

MEMO

DATE: August 31, 2005

TO: HOUSING ADVISORY COMMISSION MEMBERS

FROM: COMMISSIONER ANDY SCHIFFRIN

SUBJECT: SECOND UNIT PROGRAM IMPACT ON SENIORS

The County's Second Unit Program allows for second units to be developed on residentially zoned parcels, subject to 1) development standards; 2) occupancy restrictions and 3) maximum rent levels.

The program's occupancy restrictions and maximum rent levels apply to either the main house or the second unit.

1. **Occupancy Restrictions** - At least one of the following applies:

1. **Lower income** households that meet the income and asset limits established in the Affordable Housing Guidelines, OR
2. **Senior** households (with one member aged 62 years or older) that meet the income and assets established in the Affordable Housing Guidelines OR
3. Persons sharing residency with the property owner and who are related by blood, marriage, or operation of law, or have evidence of a stable family relationship with the property owner.

In all cases, the owner must live in either the main house or second unit.

2. **Rent Restrictions** - Following are the maximum rent levels under the second unit program:

| Max. Rent Levels for Second Units | |
|-----------------------------------|---------|
| Studio | \$876 |
| One Bedroom | \$1,033 |
| Two Bedroom | \$1,347 |
| Three Bedroom | \$1,939 |
| Four Bedroom | \$1,998 |

3. Statement of Concern:

In implementing this ordinance, a question has arisen about a situation where the property owner is a senior household, and the owner intends to live in the second unit, and rent out the main house. According to the ordinance requirements, if the senior homeowner does not qualify as low **or** moderate income, then the main house would have to be rented out to either a low income household, a moderate income senior or family member. This requirements limits the appeal of the program for “empty nester” who are not considered low or moderate income due to the asset value of their home -- seniors who no longer need a larger house and do not want to relocate (which is especially difficult in this housing market) but may not readily take advantage of the program because of the restrictions of the program.

4. Recommendation:

I think it might be helpful for the Housing Advisory Commission to discuss this problem and consider whether any amendments to the program may be justified.