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The Sacramento Bee

Resistance to low-income housing as strong as the need

By Pamela Martineau
Bee Staff Writer

+ Albert Rotting fears his Cameron Park neighborhood will become a crime-ridden slum if more low-income apartments are built near his home.

"I have nothing against poor people," Rotting said. "It's just that we have so much low-income housing already."

Cynthia Napue fears she'll return to

living out of her car on the streets of Galt if her landlord raises the rent on the apartment she shares with her three children.

"Housing has been very hard to get as a single mom with three children," said Napue, who moved to Galt eight years ago to escape a crime-ridden area of Oakland.

Rotting's notion that his neighborhood has received more than its fair share of low-income housing is a common cry

among residents in the Sacramento region who have lined up to fight low-income housing projects in Galt, Laguna, Auburn and other areas.

But it's a perception that isn't always borne out by statistics.

In 1991, the Sierra Planning Organization - a regional demographic consulting firm - estimated that by the end of 1997, El Dorado County would need 7,235 new residences for families making up to 50

percent to 80 percent of the area median income, which is \$48,400 for a family of four.

As of January 1996, 537 such dwellings had been built.

El Dorado County joins most other counties and cities throughout the region in meeting only a fraction of their stated goals for affordable housing.

Low-income, or affordable, housing comes in many forms and can be built by

private developers under tax-credit programs or subsidized by government funds. Housing qualifies as low-income if it targets people who make below an area's median income.

But a lack of funding and opposition from neighbors often prevent low-income units from being built, even though cities and counties zone land for the projects.

Please see HOUSING, page A8

Housing: Fears of slums, crime often don't match reality

Continued from page A1

Opposition has become particularly heated in rural and suburban areas, housing advocates say.

"Many people in the suburbs consider themselves upwardly mobile and they're trying to get away from problems," said Sacramento County Supervisor Illa Collin. "If you're talking about putting in affordable housing near them, they tend to go ballistic."

Mike Herald, a lobbyist for Housing California, an advocacy group for low-income housing, said there is "tremendous resistance" in the suburban areas to affordable housing, where officials and residents frequently presume the units needed for poor people will — and should — be built in bigger cities like Sacramento.

"Some counties around Sacramento expect the city of Sacramento to take all the low-income housing impact," Herald said.

Rotting and several other of the 30 people who oppose a proposed 88-unit low-income apartment complex at the corner of Bass Lake and Green Valley roads, say they don't want the apartments because they will bring crime and lower the value of their homes. The planned Glenview Apartments would offer units to people making 40 percent to 50 percent of the area's median income.

Some opponents say the complex would create horrendous traffic problems in an area already plagued by speeding cars; others challenge El Dorado County's environmental impact report, saying the apartments' proximity to a creek has not been adequately studied.

But the most common complaint is that Cameron Park is

getting most of the county's low-income units — and that the units, by virtue of their affordability, are inherently bad.

El Dorado officials don't keep a list of affordable units by location, so they couldn't say whether Cameron Park has received a larger portion than other areas.

Officials in Placer, Yolo, Sacramento and El Dorado counties couldn't provide a listing of affordable units in their jurisdictions either, saying they lack the resources to track the projects.

State law requires only that counties and cities zone land for multifamily, low-income projects. Whether they get built depends on funding and local opposition.

"If the market isn't there, it's not the jurisdiction's fault," said Cathy Creswell, assistant deputy director for housing policy at the California Department of Housing and Community Development.

Creswell said her agency watches cities and counties to see if they have initiatives to encourage affordable housing. She said one challenge is to dissuade local residents from the notion that low-income housing will lower the values of their homes and bring crime.

Creswell said study after study debunks those fears, finding no appreciable increase in crime or decrease in housing values after affordable housing units are built in a neighborhood.

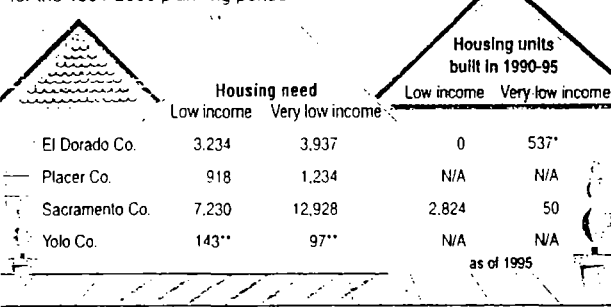
Creswell noted that local officials often fear political damage if they support such projects.

"There have been councilpeople who have been recalled over affordable housing," she said.

"It's a very emotional issue," El Dorado County Supervisor Walt

Regional housing needs

Area low- and very low-income units needed for the 1991-2000 planning period



	Housing need		Housing units built in 1990-95	
	Low income	Very low income	Low income	Very low income
El Dorado Co.	3,234	3,937	0	537*
Placer Co.	918	1,234	N/A	N/A
Sacramento Co.	7,230	12,928	2,824	50
Yolo Co.	143**	97**	N/A	N/A

as of 1995

*Number includes hardship mobile homes.

**Zoning for agricultural land severely restricts new development in unincorporated areas

Source: Sacramento Area Council of Governments, Sierra Planning Organization and Housing California

Bee graphic / Nicole Peake

Shultz said. "And it seems to be way more of a newcomer's problem than people who've lived in this county for a long time."

Herald said many opponents of affordable units are trying to dry up funding for the projects.

In Galt, city officials sued to stop construction of low-income homes in the Grizzly Hollow subdivision. They argued that Galt does not qualify as rural and was therefore ineligible for grants through the U.S. Department of Agriculture's Farmers Home Administration.

The lawsuit was thrown out last year, but angry officials and residents asked their congressman, Rep. Richard Pombo, R-Tracy, to intercede. Earlier this summer, the House of Representatives passed a bill exempting Galt from future low-income housing projects under the FmHA loan program. The exemption — which if granted would be the only one in

the nation — has yet to be approved by the Senate.

"They're using the city of Galt as a dumping ground to put all the affordable housing," Galt Mayor Christina De La Cruz said at a public affordable housing forum.

"I don't feel those houses are dumping grounds," Galt resident Alicia Andrade responded. "I make \$5.25 an hour. ... My children will now have a yard."

The FmHA program allows qualified people to buy a home without a down payment, paying a monthly mortgage rate tailored to their income levels. Potential homeowners assist in construction of the homes, providing so-called "sweat equity" to lower the cost. The program is administered through a grant to the Rural California Housing Corp.

De La Cruz and other opponents of the Grizzly Hollow homes say Galt has 70 percent of the Sacramento County homes built un-

der the FmHA program.

Daniel Thompson of the Rural California Housing Corp. said the need exists in Galt. "I get four or five calls a day regarding this program," he said. "They're people who live in Galt and have no hopes of owning a home."

Thompson said the neighborhoods that have been built through the program are solid, safe places. "Since we've been in existence for 30 years, 90 percent of the people who built through the program still own their homes," he said.

Herald said he believes more low-income housing would be built if local agencies were given economic incentives.

"Local governments could receive money if they reach their affordable housing needs," he said.

Joyce Aldrich, program manager for El Dorado County's Department of Community Services views first-hand the impact a lack of affordable units can have on people near the poverty line.

Aldrich handles calls from the 300 people on El Dorado County's waiting list for federally subsidized housing. Some are homeless and some are plugging nearly every last dime into rent and utilities. Aldrich said adequate housing for low-income people "helps prevent homelessness."

Ross Parker, director of the Yolo County Housing Authority, said his agency has more than 6,000 families on a waiting list for affordable housing. He said the list needs to be updated since some families might be from out of the area or have dropped off eligibility rolls. But even if the number were cut in half, there still would not be enough housing, he said.

"They're living all over," Parker said of the people on the list. "They're doubled up; they're staying in some cases, in shelters."

He said the best hope for building affordable units would be to increase private/public partnerships, in which builders are given tax breaks and reduced fees to build affordable units within their proposed developments.

In El Dorado County, the builder of Glenview Apartments will receive a tax credit for the project.

The opponents of the proposed Glenview Apartments have appealed the Planning Commission's approval of the project to the county Board of Supervisors, which is scheduled to consider the issue Tuesday.

Allen Wildermuth, a member of the citizens group opposing the project, said opponents already have talked with an attorney about filing a lawsuit against the project.

In the meantime, Bill Kennedy, an attorney with Legal Services of Northern California, said his agency is just moving project by project. "You can count on delays of years," Kennedy said. "I've been practicing law for 24 years and I've never seen a low-cost housing project that didn't have local objection."

That's especially true in the higher-income suburbs, Kennedy added, where integration by income has become as heated emotionally as integration by race once was 20 years ago.

"Where is the guy who's mowing (affordable-housing opponents') lawns going to live? Where's the woman who takes care of their children going to live?" Herald asked.

City of Galt - Fact Sheet

- ▶ In 1995, the City of Galt expressed concern that a self-help housing project was going to be developed within their jurisdiction.
- ▶ The project was being developed by the Rural California Housing corporation on a 176 lot subdivision that was owned by the nonprofit. Financing for the mortgages on the property were going to be provided by the USDA Rural Development formally known as Farmers Home Administration.
- ▶ Congressman Pombo convened a public meeting which USDA attended to talk with the prospective neighbors about their concerns.
- ▶ Responding to the issues raised by the community, USDA prepared a supplemental environmental review document on the project which addressed each of the concerns raised by the community including the impact on the value on the surrounding homes, the local school system, and the residents ability to successful home owners based on their low incomes. After completion of the supplemental environmental review, USDA still concluded that the project did not have a negative impact on the surrounding community. Neither the original environmental review nor the supplemental review was challenged.
- ▶ The USDA also attended a series of meetings with community leaders and neighbors which was hosted by Congressman Pombo to discuss ways in which the project might be designed to blend in better with the surrounding community. These discussions even included land swapping to disperse the units throughout the community. USDA offered to provide design waivers, limit the number of homes built at anyone time, and other concessions which might remove community opposition. However, nothing appeared to appease the city or the residents expect abandoning the project.
- ▶ As the Nonprofit owned the land and was planning to develop the units consistent with all applicable zoning and land use regulations the City was unable to stop the project.
- ▶ Subsequently, the City of Galt sued the USDA over the proposed development stating the community didn't meet the definition of rural. A federal court judge through out the case on the basis that the community didn't have standing under the law because clearly their purpose was to keep affordable housing out of their community.
- ▶ Several months ago, Congressman Pombo, at the request of the Mayor of the City of Galt, had an amendment placed in a federal appropriations bill prohibiting any moneys to be used in the City of Galt for the purposes of providing mortgages.
- ▶ This is an issue of extreme significance to people who care about fair housing issues. Without a ground swelling of opposition to this type of discriminatory practice not only will Galt succeed in blocking the construction of these homes, but other communities across the county may use this same type of methods to keep affordable housing out of their community.
- ▶ Letters of opposition to this practice are currently being requested to urge Secretary of Agriculture Dan Glickman, Congressman Vic Fazio and Senators Barbara Boxer and Dianne Feinstein to oppose this attack against fair housing. They need your support in order to demonstrate the depth and breadth of opposition to this type of discriminatory action.

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GALT OPPOSES FEDERAL HOME OWNERSHIP PROGRAM

The House of Representatives approved on a voice vote an amendment to the Agriculture Appropriations Act which would exempt Galt, CA from eligibility for rural housing loans. This action was requested by the city council with the clear intent of stopping Rural California Housing Corporation from continuing to develop affordable home ownership opportunities in the community. If the Senate concurs with the amendment, RCHC will no longer be able to provide home ownership opportunities to low income people in the city of Galt. The amendment does not change the definition of an eligible community, it just says that for the purposes of rural housing lending Galt shall not be considered rural. As a result of the action low income people, and farm workers in particular, will be denied an opportunity to own their own homes.

Rural California Housing Corporation (RCHC) is a private nonprofit organization which develops housing opportunities which are affordable to low and very low income households. The organization has been in existence for 30 years, and during that time 2,155 low income families have built their own homes through our mutual self-help housing program. Groups of 8-12 families work together constructing each others' homes under the supervision of an RCHC construction supervisor. The families earn a sweat-equity in their homes by performing more than 70% of the labor in building the homes.

In rural areas the self-help homes are financed by the Department of Agriculture (USDA) through the Rural Housing Service (RHS) under the Section 502 rural housing loan program. USDA also provides RCHC with funding to assist low income families in qualifying for loans, developing land and supervising the construction process. Families in Sacramento County with incomes between \$20,000 and \$40,000 per year can qualify for a home, and by building the home themselves, they will earn an equity of approximately \$10,000. They must maintain their regular employment and for a period of eight to ten months they must contribute 35 hours per week in the construction of their home. In the end, the low income families have earned a down payment, a part of the American Dream, a home of their own.

RCHC acquired a subdivision with 80 finished lots, 35 lots with an approved final map and several additional parcels, in the city of Galt in 1994. The city sued USDA and RCHC to keep RCHC from building affordable housing in the development even though all local approvals had been met by the development. A federal judge ruled that the city had no standing to bring its lawsuit. Today 20 homes are completed, and another 30 homes are in construction.

The federal housing program is permissive, it does not say that housing financed by RHS has to be located in Galt. The actions of the city deny eligible recipients the opportunity to own a home in the community where they live and work. If the request of the city had been to deny local residents supplemental security income would the Congress have acted in a similar manner, admittedly this is only the illogical extension of the current proposal.

Additional Facts:

- The self-help housing program provides home ownership opportunities for families who would not otherwise be able to become homeowners. The participants are the working poor, they must qualify for a mortgage with steady, earned income and good credit. The city's action will prevent these working families from realizing the American Dream of home ownership.
- The housing element of the city of Galt says that 40% of the new housing developed in the city needs to be affordable to low and very-low income households. The goal of the 1990 element is to develop some 1,281 new homes affordable to low and very low income households, households with incomes below \$40,000. The city housing element also says that they will encourage the use of RHS housing programs to meet their housing need.

- During the past 7 years, the population of Galt has increased by approximately 7,000 people, meaning that approximately 2,300 homes were built. According to the city, they assisted in financing 71 affordable homes; and according to RHS, they have assisted an additional 200 homes in the past seven years. Just over 10% of the new housing developed in the past seven years was affordable, well short of the 1,231 unit goal.
- The city of Galt asserts that they are getting a disproportionate share of RHS financed housing. However, what the City neglects to mention is that Galt is the only city in Sacramento County which has been eligible for RHS financing for the last 7 years. The city has NO public housing, and NO rental housing has been developed in recent years.
- The city actions violate state fair housing law which says that no local government will discriminate based on the source of financing used in development. The city council never discussed the proposed amendment in a public meeting, and yet all five city council members signed a letter supporting the action.
- The city is promoting exclusionary housing restrictions and is setting a dangerous precedent which other exclusionary communities would welcome the opportunity to follow.
- The housing being developed by Rural California Housing Corporation, and built by the families, is similar to the housing being built in with the surrounding community, but financed by conventional sources.
- The city asserts that the RHS financed housing is jeopardizing their infrastructure financing. The city's financing plan should have conformed to their general plan which states that 40% of all housing should be affordable to low and very low income households. Usually this type of housing means apartments, not single family homes. In addition, RCHC has paid the taxes and all of the assessments since we acquired the land, while many owners are defaulting on their Meilo-Roos payments.
- The RHS loans include impound accounts, and the families loan payments include their tax payments. The families house payment is set based on their ability to pay principle, interest, taxes and insurance. The default rate on rural housing loans to self-help participants is below one percent.

Attached to this memo are:

- a letter to Congressman Livingston signed by all members of the city council
- the amendment to the Agriculture Appropriations bill (Sec. 728) and the congressional record of the floor debate.
- relevant citations from the Galt housing element.
- a memo from Congressman Pombo to his colleagues about his amendment.
- the citation from California government code referring to discrimination in land use decisions

For Additional Information Contact:

Stanley Keasling
Executive Director

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National Housing Conference

NHC NEWS

Volume 5, No. 2

Summer

Homeownership: Key to Decent Lives Rebuilder of Inner Cities

(coverage begins on page 4)

NeighborWorks Helping families realize the dream of homeownership

(shown: the Wallace family,
story on page 11)

The United Voice for Housing

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1997 Special Events

October 30	Board of Directors Meeting	Hyatt Regency Atlanta, GA
October 30-31	Fall Policy Conference: "Community Investment: Challenges and Opportunities"	Hyatt Regency Atlanta, GA
December 16	NHC/New York Housing Conference Twenty-fifth Anniversary Luncheon	Sheraton New York New York, NY
December 16	Winter Membership Meeting	Sheraton New York New York, NY

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