

Chapter 2

HOUSING NEEDS ASSESSMENT

The availability of decent and affordable housing for residents is an important housing goal. To accomplish this goal, a comprehensive assessment of housing needs provides the basis for developing responsive policies and programs. This chapter presents and analyzes the demographic, economic, and housing characteristics and their impact upon housing needs and special housing needs in the cities of Avenal, Corcoran, Hanford, and Lemoore and unincorporated Kings County. The Housing Plan, Chapter 6, provides a strategy to address identified housing needs.



A. Population Characteristics

Housing needs in Kings County are largely determined by population and employment growth, coupled with various demographic variables. Householder age, cultural preference, size, occupation, and income combine to influence the type of housing needed and the ability to afford housing. This section describes and analyzes pertinent housing needs in each of the incorporated cities and the unincorporated area of Kings County.

1. Population Trends

Kings County is comprised of four incorporated cities (Avenal, Corcoran, Hanford, and Lemoore), four unincorporated community service areas (Armona, Home Garden, Kettleman City, and Stratford), and a few other smaller community pockets. According to the 2000 Census, Kings County had a population of 129,461 residents, of which 78,695 persons resided within the incorporated cities and 31,464 residents lived within the County unincorporated areas. Prison inmates comprised approximately 17,874 persons in 2000.

Kings County ranks as the seventh fastest-growing county in population in California. Since 1980, Kings County's population has increased at an annual average growth rate of 3.8 percent. However, much of the increase is inflated due to the opening of Avenal State Prison (1987), Corcoran State Prison I and II (1988), the California Substance Abuse Treatment Facility (1997), and expansion of Lemoore Naval Air Station. Discounting military and

correctional institutions that brought people to Kings County, the County population still increased an average 2.5 percent annually since 1980.

As shown in **Chart 2-1**, while population increased throughout Kings County, cities experienced the fastest growth. Population increased the fastest in the cities of Lemoore (6.9 percent), followed by Avenal (6.0 percent), and Hanford (5.3 percent). Population growth was significantly slower in Corcoran (3 percent).

CHART 2-1
KINGS COUNTY POPULATION GROWTH, 1980-2000

Jurisdiction	Population			Average Annual Growth		
	1980	1990	2000	Total Growth	Including Institutions	Without Institutions
Avenal	3,655	9,770	14,674	11,019	15.1% ¹	6.1%
Corcoran	5,998	13,364	20,835	14,837	12.3% ²	2.9%
Hanford	20,096	30,897	41,686	21,590	5.4%	5.3%
Lemoore	8,293	13,622	19,712	11,419	6.9% ³	6.9%
Unincorporated	35,696	33,816	32,554	-3,142	---	---
Kings County	73,738	101,469	129,461	55,723	3.8%	2.5%

Source: 1980, 1990, and 2000 Census.
Prison population corrected by KCAG

Notations:

Institutional population consists of the following:

1. Avenal State Prison (1987),
2. Corcoran State Prison (1988), CSP-Corcoran (1997), and
3. Lemoore Naval Air Station.

According to the State of California Employment Development Department (EDD)¹, Kings County population is projected to reach 198,700 by the year 2020, a gain of more than 53 percent over current figures. Unlike previous decades, however, the majority of population growth will be due to non-institutional population growth. Population growth is anticipated in the fringe areas of Hanford and within Lemoore's present boundaries on undeveloped sites. The Kings County Association of Governments in conjunction with local jurisdictions (Avenal, Corcoran, Hanford, Lemoore, and Kings County) has developed a Regional Housing Needs Allocation Plan for the years 2001-2008. This Plan attempts to direct new housing to where adequate infrastructure and public services can accommodate projected growth.

¹ Interim County Population Projections, State Department of Finance, June 2001

2. Age Characteristics

Although population growth determines the total amount of housing needed, specific housing needs are determined in part by age characteristics. Typically, each age group has distinct lifestyles, family characteristics, incomes, and housing preferences. As people move through each stage of life, their housing needs and preferences also change. Evaluating age characteristics is thus important in planning for the changing housing needs of residents.

Coupled with housing prices, the homeownership rate is related with householder age. Homeownership rates tend to increase with the age and income of the householder. Countywide in 2000, 87 percent of all householders aged 65 and older, 75 percent of households between age 55 and 64, and 67 percent of householders 45-54 owned a home. In contrast, approximately 55 percent of householders aged 34 to 64 and only 29 percent of householders aged 34 years and younger owned a home.

Housing needs oftentimes differ for different age groups. For instance, young adults (under 34) are single, starting families, and building a career. Housing needs for younger adults are addressed through apartments or first-time homeownership opportunities. Middle-aged residents (34-64) may have already bought homes, are usually at the peak of their careers, and thus tend to seek larger homes. Finally, seniors oftentimes already own a home but, due to limited income, may need assistance to remain in their homes.

As shown in **Chart 2-2**, Avenal and Lemoore had the highest percent of younger householders (age 15-34). Each community in the County had approximately the same percentage of middle-age householders (34-64 years). Corcoran, Hanford and the unincorporated County areas had the highest percentage of householders living in the community who are seniors. However, the large number of householders between 15 and 34 years old suggest continued demand for new housing in the upcoming decade.

CHART 2-2
AGE CHARACTERISTICS OF HOUSEHOLDER, 2000

Jurisdiction	Number of Households	Percentage of Householders by Age Group				
		15-34	34-44	45-54	55-64	65+
Avenal	1,928	32%	27%	18%	10%	12%
Corcoran	2,769	25%	25%	19%	13%	18%
Hanford	13,931	26%	24%	19%	12%	19%
Lemoore	6,450	32%	27%	19%	10%	12%
Unincorporated	9,340	28%	24%	18%	13%	18%
Kings County	34,418	28%	25%	19%	12%	17%

Source: 2000 Census

3. Race and Ethnicity

Over the past decade, Kings County’s population gradually changed with respect to race and ethnic composition (**Chart 2-3**). During the 1990s, Whites remained at approximately 54,000 persons in both 1990 and 2000, but declined to 43 percent of the population. Hispanics increased 63 percent during the same period and now comprise the largest/ethnic group in the County, representing 44 percent of the population. The proportion of Asian and African American residents remained relatively consistent over the past decade.

Race/ethnic composition of residents varied considerably among Kings County jurisdictions. Hispanics and Whites were the two largest race/ethnic groups in Kings County. In Avenal and Corcoran, Hispanics comprised the majority of residents, at 84 percent and 72 percent, respectively. Whites comprised the majority of the population in the City of Hanford (50 percent), City of Lemoore (49 percent) and the unincorporated communities (46 percent).

The other three minority groups include African Americans, Asians, and all others. These groups comprised 13 percent of Kings County population. African Americans accounted for a fairly small proportion Countywide; however, they comprised 5 and 7 percent respectively of the populations in Hanford and Lemoore. Asians comprised an even smaller proportion in the County, but comprised 7 percent of the Lemoore residents and 5 percent of Hanford.

**CHART 2-3
RACE AND ETHNICITY, 2000**

Jurisdiction	NonPrison Population	Race/Ethnicity of Population				
		White	Hispanic	African American	Asian	Other
Avenal	8,113	13%	84%	1%	<1%	2%
Corcoran	9,522	22%	72%	3%	<1%	<1%
Hanford	41,686	50%	39%	5%	3%	4%
Lemoore	19,712	49%	31%	7%	8%	5%
Unincorporated	38,931	46%	41%	4%	3%	5%
Kings County	111,587	43%	44%	5%	4%	4%

Source: 2000 Census

4. Household Type

A household refers to the people occupying a home, such as a family, a single person, and unrelated persons living together. Families often prefer single-family homes or condominiums to accommodate children, while single persons generally occupy smaller apartments or condominiums. Single-person households may include seniors living alone or young single adults. An additional number of residents live within group quarters. The number of households is always equal to the number of occupied housing units in a community.

Chart 2-4 displays household composition by community reported by the 2000 Census. Overall, the household structure of the population remained stable over the decade. Families continued to comprise almost 80 percent of all households within Kings County. Specifically, Avenal had the highest proportion of families (85.1 percent), followed by the unincorporated County areas (83.6 percent) and Corcoran (80.5 percent). These jurisdictions also had the largest household sizes than other communities in Kings County.

Countywide, the proportion of single households was 17 percent, the same proportion as in 1990. However, the percentage of single households varied by location. The cities of Hanford (20.5 percent) and Lemoore (17.4 percent) had the highest percentage of single person households and as a result the smallest average household size compared with all jurisdictions in the County. ‘Other’ households, which include unrelated people living together such as roommates, comprised 5 percent of all households in the County.

As noted earlier, Kings County has a significant population of people living in group quarters who are not counted as households. Avenal and Corcoran State Prisons are counted under the population figures, but are not counted as households living in occupied housing units. The same is true for persons living on-base at Lemoore Naval Air Station.

**CHART 2-4
HOUSEHOLD CHARACTERISTICS, 2000**

Jurisdiction	Households	Average Size	Percentage of Households		
			Families	Singles	All Other
Avenal	1,928	4.14	85.1%	11.3%	3.6%
Corcoran	2,769	3.44	80.5%	15.9%	3.5%
Hanford	13,931	2.93	74.5%	20.5%	4.9%
Lemoore	6,450	3.06	76.4%	17.4%	6.2%
Unincorporated	9,340	3.35	83.6%	12.8%	5.1%
Kings County	34,418	3.18	78.4%	16.9%	4.6%

Source: 2000 Census

B. Economic Characteristics

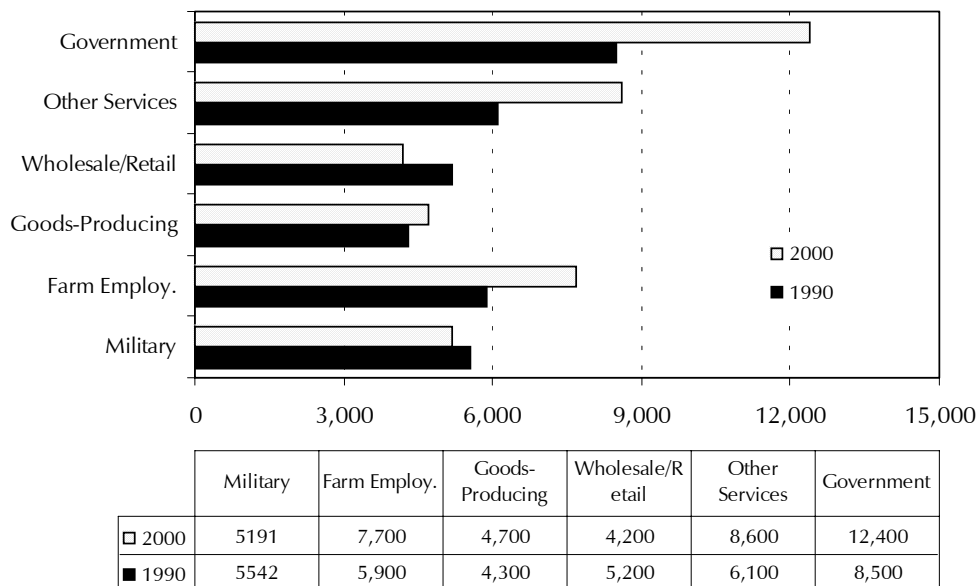


Kings County's economy has an important impact on housing needs. Employment growth typically results in increased housing demand in areas that serve as regional employment centers. Moreover, the type of occupation and income earned from new employment also impacts the type and price of housing that can be afforded. As such, this section describes the economic patterns and changes in Kings County, describes variations by jurisdiction, and infers potential housing needs in each community.

1. Kings County Economy

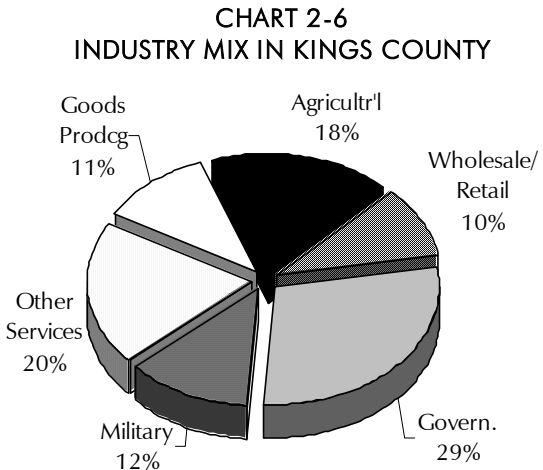
The Kings County economy expanded significantly during the 1990s, adding 20 percent more jobs in just ten years. Shown in **Chart 2-5**, expansions were most evident in a 46 percent increase government jobs (including education). Business services followed with a 41 percent expansion in jobs, while agricultural employment increased 31 percent.

**CHART 2-5
EMPLOYMENT GROWTH IN KINGS COUNTY,
1990 - 2000**



Source: Employment Development Department, 2000
Bureau of Economic Analysis, 2001

Kings County supports a diversified economy shown in **Chart 2-6**. Government is the largest sector (due in part to state prisons) and provides 29 percent of all jobs and if military jobs are included, comprises 41 percent. Business service is the next largest sector, providing 20 percent of jobs. Business services include information, finance, real estate, health services, leisure services, and others. Agricultural jobs comprise 18 percent of jobs, but might be much larger if agricultural-related manufacturing and processing industries were included. Military employment comprises 12 percent of the workforce. Lastly, wholesale/retail and goods producing firms (e.g., manufacturing and construction) each comprise 10 percent of jobs.



Source: State of California, Employment Development Department, 2000

The Employment Development Department projects economic growth through 2006. Service jobs are anticipated to increase 26 percent, driven by education and health care jobs. Government jobs are expected to increase 16 percent due to law enforcement and correctional officers. These jobs typically pay relatively moderate wages and benefits. Retail employment is anticipated to increase 15 percent, but virtually all the projected growth is for lower paying cashiers, retail sales, and associated waiters and waitresses. For these and other individuals in similarly positions, attaining affordable housing may be a challenge.

Chart 2-7 summarizes the major employers in Kings County by jurisdiction and projected economic growth opportunities in each community thru 2008. Given the rural nature of the unincorporated communities in Kings County, economic growth is anticipated to be nominal in the communities of Armona, Kettleman City, Stratford, Home Garden, and other rural areas. Job growth is anticipated to primarily be centered within incorporated communities.

Modest economic growth is projected for Avenal and Corcoran. Avenal's and Corcoran's predominant employers are State Prisons (government corrections), the farming industry, and the school districts (educational). Over the 2003-2008 planning period of the Housing Element, Avenal is expecting the development of an industrial park along I-5, bringing additional manufacturing jobs, while modest growth is projected for Corcoran. These industries are anticipated to increase the demand for affordable housing.

Hanford, the County seat, supports a diversified economy of government, education, health care, and basic manufacturing and construction firms. Through 2008, Hanford is projecting to create 47 percent of all new jobs in the County. This includes the expansion of local schools and the College of Sequoias and commercial and retail growth along 12th Avenue and

Lacey Boulevard. This employment will likely increase the demand for a range of housing prices, from lower cost housing opportunities for retail employment to moderate and above-moderate priced housing for governmental and educational employment.

Relative to its population, Lemoore is expected to experience the greatest economic growth through 2008. Its major employer located just outside the community, Lemoore Naval Air Station (LNAS), is projecting significant growth through 2008. With a projected increase of 1,500 officers and enlisted personnel, LNAS will generate additional military support occupations. In addition, the City of Lemoore itself expects new employment opportunities from the new West Hills Community College Campus, new Leprino cheese plant, and the expansion of S K Food Process. Taken together, the City of Lemoore anticipates creating approximately 40% of all new jobs countywide through 2008.

**CHART 2-7
EMPLOYMENT COMPOSITION AND GROWTH
IN KINGS COUNTY, 2003-2008**

City	Businesses and employees	Current Major Employers	Number of Employees	Employment Growth Opportunities
Avenal	46 firms and 2,028 employed	Avenal State Prison Paramount Farms Reef Sunset USD	1,300 600 306	Potential industrial park development near I-5. Potential 10% of County job growth thru 2008
Corcoran	163 firms and 5,714 employed	Corcoran Prisons JG Boswell Co. Corcoran USD Corcoran Hospital	2,900 375 390 100	No major indicators of economic growth thru 2008. Only 1% of county job growth thru 2008.
Hanford	957 firms 17,299 employed	Adventist Health Del Monte Food Marquez Bro. Cheese Hanford Med. Cntr Kings County Hanford Joint Union International Paper	1,100 730 360 700 1,041 740 325	Hanford is expecting two new schools, expansion of College of Sequoias. Commercial and retail is anticipated along 12 th Avenue and Lacey Boulevard. Totals 47% of County jobs.
Lemoore	314 firms and 453 employed	Naval Air Station Leprino Foods S K Foods (new site) Palace Casino	1,400 600 300 800	New West Hills Community College Campus, new Leprino cheese plant, expansion of S K Food Process. Totals 40% of County jobs growth

Source: Kings County Economic Development Corporation. 2003.
County Business Patterns, 1999; Regional Housing Needs Plan, 2003.

2. Occupations Held by Residents

Occupations held by residents determine the income earned by a household and their corresponding ability to afford housing. Higher paying jobs provide broader housing opportunities for residents, while lower-paying jobs limit housing options. Understanding employment and occupation patterns can thus provide insight into present housing needs. **Chart 2-8** describes the number and type of jobs held by residents in each community.

In Hanford and Lemoore, a higher proportion of residents held managerial, business or financial related employment. These types of “white-collar” jobs typically pay higher salaries and thus allow residents to afford a greater choice of housing opportunities. However, service occupations, sales/office positions, and blue-collar positions typically pay relatively lower wages. Residents in these occupations have more limited ability to afford housing and, in some cases, are in the greatest need of affordable housing and assistance.

According to the 2000 Census, a significantly larger percentage of Hanford and Lemoore residents held “white-collar” jobs, and a relatively smaller percentage held blue-collar jobs. Few workers in either city held agricultural jobs. As a result, the median household incomes of Hanford and Lemoore residents were the highest in the County. By the same token, the high prevalence of blue-collar and agricultural jobs held by residents in Avenal and Corcoran was responsible for a lower median household income.

**CHART 2-8
OCCUPATIONS HELD BY CIVILIANS, 2000**

Jurisdiction	Avenal	Corcoran	Hanford	Lemoore	Unincorporated	Kings County
Number of Occupations	2,564	2,967	15,891	7,482	10,607	39,511
Unemployment Rate	20.2%	15.3%	11.6%	13.6%	N/A	13.3%
Management, business, and financial	5%	6%	10%	9%	13%	10%
Professional and related occupations	9%	12%	20%	18%	11%	16%
Service occupations	15%	18%	22%	22%	16%	20%
Sales and office occupations	16%	18%	23%	26%	23%	23%
Farming, fishing, and forestry occupations	33%	13%	4%	4%	14%	9%
Construction, extraction, and maintenance	9%	9%	8%	8%	10%	9%
Production, transportation, material moving	14%	22%	13%	12%	13%	14%

Source: 2000 Census
Employment Development Department, 2002.

3. Commuting Patterns

Commuting patterns in Kings County have an important implication for housing needs. Larger employers in the County (e.g., three state prisons, Lemoore Naval Air Station, and agricultural industries) generate a significant number of jobs. However, the workforce employed at these institutions or in the agricultural industries may live in other communities for a variety of reasons, including preferences, the availability of suitable housing, or other reasons.

Chart 2-9 summarizes commuting patterns of residents in Kings County. Countywide, 33 percent of residents lived and worked in the same community, 46 percent lived in the County but not where employed, and 21 percent worked outside County. In contrast, 50 percent of the workforce of Corcoran and Hanford lived in their community. This residency-workplace balance was by far the highest of other jurisdictions within Kings County.

In contrast, only 24 percent of Avenal’s residents and 30 percent of Lemoore’s residents worked in these communities. The difference was attributable to a variety of reasons. For instance, only 8 percent of the 1,541 employees at Avenal State Prison lived in Avenal, while 40 percent lived in Hanford and Lemoore. Avenal also had a significant number of agricultural employees working outside the City. Many Lemoore residents also worked outside the community at the neighboring Lemoore Naval Air Station.

**CHART 2-9
COMMUTING PATTERNS IN KINGS COUNTY, 2000**

Jurisdiction	Workers 16 years and older	Place of Work		
		Place of Residence	Elsewhere in County	Outside County
Avenal	2,478	24%	21%	55%
Corcoran	2,902	50%	35%	15%
Hanford	16,067	51%	31%	18%
Lemoore	8,218	30%	50%	20%
Unincorporated	12,279	11%	70%	19%
Kings County	41,944	33%	46%	21%

Source: 2000 Census

Table includes all employment in civilian and military service

As noted above, the creation of jobs within a particular community does not necessarily increase the demand for housing in that community. The Kings County Regional Housing Needs Plan, described later in Chapter 4, provides a means to encourage new housing to be created in different communities to address job-related housing demand.

4. Household Income

Along with housing prices and rents, household income is the most important factor affecting housing opportunities within Kings County. On the one hand, housing choices, such as tenure (owning versus renting) and location of residence are very much dependent on household income. On the other hand, however, household size and type often affect the proportion of income that can be spent on housing. **Chart 2-10** describes changes in the median household income of each community between the 1990 and 2000 Census.

In Kings County, the 2000 Census reported the median household income as \$36,000. Hanford and Lemoore had the highest median household incomes at approximately \$37,600 and \$40,300, respectively. As noted in earlier sections, the high level of household income was due in part to the occupations held by residents. Both communities had a larger proportion of their workforce with “white-collar” jobs that paid higher salaries.

Avenal and Corcoran had median households below the County average, at \$29,700 and \$30,800, respectively. The lower household income in these communities was related to the occupations held by residents. In both communities, a larger proportion of the workforce held “blue-collar” jobs such as construction, extraction, manufacturing, production, transportation and material moving. Avenal and Corcoran had the highest percentage of their population employed in agricultural industries.

Avenal and Corcoran’s lower median household income was also related to the affordable housing opportunities available in those communities as well as locational preferences. For instance, a substantial number of agricultural employees and “blue-collar” employees lived in Avenal and Corcoran because of the more affordable housing prices in those communities.

**CHART 2-10
HOUSEHOLD INCOME, 1990 AND 2000**

	Median Household Income			Percentage of County		
	1989	1999	Change	1989	1999	Change
Avenal	\$23,963	\$ 29,710	24%	94%	83%	-11%
Corcoran	\$21,558	\$ 30,783	43%	85%	86%	2%
Hanford	\$26,629	\$ 37,582	41%	104%	105%	1%
Lemoore	\$30,329	\$ 40,314	33%	119%	113%	-6%
Unincorporated	N/A	N/A	N/A	N/A	N/A	N/A
Kings County	\$25,507	\$ 35,749	40%	---	---	---

Source: 1990 and 2000 Census

Although median household income was a benchmark for comparing different jurisdictions, the distribution of household income provided a more useful measure of housing needs in a community. For comparative purposes, households were typically grouped into categories, expressed relative to the Area Median Income (AMI) and adjusted for a four person family. Using State of California income thresholds, the income groups analyzed were as follows:

- Very Low income: 0-50 percent of AMI or up to \$17,650
- Low income: 51-80 percent of AMI or up to \$28,200
- Moderate income: 81-120 percent of AMI or up to \$42,350
- Upper income: Above 120 percent or \$42,350

Chart 2-11 estimates the number of households within each income category. In comparison to other cities, Avenal and Corcoran had the highest percentage of very low and low income residents, comprising 48 and 46 percent of their households. Countywide, 40 percent of all households earned very low and low incomes. Less variation was evident for moderate income households among the County. However, Hanford and Lemoore had the highest percentage of residents earning above-moderate income.

CHART 2-11
HOUSEHOLD INCOME DISTRIBUTION, 2000

Jurisdiction	Income Distribution			
	Very Low	Low	Moderate	Above-Mod.
Avenal	25%	23%	22%	31%
Corcoran	28%	18%	23%	30%
Hanford	21%	17%	19%	44%
Lemoore	18%	15%	20%	47%
Unincorporated	22%	20%	20%	38%
Kings County	22%	18%	20%	41%

Source: 2000 Census, as interpolated by Cotton/Bridges/Associates.

The Regional Housing Needs Assessment for 2003-2008 (RHNA), described later in the Housing Element, addressed income disparities among different communities. The Plan required that each jurisdiction accommodate the same affordability distribution of housing. Thus, communities with a higher percentage of lower income households would plan for a higher percentage of moderate and above moderate income housing than was in their community today. Conversely, communities with a larger percentage of moderate and above moderate income households would plan for a higher share of very low and low income housing than was present in their community today. Thus, all communities shared equally in the responsibility to provide housing affordable to a range of household income levels.

C. Housing Characteristics

The type and characteristics of the housing available to residents also determine how the housing stock best fits the needs of residents. This section addresses various housing characteristics and conditions that affect housing needs in Kings County. Important housing stock characteristics include housing composition, tenure and vacancy rates, housing age and condition, housing cost and affordability, and the extent of housing problems.



1. Housing Type

According to the 2000 Census, Kings County had a total of 36,563 housing units, representing a growth of 5,720 new units or 19 percent countywide over the past decade. Despite significant growth, the composition of housing in Kings County remained the same. Approximately 75 percent of housing in the County continued to be single-family residences. Meanwhile, approximately 19 percent of the County's housing stock consisted of multi-family projects, in particular apartments, townhomes, and condominiums. The remaining 6 percent of housing units in Kings County were mobile and manufactured homes.

As shown in **Chart 2-12**, Hanford and Corcoran had the highest proportion of single-family homes, comprising 75 and 77 percent of the housing stock, respectively. Avenal and Lemoore had the highest percentage of multi-family units, at 26 percent and 29 percent, respectively. The unincorporated areas had the highest percentage of mobile homes.

CHART 2-12
HOUSING TYPES IN KINGS COUNTY, 2000

Jurisdictions	Housing Units	Percent of Housing by Type			
		Single-Family	Multi-family (2-4 units)	Multi-family 5+ units	Mobile homes
Avenal	2,069	70%	15%	11%	4%
Corcoran	2,984	77%	9%	10%	4%
Hanford	14,743	74%	9%	14%	2%
Lemoore	6,822	66%	7%	23%	5%
Unincorporated	9,945	84%	3%	1%	12%
Kings County	36,563	75%	7%	12%	6%

Source: 2000 Census

* Housing unit totals are slightly different than calculated under housing tenure. Housing types are based upon a sample recorded in STF 3 while housing tenure is based on a 100% count in STF 1.

2. Housing Tenure and Vacancies

Housing tenure (owner versus renter) influences several aspects of the local housing market. Residential mobility is influenced by tenure, with ownership housing evidencing a lower turnover rate than rental housing. The vacancy rate also indicates the match between the demand and supply of housing. **Chart 2-13** details housing tenure and vacancies in Kings County and incorporated communities according to the 2000 Census.

Vacancy rates of 5 to 6 percent for rental housing and 1.5 to 2.0 percent for ownership housing are generally considered to be optimum. A higher vacancy rate may indicate an excess supply of units, a softer market, and result in lower housing prices. A lower vacancy rate may indicate a shortage of housing and high competition for available housing, which generally leads to higher housing prices and diminished affordability.

According to the 2000 Census, the housing vacancy rate in Kings County totaled 1.8 percent among for-sale units and 5.6 percent for rental units, relatively unchanged since 1990. However, the vacancy rate varied among communities. Corcoran had the highest rental vacancy rate at 9.1 percent, yet the lowest vacancy rate among for-sale units at 1.6 percent. Avenal had the highest vacancy rates among for-sale units (3.1 percent). Meanwhile, the unincorporated areas had the lowest rental and for-sale vacancy rates overall.

Among Kings County jurisdictions, all cities reported that more than 50 percent of their households owned a home. Hanford and Corcoran had the highest homeownership rates, an expected pattern due to the higher percentage of single-family residences in those communities. In comparison to 1990, all of the communities had slightly higher homeownership rates due to the significant amount of new home construction.

CHART 2-13
HOUSEHOLD TENURE, 2000

Jurisdiction	Housing Units	For-Sale Units		Rental Units	
		Percent Owners	Vacancy Rate	Percent Renters	Vacancy Rate
Avenal	2,061	51%	3.1%	49%	5.2%
Corcoran	3,016	57%	1.6%	43%	9.1%
Hanford	14,721	59%	2.1%	41%	6.0%
Lemoore	6,823	55%	1.8%	45%	6.9%
Unincorporated	9,945	50%	1.1%	50%	3.3%
Kings County	36,563	56%	1.8%	44%	5.6%

Source: 2000 Census

3. Housing Conditions

Housing conditions are an important indicator of quality of life in Kings County communities. Like any asset, housing ages and deteriorates over time. If not regularly maintained, housing conditions can deteriorate and discourage reinvestment, depress neighborhood property values, and eventually impact the quality of life in a neighborhood. Thus maintaining and improving housing quality is an important goal for communities.

Housing age can be an indicator of the need for housing repair and rehabilitation. Shown in **Chart 2-14**, the 2000 Census reported that 60 percent of all housing in Kings County was built less than 30 years ago, reflecting the significant housing growth in recent decades. Approximately 27 percent of the homes countywide were built 30 to 50 years ago, while 13 percent of the homes exceeded 50 years of age.

Housing age is often an indication of when homes require maintenance and rehabilitation. Most homes require increased maintenance after thirty years. Common repairs needed include a new roof, wall plaster, stucco, painting, appliances and fixtures and other lower cost repairs. Lemoore has the newest housing stock. With a median housing age of 23 years, 72 percent of its housing was built during the last thirty years. Corcoran and unincorporated Kings County had the highest percentage of housing built from 30 to 50 years ago.

Homes older than 50 years require more substantial repairs (e.g., new siding and plumbing or upgrades to electrical systems) in order to maintain the useful life and quality of the structure. Moreover, lead-based paint hazards are also more common in homes built before 1978 and particularly for homes built more than 50 years ago. Avenal and the unincorporated areas of Kings County had the highest percentage of housing built more than 50 years ago.

**CHART 2-14
HOUSING AGE, 2000**

Jurisdiction	Housing Units	Median Age	Age Distribution		
			Less than 30 years	30 to 50 years	50 or more years
Avenal	2,061	1974	56%	26%	18%
Corcoran	3,016	1971	51%	33%	16%
Hanford	14,721	1978	64%	25%	11%
Lemoore	6,823	1980	72%	22%	6%
Unincorporated	9,945	N/A	48%	32%	19%
Kings County	36,563	1980	60%	27%	13%

Source: 2000 Census

As part of the 2003-2008 Housing Element update process, each jurisdiction in Kings County conducted a comprehensive survey of housing conditions within their community. The

housing conditions survey was based upon criteria developed by the State Department of Housing and Community Development. Housing was classified into five general conditions, the details of which are provided in Housing Conditions Reports prepared for each community. **Chart 2-15** summarizes the results of the County housing conditions surveys.

Lemoore had few housing condition issues, with 88 percent of the housing stock reported in sound condition. Hanford was a close second, with 77 percent of housing in sound condition and 17 percent needing only minor repairs. In Corcoran and Avenal, the housing stock was in significant need of repair and replacement. In Corcoran, 14 percent of homes required minor repairs, 25 percent required moderate repairs, and 13 percent required substantial repairs or demolition. In Avenal, 11 percent of homes required minor repairs, 28 percent required moderate repair, but 39 percent required substantial repair or demolition.

According to these surveys, the majority of homes requiring substantial repairs were the standard “Farmers Home,” built with single-pane aluminum windows, 20-year composite shingle roofing, and concrete block foundations. Moreover, many mobile homes also required substantial repairs. For instance, mobile homes built prior to 1976 generally do not comply with the National Manufactured Housing and Construction and Safety Act of 1974 and therefore meet the California Code of Regulations’ definition of substandard.

**CHART 2-15
HOUSING CONDITIONS, 2000**

Jurisdiction	Housing Conditions				
	Sound	Minor Repairs	Moderate Repair	Substantial Repairs	Dilapidated
Avenal	80 (22%)	41 (11%)	102 (28%)	102 (28%)	41 (11%)
Corcoran*	1,287 (48%)	377 (14%)	684 (26%)	217 (8%)	114 (5%)
Hanford	11,335 (77%)	2552 (17%)	551 (4%)	209 (1%)	64 (<1%)
Lemoore	4,634 (88%)	344 (7%)	182 (4%)	40 (<1%)	29 (<1%)
Unincorporated	1,028 (15%)	3,375 (48%)	2,453 (35%)	170 (2%)	39 (1%)
Kings County	18,718 (62%)	6,450 (21%)	3,893 (13%)	737 (2%)	292 (1%)

Source: 2000 Census; Housing Conditions Reports for individual jurisdictions (2002) and building department assessments. * Excludes Corcoran fringe areas

4. Housing Prices and Rents

According to the Kings County Board of Realtors, the median price for a single-family home in Kings County was approximately \$123,000 in 2002, up 22 percent since 2000 alone. During 2002, 624 homes were sold Countywide with more than 85 percent in Lemoore and Hanford. Few single-family residences were sold in Corcoran and Avenal. Overall, the housing market appeared to be strong. Vacancy rates were moderate or declining and the average days a home remains on the market continued to decline.

Hanford and Lemoore had the highest priced housing, with a median sales price of approximately \$132,000. Recent development in Hanford included the Marquis, Garavello Miller, and Le Parc. These homes sold for \$119,000-\$140,000 for a three bedroom unit and four bedroom units were priced from \$125,000 to \$175,000. In Lemoore, the Avalon development sold three bedroom homes for \$130,000 and larger four-bedroom units from \$137,000 to \$148,000. Homes are generally selling between \$75 and \$95 per square foot.

The cities of Corcoran and Avenal offered the most affordable housing opportunities within Kings County. Single-family residences sold for a median sales price of \$92,000 in Corcoran and slightly lower at \$67,000 in Avenal. Corcoran has experienced a significant increase in sales prices since 2000. With these recent gains, new housing prices in Avenal and Corcoran were similar to homes located in the more affordable markets in Hanford and Lemoore.

Chart 2-16 compares housing sales, average prices, and the number of days homes stayed on the market in the four cities and unincorporated Kings County.

CHART 2-16
KINGS COUNTY HOUSING SALES, 2002

Jurisdiction	Homes Sold in 2002	Average Price Sold in 2002	New Homes Sold in 2002
Avenal	128	\$67,000	N/A
Corcoran	277	\$92,000	N/A
Hanford	1,744	\$132,000	\$125,000 - \$174,000
Lemoore	778	\$132,000	\$125,000 - \$174,000
Unincorporated	131	\$161,000	N/A
Kings County	3,058	\$143,000	

Source: Dataquick records of full sales (no transfers or partial sales)

Average days on market - Kings County Board of Realtors. 2002

A relatively small but important component of the housing market is mobile homes. As of the 2000 Census, Kings County had more than 2,000 mobile homes, located primarily in unincorporated, rural areas, and portions of Lemoore. Senior households owned approximately one half of the entire stock of mobile homes. The remaining mobile homes were occupied by families, and were split approximately equally among renters and owners. The 2000 Census reported that the median value of mobile homes was \$28,800, therefore representing the most affordable homeownership option for many residents.

For many low and moderate income households, rental housing was an affordable option. Kings County Planning Department provided a rental survey of approximately 50 apartment projects in Avenal, Corcoran, Hanford, Lemoore as well as the unincorporated areas. Shown below in **Chart 2-17**, the cities of Avenal, Corcoran and Lemoore provided the most affordable rentals, averaging in the \$500s for a two-bedroom unit. Hanford’s rents were generally \$50 to \$100 higher per month than the other three cities.

In addition to market-rate apartment projects, Kings County also had a substantial number of assisted multi-family projects. As discussed later in this chapter, Kings County had approximately 25 multi-family projects financed with a variety of local, state and federal funds. These projects provided approximately 1,500 units of affordable housing to very low and low income individuals, families, seniors, and disabled persons. Section D of this chapter provides an inventory of the affordable projects and the status of each project.

**CHART 2-17
KINGS COUNTY APARTMENT RENTS, 2003**

Jurisdiction	No. of Bldgs Surveyed	Average Rents by Size of Unit			
		One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
Avenal	4	\$458	\$511	\$683	\$825
Corcoran	6	\$476	\$533	\$671	*
Hanford	20	\$500	\$646	\$720	\$723
Lemoore	17	\$489	\$624	\$749	*
Unincorporated	2	\$525	\$575	\$625	*
Kings County	49	\$467	\$571	\$673	\$766

Source: Kings County Planning Department Rental Survey. 2003; www.homes.net. 2003

* None identified during the rental survey

5. Housing Affordability

Housing affordability can be inferred by comparing rental and ownership costs in a community with how much a household can pay for housing based upon their income. The Department of Housing and Urban Development (HUD) conducts annual household income surveys in Kings County. These household income surveys can be combined with the housing surveys discussed earlier to determine the affordability of housing in each city.

Chart 2-18 shows the annual income for very low, low, and moderate-income households by household size and the maximum payment that can be afforded by a household, defined in California as 30 percent of household income. The following discussion evaluates whether very low, low, and moderate income households can afford housing in Kings County.

CHART 2-18
HOUSING AFFORDABILITY IN KINGS COUNTY, 2003

Income Group	Income Levels		Monthly Housing Costs		Max. Affordable Price	
	Annual Income	Affordable Payment	Utilities	Taxes & Ins.	Home	Rental
Very Low						
One Person	\$15,900	\$398	\$50	\$200	\$27,335	\$348
Small Family	\$20,450	\$511	\$100	\$250	\$29,883	\$411
Large Family	\$24,500	\$613	\$150	\$300	\$30,115	\$463
Low						
One Person	\$25,400	\$635	\$50	\$200	\$71,350	\$585
Small Family	\$32,700	\$818	\$100	\$250	\$86,639	\$718
Large Family	\$39,250	\$981	\$150	\$300	\$98,453	\$831
Moderate						
One Person	\$38,150	\$954	\$50	\$200	\$130,422	\$904
Small Family	\$49,050	\$1,226	\$100	\$250	\$162,390	\$1,126
Large Family	\$58,850	\$1,471	\$150	\$300	\$189,262	\$1,321

Notations:

1. Small Family = 3 persons; Large Families = 5 or more persons
2. Utility costs for renters assumed at \$50/\$100/\$150 per month
3. Affordable rent based on payments (including utilities) of no more than 30% of household income
4. Property taxes and insurance based on averages for the region
5. Affordable sales prices based on a down payment of 10%, 6% interest rate and 30-year mortgage, including taxes and insurance (but excluding utilities)..

Maximum affordable price refers to the maximum payable by households in the upper range of their respective income category. Households in the lower end of each category can afford less in comparison.

Very Low Income Households

Very low income households earned from \$15,900 and \$24,500 annually depending on family size in 2003. Given the market prices for single-family residences in the Kings County shown in **Chart 2-16**, very low income households could not afford a single-family residence. Housing options were generally limited to the rental market. After deductions for utilities, a very low income household could afford to pay \$348 to \$463 in rent per month, depending on household size. Based on the range of rents in **Chart 2-17**, the vast majority of rentals in Kings County were out of reach for very low income households. Thus very low income households must overpay and/or double up to afford housing.

Low Income Households

Low income households earned between \$25,400 and \$39,250 depending on family size. The maximum sales price that could be afforded by a low-income household ranged from \$71,350 to \$98,453. Given the prices for single-family homes shown in **Chart 2-16**, low income households could not afford the average priced single-family residence in most communities in Kings County, with the exception of some homes in Avenal and Corcoran. However, at a median of \$28,000, low income households could afford mobile homes.

With respect to rental units, low income households could afford \$585 to \$830 in monthly rent, depending on household size, after deductions for utilities. Rents in the County varied from an average of \$467 for a one-bedroom unit, \$571 for a two-bedroom units, and \$673 for a three-bedroom unit. New apartments generally charged slightly higher rents. Based on this analysis, low income households were generally able to afford the majority of one-, two-, and three-bedroom apartments in the County. However, newer high-end apartments in Hanford were unaffordable to low income households.

Moderate Income Households

Moderate-income households earned between \$38,150 and \$58,850 depending on family size. Moderate income households could afford a maximum home price ranging from \$130,422 to \$189,262 depending on family size. With average home prices of \$67,000 in Avenal and \$87,000 in Corcoran, and \$125,000 in Hanford and Lemoore, moderate income households could generally afford a single-family residence. In some cases, to purchase homes in areas such as North Lemoore and North Hanford, or newer single-family homes, moderate income households would likely need downpayment assistance. Because of the affordability of rentals in Kings County, moderate income households could afford the vast majority of apartments in any community.

6. Housing Problems

A key housing priority in many communities is enhancing or maintaining quality of life. Key measures of quality of life are the extent of overpayment and overcrowding in a city. This section describes the prevalence and extent of housing problems in Avenal, Corcoran, Hanford, Lemoore and the unincorporated area of Kings County.

Housing Overpayment

As in other communities across California, housing overpayment is not uncommon in Kings County. Housing overpayment is generally defined as paying more than 30 percent of income toward housing expenses. Housing overpayment is problematic for low and moderate income households in that it leaves little resources to pay for other living expenses. Because housing overpayment is also concentrated among the most vulnerable people, maintaining a reasonable level of housing cost burden is an important housing goal.

As shown in **Chart 2-19**, approximately 30 to 35 percent of households in each community overpaid for housing. However, the overpayment rate varied by tenure and mortgage status. In Hanford, Corcoran, and Avenal, more than 40 percent of renters overpaid for housing. Among homeowners, more than 30 percent of homeowners with a mortgaged home who lived in either Corcoran or unincorporated areas overpaid for housing,

Those living below the poverty level typically had difficulty finding affordable and adequately sized housing. Poverty levels varied by household type throughout the County. Among senior residents over 65 years, 9 percent and 16 percent of individuals between 18 and 64 lived below the poverty level. Approximately 16 percent of families lived below the poverty while 22 percent of families with children under 18 years old lived in poverty.

CHART 2-19
HOUSING OVERPAYMENT, 2000

Jurisdiction	Renter Households		Homeowners W/ Mortgage	
	No. Hhlds Overpaying	Percent of All Renters	No. Hhlds Overpaying	Percent of All Owners
Avenal	381	42%	180	29%
Corcoran	473	43%	390	35%
Hanford	2,519	47%	1752	29%
Lemoore	1,063	38%	750	28%
Unincorporated	919	36%	728	31%
Kings County	5,355	42%	3,800	30%

Source: 2000 Census

Housing Overcrowding

Housing overpayment would likely be more prevalent if not for the high overcrowding rates in Kings County. In response to a mismatch between employment opportunities, household income and housing costs, residents may accept smaller-sized housing, resulting in overcrowding. Overcrowding is often considered to be a significant housing problem in a community in that it strains physical facilities and the delivery of public services, contributes to a shortage of parking, and also accelerates the wear and deterioration of homes.

Although the Census Bureau does not define “overcrowding” per se, a situation where a household has more members than habitable rooms in their respective home is considered overcrowding. This is often reflective of one of several conditions: 1) a family is living in too small a dwelling because of the inability to afford a larger home; 2) a family chooses to house extended family members (e.g., grandparents or adult children) at home; 3) a family is renting living space to non-family members; or 4) students are doubling up.

According to the 2000 Census, overcrowding appeared more prevalent among persons of Hispanic origin and other minority persons due in part to the presence of extended family. Larger families also tended to have higher overcrowding rates, because of the shortage of larger and affordable apartments in many communities. Regardless of race and ethnic background or family size, however, very low income families also had the highest overcrowding rate due to the shortage of affordable housing.

Chart 2-20 details the percentage of households which live in overcrowded situations. With an average of 41 percent, Avenal had the highest overcrowding rates countywide. This was attributable to job opportunities, housing costs, and demographic factors. At 25 percent, Corcoran also had a high prevalence of overcrowding living situations. At 12 percent each, Hanford and Lemoore had the lowest overcrowding rates in the County.

**CHART 2-20
HOUSING OVERCROWDING, 2000**

Jurisdiction	Overcrowded Renters		Overcrowded Owners		% of All Hhlds Overcrowded
	No. of Hhlds.	% of All Renters	No. of Hhlds.	% of All Owners	
Avenal	949	45.4%	987	37.5%	41%
Corcoran	1,164	30.2%	1,558	20.5%	25%
Hanford	5,661	17.4%	8,252	7.5%	12%
Lemoore	2,987	16.7%	3,466	7.4%	12%
Unincorporated	4,407	21.7%	4,987	11.9%	16%
Kings County	15,168	21.2%	19,250	11.2%	16%

Source: 2000 Census

D. Special Needs Groups

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, and disability status among others. In Kings County, people and families with special needs include seniors, families with children (large households and single-parents with children) military personnel, agricultural employees, persons with disabilities, and homeless people. This section describes and analyzes these special needs groups in Kings County.

1. Seniors

According to the 2000 Census, the County had 9,557 seniors age 65 years and older. The majority of seniors lived in a home (as opposed to a group quarter), translating into a total of 5,815 households. Numerically, seniors were concentrated in Hanford and the unincorporated areas. However, senior households comprised 20 percent of all households in Corcoran, Lemoore, and unincorporated areas of Kings County.



Senior households have special housing needs primarily due to three concerns – physical disabilities or limitations, limited income, and higher health costs. **Chart 2-21** below provides a summary of key housing need indicators for seniors, including the percentage of seniors with a disability, median income, percent renters, and the percentage of senior renters overpaying for housing gleaned from the 2000 Census.

CHART 2-21
SENIOR HOUSING NEEDS IN KINGS COUNTY, 2000

Jurisdiction	Senior Households			Housing Needs		
	No. Hhlds	Pcnt of all Hhlds	Percent Renters	Percent of Seniors with a Disability	Median Income	Percent Renters Overpaying
Avenal	240	12%	20%	57%	\$15,909	37%
Corcoran	488	18%	26%	48%	\$25,868	53%
Hanford	2,633	12%	28%	46%	\$25,405	68%
Lemoore	788	19%	24%	42%	\$25,789	40%
Unincorporated	1,666	18%	17%	50%	N/A	46%
Kings County	5,815	17%	24%	47%	\$25,456	58%

Source: 2000 Census

Seniors require a wide variety of housing options, depending on their life circumstance. While 76 percent of seniors owned a home, one of every four seniors overpaid for housing. However, given the condition of homes countywide and limited income earned by seniors, grants and loan programs could help senior remedy deferred maintenance. Seniors with mobility disabilities could also benefit from home modifications to improve the accessibility and safety of their home and facilitate independent living for as long as possible.

Senior renters, while facing the same income and mobility limitations as homeowners, are more at-risk of displacement. According to the Census, 58 percent of all senior renters overpaid for housing. To address their needs, the Housing Authority provides rent subsidy vouchers for very low income seniors. In addition, approximately 11 subsidized low-income projects (five of which are in Hanford) provide affordable living options for seniors.

The Kings/Tulare Area Agency on Aging and the Kings County Commission on Aging provide leadership at the local level in developing systems for home- and community-based services that maintain seniors in the least restrictive environment for as long as possible. Each jurisdiction also provides other types of supportive services for seniors. However, at some point in time, seniors may require a more supportive living environment. Congregate care facilities, residential care facilities, and skilled nursing facilities provide a wider range of housing, supportive, and medical services for seniors requiring additional care.

Chart 2-22 summarizes the location of housing options for seniors in Kings County. As noted earlier, Hanford and the unincorporated County have the largest number of senior households. The majority of independent and supportive residential environments are located in the most urbanized portions of Kings County in Hanford and Lemoore.

CHART 2-22
SENIOR HOUSING OPTIONS IN KINGS COUNTY

Jurisdiction	Housing Types		
	Low Income Senior Project	Residential Care Facility	Skilled Nursing Facility
Avenal	-	-	-
Corcoran	2	-	-
Hanford	5	4	3
Lemoore	3	1	-
Unincorporated	2	-	-
Kings County	12	5	3

Source: State Department of Social Services, 2003;
Kings County Director of Services for Senior Citizens, 2000

2. Female Headed Households and Families with Children

Female headed households and families with children have special housing needs. This includes female headed households, single-parent families and large households with five or more members. Single-parents have special needs due to their need for affordable housing, accessible daycare, health care, and other supportive services. Large families have many of the same needs, but have greater difficulty finding suitably-sized rental housing. And female headed households often earn less income than their male counterparts.



Female headed households and single-parent households also comprised a large percentage of households in Kings County. State law recognizes that both groups face unique income and housing issues due to a combination of income levels, child care expenses, and housing availability. Shown in **Chart 2-23**, a high percentage (18 to 29 percent) of households were female headed households, while 14 to 19 percent were single-parent families with children. Avenal and Corcoran had the highest percentage of single-parent families and the highest poverty rates. In comparison to a countywide poverty rate of 9 percent for married couple families with children, 68 percent of single-parent families with children lived in poverty.

**CHART 2-23
FEMALE HEADED HOUSEHOLDS AND FAMILIES, 2000**

Jurisdiction	Female Headed Households		Single-Parent Families		Large Families	
	No. of Hhlds	Percent of All Hhlds	No. of Hhlds	Percent of All Hhlds	Nos. Hhlds	Percent of All Hhlds
Avenal	428	22%	360	19%	767	40%
Corcoran	703	26%	468	17%	737	27%
Hanford	4,124	29%	1,918	14%	1,143	18%
Lemoore	1,817	28%	1,016	16%	2,259	16%
Unincorporated	1,677	18%	901	10%	2,177	16%
Kings County	8,749	25%	4,653	14%	7,083	21%

Source: 2000 Census

Chart 2-23 also displays the number of large households living in Avenal, Corcoran, Hanford, Lemoore, and the unincorporated county areas. Numerically, the majority of large families lived in Hanford, Lemoore, and unincorporated areas, but Corcoran and Avenal had the highest percentage. Market factors also impacted the availability and affordability of housing for large families. For instance, the 1990 Comprehensive Housing Affordability Strategy documented a high prevalence of overpayment and overcrowding among large families. This pattern was due in part to the lack of affordable rentals with three or more bedrooms which caused housing prices to increase, resulting in overpayment and overcrowding.

The Housing Authority helps address the needs of families by providing rental assistance in the form of vouchers for very low income households. The voucher equals the difference between the fair market charged for the unit and the amount of rent that can be afforded by the household, typically no more than 30 percent of household income. As of May 2003, voucher holders included 2 in Avenal, 69 in Corcoran, 394 in Hanford, 171 in Lemoore, and 39 elsewhere in the unincorporated areas of Kings County. The Housing Authority has rental assistance available for up to 688 families, but there is a two-year waiting list (1,920 persons).

Whereas providing rental assistance helps meet the needs of very low income households, the underlying shortage of affordable housing must also be addressed. Kings County has a total of 33 subsidized affordable housing complexes providing housing for 1,823 families, elderly, and disabled people as shown in **Chart 2-24**. The majority of projects are located in Hanford and Lemoore. The Housing Plan of this 2003-2008 Housing Element also sets forth programs to encourage the construction of affordable rental and ownership housing.

**CHART 2-24
SUBSIDIZED FAMILY HOUSING**

Jurisdiction	Projects	No. of Units	Family Units	Seniors Units
Avenal	3	151	151	0
Corcoran	7	249	161	88
Hanford	11	770	405	365
Lemoore	9	482	409	73
Unincorporated	3	178	128	50
Kings County	33	1,830	1,254	576

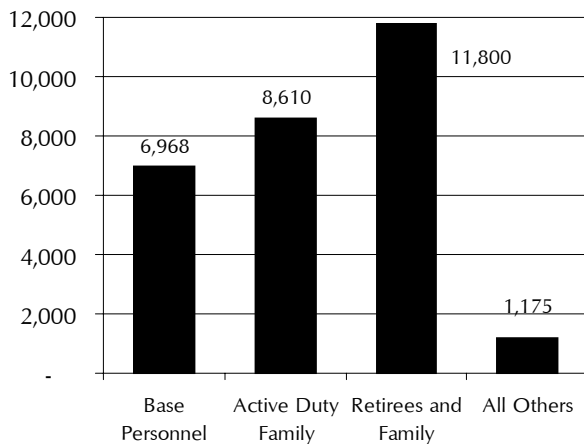
Source: 2003-2008 Housing Element

3. Military Personnel and Veterans

The U. S. Navy plays a critical role in Kings County economy and its housing market. Lemoore is home to the Lemoore Naval Air Station (LNAS). Commissioned in 1961, LNAS serves as the master training center for carrier-based fighter squadrons for the United States Pacific Fleet. In 1999, the LNAS was home to 5,700 enlisted personnel, provided employment to 1,200 civilians, and generated an annual payroll of \$223 million.



**CHART 2-25
NAS LEMOORE POPULATION**



According to LNAS, military personnel at the base totaled approximately 7,000 enlistees and officers in 2003. However, the LNAS impacted a much larger population estimated at 28,000. **Chart 2-25** shows the distribution of residents in Kings County associated with LNAS. Approximately 7,000 military personnel are stationed at LNAS. The family members of active duty military personnel total 8,610 persons. Retired military personnel and their family comprise an additional 11,800 people.

Ensuring an adequate supply of affordable housing for military personnel and their families stationed at LNAS is of concern. As shown in **Chart 2-26**, the LNAS Housing Office projected that permanent-duty military personnel will increase by 1,442 by 2008. Since housing resources will not change, LNAS projected the current deficit to increase to 2,460 homes for families and 1,572 rooms for bachelors. Because of the shortfall, military personnel will need to secure housing in nearby communities. As discussed later, military pay scales may not be sufficient to afford suitable housing.

**CHART 2-26
LNAS HOUSING NEEDS, 2003-2008**

LNAS Personnel and Housing Resources	Projections	
	2003	2008
Permanent Duty		
-- Families	3,266	4,050
-- Bachelors	2,914	3,572
Base Housing		
-- Family Housing	1,590	1,590
-- Barracks	2,000	2,000
Housing Shortfall		
-- Family Housing	1,676	2,460
-- Barracks	914	1,572

Source: LNAS Housing Office, 2003

According to LNAS' Housing Requirements and Market Analysis (August 2002), 75 percent of all new military personnel will be in the E1 to E7 pay grade. As shown in **Chart 2-27**, the basic housing allowance provided to enlistees ranged from \$547 to \$740 for single individuals and \$734 to \$938 for families. Single-service members, grade E-1 through E-4, are typically required to live at LNAS, while enlistees with their families must compete for remaining base family housing without any preference based on their pay grade. With respect to families of enlistees, approximately 67 percent of families of E1-E3s live on base, while 58 percent of families of E-4-E6s live on base. Approximately 75% of officers live in off-base rentals and ownership units.

**CHART 2-27
LNAS HOUSING ALLOWANCE**

Grade	Pay Ranges	
	Singles	Families
E-1	\$547	\$734
E-2	\$547	\$734
E-3	\$547	\$734
E-4	\$547	\$734
E-5	\$617	\$811
E-6	\$668	\$881
E-7	\$740	\$938
E-8	\$825	\$1,001

Source: LNAS, 2003

Addressing the need for military housing will continue to be challenging in today's market. As discussed in Chapter 2, the average rent in Lemoore is \$485 for a one-bedroom apartment, \$624 for a two-bedroom apartment, and \$749 for a three bedroom apartment. Assuming utility payments of approximately \$50, \$100, and \$150 per month for each apartment size, rents range from \$535 for a 1-bed unit, \$725 for a 2-bed unit, to \$899 for a 3-bedroom unit. At these gross rental rates, military enlistees can just afford the average apartment rental in Lemoore, but cannot afford to rent a single-family home.

In addition to active personnel, military veterans also comprised a significant need group. According to the 2000 Census, approximately 10,500 military veterans lived within Kings County and actually comprised a significant percentage of adults in each community. Among incorporated cities, veterans comprised 9 percent of the adult population of Avenal and Corcoran, 14 percent of adults residing Hanford, and 17 percent of adults in Lemoore. Assuming one veteran per household, veterans comprised more than one of ten households.

In 2001 the California Association of County Veterans Services Officers Inc., conducted California's first statewide veterans' needs survey. 3,142 surveys were received from veterans residing in California, of which 114 resided or received services in Kings County. The average respondent was a 51 years old, retired, male Army veteran who earned less than \$50,000 per year. Respondents ranked 45 issues from "most urgent" to "least urgent" for our policy makers and elected officials. Affordable housing for veterans ranked low as the 16th most important issue, due in part to the availability of subsidized home loans for veterans. Of the top ten issues, five were related to the accessibility and affordability of health care.

4. Agricultural Employees

Kings County is known for one of the most favorable climates for agricultural business. According to the Kings County Agricultural Commissioner, farmland comprised 85 percent of the land area in Kings County; 1,079 farms totaled 526,132 acres. Agricultural business also employed 26 percent of the total workforce. From 1987 to 1997, the market value of products sold increased to \$694 million due to doubling of the livestock/ dairy/poultry business.

CHART 2-28
KINGS COUNTY AGRICULTURAL FACTS

Characteristics	1987	1997
Total Farms	1,204 farms	1,079 farms
Cropland (acres)	566,245 ac.	526,132 ac.
Market Value of Products (millions)	\$487 – total (\$329 – crops \$157 - livestock)	\$694 - total \$369 - crops \$324 - livestock

Source: U.S. Census of Agriculture, 1987, 1997.



Farmworkers are considered to have special housing needs. According to the 1997 Current Population Survey, farmworkers have the lowest family income of any occupation surveyed by the Census Bureau. Farmworkers surveyed earned a combined family income of \$17,700 annually, with a median of \$9,828 per person (*Farmworkers in California*, CRB 1998). Because of limited income, farmworkers often overpay for housing (in relation to their income) and thus tend to live in more overcrowded and substandard living situations.

Although farmworkers are a special needs group, there is little consensus about how many farmworkers work or live in Kings County. Agricultural work can involve a number of industries (e.g., field work, processing, canning or even transportation), is seasonal at times, and may have a sizable undocumented workforce. The U.S. Census of Agriculture (1997) reported 10,118 hired farm workers in Kings County, significantly higher than estimates provided by the Employment Development Department (6,900 jobs) and the U.S. Department of Health and Human Services (estimates 8,910 seasonal farmworkers).

Migrant farm labor is also a significant component of the agricultural work force. Neither the Census of Agriculture nor the Employment Development Department explicitly counts the number of migrant farmworkers. However, according to the U.S. Department of Health and Human Services, approximately 7,682 migrant farmworkers work in Kings County. The Tulare/Kings County Office of Education reports that a total of 5,604 children from migrant farmworker families are enrolled in the District’s migrant education programs. Of this total, Avenal/Kettleman City, Corcoran, and Lemoore each have approximately 1,200 migrant farmworker children in their communities, while Hanford has approximately 1,700.

The nature of agricultural work also affects the specific housing needs of farmworkers. For instance, farmworkers employed on a year-round basis often need permanent affordable housing much like other persons who are employed in lower paying occupations. However, the large size of farmworker households means that the housing must be adequately sized. Migrant labor presents different housing issues. Migrant farmworkers are those who work seasonally in one location and then travel to another locale for other seasonal crops. They travel and need temporary housing; however, their families usually stay put.

California has a statewide shortage of farmworker housing projects. For instance, the number of agricultural employee housing facilities registered with the State of California Department of Housing and Community Development (HCD) has dramatically declined since the 1950s. Between 1955 and 1982, grower-registered facilities declined from 9,000 to 1,414 camps. By 1998, only 500 camps were registered with HCD, none of which is in Kings County. According to growers, the dramatic decline in labor camps is due to the high cost of maintaining housing and the climate of litigation facing growers who maintain camps.

Although no farmworker camps exist in Kings County, the County does have a significant number of government-subsidized housing projects (e.g., Section 515 and public housing) which house farmworkers and their families. Many farmworkers also live in mobile homes on the farming site. A new farmworker housing project is currently under construction in Hanford. The project involves the renovation of an existing former motel into a temporary and/or long-term, permanent agricultural employee housing. The project will include up to 24 units, parking, courtyard, children's play areas and open space.

Avenal conditionally permits temporary and permanent farm labor camps in the A-E zone. Farm employee housing incidental to farming operations is permitted in the P-F zone. Farm labor housing is conditionally permitted in the R-2 and R-3 zones. Corcoran permits mobile homes as farm employee housing, and conditionally approves farm employee housing in excess of five units per parcel in the A-zone. Hanford permits farmworker housing, by right and conditionally, in the AG zone. Kings County administratively permits mobile homes as farm employee housing in the AG-20, AX, AL-10, and AG-40 zones. Farmworker housing not exceeding 5 units per parcel is permitted in the AG-20, AL-10, and AG-40 zones with larger facilities in the same zones requiring a conditional use permit.

Moreover, in communities with very large farmworker populations, such as Avenal and Corcoran, farmworker housing needs are met through City-funded homeownership assistance and rehabilitation loans. The majority of loans under both types of programs are issued to people working in the agricultural industry. Moreover, the majority of occupants of Section 515 projects and other subsidized projects also are employed in the farming industry. In Hanford and Lemoore, the farmworker population is significantly smaller, although many farmworkers also access standard homeownership and/or rehabilitation loans.

The Housing Plan, Chapter 6, contains an aggressive approach to continuing to address the housing and supportive services needs of farmworkers.

5. Persons with Disabilities

Physical, mental, and/or developmental disabilities may prevent a person from working, restrict one's mobility, or make it difficult to care for oneself. Thus persons with disabilities often have special housing needs because of potentially limited earning capacity, the lack of accessible and affordable housing, and higher health costs associated with a disability. The 2000 Census documents six different disabilities, including sensory, physical, mental, self-care, go-outside-home and employment-related disabilities. As shown in **Chart 2-29**, a total of 19,186 persons with disabilities reside in Kings County.

CHART 2-29
DISABLED PERSONS IN KINGS COUNTY, 2000

Jurisdiction	Age Group					
	5 to 20 years		21 to 64 years		65 or more years	
Avenal	185	7%	993	24%	193	57%
Corcoran	188	6%	1,335	29%	376	47%
Hanford	1,146	10%	4,445	21%	1,865	46%
Lemoore	473	8%	1,950	20%	518	42%
Unincorporated	815		3,294		1,410	
Kings County	2,807	9%	12,017	21%	4,362	47%

Source: 2000 Census.

The federal Supplemental Security Income (SSI) program provides income support to seniors or disabled adults, and blind or disabled children. The statistics for the SSI program provide information on the number of persons with disabilities who may have housing needs because of their low incomes. As of December 2001 (the most recent data available), 3,017 recipients in Kings County were receiving benefits because they were blind or disabled, with 1,440 older than 65 years old. Although these figures can give a sense of proportion of the population with different types of disabilities, a much smaller proportion of the population may actually require specially adapted housing to accommodate disabilities.

Disabilities vary significantly by age. The 2000 Census details the number of persons (excluding those living in institutions) with disabilities. According to the 2000 Census, the primary disability among children ages 5 to 15 is mental disabilities, affecting 5 percent of all children. Among persons between ages 16 and 64, 9 percent have an employment disability, 6 percent have a physical disability, and 6 percent have a go-outside-home disability. Among seniors, the percentage of people with a disability increases significantly. Physical disabilities affect 31 percent of the population, followed by go-outside-home disability (23 percent). Sensory, mental, and self-care disabilities affect 11 to 15 percent of the senior population.

State and federal law mandate minimum accessibility standards for housing. As example, local governments that use federal housing funds must meet federal accessibility guidelines for new construction and substantial rehabilitation. At least five percent of the units must be accessible to persons with mobility impairments and an additional two percent must be accessible to persons with sensory impairments. New multi-family housing must also be built so that: 1) the public and common use portions of such units are readily accessible to and usable by disabled persons; 2) the doors allowing passage into and within such units can accommodate wheelchairs; and 3) all units contain adaptive design features.

Jurisdictions can also be more active in facilitating independent living for disabled people. For instance, HUD also recommends, but does not require, that the design, construction and alterations of new housing incorporate, wherever practical, the concept of visitability in addition to requirements of Section 504 and the Fair Housing Act. Recommended construction practices include wide enough openings for bathrooms and interior doorways and at least one accessible means of egress/ingress for each unit. Although localities in Kings County do not have visitability ordinances 'per se,' each jurisdiction operates a housing rehabilitation program that offers loans for accessibility improvements.

For persons requiring a more supportive setting, Kings County has 23 licensed care facilities. The Central Valley Regional Center is a private, nonprofit corporation that provides services to persons with developmental disabilities in Fresno, Kings, Madera, Mariposa, Merced and Tulare Counties. The Center provides diagnosis, evaluation, and case management services. The Center also operates 20 small group homes for mentally disabled clients and placement services to help clients find affordable, independent housing (typically Section 8 units). The Kings County Rehabilitation Center in Hanford also offers rehabilitation, vocational and life training, and operates four group homes for mentally and physically handicapped individuals.

Despite these services, a significant shortage in housing for disabled people exists. Part of the reason may be due to local zoning ordinances that have not been updated to incorporate provisions in the Community Care Facilities Act. Therefore, the Housing Plan proposes a program to update Zoning Ordinances to comply with State law. This includes the following:

- Permit residential care facilities serving six or fewer persons by right in residential zones and treat them the same as any other residential use in the same zone.
- Permit residential care facilities serving seven or more persons in appropriate zones via an approved conditional use permit.
- Continually review City policies, regulations, and codes to identify potential impediments to housing for people with disabilities and remove such impediments.

6. Homeless People

Homelessness is usually the result of a multiple of factors that converge in a person's life. The combination of loss of employment, inability to find a job because of the need for retraining, and high housing costs lead to some individuals and families losing their housing. For others, the loss of housing is due to chronic health problem, physical disabilities, mental health disabilities or drug and alcohol addictions along with an inability to access the services and long-term support needed to address these conditions.

Obtaining an accurate assessment of the magnitude of the homeless population is difficult because many individuals are not visibly homeless but rather live with relatives, hotels/motels, friends, shelters, and other temporary accommodations. In an attempt to address the needs of homeless people in Kings County, the Kings/Tulare County Continuum of Care Coordinating Group conducted a survey of homeless people in the two counties. Based on a survey of 787 persons, the following portrait of homeless people emerged:

- 67 percent have been homeless for one year or less; 13 percent are chronic homeless
- 57 percent are of Hispanic origin and 53 percent are female
- Adults between 20 and 39 comprise 58 percent of homeless people
- 37 percent are families with children
- 17 percent are victims of domestic violence
- 35 percent are considered disabled
- More than half needed dental care, housing assistance, and health care

Currently, 64 percent of the homeless population was housed in temporary living arrangements. Of this total, 36 percent lived with friends or relatives, 11 percent lived in transitional housing, 10 percent in emergency shelters, and 7 percent in hotels/motels.

Currently, there is a significant lack of services for the homeless population in Kings County. Religious and nonprofit service organizations may provide a few services, but the overall service network is fragmented. The Kings/Tulare County Continuum of Care Group was recently formed to provide a forum for identifying needs, coordinating service delivery to homeless people, and applying for State and federal grants.

Kings Community Action Organization (KCAO) is a private, non-profit organization established in 1967 that provides various assistance programs to low income individuals including: emergency food, shelter, utility assistance, and rental assistance. The KCAO operates a 16-bed emergency shelter in Hanford for women and children and nine transitional apartments for women and children in Hanford. KCAO is also replacing its existing shelter with a 38-bed women's shelter. KCAO reports that additional shelter beds are needed, as evidenced by most vacant beds in its projects filling rapidly.

Additional emergency assistance is provided by the Salvation Army in Hanford which provides short term assistance in the form of food, financial assistance for rent and utility bills, motel vouchers and bus or plane tickets. Corcoran Christian Aid provides food, vouchers and other types of emergency financial assistance within Corcoran. According to Christian Aid, there is not a large visible homeless population in Corcoran. Most of the homeless share a home with others, or reside in temporary living quarters such as a camper. Most of those requiring long-term shelter must go to a larger City such as Hanford for assistance.

Despite these services, a significant shortage in emergency shelters and transitional housing exists. Part of the reason may also be due to local zoning ordinances that need to be updated for changes in State law. Therefore, the Housing Plan proposes a program to update Zoning Ordinances to comply with State law. This includes the following:

- Permit transitional housing facilities via a conditional use permit in appropriate zones within each community.
- Permit emergency shelters via a conditional use permit in appropriate zones within each community.
- Support the efforts by the County Continuum of Care to improve the delivery of services to the homeless population and those greatest at-risk of homelessness.

E. Analysis of At-Risk Housing

State law requires that all housing elements include an analysis of existing assisted housing projects that are eligible to change from low-income housing to market rate housing during the next ten years due to termination of subsidy contracts, mortgage prepayment, or expiration of affordability restrictions. Assisted housing developments include multi-family rental housing that receives assistance under certain federal and state programs as well as local programs (e.g., redevelopment, in-lieu fees, inclusionary and/or density bonus program).



1. Inventory of Affordable Housing

Kings County and its four incorporated communities have a total of 35 projects providing more than 1,800 affordable rental units subsidized with local, state and federal subsidies. Covenants and deed restrictions are often used to maintain the affordability of publicly-assisted housing as affordable to low and moderate income households. Over time, however, these covenants and use restrictions expire and must be renewed or renegotiated to ensure continued affordability of housing. **Chart 2-30** shows the assisted rental projects in Kings County for which affordability controls are currently in place.

CHART 2-30
INVENTORY OF PUBLICLY ASSISTED HOUSING PROJECTS

City and Project Name	Total Units (Assisted Units)	Hhld Type	Funding Source(s)	Expiration of Affordability
City of Avenal				
Pleasant Manor	40 units (31 very Low)	Family	Section 515	Entered Service: 1986 Expires: 50 years
Wien Manor Apts. 505 S. Corcoran	43 units (39 very Low)	Family	Section 515	Entered Service: 1982 Expires: 50 years
El Palmar 1112 E. Whitney	81 units (81 very low)	Family	Tax Credit	Entered Service: 2004 Expires: 15 years
City of Corcoran				
Corcoran Gardens 1307 Bainum	40 units (36 very low)	Family	Section 515 /Tax Credit	Entered Service: 2002 Expires: 30 years
Carolyn Apts. 920 6 th Avenue	41 units (38 very low)	Family	Section 515	Entered Service: 1982 Expires: 50 years
Westgate Manor 2330 Sherman	45 units (44 very low)	Elderly/ Disabled	Section 515	Entered Service: 1985 Expires: 50 years
Whitely Gardens I 2400 Whitely Avenue	63 units (63 very low)	Family	Section 515	Entered Service: 1979 Expires: 50 years

CHART 2-30
INVENTORY OF PUBLICLY ASSISTED HOUSING PROJECTS

City and Project Name	Total Units (Assisted Units)	Hhld Type	Funding Source(s)	Expiration of Affordability
Whitely Gardens II 2400 Whitely Avenue	24 units (24 very low)	Family	Section 515	Entered Service: 1984 Expires: 50 years
Corcoran St. Senior 821 Whittley Ave.	44 units (44 low)	Elderly	RDA/HOME	Entered Service: 1998 Expires: 50 years
City of Hanford				
Amberwood I 11280 Oakview	47 units (44 very low)	Family	Section 515	Entered Service: 1980 Expires: 50 years
Amberwood II 11280 Oakview	39 units (39 very low)	Family	Section 515	Entered Service: 1981 Expires: 50 years
Casa Del Sol 12184 Hanford-Arm.	80 units (64 VL, 16 Low)	Family	Tax Credit	Entered Service: 1999 Expires: 15 years?
Cedarbrook 1850 Rodgers	70 units (56 vl, 14 low)	Family	Tax Credit	Entered Service: 1999 Expires: 15 years
Hanford Senior 116 Campus	47 units (47 very low)	Elderly	Section 515	Entered Service: 1982 Expires: 50 years
Heritage Park 439 Centennial	81 units (65 very low, 16 low)	Elderly	Tax Credit	Entered Service: 1997 Expires: 50 years
Kings Garden 1224 Fernot Way	100 (24 v. low, 39 low, 34 mod)	Family	HUD 236(j)(1)	Entered Service: 1999 Expires: 2003
Kings View 1030 N Green	10 units (10 very low)	Elderly/ Disabled	Section 202/818	Entered Service: unknown Expires: 2006
View Road 602 9 1/4 Avenue	121 units (120 very low)	Elderly	Section 515	Entered Service: 1981 Expires: 50 years
Sunnyside Village 670 Irwin	150 units (150 very low)	Family/ Elderly	Public Housing	Entered Service: 1963 Expires: perpetuity
Cameron Commons 533 E. Cameron	32 units (16 vl, 16 low)	Seniors	Rental Housing Construction	Entered Service: 1983 Expires: perpetuity
City of Lemoore				
Villa San Joaquin 200 North 19 th Ave	36 units (32 very low)	Family	Section 515	Entered Service: 1984 Expires: 45 years
Kings River Apts 1600 Bush Street	48 units (23 very low)	Family	Section 515	Entered Service: 1984 Expires: 50 years
Montclair Apts 1505 19 th Avenue	79 units (79 very low)	Fam/Eld	Tax Credit	Entered Service: 1999 Expires: 20 years
Alderwood Apts 990 Fox Street	80 units (80 mod)	Family	Tax Credit	Entered Service: 1996 Expires: 2011
Country Club Apts 1055 Blake Ave	108 units (108 low)	Family	Tax Credit	Entered Service: 1989 Expires: 2004
Lemoore Elderly Apts 601 E. Street	23 units (16 very low)	Elderly	Section 515	Entered Service: 2002 Expires: 30 years

CHART 2-30
INVENTORY OF PUBLICLY ASSISTED HOUSING PROJECTS

City and Project Name	Total Units (Assisted Units)	Hhld Type	Funding Source(s)	Expiration of Affordability
Lemoore Villa 899 Hanford-Armona	28 units (28 very low)	Family	Section 515	Entered Service: 2002 Expires: 30 years
Westbury Court 1195 Hazelwood	99 units (80 vl, 19 low)	Family	Tax Credit	Entered Service: 1998 Expires: 2018
Mountain View Apts 58 Hazelwood	38 units (17 very low)	Elderly	Section 515	Entered Service: 1987 Expires: 50 years
Kings County				
Armona Village 13845 Lyn Street	32 units (29 very low)	Family	Section 515	Entered Service: 2003 Expires: 30 years
Sycamore Court Carnelius Street	15 units (15 very low)	Family	Public Housing	Entered Service: 1965 Expires: Perpetuity
Single-family Homes different addresses	7 units (7 very low)	Family	Market-rate subsidized	Entered Service: 1980s Expires: Perpetuity
Valley Village 700 6 1/2 Avenue	100 units (100 very low)	Family/ Elderly	Public Housing	Entered Service: 1965 Expires: perpetuity
Kettleman City Apts 619 Milham	40 units (27 very low)	Family	Section 514/516	Entered Service: 1983 Expires: Perpetuity

Sources: Low Income Housing Tax Credit database, 2003.
California Housing Partnership, 2003
USDA, Rural Services

2. Analysis of Projects

Projects in Kings County are financed under four basic loan programs. These loan programs include the following: USDA Rural Development Section 514/515/516, HUD Section 202/811, HUD Section 236(j)(1), and Low Income Housing Tax Credits. These funding sources and their applicability to specific projects are briefly described below:

Section 515. The Rural Housing Service (RHS), an agency in the USDA, operates a range of programs (including Section 515) to support affordable housing and community. Section 515 is a direct, competitive mortgage loan program to provide affordable multi-family rental housing for very low, low, and moderate income families, elderly persons, and persons with disabilities. Loans are provided for up to 30 years at an effective 1 percent interest rate and are amortized over 50 years. The affordability terms depend on when the project was built. Project owners receiving loans before 1979 can prepay their Section 515 loans at any time, opt out of the program, and convert their projects to market rate housing. Loans made between 1979 and 1989 require affordability controls for 20 years. Projects developed after 1989 must be maintained as low income housing for the term of the loans.

Prepayment for eligible projects is allowed only after three alternatives are exhausted. First, RHS must offer an incentive package to the borrowers to extend the project's affordability

controls for an additional 20 years. If the borrower rejects the package, RHS will examine whether the project is eligible to prepay with restrictions, depending on a variety of criteria in federal law. Finally, if the borrower rejects the prepayment package, the project must be advertised for sale to qualified nonprofit or public agencies that have expressed an interest to RHS to be notified of prepayment requests. If no offer is received within 180 days, a borrower who is not operating under restrictive use may prepay without restriction.

Kings County has 16 affordable multi-family projects financed through Section 515, of 12 of which were built before 1989 and could theoretically prepay their mortgages and opt out of the program. However, Section 515 projects rarely convert to market rate projects during the term of the mortgage due to the incentives available to extend affordability controls, the restrictions under which conversions and opt-out options are possible, and the requirement to offer the project to qualified and interested nonprofit or public agencies. Because no Section 515 project will have paid off its mortgage by 2013 and significant preservation incentives are available, these projects are not at-risk of conversion through 2013.

Low Income Housing Tax Credits. The Low-Income Housing Tax Credit (LIHTC) Program is a tool for financing the construction or rehabilitation of affordable rental units for low and very low income persons. The LIHTC program provides an annual federal tax credit ranging from 4 to 9 percent (the lower amount is for federally-funded projects) of project costs. Eligible costs include acquisition, construction or rehabilitation (*but not land costs*). Tax credits can be used to offset income tax liability on a dollar-for-dollar basis for 10 years or provide additional project equity through the syndication of the credits. Under federal law, tax credit projects must remain affordable for at least 15 years, although terms for projects in California are often longer depending on whether other public subsidies are used.

Kings County jurisdictions have used the LIHTC program extensively to construct 9 apartment complexes providing approximately 718 units of affordable housing for very low and low income households. Two of the projects, Alderwood Apartments and Country Club Apartments, are at risk of conversion prior to 2013. These projects currently provide 188 units of affordable housing in the County.

Section 236(j) (1). Section 236(j) (1) is a federal loan program designed to stimulate the production of affordable rental housing. Under this program, developers are offered below-market rate loans, with the stipulation that units are set-aside as affordable for an extended period of time, usually as long as the mortgages are outstanding. After a certain period of time (typically 20 years), the property owner may prepay the mortgage, lift rent controls on the affordable units, and rent the units at market rates. After the 20-year period has expired, property owners can prepay the remaining mortgage loans and re-rent the units subject to notification of all affected tenants 12 months before exercising the opt-out provisions. One Section 236 project, the 100-unit Kings Garden, is at risk for conversion prior to 2013.

Section 202/811: The Section 202/811 program provides federal capital advances and project rental assistance to private nonprofit corporations in order to develop new housing or substantially rehabilitate housing to serve low-income elderly people. Projects funded by

Housing Needs Assessment

HUD Section 202 provide health, continuing education, and recreational services to occupants, including homemaking, meal and nutritional services, counseling, referral services, and transportation, which help residents maintain an independent living arrangement.

Until 1991, the Section 202 program provided assistance to property owners in the form of direct federal loans usually covering 100 percent of the project's development costs. Tenant assistance was provided through Section 8 rental assistance. Debt service owed to HUD on the direct loan was then paid by the housing owner using the Section 8 subsidies and additional rent paid by residents. In 1991, the Section 202 program was changed; capital advances replaced direct loans. These capital advances are granted to approved low-income housing developers, and cover 100 percent of the approved development costs. The major difference between these two funding processes is that the capital advance does not have to be repaid, so the project rental assistance covers only operating costs, not debt service, as under Section 8. HUD provides the difference between what tenants pay in rent and what it actually costs the sponsor to operate and maintain the project. Because capital advances are not loans, there is no debt service. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.

Though the Section 202 advances have a 40-year term, the rental assistance contracts run for 5 years and are renewed based on the availability of funds. If no funds are available, these projects are at-risk of conversion to market-rate uses. One Section 202 project, Kings View Apartments, is at risk of conversion prior to 2013. This project provides 10 units of affordable senior housing. However, since the project is owned by a nonprofit organization, the likelihood of conversion is very low.

3. Preservation Options

Kings County and its jurisdictions can utilize a variety of housing preservation strategies to help ensure that affordable units remain affordable to the intended income group for as long as feasible. Three options for preserving units are: 1) transfer of ownership to a nonprofit; 2) providing rental assistance; or 3) replacing the at-risk housing.

Transfer of Ownership to a Non-Profit: Transferring ownership of an at-risk project to a non-profit housing provider is generally one of the least costly ways to ensure that the at-risk units remain affordable. By transferring property ownership to a non-profit organization, low-income restrictions can be secured indefinitely and the project becomes eligible for a greater range of governmental assistance. Kings View Apartments is currently owned by a non-profit, and thus is excluded from this portion of the analysis. **Chart 2-31** shows the market value of the three at-risk projects. Current market value of the projects is based on the projects' net annual income, which consists of the gross annual income less annual operating costs. Based on the calculations presented, the cost of transferring ownership ranges from \$4 million to \$5.5 million, with a total cost of nearly \$15 million for all three developments.

CHART 2-31:

MARKET VALUE OF AT-RISK PROJECTS

Project Characteristics	Kings Garden	Alderwood	Country Club
Total Units	100	80	108
Annual Operating Cost	\$320,000	\$264,000	\$345,600
Gross Annual Income	\$780,000	\$624,000	\$842,400
Net Annual Income	\$460,000	\$360,000	\$496,800
Market Value	\$5,111,111	\$4,000,000	\$5,520,000

Assumptions:

1. Average rent estimated at \$650/month
2. Average unit size estimated at 800 s.f.
3. operating expenses estimated at \$4.00/s.f./year
4. Market Value=Net Annual Income/ 9% capitalization rate.

Rental Assistance: Two of the at-risk projects have project-based Section 8 projects, while the remaining two are tax credit projects. Rental assistance to the projects could be structured in a similar fashion to Section 8. The feasibility of this alternative is highly dependent on the availability of funding sources necessary to provide the rental subsidies and the willingness of the owners to accept the subsidies if they are provided. The subsidy required is calculated by determining the difference between what a three-person very low income household can afford to pay per month (\$411) versus the fair market rent determined by HUD for a two bedroom unit (\$431), times the 239 at-risk units. Taken together, the total cost for rental subsidies would be \$5,760 per month, which equates to \$71,520 annually. This is significantly lower than the \$15 million required to transfer ownership.

Construction of Replacement Units: Constructing new low income housing units is another means of replacing at-risk units that convert to market-rate use. The cost of developing the new housing depends upon a variety of factors, including density, unit size, location, land costs, and type of construction. Construction costs for recent multi-family developments averaged \$50 per square foot. Based on this average, construction of replacement units would cost approximately \$11,520,000, assuming unit size of 800 square feet for all units. Factoring in land costs would make this amount much higher, and would vary depending on the number of sites used to construct the housing as well as the location of the sites. Even without factoring in the land costs, the cost of constructing replacement units far exceeds the cost of rental assistance, but is less than the cost of transferring ownership. Factoring in land costs would likely make replacement units the least feasible among the three alternatives.