CITY OF FRESNO

HOUSING ELEMENT UPDATE 2015-2023

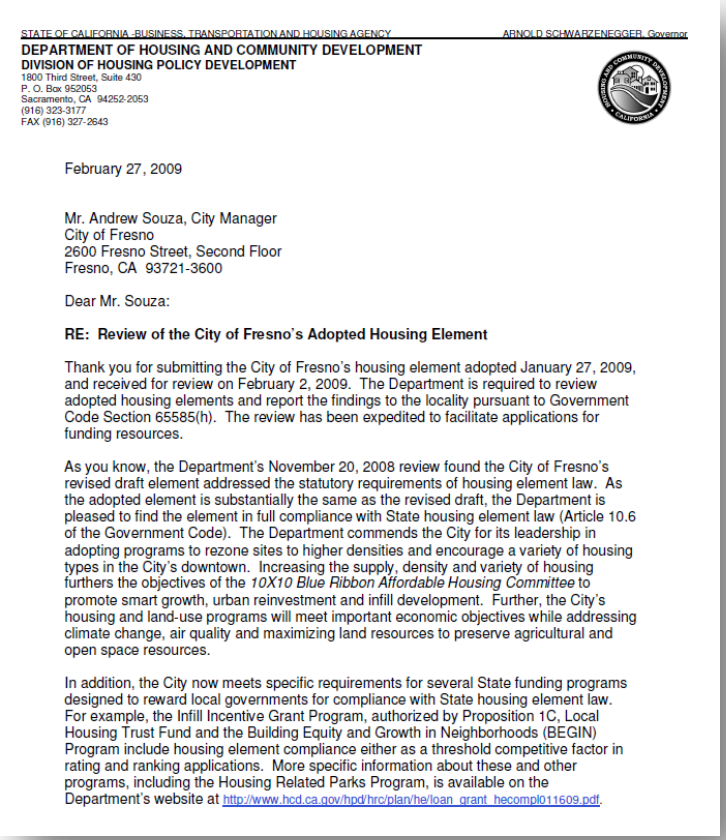
Workshop/Study Session
February 2016

Goals for Study Session

- Understand what the Housing Element is
- Discuss the Housing Element update process
- Discuss Draft 2015-2023 Housing Element
  - Regional Housing Needs Allocation (RHNA)
  - Housing Objectives, Policies, and Programs
- Next Steps

Housing Element Facts

- State-mandated planning document for housing
  - 1 of 7 state-required elements of the Comprehensive Plan
- Only General Plan element that requires review and "certification" by a State agency - California Department of Housing & Community Development (HCD)



STATE OF CALIFORNIA -BUSINESS, TRANSPORTATION AND HOUSING AGENCY ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
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February 27, 2009

Mr. Andrew Souza, City Manager
City of Fresno
2600 Fresno Street, Second Floor
Fresno, CA 93721-3600

Dear Mr. Souza:

RE: Review of the City of Fresno's Adopted Housing Element

Thank you for submitting the City of Fresno's housing element adopted January 27, 2009, and received for review on February 2, 2009. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h). The review has been expedited to facilitate applications for funding resources.

As you know, the Department's November 20, 2008 review found the City of Fresno's revised draft element addressed the statutory requirements of housing element law. As the adopted element is substantially the same as the revised draft, the Department is pleased to find the element in full compliance with State housing element law (Article 10.6 of the Government Code). The Department commends the City for its leadership in adopting programs to rezone sites to higher densities and encourage a variety of housing types in the City's downtown. Increasing the supply, density and variety of housing furthers the objectives of the *10X10 Blue Ribbon Affordable Housing Committee* to promote smart growth, urban reinvestment and infill development. Further, the City's housing and land-use programs will meet important economic objectives while addressing climate change, air quality and maximizing land resources to preserve agricultural and open space resources.

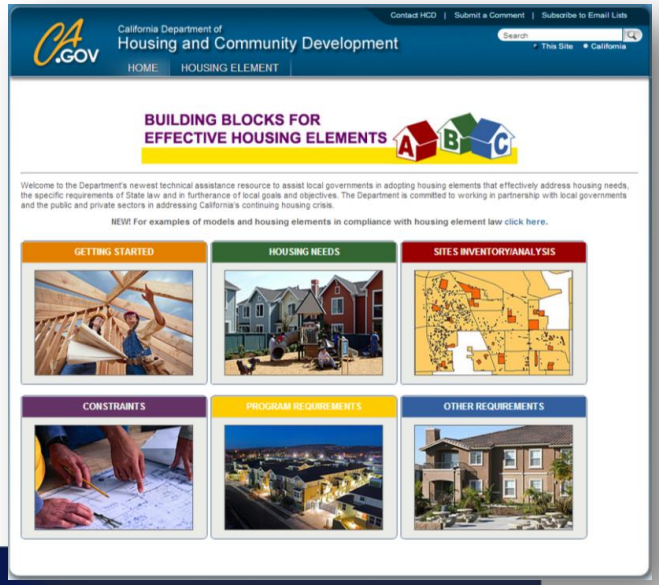
In addition, the City now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Infill Incentive Grant Program, authorized by Proposition 1C, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) Program include housing element compliance either as a threshold competitive factor in rating and ranking applications. More specific information about these and other programs, including the Housing Related Parks Program, is available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011609.pdf.

Why Update the Housing Element

Periodic updates required by State law

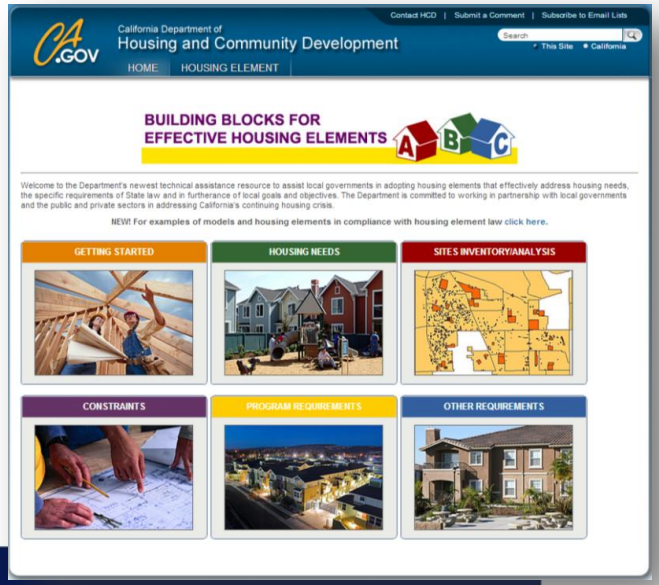
- 2015-2023 update due December 31, 2015 (plus 120-day grace period)
- If adopted on time, Housing Element valid for eight years

  If late: 4-year cycle penalty



Why Update the Housing Element

- Adjust Housing Policy to reflect changes in the community
- HCD Certification
  - Compete for housing grants
  - Legally adequate General Plan



Housing Element Update Process

Public Input →

Phase 1

Community Meetings to Receive Input
Fall 2015

→

Evaluate Any New Constraints and Update Land Inventory and Resources
Fall 2015

→

Revise Housing Policies and Programs and Prepare Draft Housing Element
Fall/Winter 2015

Phase 2

CEQA Review
Early 2016

→

HCD Review
Early January – Early March 2016 (60 days)

→

Public Adoption Hearings
March/April 2016

Public Input →

Housing Element Content

Constraints to Housing Development

- Governmental
- Market
- Environmental

Resources and Sites Inventory

- Sites for all Income Levels
- Administrative Resources
- Financial Resources

Housing Plan

2015-2023

Needs Assessment

- Demographic Trends
- Housing Market Trends
- Special Needs Groups

Progress toward Implementing Previous Housing Element

Affordable Housing Issues

- Affordable housing: a household paying no more than 30% of its annual income on housing
- Cost burden: When monthly housing costs (including utilities) exceed 30% of monthly income
- Cost burden in the City of Fresno:
  - 45% of all households
  - 37% of owner households
  - 54% of renter households

Sources: U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) Data, 2006-2010

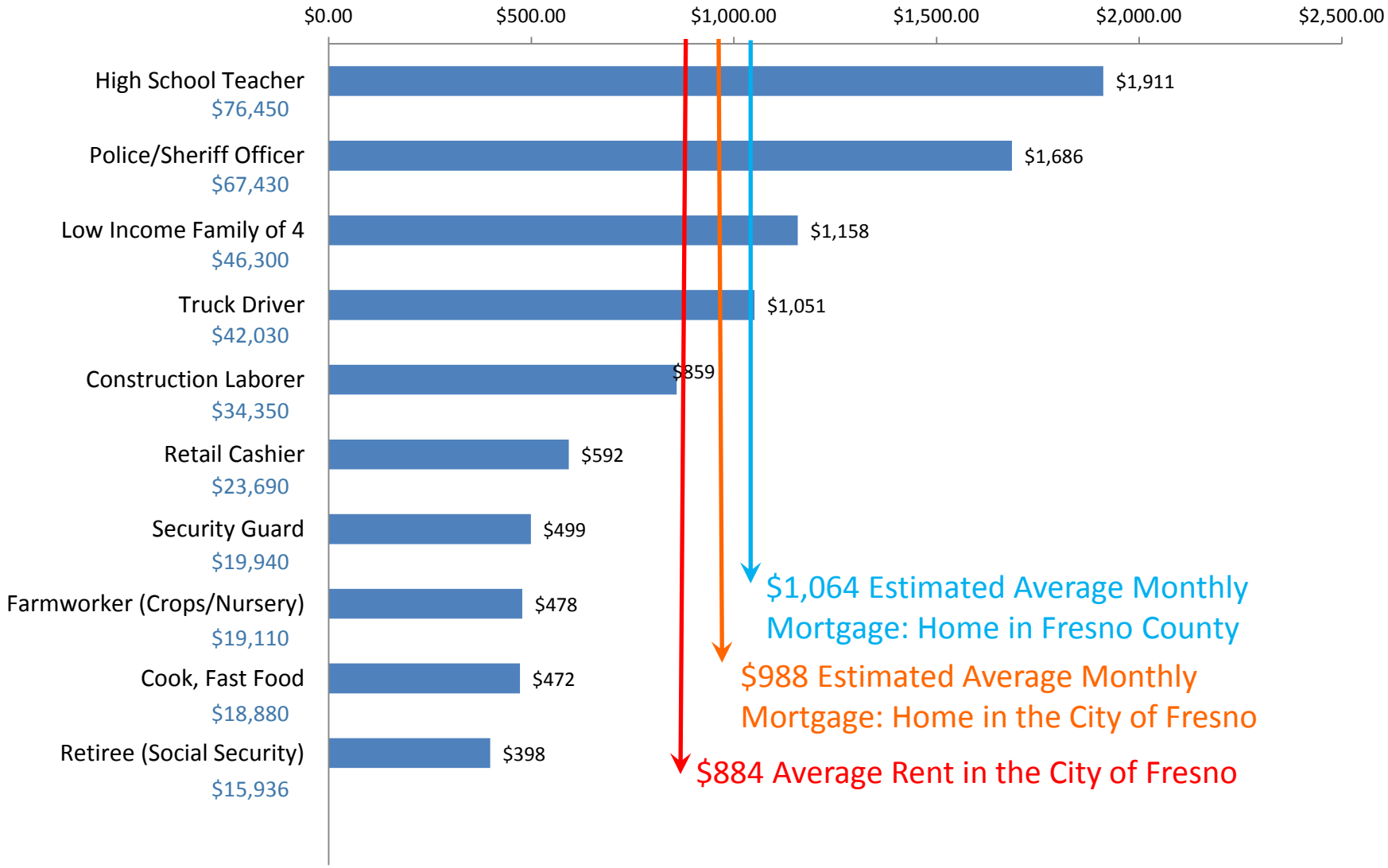
State Income Thresholds

Affordable housing = 30% of household income

Income Level	1-Person	2-Person	3-Person	4-Person	5 Person
Extremely Low (0-30% AMI)	$12,150	$15,930	$20,090	$24,250	$28,410
Very Low (31-50% AMI)	$20,300	$23,200	$26,100	$28,950	$31,300
Low (51-80% AMI)	$32,450	$37,050	$41,700	$46,300	$50,050
Moderate (81-120% AMI)	$48,650	$55,600	$62,550	$69,500	$75,050

AMI = Area Median Income
Fresno County AMI = $ 57,900
Source: CA HCD, 2015

Affordable Housing Cost



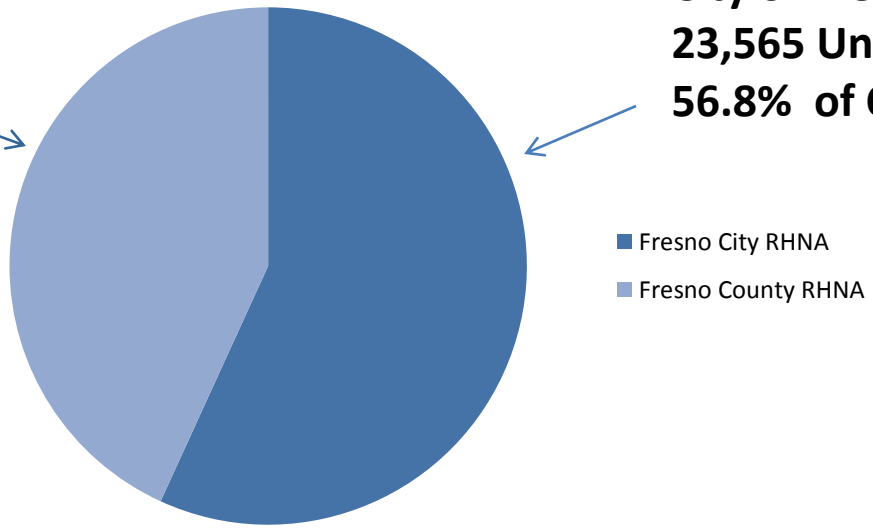
Sources: U.S. Department of Labor, Bureau of Labor Statistics: May 2014 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Fresno, CA; U.S. Social Security Administration; Zillow.com; Livability.com; Realtor.com Mortgage Calculator; California Department of Housing and Community Development, 2015 Income Limits

Other Housing Needs

- 10% of housing units are overcrowded
- 6% of housing units need rehabilitation (based on a 2010 survey)
- 29% of Fresno households live below the poverty level

Regional Housing Needs Allocation (RHNA)

Remainder of Fresno County:
17,911 Units
43.2% of County



City of Fresno:
23,565 Units
56.8% of County

Income Group	% of County AMI	Fresno RHNA *(2013-2023)*	% of Units
Very Low	0-50%	5,666	24%
Low	51-80%	3,289	14%
Moderate	81-120%	3,571	15%
Above Moderate	120% +	11,039	47%
Total		23,565	100%

Regional Housing Needs Allocation

Jurisdiction	Population 2010	Housing Units 2010	RHNA (2013-2023)	% of County RHNA
Clovis	93,631	35,306	6,328	15%
Coalinga	18,087	4,344	589	1%
Firebaugh	7,549	2,096	712	2%
Fowler	5,570	1,842	524	1%
Fresno	**494,665**	**171,288**	**23,565**	**57%**
Huron	6,754	1,602	424	1%
Kerman	13,544	3,908	909	2%
Kingsburg	11,382	4,069	374	1%
Mendota	11,014	2,556	554	1%
Orange Cove	9,078	2,231	669	2%
Parlier	14,494	3,494	588	1%
Reedley	24,194	6,867	1,311	3%
Sanger	24,270	7,104	1,218	3%
San Joaquin	4,001	882	378	1%
Selma	23,219	6,813	605	1%
Unincorp. Areas	166,998	---	2,722	7%
Fresno County	930,450	315,531	41,470	100%

Sources: U.S. Census Bureau, 2010 Census of Population, Public Law 94-171 Redistricting Data File, Fresno County Regional Housing Needs Allocation Plan 2013, Fresno Council of Governments

RHNA

Goal for accommodating housing need through land use policies and planning (zoning)

- NOT a construction obligation

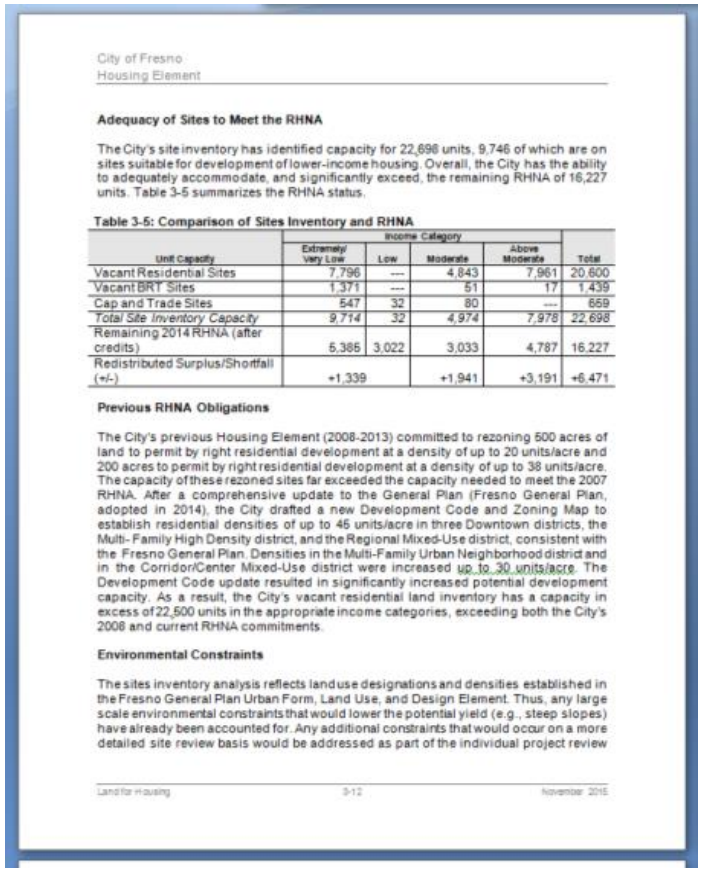
Affordability of units based on AB 2348

- Establishes “default density”
- Sites with density of at least 30 du/acre = considered feasible to facilitate development of affordable housing
- Does not dictate the type of future development on these sites; only assumes that higher densities can lower per-unit development costs

Achieving the RHNA

1. Credits for units permitted since January 1, 2013
2. Sites:
   - Vacant
   - Cap and Trade Sites

No General Plan land use or Zoning Map changes are proposed as part of this Housing Element Update as long as Zoning Map Update is adopted (scheduled for February 4, 2016).



City of Fresno
Housing Element

Adequacy of Sites to Meet the RHNA

The City's site inventory has identified capacity for 22,698 units, 9,746 of which are on sites suitable for development of lower-income housing. Overall, the City has the ability to adequately accommodate, and significantly exceed, the remaining RHNA of 16,227 units. Table 3-5 summarizes the RHNA status.

Table 3-5: Comparison of Sites Inventory and RHNA

Unit Capacity	Income Category				Total
	Extremely/ Very Low	Low	Moderate	Above Moderate	
Vacant Residential Sites	7,796	---	4,843	7,961	20,600
Vacant BRT Sites	1,371	---	51	17	1,439
Cap and Trade Sites	547	32	80	---	659
Total Site Inventory Capacity	*9,714*	*32*	*4,974*	*7,978*	*22,698*
Remaining 2014 RHNA (after credits)	6,385	3,022	3,033	4,787	16,227
Redistributed Surplus/Shortfall (+/-)	+1,339		+1,941	+3,191	+6,471

Previous RHNA Obligations

The City's previous Housing Element (2008-2013) committed to rezoning 500 acres of land to permit by right residential development at a density of up to 20 units/acre and 200 acres to permit by right residential development at a density of up to 38 units/acre. The capacity of these rezoned sites far exceeded the capacity needed to meet the 2007 RHNA. After a comprehensive update to the General Plan (Fresno General Plan, adopted in 2014), the City drafted a new Development Code and Zoning Map to establish residential densities of up to 45 units/acre in three Downtown districts, the Multi- Family High Density district, and the Regional Mixed-Use district, consistent with the Fresno General Plan. Densities in the Multi-Family Urban Neighborhood district and in the Corridor/Center Mixed-Use district were increased up to 30 units/acre. The Development Code update resulted in significantly increased potential development capacity. As a result, the City's vacant residential land inventory has a capacity in excess of 22,500 units in the appropriate income categories, exceeding both the City's 2008 and current RHNA commitments.

Environmental Constraints

The sites inventory analysis reflects land use designations and densities established in the Fresno General Plan Urban Form, Land Use, and Design Element. Thus, any large scale environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for. Any additional constraints that would occur on a more detailed site review basis would be addressed as part of the individual project review

Land for Housing 3-12 November 2015

Progress Towards the RHNA

- Permits issued since January 2013 for:
  - Housing with affordability restrictions
  - Multi-family housing with market rents affordable to moderate-income households
  - Single family housing

Income Group	Fresno RHNA *(2013-2023)*	Units Permitted (Jan. 1-2013-present)	Remaining RHNA
Very Low	5,666	281	5,385
Low	3,289	267	3,022
Moderate	3,571	538	3,033
Above Moderate	11,039	6,252	4,787
Total	23,565	7,338	16,227

Site Affordability

- Sites with density of at least 30 du/acre considered feasible to facilitate development of affordable housing to very low- and low- income households
  - Pursuant to AB 2348
- Sites with density of 12-16 du/acre considered affordable to moderate-income households
  - Based on market rents and home sales prices

Sites Inventory

- Vacant Sites located throughout the City
  - 97% of sites
- Cap and Trade Sites (Greenhouse Gas Reduction Fund, or "Cap and Trade Fund")
  - 3% of sites
  - Supports infill and compact development
  - Extra points for projects in long range planning documents (e.g., Housing Element sites inventory)

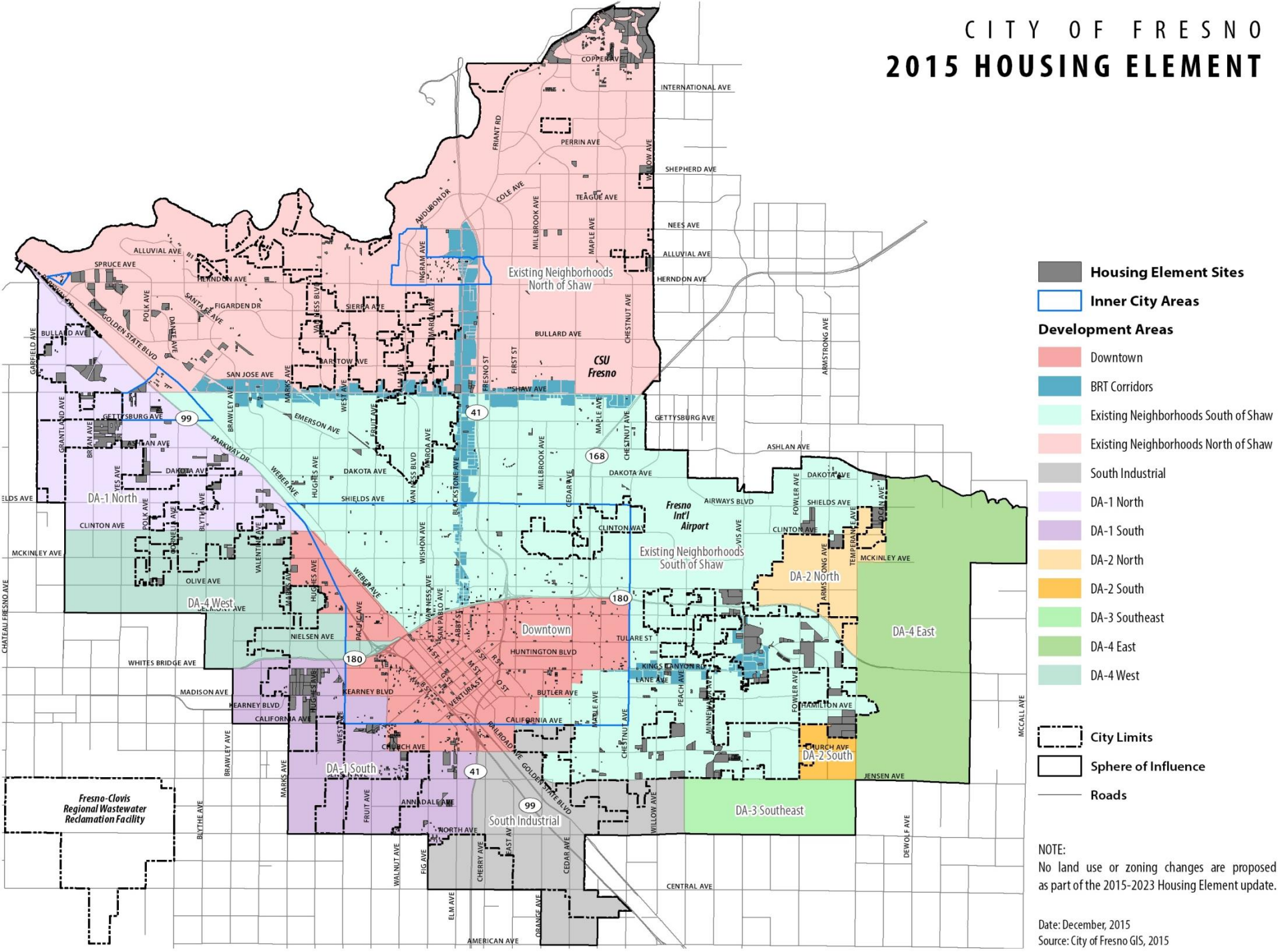
- Fancher Multifamily (240 units)
- Fancher Senior Housing (200 units)
- Blackstone/McKinley project (90 units)
- South Fulton Project (50 units)
- Hotel Fresno (79 units)

Achieving the RHNA

- RHNA met with no General Plan land use or Zoning map changes
- RHNA surplus: 6,471 units

Income Group	Remaining RHNA *(2013-2023)*	Vacant/ Vacant BRT Sites	Cap and Trade Sites	Surplus Sites
Very Low	5,385	9,167	547	+1,339
Low	3,022		32	
Moderate	3,033	4,894	80	+1,941
Above Moderate	4,787	7,978	--	+3,191
Total	16,227	22,039	659	+6,471

CITY OF FRESNO
2015 HOUSING ELEMENT

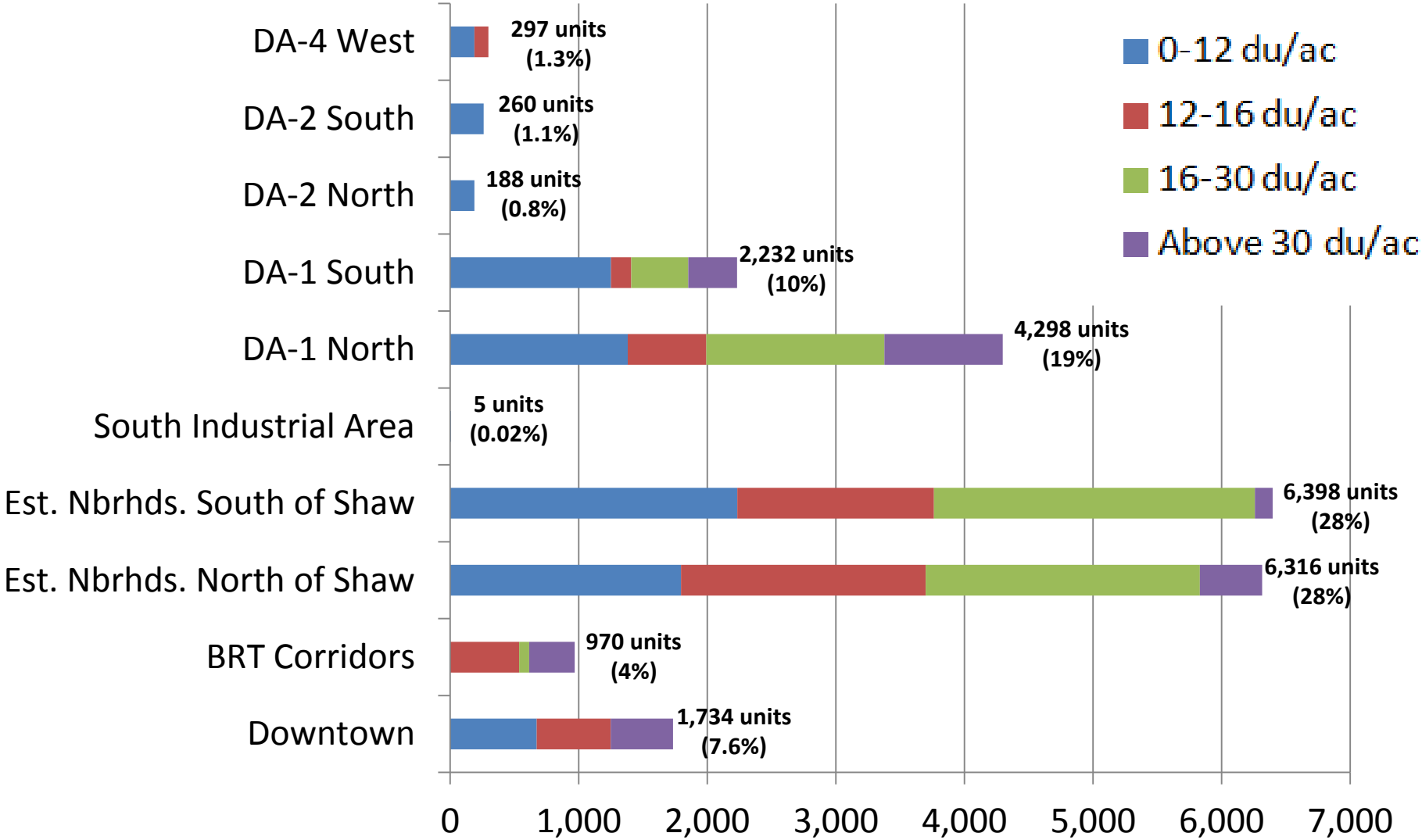


NOTE:
No land use or zoning changes are proposed as part of the 2015-2023 Housing Element update.

Date: December, 2015
Source: City of Fresno GIS, 2015

RHNA Capacity by Development Area

(based on vacant land and Cap and Trade sites only)



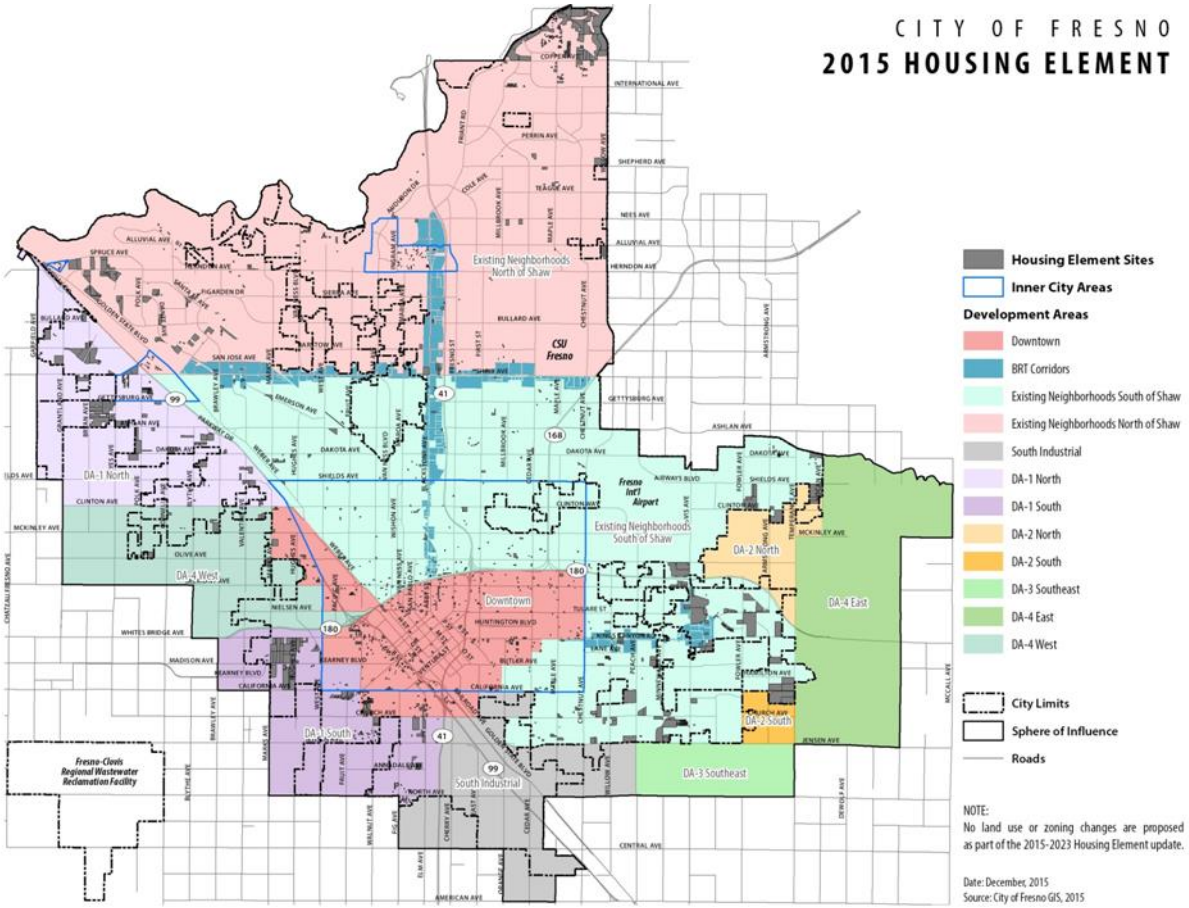
Housing Programs

- Intent of the Goals, Policies, and Programs remains the same
  - Removes programs already accomplished
  - Consolidates programs
  - Modifies objectives consistent with anticipated funding

Housing Programs

Adequate Sites to Accommodate a Range of Housing

- **Program 1**: Adequate Sites



Housing Programs

Assist in the Development of Housing

- **Program 2**: Density Bonus Programs
- **Program 3**: Housing Funding Sources
- **Program 4:** Partnerships with Affordable Housing Developers
- **Program 5**: Special Needs Housing
- **Program 6**: Home Buyer Assistance
- **Program 7**: Homeless Assistance
- **Program 8**: Fresno Green

Housing Programs

Removal of Governmental Constraints to Housing

- **Program 9**: Expedited Processing
- **Program 10**: Development Incentives
- **Program 11**: Agricultural Employee Housing
- **Program 12**: Infrastructure Priority
- **Program 13**:Water/Sewer Service Providers

Housing Programs

Conserve/ Improve Fresno's Housing

- **Program 14**: Code Enforcement
- **Program 15**: Neighborhood Infrastructure
- **Program 16**: Housing Rehabilitation
- **Program 17**: Franchise Tax Board Building Code Program
- **Program 18**: At-Risk Housing
- **Program 19**: Police Services

Housing Programs

Equal Housing Opportunity

- **Program 20**: Fair Housing Services
- **Program 21**: Relocation Services

Next Steps

- Draft Element Available for Public Review
- Draft Element Under Review by HCD
  - 60-day review period (January 7 – March 7, 2016)
  - Address HCD comments with the goal of obtaining substantial compliance
- Incorporate City Council and community feedback
- Environmental review (February 2016)
- Planning Commission and City Council adoption hearings (March/April 2016)

Additional Housing Element Workshops

- **Planning Commission** February 3, 6:00 pm
- **Disability Advisory Commission**, February 9, 10:00 am
- **Housing and Community Development Commission,** February 10, 5:00 pm

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