

HOMELESSNESS IN RIVERSIDE WORKSHOP

OCTOBER 11, 2016

Affordable Housing

All residents of Riverside should have the opportunity to live in quality housing that is affordable to them. A City as diverse as Riverside, needs a range of high quality housing options that appeal to our current residents as well as those the City and employers are looking to attract.

Riverside Housing Costs

The median price of a house in Riverside is \$315,000 creating an approximate monthly cost of \$2,087 and requiring an annual income \$75,885 to allow its affordability. The median two bedroom rent in Riverside is \$1,098 requiring an annual income of \$43,920 to allow affordability.

Simultaneously, a household earning a minimum wage annual salary of \$37,440 cannot afford to either rent or purchase a home at the median housing costs.

The gap between housing cost and income is further magnified for individuals and households that receive only Social Security benefits, approximately \$800-\$1,000 per month. For these households, both homeownership and the average rent, is out of reach and options for homes that meet minimum health and safety standards is further reduced.

In addition to the important social and civic values surrounding housing that is affordable, the economic and fiscal benefits of affordable housing should not be overlooked:

- a) The creation of short term construction period and long-term permanent jobs within the community
- b) One-time permit, impact fees and on-going revenue (e.g. utility, property taxes) to the City
- c) Positive impact to adjacent property values, attributed to the properties' design, professional property management and regular maintenance, particularly when affordable housing replaces a vacant lot or dilapidated building within an existing neighborhood;
- d) Improvement of worker and employer attraction and retention; and
- e) Increased buying power of residents with affordable housing costs

To increase availability of affordable housing, the City provides assistances to both households and the development community. Households with a low income may be eligible for rental assistance, to assist in filling the gap between the rent a household is able to afford, and the rental rate of a quality unit. A low-income household may also be eligible for the City's Down Payment Assistance Program, to fill the gap between the mortgage that a household is qualified for, and the market rate of homes.

In addition to providing financial subsidy to facilitate the development of housing units, there are low and no-cost ways to incentivize the development of housing options that are affordable:

- a) Expand Development Opportunities – zone residential areas to encourage diverse housing products and types; allow for higher density development; lowering the cost of developing affordable homes in areas well-served by public transit by reducing residential parking requirements; streamlining the process for redeveloping vacant land and abandoned homes
- b) Capitalize on Market Activity – consider implementation of a inclusionary zoning program, which provides incentives or require developers to set aside a portion of units in new market-rate developments for households of low and moderate income or establishment of tax increment financing districts
- c) Community Revitalization and Investment Authority – consider implementation of a Community Revitalization and Investment Authority, a form of tax increment financing that provides a dedicated stream of financing for the provision of affordable housing.