means of ensuring the long-term affordability of assisted rental housing units for those properties whose owners choose to convert to market-rate rental housing.

4. Organizations Interested in Preserving Assisted Rental Housing

The preservation of affordable rental housing at-risk of conversion to market rate housing can be assisted by nonprofit organizations with the capacity and interest in acquiring, managing, and permanently

preserving such housing. The California Department of Housing and Community Development maintains a list of such interested nonprofit organizations. Two groups have expressed an interest in preserving affordable rental housing in the Shasta area. These organizations include:

- Mercy Housing California, 3120 Freeboard Drive, West Sacramento, CA 95691 (916) 414-4400
- Community Housing Improvement Program, Inc. 1001 Willow Street, Chico, CA 95928 (530) 891-6931

G. Opportunities for Energy Conservation

Utility-related costs can directly impact the affordability of housing in Northern California. However, Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an “energy budget.” In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations.

The following are among the alternative ways to meet state these energy standards.

- The use of passive solar construction techniques that require proper solar orientation, appropriate levels of thermal mass, south facing windows, and moderate insulation levels.
- The use of higher insulation levels in place of thermal mass or energy conserving window orientation.
- The use of active solar water heating in exchange for less insulation and/or energy conserving window treatments.

Other examples energy saving construction techniques are: 1) locating homes on the northern portion of the sunniest location of building sites; 2) designing structures to admit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions; 3) locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face; and 4) making the main entrance a small enclosed space that creates an air lock between the building and its exterior; orienting the entrance away from winds; or using a windbreak to reduce the wind velocity against the entrance.

Site planning techniques, the use of landscaping, and the layout of new developments can also reduce energy consumption associated with residential development through reductions in heating and cooling needs, opportunities to use non-motorized vehicles for transportation, and reductions in energy inputs to the development of housing.

Pacific Gas & Electric provides a variety of energy conservation services for residents and PG&E also participates in several other energy assistance programs for lower income households, which help qualified homeowners and renters, conserve energy and control electricity costs. These include the California Alternate Rates for Energy (CARE) Program and the Relief for Energy Assistance through Community Help (REACH) Program.

The California Alternate Rates for Energy Program (CARE) provides a 15 percent monthly discount on gas and electric rates to income qualified households, certain non-profits, facilities housing agricultural employees, homeless shelters, hospices and other qualified non-profit group living facilities.

The REACH Program provides one-time energy assistance to customers who have no other way to pay their energy bill. The intent of REACH is to assist low-income customers, particularly the elderly, disabled, sick, working poor, and the unemployed, who experience severe hardships and are unable to pay for their necessary energy needs.

Anderson's General Plan contains a policy in the Circulation Element (Scenic Highways section) to promote pedestrian convenience through requirements that connect residential development with commercial, shopping, and employment centers. By encouraging development patterns that reduce reliance on motorized vehicles, energy consumption can be reduced in new residential developments. The Anderson General Plan emphasizes the use of bikeways to reduce traffic and improve circulation for the city. This General Plan policy encourages energy conservation not as much through design and construction techniques as through development patterns that reduce reliance in single-occupancy motorized vehicles for many daily activities.

Neither the city's zoning, subdivision, or other codes and ordinances contain implementing regulations to promote or require energy conservation in new development, except for compliance with state energy conservation standards for new construction. The city's housing rehabilitation programs includes energy conservation improvements as an eligible activity. The city's design review guidelines applicable in the historic preservation overlay zone and redevelopment project areas the use of traditional architectural styles and construction techniques that reduce cooling and heating needs for historic buildings.

H. Future Housing Needs

1. Overview

State law (California Government Code Section 65584) directs councils of governments to produce housing allocation plans that assign a share of a region's housing construction need to each member city and county. Where no council of governments exist, or in cases in which the local council is unable to prepare a regional housing allocation plan, the California Department of Housing and Community Development (HCD) is required to prepare the regional plan. HCD prepared the regional housing allocation plan for Shasta County and the cities within the County for the period beginning January 1, 2001 and ending June 30, 2008.

The methodology used to determine future housing need considers the projected growth in number of households, the difference between actual vacancy and target vacancy, and anticipated removal of housing units. An "avoidance of impactation" adjustment is applied to the preliminary allocation to avoid further concentration of low-income units in jurisdictions that have more than the regional average.

The RHNA allocation is a minimum needs number—cities and counties may plan for, and accommodate, a larger number of dwelling units than the allocation. Anderson must however use the numbers allocated under the RHNA to identify measures (policies and ordinances) that are consistent with these new construction goals. While the city must also show how it will accommodate these units to be built, it is not obligated to build any of the units itself or finance their construction.

The city's share of regional housing needs totals 679 new units over the 2001-2008 planning period. Table II-24 provides a breakdown of Anderson's share of the regional housing need by the affordability level/income category: very low-, low-, moderate-, and above-moderate. Through this Housing Element, the city is required to demonstrate the availability of adequate sites to accommodate these new units.

**Table II-24
HCD Regional Housing Allocation 2001-2008**

Income Category (% of AMI)	RHNA Allocation	
	Percent	# of Units
Very-Low (<50%)	11%	72
Low (51% - 80%)	12%	78
Moderate (81% - 120%)	20%	122
Above Moderate (120%+)	675	407
Total	100%	679

Source: California Department of Housing and Community Development

2. Options for Complying with the Adequate Site Requirement

State law requires jurisdictions to demonstrate that “adequate sites” will be made available over the planning period (2001-2008 for Shasta) to facilitate and encourage a sufficient level of new housing production. Jurisdictions must also demonstrate that appropriate zoning and development standards, as well as services and facilities will be in place to facilitate and encourage housing.¹³ To that end, the Housing Element must inventory land suitable for residential development, including vacant and underutilized sites, and analyzes the relationship of zoning and public facilities and services to these sites.

In complying with the adequate site requirement, jurisdictions can take credit for the number of new units built during the planning period of 2001-2008 toward the RHNA. New housing units include either those built or occupied (issued a certificate of occupancy) since January 1, 2000.

a. Preservation and/or Rehabilitation of Existing Housing Units

A state law that became effective in 1999 (AB 438, statutes of 1998) authorizes jurisdictions to fulfill a portion of the RHNA through the preservation of affordable units that would otherwise revert to market rents (“at-risk” units), but are preserved through committed assistance from the jurisdiction. The high cost of preserving the at-risk units is beyond the current financial resources of the city. Nevertheless, Anderson will work with property owners and nonprofit organizations in an attempt to preserve at-risk rental housing.

¹³ State of California, Government Code, Section 65583(c)(1).

State law also allows jurisdictions to fulfill a portion of the RHNA with existing housing units. Under AB 438, jurisdictions can fulfill up to 25 percent of the RHNA for lower income households through the acquisition/rehabilitation of qualified substandard units that would otherwise be demolished. Given the stringent criteria of AB 438, few communities in the State have been able to advantage of this provision. However, the planned reconstruction of 58 privately owned housing units (Los Robles, formerly Anderson Oaks Apartments) appears to meet all of the state criteria.

The Anderson Redevelopment Agency acquired the former Anderson Oaks Apartments in August 2001. These privately owned rental housing units had no income or rent restrictions and were in an advanced state of deterioration. All units within the complex were vacated between March and September of 2000 as a result of building, health, and safety inspections conducted by County and City officials, who declared the housing units uninhabitable.

The project site was vacant and boarded up until rehabilitation work began on the property. The project does not involve the relocation of low-income households since the Agency acquired the property approximately 12 months after all of the housing units had been vacated. Twelve of the rental units had to be removed due to numerous structural problems that rendered their rehabilitation or reconstruction infeasible. Although the precise incomes of the residents prior to March 2000 were unknown, the Agency assumed that all residents were low-income (had incomes of less than 80 percent of the Shasta County median income) and adopted a plan to replace the 12 units that were removed.

By the end of 2002, the Agency had completed architectural design and engineering work and had removed asbestos from the property. However, the Agency identified numerous other structural and cosmetic repairs that needed to be completed prior to re-occupancy to bring the property in compliance with current building code standards, including replacement of the roof and roof structure. Among the conditions identified during the inspections were:

- Defective utility connections and service constituting health and safety violations (water, gas, electricity, and sewer);
- Defective and/or inadequate water and space heating;
- Rodent and vermin infestations;
- Severe structural problems rendering the housing units unsafe to occupy;
- Sanitary problems due to inadequate solid waste disposal systems and receptacles; and
- Broken and inoperable exterior lighting.

The Agency sold the Anderson Oaks property to LINC Housing, a southern California-based nonprofit housing corporation, in late 2002 and renamed the property “Los Robles.” LINC Housing assumed responsibility for completing the rehabilitation. LINC will also manage the property as rental housing for households earning less than 80 percent of the Shasta County median income through a nonprofit affiliate, Community Housing Management Services. Completion of the project is anticipated to occur by May 2004.

The Agency assisted LINC Housing by providing \$825,000 in financing as a local match for a \$2 million in HOME grant, a \$500,000 CDBG grant received by the Agency on behalf of the project, and the procurement of tax credits, tax-exempt bond financing, and a Federal Home Loan Bank Board Affordable Housing Program grant. Rents and occupancy at Los Robles will be restricted for 55 years via a recorded declaration, thus assuring that the 58 rental units will remain affordable to low-income households during that time period.

Given the advanced deterioration of the property, it is unlikely that the rental units at Los Robles would have been rehabilitated by a private, profit-motivated developer and maintained as affordable housing for low-income household without significant involvement by the Anderson Redevelopment Agency and funding from state and federal sources.

3. Progress toward Meeting Housing Needs

The following discussion identifies how the city may provide for a sufficient number of sites to facilitate housing production commensurate with the 2001-2008 RHNA. In evaluating the adequacy of sites to fulfill the RHNA by income level, HCD assesses a jurisdiction's development potential by zoning district and corresponding density level. The assumption is that density can reduce the per-unit cost of development and therefore the price or rent of the housing developed.

An important component of the Housing Element is the identification of sites for future housing development and evaluation of the adequacy of these sites in fulfilling the city's share of regional housing needs as determined by HCD. Between January 2001 and April 2003, 347 housing units were completed or under construction. Of these housing units, 169 are single-family dwellings affordable to above moderate-income households, 10 are duplexes affordable to moderate-income households, and 168 are income-restricted subsidized rental housing units affordable to very low- and low-income households.

The following assumptions were used to estimate affordability of housing units constructed/approved by income level:

- The Shasta County median income is \$34,335 for 2002, according to HUD.
- The maximum affordable purchase price for a low-income household (80% of median income, or \$27,468) is \$93,000, assuming a ten percent down payment and a loan value of no more than three times the borrower's income.
- The maximum affordable purchase price for a moderate-income household (120% of median income, or \$41,202), is \$129,000, with same purchase price assumptions as for a low-income household.

The city's progress in meeting its regional housing allocation includes the approval of 58 substantially rehabilitated housing units at the former Anderson Oaks apartments. The property was a privately owned rental housing development with no governmental assistance or income/occupancy restrictions. The housing units were severely deteriorated and represented a serious health and safety threat to the occupants. The city, in conjunction with the Redevelopment Agency, are assisting the developer with a combination of local funds, CDBG funds, HOME funds, tax exempt bond financing, tax credits and other sources of funding to create 58 senior housing units for household earning no more than 60 percent of median income. The housing units will be rent restricted for at least 55 years.

Table II-25 summarizes the status of housing units provided or approved since January 2000.

**Table II-25
Progress in Meeting Regional Housing Allocation**

Income Level	SCOG RHND Allocation	Approved/ Under Construction (1-01 to 4-03)	Remaining Allocation
Very Low	72	60	12
Low	78	60	18
Moderate	122	10	102
Above Moderate	407	169	238
Total	679	299	380

Source: City of Anderson

Note: Low and very low-income units include 80 new units at Regency Place and 58 substantially rehabilitated units at Los Robles (formerly Anderson Oaks). Does not include 16 units at the Mills Street Apartments, a 100 percent affordable rental project for persons with developmental disabilities, which was completed prior to January 1, 2001. The project units were formerly substandard, privately owned, non-rent or income restricted units. Occupants may have incomes up to 60% of median.