

Conversation starter

Day-long conference focuses on affordable housing

Chicoans with full-time, minimum-wage jobs should pay about \$530 in rent. That is, if their housing is considered affordable, requiring no more than 30 percent of their income.

But it's nearly impossible to find anything in the city that fits the bill, Councilman Scott Huber said at the outset of a day-long Affordable Housing Conference on Saturday (Sept. 28). Even those of moderate means are hard-pressed to find a place they can afford.

Huber's opening comments set the stage for the event, which he spearheaded and coordinated with the support of his City Council colleagues, organizing multiple panels of experts for a free, public conversation about the housing crisis, affordability and potential solutions. All council members attended except Sean Morgan.

The conference featured a range of voices, from private developers, real estate agents, loan officers and designers, to organizations like Community Housing Improvement Program (CHIP) and North Valley Housing Trust (NVHT).

Among the things the broad range of panelists agreed upon are the many challenges to construction: land availability, a labor shortage and the increasing costs of doing business. The proposed solutions are where they diverged the most.

Doug Guillon, a local developer, argued that supply and demand is a crucial driver of affordability. Any new unit built, even high-end apartments, helps "unlock the market" and free up affordable units, he said.

Fellow panelist Seana O'Shaughnessy, president and CEO of CHIP, countered that while supply is "absolutely essential," Chico has to practice intentional development and invest in affordable housing to ensure lower income households aren't squeezed out of the local market.

Statistics for the city of Chico show that regional housing needs are gravely unmet, according to the state-mandated Housing Element and Regional Housing Needs Allocation (RHNA). The city needs another 959 units for extremely and very low-income households (only 15 have been built since 2014) and 634 more units for low-income households (nine have been built since 2014). The trend continues for moderate-income households, too, though the gap isn't as wide: 324 units have been completed, and 384 more are needed.

When it comes to market-rate homes (for those making above-moderate incomes), the city is over-saturated: Since 2014, 2,011 units have been constructed, about 400 more than what the allocation calls for.

This disparity became a talking point throughout the conference for those in the affordable housing sector: Business as usual isn't going to cut it. Panelists argued that affordable housing needs can be addressed, in part, with infill, accessory dwelling units and high- or mixed-density communities (like Meriam Park and Doe Mill).

But that's not to say that there aren't considerable barriers. Many of the nonprofit organizations lamented the dissolution of state redevelopment agencies (RDAs) in 2011, which provided approximately \$6 million annually to the city of Chico for affordable housing projects. Piecing together funding has been tougher since then.

Lauren Kennedy, executive director for NVHT, said her organization exists in part to fill that gap left by RDA, and even then, it can offer about \$1 million to \$2 million per year for loans.

"So we still have a huge deficit in our community in terms of funds that are available for the projects that we need," she said. "But I'm really excited by the projects that are coming forward."



Looking to the future, many developers advocated for readily available land, with sewer, utilities and other foundational infrastructure already in place. They argued this would encourage all types of development. The state budget might help in that regard: Gov. Gavin Newsom approved \$2.75 billion to jump-start housing production, with grants totaling \$250 million for local government planning and \$500 million for infill infrastructure.

While some developers maintained that the Chico market is interested primarily in traditional single-family homes, other panelists argued that smaller homes are in demand. For example, at Meriam Park, developer Dan Gonzales is building 43 houses ranging in size from 1,121 square feet to 1,560 square feet, and they already have 150 applicants.

Accessory dwelling units, or "granny units," are increasing in popularity in Chico as well. Over 50 permits have been pulled this year, following the city's decision to cut fees and waive cumbersome requirements. Additionally, design consultant Mike Trolinder is working on infill projects throughout the community that appear from the outside to be single-family homes but actually are split into several units. For one project on 10th Street, for instance, rents are penciling out to about \$500 per month.

Councilman Scott Huber spearheaded an affordable housing conference hosted by the city of Chico last weekend. He told the CN&R he hopes it encouraged those in the industry to think outside the box to solve the crisis.

PHOTO BY ASHIAH SCHARAGA

Kennedy became animated when she spoke of community land trusts. With this model, a nonprofit owns the land but leases it to lower-income families who would otherwise be priced out of the market. It can reduce housing costs as much as \$100,000, she said. Local nonprofits are exploring this concept, she added.

While the city isn't in the housing business, it certainly can change code and zoning requirements to encourage innovative solutions to the crisis, Huber said. In the meantime, conversations will continue via the city's ad hoc housing committee.

Huber told the CN&R later that he hopes the conference encouraged those in the industry to think outside the box and explore different models.

"We can't stay the way we've always been and expect that our children and our grandchildren are going to be able to afford to live here. And that's a big part of the issue," he said. "I think knowing that there are a wide variety of ways that people are trying to solve these issues gives us hope."

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