

## 4.0 RESOURCE INVENTORY

### 4.1 ADEQUACY OF PUBLIC FACILITIES AND INFRASTRUCTURE

#### **Roads**

The Lake County Department of Public Works is responsible for maintenance of county roads. The Lake County Maintained Road System consists of 616 miles of roads that include 135 bridges along with 3,555 culverts and numerous drainage structures. These roads vary widely in their volume and type of traffic, pavement condition, and geometrics (such as pavement width). The basic standard for county roads is two lanes. Due to limited availability of funding and the inability to perform all of the maintenance it would like, the Lake County Board of Supervisor's policy is to not take any additional roads into the County maintained road system. Many local roads require widening, intersection improvements, paving, or other measures to safely accommodate projected growth. A number of older, undeveloped subdivisions lack adequate roads. The County has assisted property owners in these areas with the formation of road improvement assessment districts.

All of the roads within the County system are classified under the Federal Functional Classification System and were approved by the Federal Highways Administration (FHWA) in 1992. Functional classification as a minor arterial or major collector makes a roadway eligible for Federal Aid funds. Of the County's 616 miles of roads, 480 miles (78%) are classified as rural minor (*collector*) or rural local roads and do not qualify for Federal or State Aid funds from programs such as the Regional Surface Transportation Program (RSTP) and the State Transportation Improvement Program (STIP).

Within the Maintained Road System, there are 136 miles of roads that constitute the County's Primary Road Network. Roads were identified as primary roads based on their importance in interconnecting the cities and communities within the County. The remaining 480 miles of County roads or secondary roads either have a lower functional classification on the Federal Aid system or are roads that the County has placed less importance. Of the 480 miles of secondary roads, 148 miles have a gravel or dirt surface.

The State highway system of Lake County is made up of 137.5 miles of State highway, which includes State Route 20, State Route 29, State Route 53, State Route 175, and State Route 281. With the exception of a 7.5 mile freeway segment on State Route 29 near Lakeport, the 3.0 mile Clearlake Expressway, and several shorter three lane sections in other areas, all of the State highways currently serving Lake County are two-lane facilities. The State highway system in Lake County is geographically constrained. The County is mountainous and highways must wind around the extensive lake system.

State Route 20 provides the main east west corridor through the County, extending from the Mendocino County line to the Colusa County line. For the communities of Nice, Lucerne, Glenhaven, and Clearlake Oaks, Route 20 is “Main Street.” However, Route 20 itself is limited to a curving, two-lane facility by its surrounding geography.

### ***Water and Wastewater Disposal***

Water supply for domestic use in Lake County includes both groundwater and surface water. While several water distribution systems buy Clear Lake water from the Yolo County Flood Control and Water Conservation District, most use groundwater. The Lake County Health Department regulates over 100 water distribution systems. Of these systems, only 15 have 200 or more connections. The majority of systems, which have less than 100 connections, typically include smaller subdivisions, mobilehome parks, and resorts. A combination of depleting groundwater supplies and increased treatment standards has resulted in the failure of a few systems.

The Lake County Sanitation District (LACOSAN) owns and operates the Northwest and Southeast Regional Wastewater systems at each end of Clear Lake. A moratorium was lifted in 2012 as a result of improvements to Lift Station number four. This fix was the result of sewage spills that occurred in the Highlands Harbor area, in the City of Clearlake. LACOSAN also operates local systems in Kelseyville and Middletown. In addition to LACOSAN-operated facilities, the Clearlake Oaks County Water District operates its own sewer system. The Hidden Valley Lake Community Services District provides sewer and water service to properties within the Hidden Valley Lake Subdivision, in Coyote Valley near Middletown. The remainder of the county uses septic systems.

In general, the ability of each Sewer or Water District to accommodate additional housing demand is closely tied to financial constraints. The willingness of current customers to increase current service charges or to assume new costs for the expansion of existing water and sewer systems plus the success in obtaining State or federal grants or loans will primarily dictate the ability to increase service capacities to accommodate new housing.

### **County Operated Water Systems:**

CSA #2, Spring Valley: County Service Area #2, is comprised of the customer base in the Spring Valley Lakes subdivision. The Spring Valley Water Treatment facility and distribution system serves customers in the Spring Valley subdivision. The treatment facility consists of a raw water pump station that takes water from an infiltration gallery located in the North Fork of Cache Creek and pumps it to the treatment plant. The Spring Valley Water system services 494 connections and includes over 66,000 ft of distribution pipeline, one 240,000 storage tank and 1 High – Lift Service pumping station. In September of 2006, the Lake County Board of Supervisors enacted an Urgency Ordinance #2791 adopting emergency water conservation restrictions for water customers in CSA #2 Spring Valley. The original water system was constructed for a much smaller community than presently exists. Many portions of the original water

system were constructed with less than ideal materials and design and during a time well before District staff had any role or oversight, and the system continues to be a maintenance challenge. Expansion plans have been completed for a network hydraulic model water distribution system and a capacity and expansion analysis was completed for the treatment facility. The capital improvements to the water treatment plant were completed in 2013. Distribution system improvements covered by a Division of Water Resources (DWR) Integrated Regional Water Management (IRWM) grant are scheduled for 2015-2016. This funding targets improving the system to reduce leaks).

CSA #6, Finley: County Service Area #6, was formed to establish a domestic water system for the residents within the community of Finley. The current water system has been upgraded from the original much smaller community water system with the intertie to the Kelseyville water system in 2006, which provides improved water quality and higher water pressure and flow. There are four active wells in the Kelseyville system which supply water to Finley. The system has 235 connections, over 28,000 ft. of distribution pipeline, one 5,000 gallon pressure tank, three storage tanks (1-1,000,000, 2-250,000 gallons), and one service pumping station. There are no capacity issues with this system.

CSA #7, Bonanza Springs: County Service Area #7, was formed (with the dissolution of its predecessors - Bonanza Springs, Seigler, and Forest Oaks Water Companies) to establish a domestic water system for the residents within the community in Bonanza Springs. The system consists of 177 connections, over 22,000 ft of distribution pipeline, one 100,000 gallon storage tank and one service pumping station. There are currently no restrictions on new connections, although the district has had capacity issues partly due to distribution leaks, which have since been located and repaired. **Valley Fire damage**

CSA #13, Kono Tayee: County Service Area 13, serves The Kono Tayee Estates and Kono Tayee Heights subdivisions. The system consists of 141 connections with over 5,000 ft of distribution line, four storage tanks (1-100,000 gallon, 1-13,000 gallon, one 60,000 gallon tank) and one High-Lift Service pumping station on Verna Way. Meters were installed throughout the CSA #13 Kono Tayee water system in 2010. Many portions of the original water system were constructed with less than ideal materials and designed during a time well before County staff had any role or oversight. The system continues to be a maintenance challenge. There are currently no capacity issues for this system.

CSA #16, Paradise Valley: County Service Area # 16, was formed to establish a domestic water system for the residents within the community in Paradise Valley. The system consists of 72 connections with three production wells over 7,500 ft. of distribution pipeline, one storage tank (100,000 gallons) and one service pumping station. This water system is working on a capital project to connect their system to the Clearlake Oaks County Water District, which will result in the current moratorium being lifted. This intertie project is being funded by a Division of Water Resources (DWR) Integrated Regional Water Management (IRWM) grant).

CSA #18, Starview: County Service Area #18, was formed (with the dissolution of its predecessor, Starview Mutual) to establish a domestic water system for the residents within the community in Starview. The system consists of 147 connections served by over 12,000 ft of distribution line, one storage tank (100,000 gallons) and one service pumping station. Many portions of the original water system were constructed with less than ideal materials and design and during a time well before District staff had any role or oversight, and the system continues to be a maintenance challenge. There are no capacity issues for this system. **Valley Fire damage**

CSA#20, Soda Bay: County Service Area #20, is comprised of the Soda Bay, Lakewood Park, and Riviera Heights areas of Lake County. CSA #20 was formed (with the dissolution of its predecessor(s) Riviera Mutual Water Company, Lakeview Estates Water Company, and over 14 additional small independent water systems) in March of 1989. The distribution system is divided into five pressure zones, which are served by the 135,000 gallon clear well, one 330,000 gallon, four 60,000 gallon, and one 30,000 gallon water storage tanks, 5 booster pump stations, and two high service pump stations. The system contains over 15 miles of distribution pipeline and serves 646 connections. The facility is operating efficiently and providing water to customers in compliance with all applicable water quality standards. However, highly variable water quality from Clear Lake creates significant challenges. There has also been a tight restriction on new connection during the previous housing cycle. In an effort to lift the connection restriction, the District is currently in the design phase of a capital improvement project, which should address the capacity issues).

CSA #21, North Lakeport: County Service Area #21, is comprised of the customer base for the North Lakeport Water Treatment facility and distribution system serving the North Lakeport area. CSA #21 was formed in 1989 and included more than 25 small independent water systems. The distribution system is divided into three pressure zones (PZ). PZ1 serves the largest number of customers and consists of approximately 128,500 ft. of piping, two 500,000 gallon storage tanks and is supplied directly from the water treatment facility through two pumps. PZ1 supplies most (99%) of the North Lakeport's water demand. PZ2 consists of 3,700 ft. of piping and two pumps. PZ2 directly serves 9 SFDs and supplies water to two 20,000 gallon storage tanks. PZ1 is the sole source of water for PZ2. PZ3 consists of 2,100 ft. of pipe and directly serves 8 SFDs through two pumps and a 1,000 gallon pressure tank. PZ2 is the sole source of water for PZ3. There is a total of over 25 miles of distribution pipeline serving 1300 connections. The N. Lakeport facility is in need of facility expansion for processing and storage. The State Department of Public Health issued a compliance Order on May 13, 2008 restricting any new service connections. The District is (2015) working with a consulting engineer to conduct a Design Definition Report in order to identify viable options for improvements, which will increase plant capacity. Subsequent to the DDR, the same engineer will perform the preliminary engineering tasks to generate plans and specifications for the improvement project, which can then be sent out for bid. Once the plans and specifications are completed, the District will seek construction funding from

the California Drinking Water State Revolving Fund. This improvement project will increase capacity and should result in the connection moratorium being lifted).

CSA #22, Mt. Hannah: County Service Area #22, was formed (with the dissolution of its predecessor, Mt. Hannah Water Company) to establish a domestic water system for the residents within the community in Mt. Hannah. This is a small CSA that serves approximately 38 dwellings.

Kelseyville County Waterworks District #3: The Kelseyville water system was originally constructed in the late 1960's. The water system obtains water from four (4) wells. The Kelseyville Water system serves the downtown and surrounding residential areas of Kelseyville. Recent upgrades to the system (new well and storage tank) as well as an intertie with the Finley Water System (CSA #6) were completed in 2006. The system consists of 1020 service connections with over 29,000 ft of distribution pipeline, and one (1) 1,000,000 gallon storage tank, and two (2) 250,000 gallon storage tanks. The expansion of the supply and treatment capabilities within the Kelseyville water system have been the primary focus within the system and those goals were successfully completed. Future improvement goals, mainly in regards to the distribution system (mainly piping and looping) are needed in the near term for the existing customer base and reasonable future growth. In order to comply with the conditions of the USDA/RUS loan that funded the system improvements in 2006, connections to the Kelseyville water system are mandatory.

#### **Non - County operated water systems with over 500 connections:**

California Water Service Company: The California Water Service Company (formerly known as the Lucerne Water Company) provides approximately 1,350 water connections to the Lucerne community. The Water Company utilizes water from Clear Lake as its sole supply source. On November 7, 2006, the California Department of Health Services issued a Compliance Order that disallows additional water connections until the Company demonstrates that it has adequate treatment capacities to serve its existing customers. The Order was lifted on December 5, 2008 after the company completed the installation of a new treatment plant and additional storage capacity of 300,000 gallons, for a total capacity of over 900,000 gallons. The district can support approximately 10% growth (120-130 taps) for new water connections located within their existing service area.

Callayomi County Water District: The Callayomi County Water District (CCWD) supplies water to 403 active customers, with 74 reserved connections within the district boundary. Service is provided to residential, commercial, and agriculture uses, and to the Middletown Rancheria and Twin Pines Casino and Hotel. The property at the northeast corner of the intersection of Butts Canyon Road and Highway 29 was annexed into the district in 2011. The CCWD's water source consists of groundwater from three wells, one leased well on the Diamond D Ranch and two District owned wells on Big Canyon Road. CCWD's water storage system consists of two tanks with a capacity of 625,000 gallons, which just meets the needs of the existing customers. The

District's Master Plan called for replacement of one 125,000 gallon tank with a 450,000 gallon tank on Rabbit Hill in 2010. CCWD operates a water treatment plant with a filtration system and carbon filter with transmission lines from the wells to the treatment facility at the corner of Brennan and Stewart Streets. The District has the water rights to supply properties within its district boundaries, but will require additional wells, storage and treatment facilities as lots are built-out in the community. **Valley Fire Impacts**

Clearlake Oaks County Water District: The Clearlake Oaks County Water District has 1,649 active water connection accounts and a total of 1,954 accounts. They may expand to 2100 accounts before additional approval is needed from the State Department of Health. The water company utilizes water from Clear Lake with the capability of treating 500 gallons per minute (GPM), though the average intake is approximately 450 GPM. The company has five tanks on six sites with a total storage capacity of 625,000 gallons of potable water.

Hidden Valley Lake Community Service District: The Hidden Valley Lake Community Service District (HVL-CSD) was providing 2,437 water service connections as of 2008 to the Hidden Valley Lake Subdivision and some commercial parcels in the surrounding area along Coyote Valley and Hartmann Roads, including the golf course, clubhouse, Coyote Valley School (water only), Hardester's Market and Coyote Valley Plaza. The District currently has approximately 300,000 linear feet of piping, four potable water booster pump stations, seven storage tanks, and three ground wells, and a chlorine contact basin.

Lower Lake County Water District: The Lower Lake County Water District has over 1,050 service connections. The water system is currently in locally imposed water conservation which restricts the installation of new water meters. The district's water source is groundwater drawn from 8 wells (developing a ninth). All wells were operating at a reduced flow due to sediment plugging the water pathways to the wells in 2014 & 2015. Even after scrubbing, well performance did not improve. The District decided to move forward with new sources to improve the ability to lift the current moratorium. With the current drought, the District is only able to draw approximately 820,000 gallons per day from its sources. They use two 500,000 gallon storage tanks, one 220,000 gallon tank and one 30,000 gallon redwood tank (that the District is trying to take out of the system and replace with a pressure reducing valve if needed). Because of the long term drought and existing sources, the District has been in Stage 1 and 2 of the drought contingency plan in the last few years, with summer months requiring mandatory cutbacks. With the drought and issues with District sources, there is no plan to lift the current moratorium.

Mount Konocti Mutual Water Company: The Mt Konocti Mutual Water Company provides water service to residents of the Clear Lake Riviera Subdivision. The Water Company provides service to approximately 1,546 connections. Water is obtained from Clear Lake, and the treatment plant has a typical output of 1,000,000 gallons per day. The system infrastructure consists of roughly 26 miles of water main and ten water storage tanks, with a total capacity of 1.2 million gallons. The Water Company has

service restrictions in place that only allow it to serve the Clear Lake Riviera Subdivision, which contains approximately 2,800 residential lots.

Nice Mutual Water Company: The Nice Mutual Water Company provides water service to the majority of the community area of Nice. Water is obtained directly from Clear Lake and is treated at a treatment facility located along Lakeshore Boulevard. The treatment plant has a maximum output of 650 gallons per minute. The district is providing water service to approximately 1,300 connections. The system has approximately 40 miles of distribution piping, and seven storage tanks with five tank sites totaling gallons 1.15 million Gallons.

Upper Lake County Water District: The Upper Lake County Water District provides water service within the community area of Upper Lake. Water is obtained from two wells. The district is providing service to 405 connections. It has a storage capacity of 400,000 gallons, which consist of two 100,000 gallon tanks and one 200,000 gallon tank. They are at maximum storage capacity and in the process of upgrading their water delivery and storage system. These upgrades include replacing the two 100,000 gallon tanks with a 500,000 gallon tank and creating a looped delivery system in order to meet current fire flow requirements.

The Konocti County Water District and the Highlands Water Company service areas are located completely within the city limits of Clearlake. The City of Lakeport supplies water to the incorporated areas within the City and a few small unincorporated areas south of the City.

## **Wastewater Systems**

Northwest Regional Wastewater System: The Northwest (NW) wastewater collection system serves the communities of N. Lakeport, Upper Lake, Nice, Lucerne, Kono Tayee and Paradise Valley and utilizes aerated lagoons for treatment.<sup>1</sup> The Northwest Regional Wastewater System has a total of 4,110 connections, 90 miles of pipe within the gravity collection system, 23 lift stations, and over 15 miles of force main piping conveying wastewater to the NW Treatment Plant. Many portions of the collection system were constructed 25-30 years ago when materials, construction techniques and inspections were not as comprehensive as they are today. Due to the age of the collection system, the close proximity to the lake, and seasonal high lake levels, inflow and infiltration of freshwater is common, and contributes a large percentage of winter flows. The high seasonal flows force lift stations to operate for extended periods of time and almost continuously during multi-day storm events. The District frequently hires emergency pumper trucks and crews to avoid or minimize spills. Treated wastewater is recycled at the Geysers steamfield for geothermal electricity production. According to the Master Plan (December 2005), the service area has a potential capacity for 7,379 connections. All projects greater in size than three single family dwelling equivalents are required to utilize an established hydraulic model that identifies the areas within the

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<sup>1</sup> Special Districts website (2015).

collection system where infrastructure improvements are necessary to accommodate the development. Capacity Expansion Fees, as well as the costs of mitigation as identified in the Capacity Analysis, are required of the developer.

The Southeast Regional Wastewater System: The Southeast Regional Wastewater System collects and treats wastewater from Pirates Cove to Lower Lake, including the City of Clearlake. The system has 6,185 service connections (8,434 single family dwelling equivalents) and over 100 miles of collection system piping within the collection system. Like the Northwest Regional Wastewater System, portions of this system were constructed over 30 years ago. Due to the proximity to the lake and seasonal high water table, a significant amount of groundwater intrusion occurs within the system during the winter. Also like the Northwest System, winter rains contribute to inflow and infiltration and the increased flows in the winter requires the lift stations to operate more frequently, and almost continuously during multi-day storm events. During more intensive storm events, the District typically hires emergency pumper truck services to maintain collection system operations. All treated wastewater is recycled at the Geysers. According to the Master Plan (December 2005), the service area has a potential capacity of 14,641 connections. All projects greater in size than 19 single family dwelling equivalents are required to utilize an established hydraulic model to determine necessary upgrades that will result from the proposed development. Restrictions were in place until major capital improvements were completed at the end of 2012.

Kelseyville Wastewater Treatment System: The Kelseyville wastewater collection and treatment facility was constructed in the late 1960's. The collection system serves the downtown and surrounding residential areas of Kelseyville. Wastewater from the Clear Lake State Park was added during the 1970's and the wastewater collection system of Corinthian Bay was added in the late 1980's. Raw wastewater is conveyed through the collection system and treated at the Gaddy Lane treatment facility and pumped to the evaporation ponds facility on Mt. Konocti for final disposal. The system has 1,353 service connections and provides service to Clear Lake State Park. It has over 15 miles of pipe within the gravity collection system and over 4 miles of force main piping including six lift stations conveying wastewater flows to the Kelseyville Treatment Plant (Gaddy Lane). Two pumps convey the treated effluent from the Gaddy Lane facility to the evaporation ponds on Mt. Konocti. The Kelseyville Community Waste Water District #3 wastewater treatment plant, has no restrictions.

Middletown Wastewater Collection System: The Lake County Sanitation District manages the Middletown Wastewater Collection System and Treatment Plant with a federal grant from the EPA under the Clean Water Act. The plant began operation in April 1992. Developed parcels within the district were required to abandon existing septic systems, and undeveloped parcels began to be assessed for future connections. The existing plant has a tertiary treatment facility that includes primary and secondary treatment ponds discharged to a concrete basin for tertiary treatment. An effluent pump station injects the effluent into the Southeast Geysers Effluent Pump (SEGEP) Number 1, which has a capacity of 100 gallons per minute, or to a 240 acre-foot backup storage



pond when SEGEP is unavailable. Based on existing and anticipated population growth, the wastewater treatment facility is undergoing modification and phased capacity improvements. Funding, including grants and loans, is being sought from State and Federal agencies for the improvements, and is further supported by expansion fees for new development. A Master facilities Plan was completed in September 2010, which was followed by the implementation of a project that marginally increased the capacity at the treatment plant. ***Valley Fire impacts***

South Lakeport/Lands End Waste Water Collection System: The South Lakeport wastewater collection system serves customers from Lands End, and portions of the Big Valley Rancheria, Soda Bay Road and S. Main Street. Raw wastewater is conveyed through a series of lift stations and the collection system and ultimately treated at the City of Lakeport's Wastewater Treatment Facility. The system provides service to 194 connections. The system has 5 miles of pipe within the gravity collection system, and over 2 miles of force main piping conveying wastewater flows to a connection point with the City of Lakeport's wastewater collection system. The District is moving forward with Infiltration and Inflow (I/I) mitigation, and will be investigating any sources of excess flow within these portions of the collection system. Costs for treatment are paid to the City of Lakeport through metered flow measurements. Costs for treatment continue to rise and the elimination of excess I/I is a priority.

Clearlake Oaks County Water District: The Clearlake Oaks County Water District operates a wastewater treatment plant in the community of Clearlake Oaks. The District's sewage collection system experiences substantial inflow and infiltration, which in the past have resulted in discharges of treated effluent to Clear Lake, which violates the state's waste discharge requirements. The Clearlake Oaks County Water District has been operating under a moratorium that was imposed in 2001 prohibiting any new sewer connections until additional capacity is provided, with system connection to the Geysers pipeline. The agency continues to repair local pipeline systems to correct inflow and infiltration problems.

Hidden Valley Lake Community Service District: The Hidden Valley Lake Community Service District (HVL-CSD) is providing 2,447 sewer connections Hidden Valley Lake Subdivision. A few commercial parcels in the surrounding area along Coyote Valley and Hartmann Roads, including a golf course, clubhouse, Harvester's Market and Coyote Valley Plaza are also served. The District has approximately 300,000 linear feet of piping, seven sewage booster pump stations and one wastewater treatment plant. All wastewater is recycled and used for golf course irrigation. Annexation of parcels into the service district and expansion of the sphere of influence within the Coyote Valley Community Boundary Area are supported, as is service to the Crazy Creek property, located between the communities of Middletown and Hidden Valley Lake on the east side of State Highway 29, to support commercial/industrial development and limited residential development consistent with policies of the Lake County General Plan and Housing Element.

## 4.2 INVENTORY OF LOCAL, STATE, AND FEDERAL HOUSING AND FINANCING PROGRAMS

### ***Current Programs***

Lake County utilizes local, State, and Federal funds to implement its housing strategy. Because of the cost of new construction and the competition for available funds, more than one source of public funds is typically required to construct an affordable housing development. The County does not act as a developer in the production of affordable units, but relies upon the private sector to develop new units with the assistance of available State and Federal sources.

The County has limited financial resources of its own to allocate for housing. The County competes for limited Community Development Block Grant (CDBG) funds, both planning and technical assistance grants and general grants through the statewide program administered by the Department of Housing and Community Development (HCD) as well as HOME funds.

### ***Lake County Housing***

The Lake County Department of Social Services (LCDSS) administers the County's housing programs. The LCDSS staffs the Lake County Housing Commission's office in Lower Lake and administers the HUD-funded rental assistance program for the entire county, including the cities of Clearlake and Lakeport.

### ***Section 8 Program***

Lake County provides 224 families/individuals rental assistance through the County's Housing Choice Voucher program. As per its contract with HUD, the agency cannot exceed the annual average of 224 vouchers. Approximately 36 percent of the participants in the program live in the unincorporated areas of the county.

As of January, 2015, there were 58 households on the waiting list, which is currently closed. It was last open in January 2014. The income limit for the County's Housing Choice Voucher program is 50 percent of median income; However, the assistance is targeted to extremely low-income households (30 percent or below of median income), with over 75 percent of the vouchers designated for this group.

The LCDSS also operates the Lake County Housing Administration Office for the County and administers HOME and CDBG grants and programs. Existing (2015) programs include the following:

**Family Self-Sufficiency (FSS) Program:** In December of 2000, the Lake County Housing Commission received an allocation of 50 Housing Choice Vouchers that were designated as FSS Vouchers. Those vouchers were to be allocated to families who would agree to enroll in a five to seven year program to work toward self-sufficiency, defined as being free from the use of welfare and CalFresh (Food Stamps). FSS is intended to promote economic self-sufficiency among families participating in the

Housing Choice Voucher Program. Only families who are receiving rental assistance through the Housing Choice Voucher program are qualified to apply for FSS. Eligible families are connected to the appropriate support services and resources in their communities that are needed to move the family toward economic independence. FSS offers a financial incentive to families through the establishment of a savings account which becomes available to the family upon successful completion of the Contract of Participation. During the term of the contract, the savings credit is based on increases in earned income of the family. As of March 2015, 39 of these vouchers were issued.

### ***CDBG and HOME Programs***

The LCDSS also operates the Lake County Housing Administration Office for the County and administers HOME and CDBG grants and programs. Current (2015) programs include the following:

**Owner-Occupied Rehabilitation Program:** The purpose of this program is to improve the condition of owner-occupied properties in Lake County. This program provides rehabilitation loan at 2.5 percent interest for a 30-year term. Eligibility is limited to households at or below 80 percent of median income. The program is funded with CDBG and HOME funds.

**First Time Home Buyer Program:** The goal of this program is to promote home ownership in Lake County. Participants must be first-time buyers and have incomes at or below 80 percent of median. The program works in conjunction with CalHFA, local banks, and mortgage institutions and provides a deferred second mortgage (simple interest of two percent for up to a 45-year term). Currently, the maximum value of the home cannot exceed \$149,000. The program is funded with HOME funds.

Traditionally, these programs tend to be successful when a number of factors are working together. When home prices are stable and the economy is doing well, there are more houses bought and sold and home owners tend to invest in making repairs in homes they are planning to live in. These factors have not been at play in the County of Lake for several years and therefore few loans have been made under these programs.

The County of Lake still (2015) suffers from a weak economy. With limited industry or major business employers, achieving a robust economy has been a challenge. The housing market in surrounding areas improved significantly in 2014 & 2015. The housing market is just starting to increase. This will more than likely result in most potential homeowners unable to purchase a home, even with programs such as the ones offered by the County.

The housing market meltdown also had a negative effect on the Owner Occupied Rehab program. A good percentage of the homes needing repairs in the County are “underwater”. Homeowners do not want to invest any more in properties that they owe more than what it would sell for. Additionally, with the economy still lagging, the possibility of losing a home is still a very real scenario for a number of homeowners.

The downward spiral of housing values and continuing foreclosures are negatively affecting the County's loan portfolio for the Owner-Occupied Rehabilitation and First Time Home Buyer programs, funded by CDBG and HOME, impacting the County's ability to make new loans under these programs. Specifically, the portfolio of over \$5.5 million of existing loans is affected by loss of loans through foreclosures on the first mortgages which are ahead of the County's second mortgages. When a foreclosure starts on the first mortgage, in most cases, the total amount owed on the first and second mortgages far exceeds the current value of the home thereby making it impossible to salvage the County's second mortgage. When the first mortgage completes foreclosure, our second mortgage is lost.

In some cases the County holds the first mortgage or there is a small first mortgage that makes it affordable to pay off and salvage the County's loan. However, this leaves the County owning a property it cannot sell for appraised value as required by County surplus property guidelines.

As part of the County surplus process, State law requires, in part, that "A written offer to sell or lease for the purpose of developing low-and-moderate-income housing shall be sent to any local public entity as defined in Section 50079 of the Health and Safety Code, within whose jurisdiction the surplus land is located. Housing sponsors, as defined by Section 50074 of the Health and Safety Code, shall, upon written request, be sent a written offer to sell or lease surplus land for the purpose of developing low-and-moderate-income housing. All notices shall be sent by first-class mail and shall include the location and a description of the property. With respect to any offer to purchase or lease pursuant to this subdivision, priority shall be given to development of the land to provide affordable housing for lower income elderly or disabled persons or households, and other lower income households."

Some non-profits and Native American Tribes have shown interest in these properties however there have been no written offers or commitments. Since these are HUD funded projects, and the amount of HUD funds invested in them is more than the current value, approval for any below appraised sale or joint venture program would have to be obtained from HCD. Given the growing trend, the County should consider contacting knowledgeable consultants from other jurisdictions who can provide more effective models for addressing this problem.

Most owners of property in this loan portfolio are finding their homes upside down when the first and second mortgages are added together. These mortgages are 15-30 year deferred second mortgages that continue to accrue interest during the deferred period of time. Very few of these owners will ever be able to pay off our loans when the balloon payment comes due, and with the accrued interest the property will likely be valued at less than the loan amount. The County will be in a very difficult quandary at that time. The County may need to consider converting all portfolio loans to 0% interest loans retroactive to their origination date.

It is also becoming extremely difficult to make new **Owner Occupied Rehabilitation Loans** because of the downward spiral of housing values. Most owners have little or no equity. These loans cannot exceed the value of the home minus any other loans on the property. In some cases, owners have no mortgage on their properties, however rehabilitation bids exceed the after rehabilitation appraised value. One example - approval from the State was received to replace a mobile home that had burned down. The bid to replace the home was approximately \$135,000. The appraised value of the new home placed on the site is \$96,000. This is primarily because the only homes that are selling for the appraisal comps. are foreclosed properties and bank owned short sales.

The **First Time Homebuyer Program** requires a participant to qualify for a First Mortgage. This program will match the first mortgage amount with a silent second deferred payment mortgage. First Time Homebuyer's are having difficulties in qualifying for first mortgages because lenders have tightened up their loan requirements.

Table 4-3, on the next page, summarizes participation in these County housing programs.

**Table 4-1: Housing Programs in Lake County, 1995 to April 2015**

Source	First Time Homebuyer	Owner Occupied Rehab	Rental Rehab	Tenant Based Rental Assistance
<b>Current Programs</b>				
07-HOME-3070	3	4	-	-
09-HOME-6206	-	-	-	-
<b>Prior Programs</b>				
95-STBG-0904	-	10	-	-
95-HOME-0151	23	-	-	-
96-HOME-0210	14	-	-	-
99-HOME-0353	4	-	-	9
99-HOME-0379	11	-	-	-
00-HOME-0447	-	-	4	-
05-HOME-1703	2	2	-	-
CDBG Revolving Loan Fund	-	17	1	-
HOME Program Income Fund	12	17	1	33
Total	69	50	6	42

Source: Lake County Housing Administration

### ***Affordable Housing Projects in Lake County***

Affordable housing projects in the unincorporated area of Lake County are summarized in Table 1-47. Many of the affordable housing projects in the County are located in the Cities of Clearlake or Lakeport and are not included here. As shown in the table, there are two developments in the unincorporated area that are specifically for seniors. North Shore Villas (31 units) developed by Rural Communities Housing Development Corporation (RCHDC) and Eskaton Clearlake Oaks Manor (23 units) developed by Eskaton Properties Inc. both under the HUD Section 202 program. Three family rental projects (Orchard Garden, Nice Village and Middletown Garden) were developed with financing from the USDA Section 515 program as well as the Low Income Tax Credit program.

In addition to the projects included in the table, the Collier Avenue Apartments (50 units), are not shown nor is Harmony Park, a 31-unit self-help subdivision developed in the early 2000's by RCHDC in Upper Lake. Over 200 households applied for the opportunity to purchase the three and four bedroom units. CDBG funds were used to develop the infrastructure for the homes, which are reserved for households with incomes at 80 percent of median or below. Some of the participants are also receiving deferred second mortgages as part of the County's First Time Homebuyer program.

### ***Units At-Risk of Conversion***

Government Code Section 65583(a)(9) requires that a housing element contain an analysis of existing assisted housing developments that are eligible to change from Low-income housing uses during the next ten years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. Assisted housing development means multi-family rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, State and local multi-family revenue bond programs, the federal Community Development Block Grant Program, or local in-lieu fees. The analysis must include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and non-elderly units that could be lost from the locality's low income housing stock in each year during the ten-year period.

The **California Housing Partnership Corporation (CHPC)** maintains a database of federally subsidized multifamily housing in California which tracks subsidized apartments that are at risk of conversion to market rate. The database of federally subsidized properties for Lake County was provided by CHPC in June of 2010. Table 1-26 provides information on assisted housing units identified by the CHPC database and also includes two properties that did not appear on their database, Aytch Plaza and Oak Hill, which are both in Kelseyville and focus on providing farm worker housing. Each property in the database is assigned a level of risk of conversion. There are three levels of risk: High Risk, At-Risk, and Low Risk. High Risk properties have subsidies that expire within one year. At-Risk properties have subsidies that expire within two to five years. Low Risk properties have subsidies that will expire in more than five years. In general, if a property is owned by a nonprofit organization, the database assumes that

the risk of conversion to market rate is one level lower than it otherwise would be. While not always the case, typically the risk of conversion is lower when a property is owned by a nonprofit whose mission is to maintain the affordability of apartments for lower income households.

through USDA Rural Development, under which both of these projects receive rental subsidies, each household pays a maximum of 30% of their adjusted household income, with the difference being subsidized by Rural Development.

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**Table 4-3: Assisted Housing Projects in Lake County, 2014**

<b>Name of Development</b>	<b>Year Built</b>	<b>Sponsor/ Manager</b>	<b>Total Units</b>	<b># of Affordable Units</b>	<b>Type of Units</b>	<b>Target Group(s)</b>	<b>Funding Sources(s)</b>	<b>Expiration Date</b>	<b>Expiration Date Risk Assessment</b>
Orchard Garden Apartments	1987	CBM Property Management	34	23	12 –(1bdrm), 20 (2bdrm), & 2 (3bdrm)	Sliding scale Very Low Y, Low Income and Moderate Income	USDA Section 515, Tax Credits	Eligible to prepay Section 515 in 2006	High Risk
5025 Gaddy Ct., Kelseyville								Expires in 2026	
Nice Village Apartments	1988	AWI Management Corporation	28	25	12 (1bdrms), 12 (2bdrms) 4 (3bdrms)	Family Housing, 2 disabled units; Sliding Scale Very Low Y Low Income	USDA Section 515, Tax Credits	Eligible to prepay Section 515 in 2007	High Risk
6620 Collier Ave., Nice								Expires in 2027	
Aytch Plaza (H-Plaza) 4440 Cruickshank Rd., Kelseyville	1990	California Human Development Corporation	11	11	2, 3 & 4 bedroom homes	Low Income Families and Low Income Farmworker Families	CHRP-R loan, Joe Serna Jr. Farmworker Housing Grant	Expires in 2040	Low Risk
Middletown Garden Apartments	1995	AWI Management Corporation	36	34	20 (1bdrms), 12 (2bdrms) 4 (3bdrms)	Family and Seniors, Very Low Income	USDA Section 515, Tax Credits	Cannot prepay Section 515	Low Risk
15750 Knowles Lane, Middletown								Expires in 2035	
<i>Subtotal</i>			<i>109</i>	<i>104</i>					



**Table 4-3: Assisted Housing Projects in Lake County, 2014**

<b>Name of Development</b>	<b>Year Built</b>	<b>Sponsor/ Manager</b>	<b>Total Units</b>	<b># of Affordable Units</b>	<b>Type of Units</b>	<b>Target Group(s)</b>	<b>Funding Sources(s)</b>	<b>Expiration Date Risk Assessment</b>
North Shore Villas  5860 E. Hwy 20, Lucerne	1991	Rural Communities Housing Development Corporation	31	31	8 efficiency, 23 (1bdrms)	Seniors (62 yrs & over) & peoples with mobility impairment. All very low Y	HUD Section 202 with Project Rental Assistance (PRAC)	Eligible to prepay in 2011 Expires in 2031
Eskaton Clearlake Oaks Manor 75 Lake St., Clearlake Oaks	2009	Eskaton Properties, Inc.	23	22	22 (1bdrm) 1- (2 bdrm)	Seniors 62 and over.	HUD Sec. 202. RDA	Expires in 2064
	<i>Subtotal</i>		<i>109</i>	<i>104</i>				
	<b>TOTAL</b>		<b>163</b>	<b>157</b>				

Sources: Lake County Staff, California Housing Partnership Corporation and project managers/developers.

Notes: Very Low Income = 50% Median Income or below; Low Income = 51% to 80% ; and, Moderate Income = 80% to 100% Median Income

Although it is unlikely that these affordable housing units would be lost, California Housing Element Law requires jurisdictions to prepare an analysis of the cost of replacement for such units. The following information in Table I-48 is provided for estimated replacement cost (i.e., new construction or rehabilitation) of an affordable housing unit. As shown within this table, the total cost of producing new of a type similar to the existing units is estimated at \$248,000 per unit while rehabilitation costs of the existing units are estimated at \$110,000 per unit.

**Table 4-4: Estimated cost of replacement, preservation, and rehabilitation of assisted housing developments per unit.**

	Land Acquisition	Construction	Financing & Development	Total Per Unit Cost
<b>New Construction/ Replacement</b>	\$12,000	\$162,000	\$74,000	\$248,000
	<b>Acquisition</b>	<b>Rehabilitation</b>		
<b>Rehabilitation</b>	\$43,000	\$34,000	\$33,000	\$110,000

Note: New construction and replacement based upon the average costs of recent affordable housing developments in Lake County. Rehabilitation costs based upon recent affordable developments within the region. Actual costs vary by project, dependent upon site specific project costs.

**Source: Lake County Community Development Department**

The County will monitor the status of projects with expiring affordability covenants and contact owners concerning their plans to continue in or opt out of the subsidy programs. If necessary, the County will identify potential buyers of the at risk projects. Rent-assisted projects that may be considered “at-risk” during the period of this Housing Element can be preserved through the management and operation of qualified, non-profit entities. In Lake County, there are four organizations which HCD considers to be qualified to own and/or manage affordable units:

I. Christian Church Homes of Northern California, Inc. 303 Hegenberger Road, Suite 201, Oakland, CA.

II. Lake County Housing Services Dept. 255 North Forbes Street, Lakeport, CA

III. Petaluma Ecumenical Properties Inc. 1400 Caulfield Lane, Petaluma, CA

IV. Rural Communities Housing Development Corp. 499 Leslie Street, Ukiah, CA

Source: California HCD – <http://hcd.ca.gov/hpd/hrc/tech/presrv/hpd00-01.xls>

### ***Other Funding Programs***

There are a variety of local, State, and Federal funding programs that can be used to assist first-time homebuyers, build affordable housing, and help special needs groups, such as seniors and large households. In most cases other entities, including for-profit and non-profit developers apply for funds or other program benefits. For example, developers apply directly to USDA for Section 515 or to HUD for Section 202 and Section 811 loans or to the California Tax Credit Allocation Committee (CTCAC) for low-income tax credits.

The County can help sponsor grant and loan applications, provide matching funds, or furnish land at below-market cost. However, there are also programs, such as CalHFA's HELP program, to which the County applies directly. Finally, there are a few programs, such as the Mortgage Credit Certificate (MCC) Program or the Lease Purchase Program, to which individual households apply.

County financial support of private sector applications for funding to outside agencies is very important. Funding provided by the County can be used as matching funds required of some programs. Local funding is also used for leverage. County support of private sector applications enhances the competitive advantage of each application for funds. The following list provides a summary of the financial resources that may be available to the County for affordable housing development, rehabilitation and preservation from federal, State, local and private sources. It is important to note that many of these programs require annual budget appropriations and, periodically, may not be funded.

### ***Summary of Financial Resources for Housing***

#### **Federal Programs**

Community Development Block Grant (CDBG) Program: Federal block grant program administered and awarded by the State Dept. of Housing and Community Development (HCD) on behalf of HUD through an annual competitive process to cities and counties. Funds may be used for affordable housing acquisition, rehabilitation, construction, Homebuyer assistance, community facilities, community services and infrastructure improvements, among other uses that assist low-income persons.

Emergency Shelter Grants (ESG) Program: Federal block grant program administered and awarded by HCD on behalf of HUD through an annual competitive process to cities and counties. Funds may be used for homeless services and facilities, including emergency shelter and transitional housing. The Homelessness-assistance/hearth-act (HEARTH) revised the Emergency Shelter Grants Program to create the Emergency Solutions Grants (ESG) Program.

HOME Investment Partnership Act (HOME) Funds: Federal block grant program for affordable housing activities administered and awarded by the State on behalf of HUD through an annual competitive process to cities, counties and private non-profit housing development agencies.

HUD Section 8 Rental Assistance Program: Provides project-based rental assistance or subsidies in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing.

HUD Section 8 Housing Choice Voucher Program: HUD Section 8 Voucher program provides very-low income tenants with a voucher to be used in rental housing of the tenant's choosing.

Catholic Charities of Lake County: Acting through a Community Development Block Grant, Catholic Charities provides a wide variety of assistance in the area of homeless prevention. Aim is to act in times of emergency to stop homelessness from happening in the first place. Services include but are not limited to: rental assistance, utility payment support and relocation help.

HUD Section 202: Supportive Housing for the Elderly Program: Provides funding for construction, rehabilitation, or acquisition of supportive housing for very low-income elderly persons and provides rent subsidies for the projects to help make them affordable.

HUD Section 203(k): Rehabilitation Mortgage Insurance Program: Enables homebuyers and homeowners to finance both the purchase (or refinancing) of a house and the cost of its rehabilitation through a single mortgage or to finance the rehabilitation of their existing home.

HUD Section 207 Mortgage Insurance for Manufactured Home Parks Program: Insures mortgage loans to facilitate the construction or substantial rehabilitation of multi-family manufactured home parks.

HUD Section 221(d)(3) and 221(d)(4): Insures mortgage loans to facilitate the new construction or substantial rehabilitation of multi-family rental or cooperative housing for moderate-income families, elderly, and the disabled. Single-Room Occupancy (SRO) projects may also be insured under this section.

HUD Section 811 – Supportive Housing for Persons with Disabilities: Provides funds for non-profits to develop rental housing for persons with disabilities and provides rent subsidies for the projects to help make them affordable.

HUD Self-help Homeownership Opportunity Program (SHOP): Provides funds for eligible non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families.

HUD Supportive Housing Program (SHP): Provides grants to develop supportive housing and services that enable homeless people to live independently.

Low-income Housing Tax Credit (LIHTC) Program: Federal and State income tax credit based on the cost of acquiring, rehabilitating or constructing low-income housing.

USDA RHS Direct Loan Program and Loan Guarantee Program (Section 502): Provides low-interest loans to lower-income households. Also, guarantees loans made by a portion of their mortgage interest.

USDA RHS Home Repair Loan and Grant Program (Section 504): Provides loans to very low-income homeowners to improve or modernize a home, make it safer or more sanitary, or remove health and safety hazards.

USDA RHS Farm Labor Housing Program (Section 514): Provides loans for the construction, improvement, or repair of housing for farm laborers.

USDA RHS Rural Rental Housing – Direct Loans (Section 515): Provides direct loans to developers of affordable rural multifamily rental housing and may be used for new construction or rehabilitation.

USDA RHS Multi-Family Housing- Rental Assistance Program (Section 521): Provides rent subsidies to ensure that elderly, disabled and low-income residents of multi-family housing complexes financed by RHS are able to afford rent payments.

USDA RHS Rural Housing Sites Loans (Sections 523 and 524): Provides financing for the purchase and development of affordable housing sites in rural areas for low/moderate income families.

USDA RHS Housing Preservation Grant Program (Section 533): Provides grants to nonprofit organizations, local governments and Native American tribes to renovate existing low-income multi-family rental units.

USDA RHS Rural Rental Housing Guaranteed Loan Program (Section 538): Provides funding for construction of multi-family housing units to be occupied by low-income families

### **State Programs**

CalHFA Homebuyer's Down payment Assistance Programs (CHDAP): Provides deferred down payment assistance loans for first time homebuyers not exceeding HCD defined moderate income limits.

Affordable Housing Innovation Program (AHIP): Provides quick acquisition financing for the development or preservation of affordable housing.

CalHome Program: Provides grants to local public agencies and nonprofit developers to assist individual households through deferred payment loans and offers direct, forgivable loans to assist development projects involving multiple ownership units, including single family subdivisions.

CalHFA Affordable Housing Partnership Program (AHPP): This program is intended for low-income first-time homebuyers who meet specified income limits and who are purchasing a new or existing home.

CTCAC Tax Credit Program: Through a competitive process, awards tax credits to local agencies or non-profits for the development of affordable rental housing.

Building Equity and Growth in Neighborhoods (BEGIN): HCD provides grants to local public agencies that adopt measures to encourage affordable housing. Grant funds must be used for down payment assistance for low-and moderate income homebuyers.

Emergency Housing Assistance Program (EHAP): EHAP provides funds for emergency shelter, transitional housing and related services for the homeless and those at risk of losing their housing. The funds are distributed to all 58 California counties based on a “need” formula derived from factors including population, unemployment, and poverty.

Infill Incentive Grant Program: Funding for public infrastructure to facilitate infill housing development.

Joe Serna, Jr. Farm worker Housing Grant (JSJFWHG): Programs Finances new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.

Neighborhood Stabilization Program: Provides funds to State and local governments to purchase abandoned and foreclosed homes and residential property. This program is to help rejuvenate neighborhoods and communities that are hardest hit by the foreclosure crisis.

Mobile Home Park Resident Ownership Program (MPROP): Finance the preservation of affordable mobile home parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies.

Multi-Family Housing Program (MHP): Provides low-interest loans for construction, rehabilitation and preservation of permanent and transitional rental housing for lower-income households.

Preservation Interim Repositioning Program: Provides a short-term loan to an organization for preservation of “at-risk” subsidized developments

Predevelopment Loan Program (PDLP): Provide predevelopment capital to finance the start of low income housing projects.

## **Private Resources**

Federal Home Loan Bank Affordable Housing Program: Provides grants or subsidized interest rate loans for purchase, construction, and/or rehabilitation of owner-occupied housing by lower and moderate-income households and/or to finance the purchase, construction, or rehabilitation of rental housing.

Federal National Mortgage Association (Fannie Mae) Programs: Provides fixed rate mortgages issued by mortgage insurers, Funds for purchase and rehabilitation of homes.

Freddie Mac: Provides first and second mortgages including rehabilitation loans.

California Community Reinvestment Corporation (CCRC): Provides long-term mortgage and bond financing for new construction, acquisition, and rehabilitation as well as direct equity investment funds to acquire housing at risk of going to market rate rents.

Sources: HCD, USDA, HUD, CCRC, CalHFA, California State Treasurer, Lake County Housing Administration. *Various websites 2015.*

### **4.3 ENERGY CONSERVATION OPPORTUNITIES**

Government Code Section 65583(a)(7) requires that a housing element shall contain an analysis of opportunities for energy conservation with respect to residential development. The purpose of this analysis is to ensure the locality has considered how energy conservation can be achieved in residential development. Energy efficiency has direct application to affordable housing because the more money spent on energy, the less available for rent or mortgage payments. High energy costs have particularly detrimental effects on low-income households that do not have enough income or cash reserves to absorb cost increases and many times must choose between basic needs such as shelter, food, heat and electricity.

The County of Lake does not operate nor is it responsible for producing or operating any electrical or other power sources to provide energy to residential customers. Pacific Gas and Electric (PG&E) provides electricity services for Lake County. Private companies provide propane service. No natural gas services are available within Lake County. The Building Division of the Community Development Department has the responsibility of enforcing State Energy Standards for Residential and Non Residential Buildings. All new construction must comply with the standards in effect on the date a building permit application is made.

The Lake County Zoning Ordinance provides exceptions in setback requirements for solar energy systems in yards with south facing exposure. Additionally, Wind Energy Conversion Systems (WECS) are allowed with a Zoning Permit in larger lot residential districts.

In addition to Housing Element policies promoting energy efficiency, the Lake County General Plan contains policies to ensure that communities are designed in an energy efficient manner. The Land Use Element includes policies related to encouraging smart growth development, including; Creating walkable neighborhoods, mixing land uses, directing growth towards existing communities, taking advantage of compact building

design, discouraging sprawl, encouraging infill, and creating a range of housing opportunities and choices.

The California Subdivision Map Act (Government Code Sections 66473-66498) allows local governments to provide for solar access as follows:

For divisions of land for which a tentative map is required, pursuant to Government Code Section 66426, the legislative body of a city or county may by ordinance require, as a condition of the approval of a tentative map, the dedication of easements for the purpose of assuring that each parcel or unit in the subdivision for which approval is sought shall have the right to receive sunlight across adjacent parcels or units in the subdivision for which approval is sought for any solar energy system.