



BLUEPRINT 2001

Housing Element Ideas and Solutions for a Sustainable and Affordable Future

Bay Area Housing

Sponsored by

♻️ Association of Bay Area Governments
Bay Area Council
Greenbelt Alliance

Home Builders Association of Northern California
Non-Profit Housing Association of Northern California
California Affordable Housing Law Project



BLUEPRINT 2001

Housing Element Ideas and Solutions

for a Sustainable and Affordable Future

Bay Area Housing



Sponsored by

⊗ Association of Bay Area Governments
Bay Area Council
Greenbelt Alliance
Home Builders Association of Northern California
Non-Profit Housing Association of Northern California
California Affordable Housing Law Project

Project Consultants

Baird+Driskell Community Planning and Robert Odland Consulting



ACKNOWLEDGEMENTS

Convening Group Members

Alex Amoroso, Association of Bay Area Governments, Project Manager
Tim Iglesias, Non-Profit Housing Association of Northern California
Andrew Michael, Bay Area Council
Vicki Moore, Greenbelt Alliance
Michael Rawson, California Affordable Housing Law Project
Phil Serna, Home Builders Association of Northern California

Steering Committee Members

Duane Bay, Housing Leadership Council of San Mateo County, City of East Palo Alto
Cathy Creswell, State Department of Housing and Community Development
Charmaine Curtis, EF Evans
Bonne Gaebler, City of Petaluma Housing Division
Linda Mandolini, Eden Housing
Collette Meunier, City of Alameda
Annette Rose, Marin County Board of Supervisors
Kearey Smith, Association of Bay Area Governments, Project Coordinator
Dianne Spaulding, Non-Profit Housing Association of Northern California
Kate White, Urban Ecology

Project Consultants

Baird+Driskell Community Planning

David Driskell, Principal, Project Manager
Jeffery Baird, Principal, Contributing Author
Neema Kudva, Senior Associate, Contributing Author

Robert Odland Consulting

Robert Odland, Principal, Contributing Author

Publication Staff

Association of Bay Area Governments

Patricia Jones, Assistant Executive Director, Editorial Assistance
Kathleen Cha, Senior Communications Officer, Editorial Assistance
Leah Zippert, Communications Officer, Editor and Production
Victoria Rutherford, Communications Assistant, Graphic Designer and Production

Special acknowledgement to the staff of the many non-profit organizations and public agencies that contributed background information and images for *Blueprint 2001*.

CONTENTS

Introduction – Why Housing Matters

How to Use Blueprint 2001x
Ten Keys to a Successful Housing Elementxii

Section One – How To Prepare An Effective Housing Element

PROCESS OVERVIEW

Introduction	1-2
The Housing Element Process	1-2
Working with State Department of Housing and Community Development	1-5
What Happens If a Housing Element Does Not Comply with State Law?	1-6

GETTING STARTED

Work Program, Budget, and Staffing	1-8
Collaboration with Other Departments, Agencies, and Jurisdictions	1-11

ANALYZING NEEDS, OPPORTUNITIES AND CONSTRAINTS

Evaluation of the Existing Element	1-13
Ensuring Reliable Data and Accessible Information	1-14
Population and Employment Trends	1-16
Regional Housing Needs	1-17
Households and Housing Characteristics	1-18
Special Housing Needs	1-21
Land Inventory, Zoning, and Public Facilities	1-24
Governmental Constraints and Efforts to Remove Them	1-28
Non-Governmental Constraints	1-32
Opportunities for Energy Conservation	1-34
Assisted Housing Eligible for Conversion	1-34
Additional Requirements for Coastal Zone Communities	1-35

DEFINING GOALS, POLICIES, PROGRAMS, AND OBJECTIVES

The Goal-Policy-Program-Objective Framework	1-36
Strategic Alternatives, Goals, and Policies	1-37
Five-Year Action Plan	1-38
Quantified Objectives	1-41

MOVING FORWARD

Monitoring Program and Annual Reviews	1-42
CEQA Requirements	1-43

Section Two – Community Participation Strategies

Why Participation Is Important	2-2
COMMUNITY PARTICIPATION IN THE HOUSING ELEMENT PROCESS	
State Requirements	2-3
Guiding Principles	2-3
Designing the Process	2-4
Defining Roles and Responsibilities	2-9
Providing Useful Information	2-10
Planning and Holding Successful Meetings	2-10
Building Consensus	2-13
PARTICIPATION TOOLS AND TECHNIQUES	
Public Information Tools	2-15
Information Gathering Tools	2-16
Community Events	2-18
Focused Outreach Activities	2-20
Section Three – Directory of Programs and Strategies	
Directory Overview	3-3
ENSURING ADEQUATE SITES	
Adaptive Reuse	3-5
Air Rights Development	3-7
Increased Densities	3-9
Infill Development	3-12
Mixed-Use	3-15
Rezoning Commercial and Industrial Land	3-18
Rezoning Surplus Institutional Land	3-21
Second Units	3-23
Transit-Oriented Development	3-26
SUPPORTING AFFORDABLE HOUSING	
Density Bonuses and Other Incentives	3-30
Energy Efficiency	3-33
Inclusionary Zoning	3-35
Jobs/Housing Linkages	3-38
Manufactured Housing	3-40
Self-Help and Community-Help Housing	3-43
Working at Home	3-45
MEETING SPECIAL NEEDS	
Housing for Farmworkers	3-49
Housing for Homeless People	3-52
Housing for People With Disabilities	3-55
Housing for Seniors	3-58

Shared Housing and Co-Housing	3-60
SRO Hotels and Efficiency Apartments	3-63
Supportive Housing	3-66
CONSERVING AND IMPROVING EXISTING HOUSING	
Conversion Controls	3-70
Mobile Home Parks	3-72
Rehabilitation	3-74
Rent Control	3-77
Rental Assistance	3-79
REMOVING GOVERNMENTAL CONSTRAINTS	
Design Guidelines and Design Review	3-82
Growth Management Systems	3-85
Parking Standards	3-88
Procedural Reform	3-91
Street and Infrastructure Standards	3-95
Zoning Standards and Building Codes	3-98
PROMOTING EQUAL HOUSING OPPORTUNITIES	
Fair Housing Programs	3-101
PRESERVING ASSISTED HOUSING	
Preservation of Affordable Housing	3-105
Section Four – Directory of Financial Resources	
Directory Overview	4-2
LOCAL RESOURCES	
Fees and Fee Waivers	4-4
Housing Trusts	4-5
Land Donation / Landbanking	4-8
Local Taxes and Revenues	4-10
Mortgage Credit Certificates	4-12
Municipal Bonds	4-14
Private Financing	4-17
Redevelopment Financing	4-19
Tax Credits for Low-Income Housing	4-21
STATE RESOURCES	4-24
FEDERAL RESOURCES	4-25
Appendices	
A - OVERVIEW OF STATE HOUSING ELEMENT LAW	
B - HCD HOUSING ELEMENT REVIEW WORKSHEET	
C - HCD QUESTIONS AND ANSWERS	
D - CONTACTS AND RESOURCES	

INTRODUCTION – WHY HOUSING MATTERS

The first sentence in the 1990 edition of *Blueprint for Bay Area Housing* states: “The Bay Area is in the midst of a housing crisis.” Ten years later, that statement is still true, but an additional sense of urgency now applies.

Blueprint 2001 for Bay Area Housing, Housing Element Ideas and Solutions for a Sustainable Future was revised to reflect the significant economic and associated changes that have occurred since 1990. *Blueprint 2001* is designed to assist in resolving this regional crisis.

Housing affordability in the Bay Area is now at an all-time low. Recent estimates indicate that only 16 percent of Bay Area households can afford a median priced home here, with affordability dropping to as low as 12 percent in Contra Costa and San Mateo Counties and 10 percent in San Francisco.¹ All projections indicate that it is likely to remain a major regional issue for many years, with long-term economic repercussions and significant impacts on our quality of life.

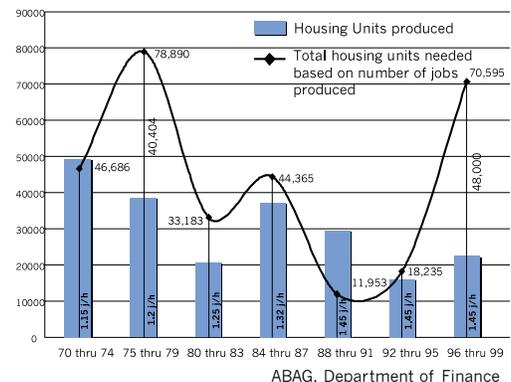
Already, both private businesses and government agencies are finding it increasingly difficult to fill vacant jobs; roadways are clogged with workers traveling increasingly long distances to get to work; and many young families, long-time residents, and other members of our communities are relocating because they can no longer afford to live here.

Anyone who has been living and working in the Bay Area during the past several years has a story to tell of astronomical rents, fruitless searches for a new home, out-of-control bidding wars, overcrowded living conditions, and horrendous commutes. If the crisis has not touched a family directly, it has affected friends, relatives, neighbors or co-workers. There is little need to convince anyone who lives here that the housing situation in the Bay Area constitutes a regional crisis.

How Did We Get Here?

The Bay Area’s economy has grown significantly since the mid-1990s; this region is one of the most dynamic and innovative regional economies in the world. This economic growth has provided opportunities for many Bay Area residents, created budget windfalls for many government jurisdictions, and resulted in a variety of other benefits for the region.

However, even as economic growth has soared, housing growth has not. While nearly 500,000 new jobs were created in the region between 1990 and 2000, less than 200,000 new housing units were built during that same period.² The imbalance has been particularly notable in job-rich centers such as northwest Santa Clara County, where nine jobs were produced for every new home built in the 1990s.³



Bay Area Housing Production Vs. Need

With demand continually outpacing supply, the competition for housing has sent rents and prices skyward. Between 1995 and 2000, the median price of a home in the Bay Area increased 112 percent, while rents have risen at similar or even higher rates due to the severe lack of new multi-family housing development in most communities.⁴

¹ California Association of Realtors, July 2000.

² Based on data from ABAG and the California Department of Finance.

³ Building Sustainable Communities: Housing Solutions for Silicon Valley. Prepared for Silicon Valley Manufacturing Group and Greenbelt Alliance by Strategic Economics, November 1999.

⁴ Based on data from the California Association of Realtors

A major contributing factor to the lag in housing production has been local policies related to land use and development. While few communities have sought to limit job growth (on the contrary, most have actively pursued job-generating growth), many jurisdictions have limited residential development, have favored non-residential land uses over residential uses, or have established relatively low-density limits on residential lands.

The cumulative impacts of our land use and development decisions aimed at protecting our quality of life have actually had the opposite effect. Our efforts to limit growth in centrally located areas and overall preference for predominantly low-density development patterns are resulting in an increasing loss of open space, ever higher housing costs, ineffective transportation systems, unbearable traffic congestion, underutilized downtown areas, and a significantly lower quality of life.



Building the Foundation for Livable and Sustainable Communities

The good news is that we don't have to sacrifice the quality and livability of local neighborhoods to address the issue of housing availability and affordability.

We are beginning to recognize that high quality, higher density housing can fit in with existing neighborhoods, improve the quality and livability of local communities, and address affordable housing needs as well as a host of other issues. We are transforming run-down shopping centers, vacant building sites, and other community 'eyesores' into attractive, livable neighborhood-enhancing residential developments.

We are finding that traditional patterns of mixed-use—locating housing close to shops and jobs—actually makes a lot of sense, and is desired by residents. We are realizing that many people would prefer to leave their cars at home, if they have convenient access to safe, frequent, and reliable transit. We are beginning to appreciate that the people who live and work in our communities need a variety of housing options that they can afford. Saying no to housing development in general and affordable housing, in particular, will only hurt us all in the long run.

These trends are part of a substantial and growing movement in the Bay Area to find ways to “grow smart”—to encourage development patterns that are more compact, transit-oriented, well-designed, and highly livable. A central focus of the *smart growth* movement—the very foundation for achieving a more sustainable and livable Bay Area—is rethinking the way in which we plan, design, rehabilitate, preserve and manage housing.



Swan's Market

Russell Abraham



Wisteria Housing

Burbank Housing



Continuum Apts

Kearey Smith

Bay Area Housing Options

Smart Growth and Housing: Meeting the Challenge

In the coming year, every county, city, and town in the Bay Area will undertake a process to update the Housing Element of its General Plan. This represents an opportunity to consider and address the Bay Area's housing crisis in a coordinated and meaningful fashion, and to establish a clear link between housing and community planning strategies that emphasize smart growth principles.

The Housing Element process can and should be a strategic opportunity to develop real solutions to local housing needs while also contributing to community livability and sustainability. It is an opportunity to engage local residents, housing advocates, developers, environmentalists, elected officials, and other stakeholders in a constructive dialog to define and evaluate potential strategies and solutions. By establishing a local framework for smart growth and affordable housing, and focusing community attention and energy on these critical areas of need, the Housing Element can help relieve or remove restrictions on the housing supply, overcome local barriers to affordable housing, establish a foundation for local smart growth policies, and ensure that future development proposals respond to community concerns and priorities.



Community Involvement, San Mateo Marcia Pagels

Making a Difference

Blueprint 2001 for Bay Area Housing describes 46 different policy and program strategies for addressing housing needs, and nearly 100 “success stories” from communities throughout the Bay Area.

While these success stories can be valuable and instructive, the part of the story that often gets lost is that *the driving force behind every success story is an individual or group that is committed to making things happen*. The real story-behind-the-story is about people who make a difference in their community—who are willing to take risks,

who have the creativity to envision new ways of doing things, and who have the energy and stamina to dissuade opponents, build alliances, and overcome obstacles to implement housing solutions.

You, the reader of this document, are one of the most valuable resources available for responding to the Bay Area's housing crisis. Whether you are an elected representative, local government staff person, housing developer, service provider, or local resident, you need to be involved in the Housing Element process. Through collaboration, creativity, and commitment you can make a difference in helping to make the Bay Area a more livable and affordable place for everyone.

What Is “Smart Growth?”

The term “smart growth” refers to a set of planning principles that relate development decisions to community quality of life based on three broad areas of concern: a prosperous economy, a quality environment and social equity (often referred to as ‘the three E’s’). In general terms, smart growth promotes city-centered growth and revitalization of older core neighborhoods that are pedestrian- and transit-oriented, and discourages low-density suburban development that leads to sprawl, loss of open space, and traffic congestion.

Housing is the linchpin of sustainable development and smart growth in the Bay Area. It is the common connecting element or “intersection” of the three E’s, inextricably linked with issues such as traffic, open space and jobs. For *Blueprint 2001*, smart growth principles provide a framework for understanding and responding to the relationships between housing and other issues that are critical to the long-term livability of our communities.

Many of the policy and program strategies included in *Blueprint 2001* promote both affordable housing and smart growth principles. These strategies are marked with the “Smart Growth Strategy” symbol to help identify them as particularly useful strategies for meeting local housing needs in more livable and sustainable ways.



Smart Growth Symbol

Ten Commitments for a Sustainable Bay Area

The Bay Area Alliance for Sustainable Development is a coalition of business groups, government agencies, environmentalists, developers, and neighborhood interests working together to develop and promote a shared vision for how the region can grow in a more sustainable manner. The Alliance has developed a “Compact for a Sustainable Bay Area” to define a region-wide consensus for sustainability. The following “ten commitments” are taken from a draft version of the compact, now under review and discussion by elected officials, business leaders, and residents throughout the region.

1. Enable a diversified, sustainable and competitive economy to prosper and provide jobs in order to achieve a high quality of life for all Bay Area residents.
2. Accommodate sufficient housing affordable to all income levels within the Bay Area to match population increases and job generation.
3. Target transportation investments to achieve a world-class, comprehensive, integrated and balanced multi-modal system that supports efficient land use and decreases dependency on single-occupancy vehicle trips.
4. Preserve and restore the region’s natural assets, including San Francisco Bay, farmland, open space, other habitats, and the region’s air and water quality.
5. Use resources efficiently, eliminate pollution, and significantly reduce waste.
6. Focus investment to preserve and revitalize neighborhoods.
7. Provide all residents with the opportunity for quality education and lifelong learning to help them meet their highest aspirations.
8. Promote healthy and safe communities.
9. Implement local government fiscal reforms and revenue sharing.
10. Stimulate civic engagement.

In addition to these “ten commitments,” other important statements of smart growth planning principles can be found in the Ahwahnee Principles (available on the Local Government Commission’s website as part of its Center for Livable Communities—www.lgc.org/clc) and in the Charter of the New Urbanism (available from the Congress for the New Urbanism—www.cnu.org/charter.html).



How to Use Blueprint 2001

Who Is It For?

Blueprint 2001 for Bay Area Housing has been developed by and for people involved in the Housing Element process, including jurisdictional staff and officials, residents, housing advocates, developers, consultants, and neighborhood groups.

What Does It Contain?

Blueprint 2001 outlines the State's requirements for Housing Elements, sets forth a process for addressing those requirements, emphasizes the critical importance of community participation, and highlights a wide range of programs and strategies for addressing community housing needs.

It is organized into four main sections:

- **Section One: How to Prepare an Effective Housing Element.** Outlines the process for developing a Housing Element that meets state legal requirements and considers and responds to local housing needs.
- **Section Two: Community Participation Strategies.** Provides ideas for ensuring that community residents and key stakeholders are involved in the housing element process in a meaningful way, helping to build long-term community support for local housing activities.
- **Section Three: Directory of Housing Strategies and Programs.** Provides an overview of 35 different housing programs and strategies for responding to local housing needs. It also provides dozens of "success stories" from communities throughout the Bay Area.
- **Section Four: Directory of Financial Resources.** Summarizes nearly a dozen different financial programs and resources available to local jurisdictions to support affordable housing efforts. It also provides an overview of state and federal program resources and describes where to get updated information on available funding, selection criteria, and application procedures.

There are also a number of valuable resources provided in the Appendices, including an *Overview of State Housing Element Law*, key resources from the California Department of Housing and Community Development (HCD), including the checklist used by HCD in reviewing Housing Elements and responses to commonly asked questions, and a *Directory of Contacts and Resources*.

How Can It Be Used?

Blueprint 2001 can be adopted to:

- **Develop an Effective Housing Element Work Program.** Use the guidelines and suggestions in *Section One* to make sure that your Housing Element Work Program defines appropriate work tasks and establishes a logical process for identifying and responding to community concerns and priorities as well as state requirements.
- **Organize and Manage a Meaningful Participation Program.** Use the ideas in *Section Two* to develop a community participation process that is integrated with the Housing Element's technical work program and helps to build a community consensus in support of local housing solutions.

- **Identify Potential Housing Policies and Programs.** Use the list of strategies, programs, and resources in *Sections Three and Four* to identify and evaluate potential responses to local housing needs and to define policies and programs for inclusion in your revised Housing Element.
- **Support Community Education.** Use the information from *Blueprint 2001* to support community education, providing the public with copies of various program or issue descriptions so that they can participate in a more meaningful manner in the Housing Element process.
- **Learn What Other Communities Are Doing.** Use the “Success Stories” found throughout *Blueprint 2001* to learn from the experiences of other Bay Area communities.
- **Write a Successful Housing Element.** Use *Blueprint 2001* to make sure your Housing Element goes beyond the minimal requirements and provides a successful housing strategy that establishes clear and concise goals and policies linked to effective programs and a mechanism for ongoing monitoring and evaluation.
- **Connect with Resources for Ongoing Implementation Activities.** Use *Blueprint 2001* as a guide to the rich diversity of housing-related resources in the Bay Area. Get in touch with housing staff from adjacent jurisdictions, local nonprofit housing developers, and other housing specialists who could provide valuable input and expertise for addressing your local housing issues.



Ten Keys to a Successful Housing Element

- 1. Ensure Meaningful Participation.** Use the Housing Element process to identify and understand community housing needs, challenge people's stereotypes about affordable housing, engage residents and stakeholders in identifying housing opportunities, and build a community consensus in support of local housing programs.
- 2. Agree on the Goals.** Local land use controls, development regulations, and procedural requirements often result in unintended obstacles to achieving community goals. Begin by understanding and documenting your community's housing needs. Then agree on what it is you want to accomplish, and make sure that local controls, regulations, and requirements will help achieve your goals, providing as much flexibility as possible to support creative solutions.
- 3. Identify Sites.** One of the most important roles of local government is to ensure that adequate and appropriate sites are designated for residential use, including infill sites, reuse/redevelopment sites, mixed use sites, and vacant land.
- 4. Increase Densities.** The number of units that can be built on a unit of land has a significant impact on housing affordability. Increase residential densities to promote housing affordability for all income levels, especially in and around commercial centers and in areas served by transit.
- 5. Focus on Design.** Design is a critical component in successful affordable housing developments. The many "success stories" presented in *Blueprint 2001* all have one thing in common, regardless of their density: they are well-designed and "fit in" with their surroundings.
- 6. Learn from the Past.** Build on past successes, and learn from past mistakes. Draw upon the experiences and "best practices" of other communities, and make sure that each Housing Element update is an improvement on the previous.
- 7. Develop Partnerships.** Successful housing solutions require working partnerships with community residents, non-profit and for-profit housing developers, housing advocates, financial institutions, and other interest groups. Solutions increasingly require multi-jurisdictional coordination and cooperation to address sub-regional issues and provide real, workable strategies. Involve partners in collecting data, identifying needs, and developing strategies for action.
- 8. Provide Financial Support.** A number of financial tools are available to local governments and private developers to support affordable housing development. Explore the options, seek assistance from regional housing experts, and identify the funds to support local affordable housing efforts.
- 9. Call on the Experts.** The Bay Area is home to some of the country's most successful and innovative nonprofit housing developers and affordable housing groups. Pick up the phone and give them a call—they're more than happy to help! A resources list is located in *Appendix D*.
- 10. Be Persistent.** No single housing strategy will be successful in and of itself, and almost every strategy will have some opposition. Adopt a comprehensive approach and be committed to long-term implementation.

Section One

How To Prepare An Effective Housing Element

PROCESS OVERVIEW

Introduction	1-2
The Housing Element Process	1-2
Working with State Department of Housing and Community Development	1-5
What Happens if a Housing Element Does Not Comply with State Law?	1-6

GETTING STARTED

Work Program, Budget and Staffing	1-8
Collaboration with Other Departments, Agencies, and Jurisdictions	1-11

ANALYZING NEEDS, OPPORTUNITIES AND CONSTRAINTS

Evaluation of the Existing Element	1-13
Ensuring Reliable Data and Accessible Information	1-14
Population and Employment Trends	1-16
Regional Housing Needs	1-17
Households and Housing Characteristics	1-18
Special Housing Needs	1-21
Land Inventory, Zoning, and Public Facilities	1-24
Governmental Constraints and Efforts to Remove Them	1-28
Non-Governmental Constraints	1-32
Opportunities for Energy Conservation	1-34
Assisted Housing Eligible for Conversion	1-34
Additional Requirements for Coastal Zone Communities	1-35

DEFINING GOALS, POLICIES, PROGRAMS AND OBJECTIVES

The Goal-Policy-Program-Objective Framework	1-36
Strategic Alternatives, Goals, and Policies	1-37
Five-Year Action Plan	1-38
Quantified Objectives	1-41

MOVING FORWARD

Monitoring Program and Annual Reviews	1-42
California Environmental Quality Act Requirements	1-43

PROCESS OVERVIEW

Introduction

Every jurisdiction in California must have a General Plan and every General Plan must contain a Housing Element.

While jurisdictions must review and revise all elements of their General Plan regularly to ensure that they remain up to date, state law is much more specific in regard to the schedule for updating the Housing Element, requiring an update at least every five years.

State law is also specific in terms of the issues that the Housing Element must address, and requires that every new and revised Housing Element be submitted to California's Department of Housing and Community Development (HCD) to ensure that it meets the State's minimum requirements. This process of "certifying" a Housing Element's compliance with state law is unique among the General Plan elements.

One requirement for every Housing Element is to demonstrate that the local jurisdiction has made adequate provision to support the development of housing at various income levels (very low, low, moderate, and above moderate) to meet its "fair share" of the existing and projected regional housing need. A primary focus of *Blueprint 2001* is helping local jurisdictions to develop strategies to meet this requirement.

In accordance with state law requirements, the Association of Bay Area Governments (ABAG) has undertaken a "Regional Housing Needs Determination" process (RHND) and released draft numbers to every jurisdiction in the Bay Area. These identify the numbers of units defined by income category, that represent the existing and projected housing need for each jurisdiction through the year 2006. *See page 1-17 and visit the ABAG website at <http://www.abag.ca.gov>.*

In response to these numbers, every jurisdiction in the nine-county Bay Area will have to review and update its Housing Element, **with adoption of the new Housing Element by December 31, 2001 with subsequent updates to follow.**

The Housing Element Process

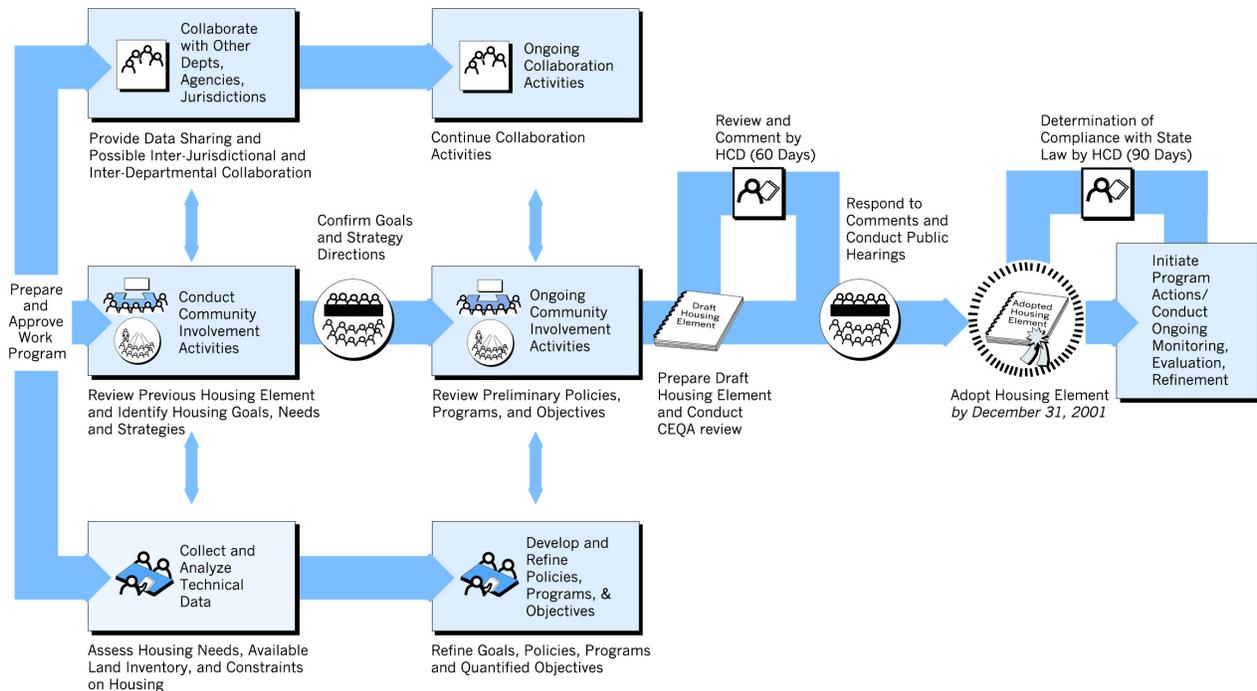
This section of *Blueprint 2001* sets forth a recommended process for developing an updated Housing Element that not only meets the State mandate, but also provides an effective program for documenting, analyzing, and responding to local housing needs.

Following is an overview of the recommended sequence of steps for a Housing Element review and revision. These are generalized steps that are typical in a Housing Element process. They must be reviewed and tailored to local needs and circumstances if they are to provide an effective work program.

The graphic on page 1-3 further illustrates this recommended process, showing how the steps are typically sequenced, leading to adoption and implementation of an updated Housing Element.

Fitting in with the General Plan

State law requires that a community's General Plan be internally consistent. The Housing Element must then function as an integral part of the overall General Plan, even though the Housing Element is subject to specialized requirements and a different update schedule. Other General Plan elements (particularly the Land Use Element) may then need to be revised as part of updating the Housing Element. The Housing Element should be a part of the General Plan rather than treating the Element as a stand-alone document with a different format and structure from other parts of the General Plan. When it is a separate document, defining the Housing Element's relationship with the other elements often becomes difficult and confusing to the public and increases the chances for inconsistencies as well.



1- Set Strategic Directions | 2- Develop Policies & Programs | 3- Review & Adopt Housing Element | 4- Initiate Implementation

Process Flow Chart

Baird+Driskell Community Planning

Project Start-Up

- **Prepare a Work Program, Adopt a Budget, and Organize Staffing.** Prepare and approve a Work Program. The Work Program should outline the project’s overall process and schedule, define specific work tasks, identify staffing needs and resources, and determine budget needs. *See pages 1-8 through 1-11.*
- **Review Housing and Community Development’s Questions & Answers.** This is one of the primary documents utilized by HCD staff when reviewing a housing element, and is a very useful starting point for thinking about the housing element process. *See Appendix C.*
- **Initiate Community Information Activities.** Initiate a public communication effort to make the community aware of the update; provide an overview of its goals, activities and schedule; and highlight opportunities for citizen input and review. *See Section Two, Community Participation Strategies.*

Strategic Directions

- **Analyze Housing Needs, Resources, and Constraints.** Collect and analyze background information to assess housing needs, inventory available land, and identify potential constraints on housing. *See pages 1-13 through 1-36.*
- **Conduct Initial Community Involvement Activities.** Conduct community outreach and involvement activities to make people aware of the process, review the previous Housing Element, discuss housing needs data, define preliminary housing goals, and consider alternative strategies. Ensure regular check-ins with elected and appointed officials to confirm findings, goals, and strategic directions. *See Section Two, Community Participation Strategies.*

- **Collaborate with Other Departments, Agencies, and Jurisdictions.** Consider collaborative approaches with other departments, agencies, or jurisdictions. For example, consider involving representatives from public works, redevelopment or police services, and consider teaming with an adjacent jurisdiction or group of jurisdictions to undertake joint data collection and develop a coordinated housing strategy. *See page 1-11.*

Policies, Programs and Objectives

- **Develop and Refine Potential Policies, Programs, and Objectives.** Collect additional information and conduct additional analyses as necessary to define and evaluate alternative housing strategies, policies, programs, and objectives. *See pages 1-36 through 1-41.*
- **Conduct Ongoing Community Involvement Activities.** Conduct community involvement activities to review preliminary policies, programs, and objectives.
- **Conduct Ongoing Collaboration Activities.** Continue to collaborate with other departments, agencies and/or jurisdictions to ensure buy-in and coordination on the proposed policies and programs.

Element Review and Adoption

- **Prepare Draft Housing Element and Conduct California Environmental Quality Act Review.** Prepare a Draft Housing Element for review by the public and HCD, allowing 60 days for HCD's review. Based on the Draft Element, an "Initial Study" should be conducted in accordance with the California Environmental Quality Act (CEQA) to evaluate the potential environmental impacts, and appropriate follow-up actions taken as necessary. If an Environmental Impact Report (EIR) is required, the process and schedule implications must be considered. *See page 1-43.*
- **Respond to Comments and Conduct Public Hearings.** Comments from the public and HCD should be considered and responded to, with modifications to the Draft Housing Element as necessary. Public comments can be made in writing or presented verbally at public hearings before the Planning Commission and City Council or Board of Supervisors.
- **Adopt the Housing Element.** Based on the recommendation of the Planning Commission, the City Council or Board of Supervisors will ultimately approve and adopt the revised Housing Element. The final adopted Housing Element must be prepared and immediately submitted to HCD, which then must issue a written determination within 90 days indicating whether the Housing Element substantially complies with State law (§ 65585).

Implementation

- **Initiate Implementation and Monitoring Activities.** Initiate implementation activities as prescribed in the adopted Housing Element, and ensure an effective program of ongoing monitoring to track housing needs and achievements, providing feedback to the community (a "report card") on progress in implementing the Housing Element. *See page 1-42.*
- **Conduct Annual Reviews.** Conduct an annual review of the Housing Element to evaluate the effectiveness of its policies and programs, document progress in meeting established objectives, and refine actions and priorities as needed. *See page 1-42.*

Objectives for the Housing Element Update

- Articulate a long-term, consensus-based vision for housing that reflects community values and responds to State law requirements.
- Make adequate provision for the housing needs of all economic segments of the community.
- Establish strategic and innovative policy approaches to address key issues and achieve the vision.
- Build and maintain credibility in the planning process and assure consistency between the basic tenets and policies of the Housing Element and the rest of the community's General Plan.
- Facilitate future decision-making by establishing clear, comprehensive policy direction.
- Define indicators (i.e., measurable outcomes or quantified objectives) to monitor success towards achieving the vision.
- Actively involve housing professionals to foster collaboration and clear linkages in effective implementation of housing programs.
- Establish a credible, consistent database to evaluate and monitor conditions.
- Ensure a commitment to effective long-term data management to keep the Housing Element current and to enable the easy incorporation of new data.
- Facilitate inter-agency planning and policy coordination.
- Create a quality Housing Element that is clearly organized, well written, concise, attractive, and consistent with the other General Plan elements.
- Integrate implementation mechanisms for use in establishing annual review and priorities for budgeting and other actions.



Working with the State Department of Housing and Community Development

Before it is adopted, a Housing Element must be submitted to State HCD for review. New Housing Elements must be submitted 90 days prior to adoption, while amended, updated, or revised Housing Elements must be submitted 60 days prior to adoption. In other words, unless it is the very first Housing Element adopted by a community, all amendments and revisions (including the five-year revisions) must be submitted **60 days before adoption**. (The required time for review was revised to 60 days from 45 days in September 2000.)

Because HCD is ultimately responsible for reviewing every Housing Element for compliance with State law, it can be valuable to get feedback from HCD staff early and often in the Housing Element process. The following recommendations are intended to help ensure a smooth HCD review process and build a positive working relationship between the local jurisdiction and HCD staff:

- **Contact Housing and Community Development Early in the Process.** Jurisdictions are encouraged to meet with HCD early on in the process of preparing their Housing Element. The jurisdiction can determine which HCD analyst will be assigned and can work with that analyst through the process of refining an approach to fit community needs and resources.
- **Utilize Housing and Community Development Resources.** HCD staff is a resource for identifying potential housing strategies or providing samples of exemplary Housing Elements, policies, and programs. HCD staff is also willing to attend public meetings and meet with local staff and representatives to answer questions and give feedback on alternative housing strategies.
- **Work with Housing and Community Development Staff in Making Changes to the Draft Element.** While it is the responsibility of HCD to identify deficiencies in a Draft Housing Element, HCD staff will also work with local jurisdictions to develop modifications that address those deficiencies in a way that is tailored to community resources and conditions.



Once a Draft Housing Element is submitted, HCD conducts a review and issues written findings stating whether the element “substantially complies” with Housing Element laws. Any public agency, group, or person may submit written comments during the review process. Prior to submittal of a formal response letter, HCD staff will review the Element, consider other correspondence received on the Element, and call the local jurisdiction to clarify issues and gain a better understanding of local conditions.

When HCD’s review letter is received, the local legislative body must consider HCD’s findings. If HCD finds that the Element is substantially out of compliance with the Housing Element laws, the legislative body is required to either:

- Change the Draft Housing Element to achieve substantial compliance.

OR

- Adopt the Draft Housing Element without changes and include written findings to explain why the legislature believes it does substantially comply.

Upon adoption, the local government must immediately submit its Final Housing Element to HCD for review. HCD then has **90 days** in which to report its final written findings to the local government, stating whether the Housing Element as adopted complies or does not comply with state requirements.

Housing and Community Development Publications

HCD has prepared a number of publications to assist local governments in addressing Housing Element topics. A sample list includes:

- *Housing Element Analysis: Preservation of Assisted Units*
- *The Effects of Subsidized and Affordable Housing on Property Values: a Survey of Research*
- *Fair Housing*
- *State Density Bonus Law*
- *Second Units*
- *Manufactured Housing for Families, Innovative Land Use and Design*
- *Shelter for the Homeless: Housing Element Requirements*

There are also two important HCD publications that are reproduced in the appendix of *Blueprint 2001*:

- *HCD Review Worksheet (Appendix B)*
- *Housing Element Questions and Answers (Appendix C).*

These two documents provide valuable information for local staff and/or consultants responsible for preparing the Housing Element document since they outline the information that HCD will be looking for when they conduct their reviews.

What Happens If a Housing Element Does Not Comply with State Law?

If HCD determines that a Housing Element fails to substantially comply with the state’s Housing Element Law, there are potentially serious consequences that extend beyond the realm of residential land use planning.

When a jurisdiction’s Housing Element is found to be out of compliance, its General Plan is at risk of being deemed inadequate, and therefore invalid. As a result, because all planning and development decisions must be consistent with a valid General Plan, a local government with a non-compliant General Plan may not proceed to make land use decisions and approve development until it brings its General Plan—including its Housing Element—into compliance with State law.

A Housing Element is considered out of compliance if one of the following apply:

1. It has not been revised and updated by the statutory deadline.

OR

2. Its contents do not substantially comply with the statutory requirements. When determining whether a Housing Element is inadequate, a court must give great weight to HCD’s determination.

Additional repercussions include:

- **Reduced Access to Infrastructure and Transportation Funding.** Both the California Infrastructure and Economic Development Bank (CIEDB) and the Bay Area's Metropolitan Transportation Commission (MTC) award funds based on competitions that take into consideration the approval status of a community's Housing Element. *See CIEDB's Criteria, Priorities, and Guidelines for its Infrastructure State Revolving Fund Program and MTC's Project Review Criteria for its Transportation for Livable Communities Program.*
- **Reduced Access to Housing Funds.** Lack of an HCD-certified Housing Element can also seriously undermine a jurisdiction's ability to access competitive housing funds. For example, HCD takes into consideration the approval status of a community's Housing Element when awarding state-controlled HOME funds. Thus it is virtually impossible for a community that does not have an approved Element to win such funds, which can mean the potential loss of millions of dollars of housing funds in some jurisdictions.
- **Court Order Restricting Development and/or Approving Affordable Housing.** Upon finding that a Housing Element is out of compliance with the law, the court must order the community to bring the Element into compliance within 120 days and: 1) suspend the locality's authority to issue building permits or grant zoning changes, variances or subdivision map approvals; and/or 2) mandate approval of residential developments that will not inhibit the ability of the locality to adopt an adequate element. (Government Code §65754) (**Note:** Affordable housing developments are presumed not to inhibit the adoption of an adequate element. (§65760))
- **Payment of Substantial Attorney Fees.** If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid to its own attorneys. These fees can easily exceed \$100,000.

Typical Housing Element Deficiencies

HCD's letters of review frequently have mentioned several common deficiencies or missing components in Housing Elements, such as:

- A lack of quantified, numeric objectives.
- A lack of analysis of the special needs of certain population groups.
- A lack of specific programs tied to the needs identified in the element.
- Failure to identify a timeframe or responsible agency for carrying out programs.
- Failure to describe data methodology and the assumptions used when deriving estimates or other numerical measures.
- Insufficient sites zoned at high enough densities to accommodate a jurisdiction's regional housing need for very low, low, and moderate income housing.
- Lack of sufficient analysis of potential governmental constraints, such as processing time and development standards, which may pose an impediment to the development of certain types of housing.

GETTING STARTED

Work Program, Budget and Staffing

The first step in the Housing Element process is to define and adopt a Work Program. The Work Program should outline the project's overall process and schedule, define specific work tasks, identify staffing needs and resources, and determine budget needs. It should provide a road map for the Housing Element process and a valuable project management tool, helping to ensure an effective and efficient update process.

As a preliminary step to developing the Work Program, it may be useful to review HCD's "Questions & Answers" (*see Appendix C*). It provides an in-depth review of what the Housing Element needs to contain and suggestions for how to locate, develop, and organize its data and information.

Once you have a basic understanding of what will be required, develop the actual Work Program to:

- **Define the Sequence of Activities.** Establish a clear sequence of work tasks and define the relationship between project activities, including technical analysis activities, community participation activities, and other project coordination and collaboration activities.
- **Define Products and Expected Outcomes.** Establish clear expectations and deadlines for all products and related project outcomes.
- **Commit to a Realistic Schedule and Decision-Making Milestones.** Make sure that the overall project schedule is realistic and that key project milestones are clearly identified and communicated to all participants.
- **Identify Technical Information Needs.** Define the background information and technical analyses that will be needed to meet State law requirements and support development of effective housing policies and programs. Where possible and appropriate, identify ways to draw upon local knowledge, expertise, and experience.
- **Provide for Early and Effective Community Input and Participation.** Integrate an effective community participation program throughout the update process. An effective process should go beyond the minimal state requirements (Section 65583(6)(B) of the Government Code) to help build community ownership of the Housing Element and a consensus in support of future implementation activities. Key participants include community residents (including low-income residents and people with special housing needs), elected and appointed officials, housing agency staff, non-profit housing sponsors, local for-profit developers, and jurisdictional staff.
- **Facilitate Coordination and Collaboration.** Identify the departments, agencies and/or jurisdictions that should be involved to ensure an effective Housing Element. They can be involved in data collection and analysis; review of key findings; development and evaluation of potential strategies, policies and programs; and, ultimately, implementation activities.
- **Provide a Project Management Tool.** Define all of the work tasks, identify responsibilities, and outline the project schedule, providing a project management tool for ensuring an effective and cost-efficient process.

STATE OF CALIFORNIA
Department of Housing and Community Development



Q & A

Housing Element Questions and Answers

Housing Element Workshops

Prepared by the Division of
Housing Policy Development

SEPTEMBER 2000

REFERENCE

- **Establish an Appropriate Budget.** Tailor the budget to the jurisdiction's selected approach, technical planning needs, process considerations, and resources.
- **Ensure Adequate Staffing.** Identify staffing requirements and responsibilities, including day-to-day project management needs and the potential staffing commitment from other departments and agencies. Take into consideration current workloads and responsibilities, and identify the necessary level and focus of consultant support, if any, to help manage the process and to address important technical issues.

Work Program Tasks and Activities

Every Work Program must respond to the needs and opportunities of the local jurisdiction. Therefore, every Work Program will be a bit different. However, all Work Programs should ensure that the following activities are adequately addressed to comply with State requirements.

- **Public Participation.** Ensure that the Housing Element process seeks and considers input from low-income persons and their representatives as well as other members of the community before the Draft Housing Element is completed. The Work Program should emphasize participation activities as the core of the update process. *See Section Two, Community Participation Strategies.*
- **Evaluation of the Current Housing Element.** Evaluate and summarize the achievements and effectiveness of existing Housing Element programs, identifying policies and programs that have not been effective and may need to be strengthened, changed, or replaced. If possible, make the evaluation a participatory exercise. *See page 1-13.*
- **Housing Needs, Resources, and Constraints.** State law requires the assessment of existing and projected housing needs and an inventory of resources and constraints relevant to meeting those needs, as outlined in Section 65583 of the Government Code. There are seven categories of information that must be analyzed:
 - **Population/Employment Trends and Housing Needs (65583(a)(1)).** An analysis of existing and projected housing and employment trends and assessment of the locality's housing needs for all income levels, with reference to the jurisdiction's "fair share" of the regional housing need. *See page 1-16.*
 - **Household and Housing Characteristics (65583(a)(2)).** Analysis of household and housing characteristics, including level of payment compared to ability to pay, the number of overcrowded housing units, and the condition of the housing stock. *See page 1-18.*
 - **Special Housing Needs (65583(6)).** Analysis of the housing needs and available resources for the elderly, large households, female headed households, people with disabilities, farmworkers, and Families and individuals in need of emergency shelter. *See page 1-21.*
 - **Land Inventory, Zoning, and Public Facilities (65583(a)(3)).** Inventory of land suitable for residential (or mixed-use) development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning on these site and the availability of public facilities and services. *See page 1-24.*
 - **Potential Governmental Constraints and Efforts to Remove Them (65583(a)(4)).** Analysis of the potential governmental constraints on housing for all income levels (e.g., development fees, growth management systems, permitting requirements, design review, etc). *See page 1-28.*

Work Plan Organization

To help ensure an effective and useful Work Program, consider the following organizational tips:

- Group tasks by phase.
- Organize and describe tasks within each phase by type:
 - **Participation Tasks**
 - **Technical Work Tasks**
 - **Project Management Tasks.**
- For each task, describe purpose, critical links, work activities and methodology, product(s)/outcome(s), affected departments/agencies, time required, staffing and budget.

- **Potential Non-Governmental Constraints (65583(a)(5)).** Analysis of the potential non-governmental constraints on housing for all income levels (e.g., land costs, housing market conditions, etc.). *See page 1-32.*
- **Opportunities for Energy Conservation (65583(a)(7)).** Identification and analysis of programs and opportunities for residential energy conservation. *See page 1-34.*
- **Assisted Housing Eligible for Conversion (65583(a)(8)).** An inventory and assessment of assisted units “at-risk” of conversion to market rate, representing a potential loss of affordable housing stock. *See page 1-34.*
- **Goals and Alternative Housing Strategies.** Identify overall goals and evaluate alternative policy strategies to establish an overall strategic direction for addressing local housing needs. This will provide a basic framework for development of the Draft Housing Element. In establishing a strategic framework, be sure to address the issue areas required under State law, as well as any others that might be needed to respond to local needs (*see page 1-36*):
 - **Ensure Adequate Sites** to support a variety of housing types sufficient to meet community goals and to meet the jurisdiction’s fair share of the regional housing need.
 - **Provide Assistance** to support affordable housing development in response to community needs.
 - **Address and Remove Governmental Constraints** to housing development wherever “appropriate and legally possible.”
 - **Conserve and Improve the Existing Affordable Housing Stock**, including ways to mitigate the loss of units demolished by public or private action.
 - **Promote Equal Housing Opportunities** for all persons regardless of race, religion, gender, marital status, ancestry, national origin, color, sexual orientation, source of income, familial status, or disability.
 - **Preserve Assisted Housing** threatened with conversion to market-rate housing.
- **Draft Housing Element.** A Draft Housing Element must be prepared for public and HCD review, consistent with State law requirements. HCD requires 60 days to conduct its initial review of a draft element. The Draft Housing Element must be consistent with other elements of the community’s General Plan and other community goals (65583(c)(6)(B)), and must be made available to the public for review. To encourage public input, copies should be available for review at the jurisdiction’s offices and at the public libraries. The local government should also have enough copies printed to enable anyone who requests a copy to receive one free or at cost.

Workshops with Housing Experts

Bring local affordable housing experts, developers, financial agency representatives, and special needs groups representatives into the Housing Element process, either through special workshops or other activities. Draw upon their experience with the local development process and expertise in affordable housing to identify possible constraints, resources, and opportunities. They can often provide insights on ways that local government can facilitate the development of affordable housing. *See Section Two for additional participation methods.*

When reviewing a Housing Element, HCD will first evaluate the comprehensiveness of its assessment of housing needs, resources, and constraints. Then, HCD will evaluate whether the Element contains the following:

- **Statement of Goals, Quantified Objectives, and Policies (65583(b)).** Appropriate statements of community goals, policies, and quantified objectives to address housing needs and issues. *See pages 1-36 and 1-41.*
- **Five-Year Schedule of Implementation Actions (65583(c)).** Identification of specifically scheduled programs for the preservation, improvement, and development of housing. *See page 1-38.*

- **CEQA Review.** The Draft Housing Element must be evaluated in terms of its potential environmental impacts, in accordance with the requirements of the CEQA. An Initial Study will need to be conducted to determine whether an EIR or a Negative Declaration should be prepared. Early determination of whether an EIR will be required can avoid delays and provide an opportunity to integrate additional environmental considerations into policy discussions. *See page 1-43.*
- **Responses to Public and HCD Comments.** Questions and comments received from HCD and the public must be considered and responded to. Any changes to the Draft Element need to be identified.
- **Public Hearings to Adopt the Housing Element.** Prepare meeting materials and conduct public hearings before the Planning Commission and City Council or Board of Supervisors to consider final changes to the Draft Element and adopt the final Housing Element.
- **Publication of the Adopted Housing Element.** Incorporate changes, publish, and distribute the adopted Housing Element. A copy of the adopted Element must be sent immediately to HCD, which then has 90 days to review it and report its final written findings stating whether the Housing Element as adopted complies with state requirements.
- **Implementation and Ongoing Monitoring Activities.** A mechanism for ongoing monitoring and evaluation should be established as part of the Housing Element to ensure an effective feedback loop, and initial implementation activities should begin as soon as the Element is adopted (including any revisions to the jurisdiction's General Plan to ensure internal consistency with the adopted Housing Element). *See page 1-42.*



Collaboration with Other Departments, Agencies, and Jurisdictions

All cities and counties in the Bay Area must meet the same Housing Element schedule and legal requirements. This offers a unique opportunity to develop a coordinated approach among agencies and jurisdictions on housing issues. It also presents an opportunity for considerable cost savings through collaborative work activities.

The Government Code allows jurisdictions to collaborate on General Plan elements, including the Housing Element. Collaboration in data collection, needs analysis, and policy development among jurisdictions in the same county or within a common market area could have the following benefits:

- **Save Money.** Many of the tasks required in the Housing Element process will be repeated by each jurisdiction in a county. Cost savings can result from pooling resources and coordinating work efforts.
- **Provide Better Data.** Through combining resources, a more detailed and comprehensive level of data collection and analysis of countywide and area-specific housing issues can occur.
- **Ensure a Multi-Jurisdictional Approach to a Multi-Jurisdictional Issue.** Housing markets operate across jurisdictional lines. Without coordination of housing policy between jurisdictions—or at least establishing a forum to discuss the possibility of coordination—housing policies will not respond effectively to market realities. Also, implementation can be much easier and program can be more effective when there is a commonality of definitions and program approaches among adjacent jurisdictions.
- **Promote Innovation and Sustainability.** Long-term viability depends on the ability to develop innovative, effective responses to the affordable housing crisis.

Establishing a Regional Strategy Framework

A key advantage of inter-jurisdictional collaboration is to establish an overall framework—or agreement—for a shared housing issues approach. This strategy “umbrella” can breakdown the somewhat isolated nature of each jurisdiction's Housing Element and helps to create economies-of-scale in applying housing resources and regional priorities for housing programs. This can better address housing needs.



- **Provide a Coordinated Response.** By working together, local jurisdictions can provide a coordinated response to the State's legal mandate. Not only will this demonstrate a serious effort on the part of local jurisdictions, but it will also provide stronger programs for Housing Element implementation—important points in the review of a jurisdiction's Housing Element.
- **Build a Framework for Implementation.** A valuable outcome of this type of coordinated strategy can be greater countywide agreement on housing terms and methodologies, thus allowing:
 - Communication to occur more effectively on housing issues.
 - Coordination on future efforts.
 - Successful monitoring over time.
- **Develop Real Solutions.** The critical nature of the Bay Area's affordable housing crisis requires more than just responding to the State's mandate for Housing Elements. It requires that real solutions be developed, shared, and refined over time.

ANALYZING NEEDS, RESOURCES, AND CONSTRAINTS



Evaluation of the Existing Housing Element

The first step in updating the Housing Element is to conduct a thorough and critical evaluation of the existing Housing Element. What worked well? What didn't? And what could be done differently?

Critique of the Current Housing Element

Ask key staff from the departments that implement Housing Element activities and programs to review and comment on the existing Housing Element. In particular, have them focus comment on each goal, objective, policy, and program, taking into consideration the questions listed on *page 1-14*. Encourage them to be critical in identifying successes and failures, and to identify the factors that created those successes.

After individual reviews, conduct a group work session to share results and ideas. If conducted in a systematic fashion, this can provide valuable information in a fairly short period of time.

A similar critique process should be carried out with local decision makers and any steering committee or task force that has been charged with overseeing the Housing Element update process.

State law requires that three major areas of consideration be addressed through the evaluation process and reflected in the updated Housing Element:

- **Appropriateness of Goals, Objectives, and Policies (65588(a)(1)).** A description of how the goals, objectives, policies, and programs of the updated element incorporate what has been learned from the results of the prior element.
- **Effectiveness of the Element (65588(a)(2)).** A review of the actual result of the earlier element's goals, objectives, policies and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of governmental constraints).
- **Progress in Implementation (65588(a)(3)).** An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.

The evaluation of the existing Housing Element is **one of the most important parts of the update process**. It is also, unfortunately, an activity which most jurisdictions give too little time and attention. Without spending enough time to learn from past experiences, many jurisdictions commit themselves to making the same mistakes again.

The evaluation should do more than just describe achievements or serve as a checklist of "programs carried out" and "programs not carried out." The evaluation should explain **what was done, how it was done, and how it could be done better**. The analysis should identify the factors that contributed to the success of each program as well as those factors that may have been impediments to success.

The evaluation of the existing Housing Element can help focus community discussion on the issues that need the most attention. While some policies and programs in the existing Housing Element may be identified as needing only minor modification, others may be identified as requiring more extensive review and change. This can serve as an initial short list of the key policy areas that need to be addressed in the update effort.

Evaluation of the existing Housing Element should be integrated with the community participation process, especially if there is a project steering committee or task force. This can help familiarize members with existing housing programs and the scope of issues addressed in the Housing Element. The evaluation should also take into consideration any HCD and public feedback from the previous Housing Element update, as well as the results of any annual reports or monitoring program reports that may have been submitted in the interim period.

The evaluation should provide a detailed analysis of existing and former housing programs. A program-by-program assessment should compare old objectives with actual performance by determining the number of housing units actually built or preserved, and the number of households assisted. If former quantified objectives have not been met, then the new Housing Element needs to discuss the reasons for the shortcomings of current or former programs. In this way, successful programs can be identified and perhaps expanded, and ineffective programs can be improved or replaced.

To facilitate the evaluation process, reviewers should consider questions such as the following:

- **Identify Overall Accomplishments and Needs.** What are you most proud of in terms of your community's affordable housing/Housing Element achievements? What do you think could have done better? What factors have contributed to success? Are the programs effectively meeting housing needs, especially at the very low, low, and moderate income levels? Is affordable housing being lost?
- **Assess Effectiveness.** Is the stated policy or program effective? Are stated housing targets and programs being met? How so? Is the program successful in preserving affordable housing? Is a variety of housing being provided, including both attached and detached; for sale and for rent; small units and large units; or others?
- **Identify Possible Impediments to Success.** What possible impediments such as development standards, costs, community acceptance, review procedures and others have there been to policy creation or program implementation? Ask for input from local developers.
- **Identify Possible Institutional Barriers.** What has and has not contributed to effective implementation? Is the institutional structure in-place to effectively implement a program?
- **Assess Consistency with Community Goals.** Has the policy or program been contrary to or inconsistent with other general plan or community goals?
- **Consider the Issues Addressed.** Are the topics, goals, and objectives covered in the Housing Element still relevant? What is missing or needs to be added? What are important unmet needs?

Obviously, some of these questions can only be considered and answered in light of the data on current and projected housing needs, resources, and constraints. However, once complete, the evaluation of the existing Housing Element will provide an extremely valuable foundation for developing a more effective and responsive updated Housing Element.



Ensuring Reliable Data and Accessible Information

Good policy decisions depend on good data. The Housing Element must be based on accurate and relevant data, if it is to serve as the springboard for effective local housing programs. The identification of housing issues, analysis of needs, and development of goals, policies, and programs should not depend on citizen participation alone, but also on meaningful statistical research to inform the public and decision-makers.

Fact Sheets

“Fact Sheets” are a useful tool for summarizing information on key issues in a format that is concise, easy to read, and tailored to local concerns. The strategies and programs described in *Section Three* of *Blueprint 2001* are presented in a Fact Sheet format.

Always strive to use the most recent and reliable data. Unfortunately, 2000 Census data will not be available for the 2001 updates of Bay Area Housing Elements. Therefore, it is essential to use several data sources to provide an accurate and current assessment of local housing needs. If the only available data is not current (i.e., from the 1990 Census), it should be statistically updated using clearly stated assumptions and methodologies. Anecdotal or qualitative discussion may also be informative.

Following are general factors to consider in data collection and analysis:

- **Use Local Data Sources.** Use selective local data collection to update information and gain a more comprehensive view of housing issues. For example, information on housing quality can be updated by surveying the existing housing stock, or market rents can be obtained from newspaper advertisements. Beware of comparing different statistical measures of the same parameter. For instance, census-measured contract rents can be significantly lower than advertised rents for the same time period.
- **Collect Data to Address a Wide Range of Issues.** Because the type, amount, and availability of data vary by jurisdiction, local governments and housing advocates must consider their objectives when determining what information to collect and rely on for policymaking. Local officials have an obligation to include a wide range of data in the Housing Element, whether or not it appears relevant or suggests a policy response. Even if the housing topic analyzed is not an immediate concern, it may be so in five or ten years, and the inclusion of appropriate data will support future Housing Element reviews and subsequent revisions.
- **Assess Trends and Rates of Change.** A variety of housing data is necessary for a complete picture of the community and its housing market. The 1990 and 2000 Census (when available) are the logical and most comprehensive starting points, but additional data from other sources will lead to a richer understanding of the specific issues. For example, census data may show a low rental vacancy rate, but recent apartment construction may have alleviated pressure on the rental housing market. What do local property management firms or apartment associations have to report about housing availability?
- **Provide Opportunity for Review by the Community.** Citizens, advocates, and local housing professionals should review the data included in the Housing Element to ensure that it is correct, complete, and addresses the issues of importance. Local governments and advocacy groups can work together to identify the most pressing housing concerns and, if need be, collect the additional data that will identify, quantify, or clarify local housing needs.
- **Present Housing Needs in a Clear and Useful Format.** The background information and analyses presented in the Housing Element should do more than just provide a list of data. It should present the information in a format and language that can be accessed and understood by the general public, helping readers understand what is important about the information presented. Information should be clearly written and concise, with graphics and tables to highlight key points.
- **Identify the Most Pressing Needs.** The analysis of housing need data is very important as it builds the justification for various programs. It should compile, present, and analyze housing needs information with the purpose of identifying potential strategic directions for a community's housing efforts.

How to Deal with Outdated Census Data

Basing a 2001 Housing Element update on 1990 census data limits the use and validity of the data. HCD encourages low-cost ways estimating current data. Citizen participation can help fill in missing data from local service providers and advocacy groups as well as provide insight on local issues and conditions. This can be particularly relevant in helping to define policy and program priorities and is often more relevant than up-to-date census data.¹ Jurisdictions that want to use commercially available data are welcome to do so, but HCD does not require it.

When necessary, using 1990 census ratios (i.e., the percentage of overcrowded housing units or households overpaying for housing) can be applied to current housing stock measures along with a qualitative discussion of historical or regional trends that may have impacted the housing condition being measured.

¹Commercial data services are used by marketing agencies, retailers and others to conduct market analyses. One example of a commercial data service is Claritas, Inc., available online at <http://www.connect.claritas.com>. It provides a wide range of demographic and market reports, updated to the current year with five-year projections. Data can be segmented by traditional census divisions, zip code, or even by geographic coordinates. Reports can be purchased individually, or an annual subscription can be obtained to provide ongoing access and online data retrieval. An excellent source for Bay Area apartment data, including information on numbers of units, average rents and vacancies, is RealFacts, based in Novato, online at <http://www.realfacts.com>.

Population and Employment Trends

Local demand for housing is significantly impacted by population and employment trends. The Housing Element must take these trends into consideration, and analyze what they may mean in terms of future housing needs.

1990-2020 Trends and Projections

ABAG's *Projections 2000* provides projections for the Bay Area through the year 2020 by county and jurisdiction. Informative comparative statistics are provided for:

- Population Growth
- Household Growth
- Average Household Size
- Employed Residents
- Job Growth
- Employed Residents/Jobs
- Percent of Bay Area or County Population
- Percent of Bay Area or County Jobs.

ABAG *Projections* take into account existing local land use controls and are not the same as the RHND.

- **Use Readily Available Demographic Forecasts.** Demographic forecasts and housing projections are available from several sources. The most readily available are ABAG's *Projections 2000* (providing current and 20-year projections in five-year increments) and Department of Finance (DOF) data (released every April, covering birth, death, and migration rates, as well as an annual summary of current housing and household conditions by type, vacancy rate, and household size). However, because ABAG's forecasts take into account local land use and growth policies and because they do not take into consideration the current unmet need for housing, their projections of household growth are often lower than the jurisdiction's fair share of regional housing need as determined in the RHND process. The projections figures should not be used as a substitute for the regional housing need numbers.

- **Consider Population Change Impacts on Housing.** Future housing needs can be significantly impacted by changes in a community's population profile. For example, communities with an aging population will see significant increases in demand for senior housing and related supportive housing facilities, while communities that are experiencing an increase in their family population may see an increase in demand for larger housing units.

- **Determine Job Growth Potential.** The Housing Element should consider local and regional job growth and the associated housing demand and special needs it may generate. This can be done with

ABAG employment projections, supplemented by consideration of local commercial and industrial land availability, economic development plans, and industry-specific trends to identify potential job-generating areas of development.

- **Consider Job Types and Salaries.** To completely and effectively address the jobs-housing relationship, descriptive data on the types of jobs in the area (current and projected) is needed, along with the salary range of these jobs. If detailed employment data is not available, even an anecdotal discussion of typical jobs and salaries in a community can provide information that may be quite illuminating, especially when translated into ability to pay for housing costs. This information can be obtained from local chambers of commerce, local businesses, school districts, and public agencies. Salary data is also available from the California Employment Development Department. *See Appendix D for contact information.*
- **Compare Jobs and Affordability.** If someone works in a community, how likely is it that he or she will also want to live there? The answer to this question is a complex relationship of personal preference, job type, income, commute options, and the relative availability and affordability of housing. Translating employment growth data into housing needs necessitates making several assumptions about the number of two-career households, how many workers per household there are, and the propensity of local employees to seek residence within the community. The jobs-to-housing relationship is a match of quantity, types, income, and affordability.

To guide policymakers, housing providers and the public, the Housing Element should contain tables that translate household income into current monthly housing costs for rent or mortgage payment. The inclusion of comparable county and/or regional data will help provide perspective. Comparison with salaries and the “ability to pay for housing” should also be included.

Income Limits

In addition to an overall housing need, each city or county has a need for housing priced for households with different income levels can afford to rent or buy in the community. ABAG has subdivided its total estimate of housing into four different income groups. Income limits are updated annually by the US Department of Housing and Urban Development (HUD) for each Bay Area county. For many state and local programs, HCD income eligibility limits are used. HCD income limits regulations are similar to those used by HUD. Income categories are defined as follows:

- **Extremely Low Income Households**—earning less than 35 percent of the median income.
- **Very Low Income Households**— earning less than 50 percent of median income.
- **Low Income Households**—earning less than 50-80 percent of median income.
- **Moderate Income Households**— earning less than 80-120 percent of median income.
- **Above Moderate Income Households**—earning more than 120 percent of median income.

The most recent HCD income limits, by county and size of household, are online at www.hcd.ca.gov.

Regional Housing Needs

In addition to local housing needs, every city and county in the Bay Area has an obligation to address the housing needs of the entire region. Given the expansion of jobs into suburban areas, the two-career household, changing commute patterns, and the interdependent economy and society of the Bay Area, the housing needs of the region are now felt in every Bay Area community. State law recognizes the regional nature of the housing market, and requires every city and county to plan for its fair share of the region’s housing need.

ABAG, in accordance with State law, has determined each locality’s fair share of the region’s need for housing, and has divided that need into four income categories of housing affordability. ABAG’s allocations are based on an analysis of the vacancy rate in each city and the existing need for housing it implies, the projected growth in the number of households, the local and regional distribution of income, and the need for housing generated by local job growth. Local housing needs may exceed a locality’s fair share. ABAG has estimated the minimum regional need for housing, not the maximum amount of housing to be built in a community. **The ABAG RHND figures for each jurisdiction can be found on the ABAG website at www.abag.ca.gov.**

Common practice has found many cities and counties treat their regional fair-share allocation as an end point, rather than the starting point, for estimating need. ABAG’s analysis of need is quite thorough, but it may not be complete for many communities. Local governments should compare ABAG’s fair-share numbers with their own calculations to determine the best need estimate. In addition, localities should provide more definition to their need numbers by determining housing needs by type of unit and the residential requirements of special groups or categories.

In the end, determining the housing needs of a city or county requires a combination of data collection, issue analysis, and policy definition, all done while examining ABAG’s fair-share allocations and State law requirements. It helps to make several different estimates of housing needs, and then compare and contrast the results. The involvement of the public and informed parties in the needs assessment can be critical to the policy direction the Housing Element will take.

Counting Units

To determine whether a unit that has been built or approved in your jurisdiction counts towards meeting the current RHND allocation, use the following dates:

- Units built after January 1, 1988, and before December 31, 1998, count towards meeting the previous (1989) regional housing need number.
- Units built after December 31, 1998, as well as currently approved units may be counted towards meeting the new (2000) regional housing need number.

Households and Housing Characteristics

The Housing Element analysis must consider current and projected household characteristics, the condition of the housing stock, and the potential impact on future housing needs. In addition to census data, other more

Housing and Household Characteristics Checklist

- Number of existing households and housing units by type and tenure
- Number of “lower income” households overpaying for housing by tenure
- Number of overcrowded households by tenure
- Number of housing units needing rehabilitation
- Number of housing units needing replacement

The housing element analysis must also consider the special housing needs of various types of households in the community. See page 1-19.

current sources of data should be surveyed. Available information should be analyzed to identify key trends that will affect both near-term and long-term housing needs.

- **Conduct a Housing Inventory.** The “housing inventory” is the number of housing units in the community, broken down by type and size. DOF statistics are usually used as the primary data source, although they should be supplemented by an assessment of local conditions and additional information that may relate the availability or long-term suitability of existing housing units. Issues to consider include units in need of rehabilitation or demolition, in threat of conversion, or subject to overcrowding (as discussed on the next page).

A table listing units by type and size (number of bedrooms) along with a comparison to household size can help identify potential areas of shortfall (e.g., a lack of either large units or of small units). Ownership should also be considered, understanding the housing stock by owner-occupied versus rental. It may also be useful to know whether the owners of rental units reside within the community or elsewhere. Such information is fairly easy to compile using County Assessor database information.

- **Assess Household Formation.** In most Bay Area communities, the greatest need for housing will be generated by local household formation, as children become adults, families form or dissolve, and people move into or out of the area. A projection of household growth is the most basic component of any housing needs analysis. ABAG’s *Projections 2000* provides 20-year projections of household population, broken down by five-year increments. However, ABAG projections do not take into account the current unmet need for housing.

- **Track Vacancy Rates.** Vacancy rates are the most straightforward indicator of existing housing need. The difference between current vacancy rate and the optimal vacancy rates is a good measure of whether the market is responding to overall housing needs. Optimal vacancy rates differ between rental housing and for-sale housing. For rental housing, a five-percent vacancy rate is considered necessary to permit ordinary rental mobility. For for-sale housing, a two-percent vacancy rate is considered the threshold to permit ordinary mobility. If vacancy rates are below these levels, residents will have a difficult time finding appropriate units and competition for units will drive up housing prices.

Although vacancy rate data is provided annually for each jurisdiction by the DOF, these rates are often out of date, and current rates can be difficult to determine. Local realtors may be able to provide an insight on whether the situation has grown worse or better since the last time reliable data was collected. They may also be able to provide information on differences in the vacancy rate by housing type. This can be a valuable indicator of specific areas of unmet housing need (e.g., for large apartment units, single family home rentals, smaller for-sale units, and others).

- **Assess Overcrowded Housing.** The census defines overcrowded housing as any residence with more than one person per room, excluding bathrooms. The amount of overcrowded housing is an indication of unmet housing need, since the lack of affordable housing typically forces people to live in smaller units or to “double up” by sharing housing with other individuals or families.

Unfortunately, the best source of reliable data for overcrowding is the census, and 2000 census data is unlikely to be available in time for the 2001 Housing Element updates. One approach to address this lack of information is to apply the 1990 ratio to a measure of the existing housing stock, supplemented by interviews with local realtors, service agencies (especially those serving low income residents or special needs groups such as farmworkers), and input from residents through the community participation process. To the extent possible, try to assess whether overcrowding is more prevalent among certain household types or in certain neighborhoods.

- **Identify Households Overpaying for Housing.** Determining exactly how many renter and owner households overpay for housing must await completion of the 2000 Census. However, ABAG has calculated the proportion of households in 1990 that paid more than 25 percent of their income for housing. These figures are included in ABAG’s *Housing Needs Determination* and in 1990 Census materials. Localities should apply these ratios to current counts of the number of households to arrive at a current year estimate. In addition, an analysis of housing costs compared to local income estimates can provide a measure of housing affordability and an indicator of potential overpayment. This can be supplemented by interviews with local service agencies and realtors, including financial institutions that provide mortgage loans. They can give their opinion on whether overpayment has grown more common since 1990, perceptions on the current degree of overpayment for some households, and an idea of whether the issue is more prevalent among some groups or in some neighborhoods.

Segmenting Community Housing Need

The Housing Element analysis should identify specific areas of housing need. When data is segmented by income and specific need groups, the analysis will be informative and serve as monitoring tool for program effectiveness. The needs for very low, low, moderate, and above moderate-income housing should be determined for:

- Elderly households (65+)
- People living alone (under 65)
- Young families (under 44 years of age)
- Older families (44-65 years of age)
- Non-family households
- Larger families (5 or more persons)
- Individuals and families who need structurally accessible housing.

- **Assess Housing Affordability.** State law asks for “an analysis and documentation of household characteristics, including level of payment compared to ability to pay” (65583(a)(2)). This requires comparison of resident income levels with the local cost of housing. State law defines a lower-income household that pays more than 25 percent of its income for housing as living in unaffordable housing. The Federal government uses a slightly higher figure of 30 percent of household income as the threshold of housing overpayment.

There are few specifics spelled out by law regarding affordability, although HCD expects a broad treatment of the issue. At a minimum, the number of overpaying households by income limits (particularly for lower income households) must be calculated. Income limits must match those of HCD, and housing prices (for both owners and renters) must match current prices. For information on HCD’s current income limit definitions, go to HCD’s website at www.hcd.ca.gov.

- **Assess Gentrification Issues.** Gentrification (the displacement of low income households by higher income residents) can be difficult to measure without comprehensive, neighborhood level data. However, historical or even citywide analysis of housing prices and rents along with household characteristics may indicate the extent of gentrification in an area and the potential loss of existing affordable housing.

- **Determine Housing Conditions.** The condition of the local housing stock must be documented in the Housing Element, identifying the number of potential substandard housing units (both renter and owner) in need of repair, rehabilitation or replacement. In determining housing conditions and the need for preservation and improvement, 1990 Census data is insufficient. Information from more recent housing condition surveys should be included. *See sidebars Housing Rehabilitation and Replacement and Conducting a Windshield Survey of Housing Conditions.*
- **Quantify Demolitions.** Demolition permits and requests for use changes on existing residential properties can be analyzed to determine the extent to which the existing housing stock is being depleted. Local redevelopment activities and plans might also indicate localized housing losses. In some instances, special surveys may be needed to measure the loss of affordable housing.
- **Analyze Condominium Conversions.** Although condominium conversions can create affordable ownership opportunities for former renters, they can also deplete the number of affordable rental units. As single-family homes become increasingly unaffordable, pressure for conversion of existing rental housing to condominium use may increase. The number of past condominium conversions and an estimate of the number of potential future conversions should be included in the Housing Element.
- **Analyze Cost Controls.** Try to quantify the number of units that are subject to restrictions on their sales price or rent as a result of subsidy programs, deed restrictions, or rent control policies. While State law requires an analysis of assisted housing units eligible for conversion to market rates (*see page 1-34*), a broader analysis of this issue may help identify other potential areas of concern related to long-term affordability.
- **Identify Replacement Housing Need.** As part of the Housing Element analysis, identify the potential number of housing units that may be lost due to demolition, gentrification, or expiring subsidies. The loss of these units aggravates the existing shortage of housing and creates a need for replacement housing. Affordable units can be lost from publicly or privately conducted demolition, natural disasters, a lack of adequate market rate housing (thus creating pressures on the existing stock of housing) or the termination of federal, state, or local subsidies or use restrictions. The number of units that may need to be replaced should be factored into discussions of future housing need.

Housing Rehabilitation and Replacement

The analysis of housing rehabilitation and replacement needs should use both statistical data and local survey results as available. The number of substandard units can be estimated from a field survey or sampling, from builders or non-profit housing organizations or redevelopment agencies, or from updated HUD plans. An estimate of the maximum number of units needing rehabilitation may be derived from other census measures such as percentage of units built before 1940. This may not be a reliable need indicator and should not be the only indicator. Many Housing Elements contain an analysis of the age of housing stock by area, although gentrification may make such an analysis irrelevant.

Conducting a 'Windshield' Survey of Housing Conditions

Conduct a quick visual survey of housing conditions using a simple rating checklist developed in coordination with the local building department. The survey can assess general appearance as well as examine structural components such as building foundation, walls and roof, and other visible conditions such as chimneys, doors and windows, porches and stairs, and gutters. This data can be used to quantify need, identify specific units for repair or replacement, and identify areas to target rehabilitation loans and other programs.

Special Housing Needs

In addition to overall housing needs, cities and counties must plan for the special housing needs of certain groups. State law (65583(a)(6)) requires that several populations with special needs be addressed—homeless people, seniors, people with disabilities, large families, female-headed households, and farmworker households. Some communities may not have all these needs, while others may have additional special housing needs that State law does not identify such as people with HIV, people with substance abuse problems, people with mental health issues, or others. The Housing Element should take into account any local factors that create an extraordinary need for housing, and should quantify those needs as best as possible. If there is a determination that a certain special housing need does not exist, then relevant data documenting the lack of need should be included in the Housing Element or its appendices.

The analysis should both quantify the level of need (providing the basis for establishing specific quantifiable targets to address specific needs) and identify the resources that already exist to serve these households. Potential additional resources that might be made available, either locally or from state or federal sources, should also be identified.

- **Homeless People.** Homeless individuals and families have perhaps the most immediate housing need of any group. They also have one of the most difficult set of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community opposition to the siting of facilities that serve homeless clients.

State law requires that Housing Elements estimate the need for emergency shelter for homeless people. Analysis of the level of need should include an estimate of the daily average number of persons and families lacking permanent shelter. Wherever possible this number should be subdivided into single males, single females, couples, and families. Other important sub-categories to consider include the mentally ill and substance abusers.

To provide a meaningful estimate of the level of need, census data for homelessness must be supplemented by local level data from local service providers and advocacy groups. Sources of data for assessing homeless needs include:

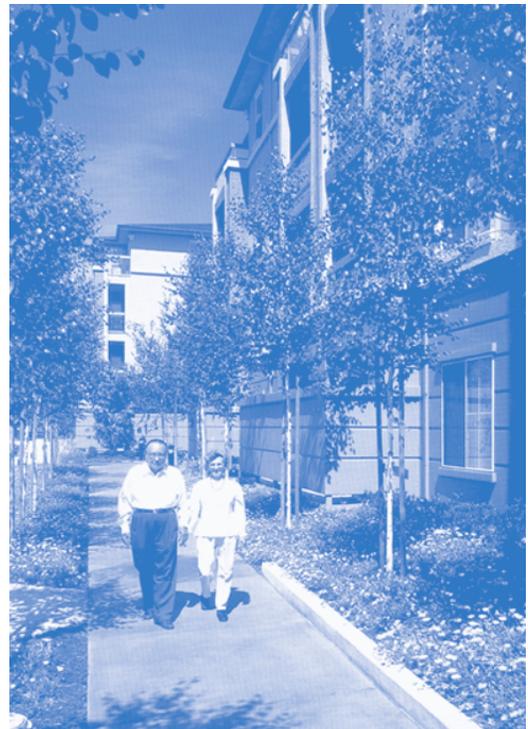
- Continuum of Care Plans and Consolidated Plans (prepared locally to qualify for HUD funding)
- Shelter providers
- Local groups serving the homeless
- Social service agencies
- Churches
- Travelers Aid
- Homeless advocacy groups
- Independent Living Centers
- Police
- Survey of areas frequently used by homeless persons.

See Housing for Homeless People, page 3-52, and Supportive Housing, page 3-60.

- **People with Disabilities.** People with disabilities represent a wide range of different housing needs, depending on the type and severity of their disability as well as personal preference and lifestyle. “Barrier-free design” housing, accessibility modifications, proximity to services and transit, and group living opportunities represent some of the types of considerations and accommodations that are important in serving this need group. Incorporating barrier-free design in all new multi-family housing is especially important to provide the widest range of choice. Doing so is also required by State and Federal Fair Housing laws.

To determine the level of need in the local area, contact local social service departments, advocacy groups, and service providers. If barrier-free design units, supportive housing units, or similar housing opportunities are available through the local Housing Authority or a non-profit agency, a review of their waiting lists may provide some sense of the level of unmet need for these services (although certainly not the only indicator since many waiting lists are “shut” after reaching a certain length). Special consideration should also be given to the issue of income and affordability, as many people with disabilities may be in fixed income situations. *See Housing for People with Disabilities, page 3-55, and Supportive Housing, page 3-66.*

- **Elderly Households.** Elderly households can be defined, in part, by the age distribution and demographic projections of a community’s population. This identifies the maximum need for elderly housing. Particular needs, such as the need for smaller and more efficient housing, for barrier-free and accessible housing, and for a wide variety of housing with health care and/or personal services can be estimated through discussions with senior non-profit organizations, the local Commission on Aging, the Area Agency on Aging, and health care, and senior housing providers. *See Housing for Seniors, page 3-58 and Supportive Housing, page 3-66.*



Parkview Senior Apartments, San Jose Jay Graham

- **Large Households.** Large households, defined in the 1990 census as households with five or more persons, have special housing needs. Large households tend to have difficulties purchasing housing because large housing units are rarely affordable and rental units with three or more bedrooms may not be common in many communities. The Housing Element should include an estimate of the number of large households in the jurisdiction, and the number of for-sale and for-rent units available to meet their needs. If the analysis indicates a shortage of housing units to meet the special needs of large households, then the Housing Element should include a policy and program to address this unmet need.
- **Female-Headed Households.** Female-headed households need affordable housing with day care and recreation programs on-site or nearby, in proximity to schools and with access to services. Households with female heads, like large households, may have difficulty in finding appropriate-sized housing. And despite fair housing laws and programs, discrimination against children may make it more difficult for this group to find adequate housing. The Housing Element should include an estimate of the number of female-headed households in the jurisdiction, and a discussion of their special housing needs. If the analysis indicates unmet housing needs for female-headed households, then the Housing Element should include a policy and program to address that need.
- **Farmworkers.** Farmworkers have a variety of special housing needs in terms of affordability, location, and duration of residence. Although ABAG did not assess the regional need for additional farmworker housing in the Bay Area, certain cities and counties have such a need. Each locality’s Housing Element must either

estimate the local need for farmworker housing or explain its conclusion that no need exists. In either case, relevant data must be included. *See Housing for Farmworkers, page 3-49.*

- **Public Employees.** Public employees can also have special housing needs in communities with particularly high housing costs. Although they may be able to commute from other places in the region, a city or county may want to define its employees as a group with special housing needs, developing appropriate policies and programs to address those needs.
- **Students.** Students may have a difficult time finding affordable housing in communities with universities or colleges. Shared housing and public or private dormitories may meet some or all of students' housing needs. Data on the number of students living in the vicinity without institutionally provided housing can be obtained from colleges or universities. In addition, a community may wish to analyze the housing needs of students returning to their local community.
- **First-Time Homebuyers.** First-time homebuyers may already be assessed in the Housing Element. However, the task of finding an affordable home, meeting down-payment and closing costs, and qualifying for a mortgage may create a special category of housing need. At the least, the Housing Element should estimate the affordability of ownership housing for first-time buyers.

Where to Get Data to Assess Special Needs

- **Homeless People.** Supplement census data from local service providers (e.g., shelter providers, churches, or social service agencies), and advocacy groups. Also examine local "Continuum of Care Plans" or "Consolidated Plans," required by HUD to qualify for federal program funds.
- **People with Disabilities.** The State Department of Social Services may have data from its in-home supportive services program. Additional data sources include county human resources agencies, non-profit developers, independent living centers, the California Protection and Advocacy offices, and the Department of Rehabilitation. Previously, the generally accepted percentage of people with mobility impairments was five percent, and those with hearing and vision impairments was two percent. Both figures are likely to be higher now.
- **Elderly Households.** Census data and ABAG projections provide a breakdown of the population by age, providing some sense of the overall current and projected number of elderly households. Local agencies that serve seniors are also a valuable source of data. Many housing agencies and related service organizations also segment their client lists by age. This can help highlight specific areas of unmet senior housing needs.
- **Large Households.** The 1990 census provides information on households by size, and if compared to the proportional breakdown of housing units by size (number of bedrooms) can generally identify if stock composition is reflective of the household composition. Also useful is an examination of vacancy rates by unit size, broken down by owner-occupied and rental. A very low vacancy rate for larger units may also indicate unmet need. Sources for vacancy rate information include census data or data services such as RealFacts (for apartment rentals, at <http://www.realfacts.com>). Supplement through interviews with local realtors as well as reviews of local real estate and rental listings.
- **Female-Headed Households.** The 1990 census can provide a proportional figure of female-headed households. More current estimates of low-income, single-headed households may be using county-level data on Aid to Families with Dependent Children recipients.
- **Farmworkers.** Numerical estimates of migrant farmworkers are available for the Employment Development Department, each country's local Farm Bureau office, the Departments of Housing and Community Development's Office of Migrant Services, or local school districts.
- **Public Employees.** Data on the number and wage scales of school teachers, police and fire personnel and other public employees is readily available to any local government. Information can be obtained from the California Employment Development Department (on-line), HCD, local jurisdiction, and school districts.
- **Students.** Data on the number of students living in the area or community is generally available from local universities or colleges.
- **First-Time Homebuyers.** First-time Homebuyer information can be gathered from local realtors and financial institutions.

Land Inventory, Zoning, and Public Facilities

One of the most important analyses in a Housing Element is the inventory and analysis of sites that are available for housing development. A land inventory should be conducted to locate sites suitable for residential and

Location Factors in Assessing Potential Affordable Housing Sites

Below are factors to consider in identifying potential sites for low and moderate income housing:

- Access to transportation, shopping and jobs (and the potential for reducing on-site parking requirements).
- Cost. Some sites may be prohibitively costly, while others (such as school sites and other publicly-owned sites) may offer unique opportunities.
- General Plan and zoning restrictions, and surrounding land use compatibility. Sites with multi-family zoning and/or no serious physical constraints to development are ideal.
- Topography factors (grading, access, drainage, etc.) that can substantially increase costs.
- Environmental factors that might make development prohibitively expensive or undesirable.

mixed-use development based on current zoning and to determine the amount of housing likely to be built on those sites. Furthermore, a thorough inventory makes possible an analysis of the residential holding capacity of a community and indicates both the problems and possibilities for new housing.

The land inventory should include not just vacant residential land, but also sites currently planned or zoned for some other use, but nonetheless suitable for housing, as well as residential sites that are under-utilized and/or potential candidates for redevelopment at higher densities. Housing site opportunities may include publicly-owned surplus land; aging non-residential land uses that are candidates for re-use as residential sites; under-utilized residential, commercial, and industrial land; and areas with mixed-use potential.

- **Establish Criteria for Identifying Housing Sites.** Criteria should be established to determine whether a site is available and suitable for residential development. Issues to consider include: (1) the site's zoning; (2) whether the site is sufficiently served by public facilities such as sewer and water; (3) the slope and topography; (4) whether there are environmental barriers to development, such wetlands or toxic contamination; and (5) community needs, broadly defined.

Non-profit housing developers can be a valuable resource in defining criteria and identifying potential sites for affordable housing, taking into consideration issues such as location, density, and site criteria that might be used by potential funding agencies or programs.

- **Inventory Potential Sites.** Conduct a site inventory to identify possible residential development sites, taking into consideration vacant sites, under-utilized sites, and potential redevelopment or re-use sites. Opportunities such as mixed-use, second units, infill development, and air rights development should also be considered.
- **Identify Appropriate Sites for New Housing.** Sites for new housing must be identified in the Housing Element. State law (65583(a)(3)) requires the land inventory to identify and categorize specific housing sites by vacant land versus redevelopment land, and to note the current or proposed zoning and availability of infrastructure. Importantly, the inventory must distinguish the total capacity for multi-family and single-family housing construction. In addition, development opportunities need to be identified for rental housing, factory-built housing, mobile homes, and emergency shelters and transitional housing for homeless individuals and families.

Common sense and State law require that only those sites that are **suitable** for housing be considered. Is the identified site a good place for people to live? The proximity, availability, and capacity of existing services will help determine the suitability of residential land, as will any factors or constraints that might limit or discourage housing development.

- **Analyze Public Facilities and Infrastructure Availability.** The analysis of public facilities should specify the availability of water, sewer, transportation, parking, and other infrastructure for the identified sites in each category.
- **Calculate Residential Development Potential.** Residential development capacity is the theoretical maximum number of housing units that could be built on the sites that have been identified, broken out by zoning category. The inventory should include definitions of the residential land use and zoning categories, including density ranges. For each category, the analysis should specify the amount of vacant acreage and the amount of acreage with potential for redevelopment or recycling, including the permitted and potential densities of the sites.

It is very important to assess the **realistic capacity** based on zoning and development standards. The analysis should consider historical land use patterns, densities, and trends, and indicate which sites are developable “as-of-right.” When zoning establishes a potential density range for a land use, HCD recommends that estimates of development potential be based on recent development trends and the realistic density considering applicable development standards.

The analysis should also describe non-residential land resources and the potential for mixed-use zoning. For redevelopment sites to be considered, the local government must demonstrate that such land reuse will actually take place.

To count housing sites that are planned, but currently outside the jurisdiction’s legal boundaries, a pre-zoning and annexation program must be in place.

Techniques for Inventorying Sites

- **Land Use Maps.** Scaling a current land use map with a planimeter is the least expensive technique to compile data on land quantities. However, information on a site’s physical attributes and environmental constraints are difficult to capture using this technique.
- **Aerial Photography.** Vacant land can be pinpointed and descriptive information obtained from recent aerial photographs, which is typically available through the jurisdiction’s planning department. However, identifying underdeveloped land is more time-consuming, requiring calculations of existing and allowed zoning setbacks and/or floor area ratios to help estimate the extent to which a property might be further developed.
- **Tax Assessors’ Files.** Tax records have land use codes that indicate the development status of each parcel. An assessed value of “zero” for improvements identifies vacant land. This information must be mapped or field-verified.
- **Surveys.** For smaller jurisdictions, a field canvas of vacant land is perhaps the most informative technique. Specific details of the parcels as well as the surrounding area can be recorded.
- **Geographic Information Systems (GIS).** A GIS can be valuable for developing and managing a land use inventory and related data, allowing for very quick and efficient evaluation of residential development potential. If a GIS is available within the jurisdiction, it may be worthwhile developing new data layers to assist in ongoing housing analysis and monitoring activities. However, building a GIS from scratch is a very time and resource intensive activity. A GIS also requires ongoing systems and data management structures and procedures. Once land use plans and existing conditions data are completely integrated within the GIS, it will support a wide range of analyses that can inform policy-making and long-range planning activities.

- **Compare Development Potential to the Regional Housing Needs Determinations.** In addition to identifying sites that are available, served by infrastructure and zoned for multi-family development by right, the Housing Element must indicate that there are enough sites to accommodate the community's share of the regional housing need. This is one of the most important parts of the Housing Element because it obligates the community to zone sites at high enough densities to make the development of a affordable housing feasible.

HCD will pay particular attention to the identification of housing sites, focusing on the following two questions:

- **Total Need:** Can the realistic development capacity of suitable land, which is or will be served by infrastructure, accommodate over the timeframe of the Housing Element the locality's total new construction need?
- **Need By Income Category:** Are these currently available sites zoned for a variety of housing types and densities to facilitate the development of housing to meet the locality's projected need by income category?

A shortfall exists when the amount or variety of a jurisdiction's residential development capacity is less than its new construction need for any income level. In such a case, the Housing Element should include a program to increase development capacity to meet the need. (*See Ensure Adequate Sites on page 1-10.*) This should also link with the Housing Element's constraints analysis, taking into consideration the local policies and non-governmental constraints that might limit a community's ability to provide housing or to realistically expect housing to be built. These might also suggest potential housing programs to capitalize on existing opportunities and reduce or eliminate barriers to all types of housing development.

- **Present the Inventory Results in a Clear and Useful Format.** Present the land inventory results in a format that is easy to understand and potentially useful to policymakers and the public. Develop a map of all available land as part of the land inventory and include it in the Housing Element. A written inventory accompanying the map should indicate the size, General Plan designation, zoning, housing types possible, development status, and availability of key public facilities and services. The map and survey information will assist developers in identifying potential development. Data on land ownership might also be useful if the jurisdiction decides to undertake a land-banking program.
- **Identify Possible Governmental Actions.** Consider possible General Plan amendments, rezoning and other public actions to make sites available during the timeframe of the Element.

Alternative Methods of Identifying Sites

According to State housing law (§65583.1), HCD is authorized to allow identification of sites by a variety of means, including:

- **Redevelopment, Rezoning, and Annexation.** Sites with the following redevelopment potential may be considered in the inventory: mixed use zoning, second units, recycling of developed land to residential use, and increasing densities of under-utilized land.

HCD will also, in some circumstances, permit a community to identify sites by an implementation action that results in rezoning vacant, non-residential land or in annexation of land for residential use. This site type inclusion is only appropriate if the implementation action includes a requirement that the rezoning or annexation occurs in sufficient time to permit development during the five-year period of the Housing Element.

- **Military Base Reuse.** Sites may include, in limited circumstances, permanent housing units on military bases undergoing closure. The sites must be available during the period of the Housing Element and sites designated for demolition or conversion do not qualify.
- **Rehabilitation, Acquisition, or Subsidy.** Sometimes dilapidated housing rehabilitation or preservation or conservation of units is an acceptable method for increasing housing supply, even though the primary purpose of the Housing Element obligation is to *increase* the housing supply. This section of the housing element law (65583.1(c)) is quite intricate, and any jurisdiction attempting to utilize the provision should consult HCD's interpretation letter of October 26, 1998 (available upon request from HCD). In summary, the provision permits HCD to allow communities to subtract from the number of sites they must identify in any income category by the number of units provided by "committed assistance" to rehabilitate dilapidated units, convert non-affordable units to affordable units, or preserve existing affordable units during the Element's time frame. If the committed assistance is not provided by the third year of the Housing Element period, the Element must be amended by the fourth year to identify adequate sites to accommodate the number of units that were not provided. Units that are eligible for consideration include:
 - *Rehabilitated Units (§65583.1(c)(2)(A)).* To qualify, rehabilitated units must be extremely dilapidated, any tenant must be provided with full relocation benefits and the right to reoccupy, and the units must remain affordable for 20 years. However, affordable units between 10 and 20 years may be counted on a 1 to 3 basis; i.e., for every three units rehabilitated, one unit may be subtracted from the regional needs.
 - *Market-Rate Units in Multi-family Complexes (§65583.1(c)(2)(B)).* Rental complexes of 16 units or more are eligible, if they are non-affordable and unoccupied by low or very low income households and are converted to units available and affordable to low or very low income households for 30 years through acquisition or the purchase of "affordability covenants."
 - *Preservation Units (§65583.1(c)(2)(C)).* A community may receive credit towards their site identification obligation, if existing government subsidized units are preserved for a period of at least 40 years through acquisition or the purchase of affordability covenants.

Governmental Constraints and Efforts to Remove Them

Even if the community has enough sites to address its housing needs, governmental constraints—in the form of building standards, fees, conditional use permit procedures, design review, and protracted processing—can present significant barriers to housing development in general, and a significant impact on affordability in particular.

Comparison with Other Jurisdictions

Comparing regulations with neighboring or similar jurisdictions may illustrate whether local ordinances and practices exceed what is typical. If jurisdictions selected for the comparison also have excessive regulations or standards, the comparison may not conclude appropriately. Comparisons should be supplemented by input from developers, building officials, and neighborhood groups, and/or issue surveys of the county, region or state. For example, Walker Parking Consultants conducts a periodic survey of parking standards used by California cities (*California Cities Parking Standards*, May 2000) that can provide a basis for comparative analysis.

The analysis of governmental constraints is an extremely important part of the Housing Element. It should evaluate local regulations and development practices to determine their potential impacts on housing availability and affordability. While these regulations were probably adopted to protect community character, some of them may inadvertently affect housing availability or affordability, or may encourage the loss of existing affordable housing, contrary to community goals.

The Housing Element should examine potential constraints to new construction as well as any local policies and practices that may deter building maintenance or improvement. Specifically, the analysis should consider the following issues.

- **Land Use Controls.** Zoning and development standards usually create the most significant housing constraints in a city or county. Local design regulations such as height limits, setback requirements, subdivision standards, street-width minimums, lot coverage maximums, cumbersome review or approval processes, and extensive public hearing requirements may deter, slow, or prevent needed housing development. Parking, open space, and other requirements can also add significantly to the cost of development, impacting housing affordability.

A table format is an effective method for summarizing development standards, listing relevant zoning districts by row, and identifying standards in the columns—e.g., height, setback, Floor to Area Ratio (FAR), and parking. Focus on identifying potential roadblocks to higher density housing development or specific programs which the community may be relying on to provide lower income housing.

Key questions to consider are:

- Do the land use designations allow for a range of housing types?
- Are there enough land use and density categories and do they match well with the local need for housing?
- Do growth limitations unduly restrict housing development?
- Do zoning and subdivision requirements match the best possible use of particular sites or areas?
- Have local constraints on the supply of new housing forced up prices on existing housing?
- Do project mitigations result in housing being built at less than the allowed site capacity?
- Do high fees or other exactions result in high-end, rather than lower-cost, housing being constructed?

- Are open space requirements compatible with standards used in other communities?
- Do zoning and land use laws pose illegal barriers to any of the populations protected by the fair housing laws, such as families with children, minority groups, low and very low income households, or individuals with disabilities?
- Do parking requirements accurately reflect parking need? For example, the demand for parking in multi-family housing may be lower due to income, or proximity to transit, shopping or work.
- Does parking have to be enclosed? Covered? Decked?
- Do parking standards for mixed-use impose an impediment or incentive for housing?

For communities that are “entitlement” jurisdictions (for purposes of Community Development Block Grant/HOME funds), a good starting point for information on local land use controls and constraints is the “Analysis of Impediments to Fair Housing Choice (AI)” that must be submitted to HUD as part of the community’s Consolidated Plan to qualify for funding.

- **Building Codes and Enforcement.** Building codes and their enforcement may also constrain the development or preservation of affordable housing. Local building code or housing code revisions that enhance construction standards in excess of the Uniform Building Code (UBC) may act as an unwarranted constraint on residential development. Enforcement of those codes can also have a negative impact on affordability if older dwellings built under less demanding codes are required to meet new code requirements when remodeled or otherwise inspected. Although they

may become safer, the improvements may be too expensive. However, combining code enforcement with financial assistance for rehabilitation can preserve the affordability of such housing.

Key questions to consider:

- Are building codes and related standards adequately described to determine whether they may pose an impediment to achieving a specific program target?
- Can you achieve maximum density once the standards have been applied?
- Are there any amendments to the UBC in the local code?
- Are there special seismic issues or requirements? Special roofing requirements for fire safety? What are the impacts of these requirements on affordability?

Requirements of State and Federal Fair Housing Laws for Land Use and Zoning

In addition to protecting certain classes from discrimination in the sale and rental of housing, State and Federal fair housing laws also prohibit local governments from discriminating in the exercise of their land use and zoning powers. Those protected include not only the traditional classifications, but also the developers and occupants of low and moderate income housing, transitional housing and emergency shelters. **Any local law or policy that treats subsidized housing or the low income occupants of subsidized housing differently than market-rate housing or its occupants violates these laws** (with the exception of laws that give preference to such housing or groups). Consequently, the Housing Element should address both discrimination in the sale and rental of housing and in the land use laws, policies, and actions of the local government.

Local governments should also keep in mind that the fair housing laws prohibit policies, ordinances, and actions that have a **discriminatory effect** on the protected groups as well as those that intentionally discriminate. An outwardly neutral practice—such as a prohibition on the development of multi-family housing—could violate the fair housing laws, if the exclusion of multi-family housing falls disproportionately on minority households, low income households, families with children, or individuals with disabilities.

- Do codes allow use of alternative building designs and construction materials?
 - Do codes incorporate universal adaptive design features, as described in state and federal Fair Housing laws?
 - Is there a process for enforcement?
 - Are inspections and enforcement activities for existing housing coordinated with information and technical assistance on rehabilitation resources?
 - Consistent with State Housing Law, is rehabilitation allowed using materials and methods as of the date of original construction, unless a health or safety hazard would result?
- **On- and Off-Site Improvement Requirements.** Local governments must demonstrate a “reasonable relationship” between the conditions imposed on a development and the development’s impact. Imposing excessive off-site development requirements, such as putting existing overhead utility lines underground, curbing requirements, street widths, circulation capacity improvements, off-site drainage improvements, and excessive street improvements can work against achievement of affordable housing goals. Deeded parking, for example, while possibly desirable for infill development, may end up posing an exorbitant cost constraint for a lower income affordable housing development. Key questions to consider:
- Are reduced street widths, rights-of-way, and sidewalks possible?
 - Is higher density infill housing proposed in areas where adequate infrastructure capacity currently exists?
 - Are off-site improvement costs excessive?
 - Has there been input from non-profit and for-profit housing developers in reviewing minimum development standards?
 - Are there other potential funding sources for infrastructure improvements so that impact fees for affordable housing developments can be reduced or eliminated?
- **Fees and Exactions.** Local jurisdictions seek to recover their development processing costs by charging line-item fees for application processing, inspections, and installation services. These fees are limited by California law to the cost to the agencies of performing these services. A review of similar jurisdictions can provide a basis for determining the appropriateness of permit fees and land dedication or other requirements imposed on developers. HCD maintains a chart of typical fees. Planning and infrastructure fees—both those applied by the jurisdiction and other agencies (e.g., sewer, water, schools)—should be reviewed to determine their impacts on affordability. It can also be useful to list a sample development fee schedule to illustrate what the total fee impact would be on the ultimate unit cost.

Key questions to consider:

- Are the fees higher than what is typical based on the HCD chart?
- Are multi-family and single family fees appropriate?
- Are there fee waivers or other incentives for affordable housing developments?
- Are fees, exactions, or development standards reduced or waived to facilitate a particular type of development, such as infill affordable housing within urban growth boundaries (UGB)?

- Can fees be paid upon certification of occupancy rather than building permit issuance?
- Is there a process for periodic review of fees and exactions?
- **Processing and Permit Procedures.** There are many factors that relate to development processing, including whether the review process is efficient and whether it results in desirable outcomes for the community (e.g., a development that “fits in” with the surrounding neighborhood and which meets affordability criteria). Processing time is also dependent on whether an EIR is required.

The focus of the Housing Element analysis should be on the jurisdiction’s discretionary review requirements. Typical processing times should be summarized, with an analysis of potential actions that might reduce the processing time for residential developments. *Raising the Roof: California Housing Development Projections and Constraints* (May 2000) provides a number of case studies on processing time and requirements for single family and multi-family developments throughout California.

Key questions to consider:

- Is there an expedited permit process for desirable developments (such as affordable housing), including inter-active pre-application conferences, one-stop consolidated permit processing, and effective interdepartmental coordination?
- Are conditional use permits required for multi-family developments in multi-family planned and zoned areas, or for affordable housing developments?
- Are allowances provided for the combined processing of certain applications, such as zoning and subdivision map requirements?
- Are design review requirements excessive? Do they facilitate or delay development review? Are there opportunities to raise design issues early in the review process?
- Are design guidelines explicit and clear?
- Are planned unit developments (PUDs) required and, if so, how much longer do they take to process?
- Are developers encouraged and assisted to meet with neighborhood residents at an appropriate time in the process, thus helping build acceptance for the development proposal and reduce delay due to appeals and other forms of community objections?
- **Urban Growth Boundaries and Growth Management.** The majority of California cities and counties have adopted one or more growth control and/or growth management measures. The purposes of these measures vary from saving open space, requiring concurrency for infrastructure to limiting growth rate or volume. What they have in common is that they place some form of restriction on the development process. The Housing Element must consider the potential impacts of these restrictions on housing availability and affordability, as well as the jurisdiction’s ability to meet its housing need (both in terms of overall capacity and the availability of adequate sites).

“Growth controls” typically include caps on the number of housing units that can be built in a certain period, directly restricting the quantity and pace of new development. In these situations, the Housing Element must demonstrate the ability to meet the jurisdiction’s housing need numbers. Even if the total need and need by income category can be accommodated based on available land, the Housing Element must also demonstrate that the process can actually result in permitting of the number and types of units identified. Thus, both the “numbers” issue and procedural issues must be reviewed and discussed to demonstrate that the needs can be met.

“Growth management” measures are somewhat different. Rather than restrict supply, they may limit development in certain areas, establish a priority processing system (with development rating criteria), or impose mitigation requirements. Adequate public facilities ordinances, urban growth boundaries (UGBs), urban service boundaries, and growth phasing requirements are various forms of “growth management” used by local governments.

Key questions to consider:

- Does the Housing Element look at the relationship between all jurisdiction policies and the cumulative effects they may have in achieving a jurisdiction’s housing needs?
- Are there complimentary policies—such as proactive efforts and incentive to promote redevelopment, intensification and higher densities—to encourage and/or facilitate affordable housing development inside the UGB or infill areas?
- What is required to move the UGB or to modify an ordinance?
- Are overall strategies presented in a way that clarifies how housing needs will be achieved with the growth management system?

The Impacts of NIMBYism

Perhaps one of the biggest obstacles to the development of affordable housing is the strong “Not In My Back Yard” (NIMBY) sentiment of some local residents. While the impacts of NIMBY sentiment are difficult to quantify and analyze, they do exhibit themselves in various ways: in overly restrictive growth management systems, unnecessary processing delays, and excessive permitting procedures. Indicators of NIMBY impacts may also be evident in the number of times that staff recommendations for development approval are overturned by planning commission or council, or the rate at which proposals for affordable housing development are approved in comparison to the rate of approval for other types of development proposals.

While State law does not require an analysis of NIMBY impacts, it may be an important factor to consider when developing housing programs and actions. If resident sentiment is the biggest obstacle to the development of affordable housing, it may indicate the need for community education programs to help local residents understand and appreciate affordable housing, including the people it serves, the quality of recent affordable developments in the area, and the tremendous need in the community. It is also important to help people understand that high density housing can also be high quality housing through good design and professional management. Other programs and actions to address NIMBY impacts might include streamlined permitting procedures, “by right” zoning designations that eliminate the need for conditional use permits and limit discretionary reviews, and/or new or revised design guidelines to reduce the subjective requirements that might be imposed on a development proposal.



Non-Governmental Constraints

Non-governmental constraints can be just about anything outside the purview of government that negatively impact “the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction” (65583(a)(5)). Clearly, the potential list of all constraints on development could be quite long, and could include information on national economic conditions and regional geology. However, this analysis will be most useful if it focuses on non-governmental constraints that local policies or programs can correct, or at least those constraints that local efforts will have to adapt to or overcome.

- **Land Costs.** The cost of land varies considerably between and within jurisdictions. Market factors, especially the desirability of the location, play the dominant role in setting property values. Local land costs can be difficult to determine, but a review of listings with the assessor’s office and discussions with local developers or real estate brokers can provide some basic understanding. Non-profit developers or public agencies with local development experience can also supply or verify land cost data, which is usually best expressed on a per square foot basis.

One likely conclusion that will be drawn from this analysis is that high land costs are a significant constraint to the development of affordable housing. This unsurprising fact should be used to point out the value of programs that make publicly-owned surplus sites available for affordable housing, policy changes that may increase the opportunity for housing development on lower-cost land, and the role that density plays in distributing land costs over a larger number of units. The Housing Element should also make use of land cost data to identify the best locations for development of lower-cost housing.

Key questions include:

- Where are the lowest land costs in relation to the greatest area of need?
 - What impact do higher densities and/or proximity to transit and municipal services have on land costs?
 - What price differences exist between multi-family and single-family zones?
 - What price differences exist between land designated for housing and non-residential land that might be suitable for housing?
- **Construction Costs.** Housing construction costs also constrain the amount and affordability of new housing. However, the cost of construction varies with the type of new housing and the way it is built. The Housing Element should identify and compare these building costs. In particular, the analysis should focus on the relationships between construction costs, density and type of building. An actual calculation of such costs can be used to set zoning categories and design standards to encourage the development of the lowest cost housing. Again, local builders and non-profit developers can help supply the necessary data.

Generally, wood frame construction at 20 to 40 units per acre is the most cost-efficient method of residential development. This is generally the minimum level that HCD considers appropriate for sites that have the potential to deliver lower and moderate income units. However, local circumstances of land costs and market demand will impact the economic feasibility of construction types. The cost benefits of manufactured and pre-fabricated housing should also be noted in the Housing Element.

In addition, the Housing Element should look at construction costs for single family and multi-family, and whether there is a relationship to building standards. Specific factors to be analyzed include per square foot and per unit information for:

- Land and related costs
- Off-site development costs
- Fees
- Design
- Onsite development costs
- Building construction costs
- Marketing and selling costs
- Financing and carrying costs.

How Many Units Can You Afford?

The calculation of development and construction costs done during the constraints analysis can then be used to design programs that use local funds. How many units can be built or rehabilitated with the funds available? How much “leveraging” of local government funds can be reasonably expected? What is the most cost effective approach?

- **Availability of Financing.** The limited availability of financing may also constrain housing development and conservation. Clearly, mortgage interest rates will influence homebuying, although local governments can offer some financing assistance to help minimize the impact of high rates. Additionally, it may be important to assess the local availability of real estate financing. All banks are required to keep accurate records on lending practices in all areas. Additional insight on housing finance can be gleaned from real estate agents, local builders, and non-profits.

If specific areas or types of housing appear to have more difficulty obtaining funding, it should be documented in the Housing Element. For example, if mixed-use and infill development is a big part of a jurisdiction's program to meet housing needs, then the sites and constraints analyses must be interwoven.

Key questions include:

- Do rental housing developers have difficulty in obtaining loans?
- Do lenders not make loans to homebuyers or developers in certain neighborhoods? If not, why not?
- Is a program feasible from a financing standpoint and is financing available? It should be noted that more banks are now supporting mixed-use housing, especially in larger cities.
- Do standards help facilitate development such as allowing for shared parking?
- Are there developers, including non-profit housing developers, who have the credibility and experience to obtain financing for the types of developments, especially affordable housing developments, that the jurisdiction would like to see built?

Opportunities for Energy Conservation

The Housing Element should assess the subsidies and incentives available from public and private sources for energy conservation. It should also identify any potential changes to local building codes or design guidelines to increase energy conservation. However, any consideration of increased building code standards should address the potential constraints such changes may place on affordable housing development in the form of increased costs. *See Energy Efficiency, page 3-33.*

Assisted Housing Eligible for Conversion

The expiration of housing subsidies may be the greatest near-term threat to California's affordable housing stock for low-income families and individuals. Rental housing financed 30 years ago with federal low interest mortgages are now, or soon will be, eligible for termination of their subsidy programs. Owners may then choose to convert the apartments to market-rate housing. Also, HUD Section 8 rent supplements to specific rental developments may expire in the near future. In addition, state and local subsidies or use restrictions are usually of a limited duration.

The Housing Element should identify all federal, state, and local subsidized housing in the community, note when the subsidies expire, and determine the cost of replacing that housing.

Specifically, the description and analysis of potential "at risk" developments should include:

- **Number of Units.** An inventory of the units subject to potential expiration.
- **Comparative Cost Analysis.** Analysis of the costs for preserving versus replacing the units.
- **Acquisition Opportunities.** Consideration of potential acquisition options by public and/or non-profit entities.

- **Potential Funding Sources.** Identification of potential local, state and federal funding sources. Because of the complexity of this issue and ongoing changes to program requirements, jurisdictions are encouraged to seek assistance from qualified authorities. HCD has collaborated with the California Housing Partnership Corporation (CHPC, *see sidebar*) to produce a resource document on this issue, and CHPC is available to provide technical assistance to local jurisdictions.

Also, *see Preservation of Affordable Housing, page 3-105.*

California Housing Partnership Corporation

The California Housing Partnership Corporation has issued a thorough list of the federally subsidized housing that is at risk of conversion to market-rate. The inventory reports, sorted by county, are for privately-owned low-income housing developments and can be used by local planners and housing advocates to identify housing that may become unaffordable to low income households. Project names, addresses, owners, number of units, and types of HUD subsidy are listed. The California Housing Partnership Corporation was created by the state legislature to address this concern by providing technical resources to property owners, tenants, and communities interested in preserving the supply of affordable housing.

Additional Requirements for Coastal Zone Communities

State law requires that communities in coastal zones take into account the affordable housing provided or required pursuant to coastal zone affordable housing mandates. These obligate the protection of existing units occupied by low or moderate income households (including mobile homes and residential hotels), limiting the demolition or conversion of those units. It also requires that the Housing Element's review of coastal zone obligations include, at a minimum:

- The number of units approved for construction after January 1, 1982.
- The number of affordable units required to be provided either within the coastal zone or within three miles of the zone.
- The number of units occupied by low and moderate income households authorized for demolition or conversion since 1982.
- The number of low and moderate income units required, either within the coastal zone or within three miles of it, to replace those units demolished or converted.

DEFINING GOALS, POLICIES, PROGRAMS, AND OBJECTIVES

The Goal-Policy-Program-Objective Framework

State law requires that the Housing Element define goals, policies, programs, and quantified objectives for the maintenance, improvement, and development of housing. Goals and policies should provide a clear statement of what the community hopes to accomplish with its Housing Element. A Five Year Action Plan identifies the specific actions and programs for implementing each policy with quantified objectives to specify the number of units to be built, rehabilitated, or preserved and the number of households to be assisted for all economic segments in the community.

The State-mandated framework for responding to housing needs has four components:

- **Goals** are general statements of values or aspirations held by the community in relation to each issue area. They are the ends toward which the jurisdiction will direct its efforts.
- **Policies** are more precise expressions of the community's position on particular issues, or how particular goals will be interpreted or implemented. Policies may include guidelines, standards, objectives, maps, diagrams, or a combination of these components.
- **Implementing Programs** are the third and most dynamic part of the Housing Element. They are presented in a *Five-Year Action Plan* (see page 1-38), presenting specific actions that the jurisdiction or other identified entities will undertake to address policy issues and move closer to the community's goals. These might include ongoing programs sponsored by the jurisdiction (e.g., a rehabilitation loan program), discrete time-specific actions (e.g., adopt an ordinance or establish a housing trust fund), or further planning actions (e.g., develop a specific plan).
- **Quantified Objectives** are the fourth and final component of the Housing Element framework. They establish short-range targets to achieve the Housing Element's goals by identifying the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over the five-year period. They should represent realistic yet aggressive targets that will guide program implementation and serve as the basis for ongoing monitoring and evaluation.

Because the community's total housing needs may exceed available resources and the community's ability to satisfy those needs, the quantified objectives do not need to be identical to the total housing needs (although significant discrepancies must be discussed). To the extent possible, quantified objectives should be established not only for the overall Five-Year Action Plan (by income category and by type of activity: construction, rehabilitation, conservation, and assistance), but also for specific programs and areas of special housing need.

Sample Housing Element Outline

Introduction

- Purpose
- Housing Element Requirements
- Preparation Process
- Consistency with Other General Plan Elements

Background Analysis

- Population and Employment Trends
- Household and Housing Characteristics
- Special Housing Needs
- Assisted Housing Eligible for Conversion
- Available Land Inventory
- ABAG Housing Needs Determinations
- Potential Governmental Constraints
- Potential Non-Governmental Constraints
- Opportunities for Energy Conservation
- Assessment of Current Housing Element

Housing Goals, Policies, Programs, and Quantified Objectives

- Goals
- Policies
- Five Year Schedule of Implementation Actions
- Quantified Objectives

Strategic Alternatives, Goals, and Policies

The formulation of goals and policies must consider and address the housing needs, resources, and constraints that were analyzed for the Housing Element. **There should be a corresponding goal and policy for each housing need, resource inadequacy, and constraint identified in the assessment section of the Housing Element.**

The review of housing needs, resources and constraints, and determination of specific goals and priorities for the Housing Element should be the focus of the community participation program of the Housing Element process. This provides an opportunity to educate and involve local residents and key stakeholder groups in understanding local housing needs and defining local goals in response to those needs.

Through a participatory approach, the Housing Element process can help build support for future program implementation and housing development that responds to community needs and priorities. *Section Two of Blueprint 2001* focuses on issues and guidelines for ensuring a successful community participation process.

What policy changes or programs are needed?

To translate needs into goals and policies, it is helpful to first consider strategy alternatives. This can help ensure that the policy approach taken in the Housing Element is consistent with other community goals and priorities, and provide an opportunity for local residents to first consider the trade-offs between alternative approaches at a general level. For example, community discussions related to potential housing policies and programs might first develop and consider “big picture” strategies such as:

- Give priority to meeting the needs of low-income families, since they represent the most significant area of unmet need.
- Focus housing development in the downtown area to promote higher densities and levels of affordability and to create a more vibrant city center.
- Promote a broader mix of housing types in all areas of new development.
- Encourage the development of second units in a particular area of town to provide new housing opportunities and improve the utilization of large properties.
- Encourage programs, services, and innovative housing designs to respond to special housing needs in the community, including groups such as seniors, people with disabilities, farmworkers, and homeless people.

Once a list of potential strategy alternatives is developed, community discussions can focus on evaluation of the relative merits of each alternative, resulting in a short-list of priority housing strategies. With general consensus on these key strategies, it will be much easier to define specific goals, policies and programs.

In developing and evaluating potential strategy alternatives, and subsequently defining specific policies and implementing programs, the following should be conducted:

- **Review Past Program Performance.** Past program performance offers the quickest and easiest program direction. What works and why? What did not work and why not? Look at the housing that has been built: what did the local jurisdiction do to make it happen, and how can more of it be encouraged? What programs does the city or county currently have for the provision of affordable housing? Do they need expansion, revision, or replacement?
- **Link Housing Goals and Policies with Social Program Needs.** Respond to the unmet housing needs of groups that require special facilities and/or services, since the private housing market rarely serves these groups well without some form of incentive, subsidy or regulation. Who is most in need of housing? Who is not being served by local programs? Who is being forced out of a community, or kept from moving in, because of high housing costs? What programs will assist them? Give special consideration to potentially hidden or marginalized groups, and to the special needs of various sub-groups (e.g., the housing needs of seniors or people with disabilities vary widely—no single type of facility or housing will meet all the needs).

- **Respond to Community Input and Priorities.** Housing plays a key role in community livability and sustainability. Define housing strategies that support other community goals and priorities while also responding to unmet housing needs. Also, consider the input and recommendations of non-profit developers, homebuilders, service providers, and community representatives. They have valuable experience and perspectives that go beyond “the numbers.” Strategies and programs that respond to their interests and concerns are more likely to have local political support for adoption.
- **Capitalize on Opportunities.** The Housing Element analysis may have highlighted specific opportunities that exist within the community, such as a key vacant site, a major re-use opportunity, or a large area of substandard housing. Can public sites, vacant land, or under-utilized lots support new housing? What policy changes or programs are needed to make housing possible on those sites and/or supply the subsidies necessary to make them affordable?
- **Define What Land Use Changes Would Make Housing More Available and Affordable, Either on Existing Sites or on New Ones?** These may provide opportunities for new housing initiatives that can respond to community needs and contribute to meeting other community planning goals as well.
- **Remove Constraints.** The Housing Element should provide a program to remove or overcome each constraint identified. This is especially true for local governmental regulations, policies, and practices that deter housing development and preservation. Why do those constraints exist? How can they be eliminated or modified? In dealing with those constraints that are not within the scope of a city or county, a community needs to design programs that recognize, adapt to, and/or overcome these barriers.
- **Expand the Available Pool of Resources.** The Housing Element is an opportunity to expand the potential resource base for housing by considering the full range of potential funding sources.
- **Identify Ways to Collaborate with Non-Profits.** Identify ways in which local government can assist non-profits through the approval process—in working with the local community, identifying site constraints, and understanding realistic site development potential early in the process. Ensure that development requirements are appropriate and flexible enough to minimize housing costs while still assuring a fit with local community standards and provide funding and other forms of assistance to help leverage other funding sources.
- **Provide a Variety of Housing Choices to Meet a Variety of Housing Needs.** Housing strategies should provide for a wide range of housing programs to meet a wide range of needs, expanding housing choices for various groups.



Five-Year Action Plan

In addition to the overall goals and policies of the Housing Element, implementing programs should be presented in the context of a Five-Year Action Plan. This is the most dynamic part of the Housing Element as it details the actions that will be taken by the local jurisdiction and others to respond to local housing needs and implement the Housing Element’s goals and policies.

Each implementation action should be linked to a goal, policy, and objective, and should address one or more of the following:

- **Land Use and Development Controls.** The administration of land use and development controls.
- **Regulatory Incentives.** The provision of regulatory concessions and incentives.
- **Available Subsidies.** The utilization of appropriate federal and state financing and subsidy programs when available.
- **Redevelopment Set-Aside Funds.** The utilization of redevelopment housing set aside funds (if the community has a redevelopment agency).

Program Descriptions

Each implementing action described in the Five-Year Action Plan must provide the following information in addition to the basic program description.

- **Responsible Agencies.** The agencies and/or officials responsible for implementation, indicating the lead agency where appropriate or necessary.
- **Timeframe for Implementation.** A statement of the time frame or “schedule” in which the action will be carried out. Most actions should be scheduled for implementation within the five-year time frame of the Element; however, some actions may be appropriately defined as “continuing.”
- **Numbers of Units or Households.** Each program should identify the number of units that will be constructed, rehabilitated, or conserved and the number of households that will be assisted. This is the “Quantified Objective” for the implementing program. The quantified objectives should be listed by program and summarized for the entire element.

To the extent possible, implementing actions should be specific and quantifiable to ensure that they result in discernible, concrete results rather than a vague or general “program.” For example, a program to “encourage development of affordable housing” is far less meaningful than a program committing the local government to adopt an inclusionary zoning ordinance by a particular date.

Program Requirements

State law requires that the Housing Element consider and address six primary areas of housing need. These provide an overall structure for the consideration of alternative housing strategies, and subsequently for the organization and articulation of goals, policies, and implementing programs.

- **Ensure Adequate Sites.** In its Five-Year Action Plan, the Housing Element must identify sites for a variety of housing types, sufficient to meet the community’s goals. **This is one of the most important parts of the Housing Element** because it obligates the community to zone sites at high enough densities to make the development of affordable housing feasible. The number of and types of sites made available must be correlated to the locality’s share of the regional housing need. In general, the Housing Element must identify sites that:
 - Will be made available for development during the time frame of the element.
 - Are served by infrastructure so that they are actually available for development.
 - Have zoning and development standards that facilitate and encourage a variety of housing for all income levels, including multi-family rental housing, factory built housing, mobile homes, emergency shelters (which includes shelters for homeless persons), farmworker housing, and transitional housing.

Where the inventory reveals insufficient sites to accommodate the housing needs for all income levels, the Five-Year Action Plan must provide sufficient sites, developable “by right” at multi-family densities, to accommodate the housing for very low and low income households. Use “by right” means the use does not require a conditional use permit, except where the proposed development is a mixed-use development.

This obligation to zone multi-family sites as developable “by right,” if there are insufficient sites to meet the community’s share of the regional housing need for very low and low income housing, must be applied in conjunction with the State’s “least cost” zoning statute (§65913.1). That section requires communities to zone sufficient sites to meet their entire share of the regional housing needs. Thus, while the Housing Element’s total quantified objectives may be lower than the jurisdiction’s regional housing need numbers, the identification of sites must demonstrate adequate capacity to meet all of the regional housing need numbers, at least for very low, low, and moderate income households.

- **Provide Assistance to Support Affordable Housing.** The Housing Element must include implementation actions that provide some assistance in the development of housing to meet the community's affordable housing needs. Assistance can take many forms, but the action should be concrete and specific.
- **Conserve and Improve the Existing Affordable Housing Stock.** The Housing Element should include implementing programs that conserve and improve the condition of the existing affordable housing stock, which may include ways to mitigate the loss of dwelling units demolished by public or private action. Actions must, at a minimum, address any needs based on housing characteristics, including overcrowding and housing conditions identified in the background analysis of needs. Programs should also focus on issues of code enforcement and inspection. This requirement also provides an opportunity for communities to address the issues of controlling demolitions and requiring relocation benefits for persons displaced.
- **Address and Remove Governmental Constraints.** For each constraint identified in the analysis of needs, the Housing Element should provide an implementing program to address and remove the constraint "if appropriate and legally possible." If the implementation actions addressing constraints do not provide for removal of each constraint, the program should explain the reason for the decision not to remove it (i.e., an explanation of why it is not appropriate and/or not legally possible to remove the constraint).
- **Promote Equal Housing Opportunities.** The Housing Element must include actions that promote equal housing opportunities for all persons regardless of race, religion, gender, marital status, ancestry, national origin, color, familial status (i.e., families with children), source of income, sexual orientation, and disability. Implementing programs should at the very least provide some means for receiving, investigating and resolving complaints of discrimination; distributing fair housing information (in multiple languages, if necessary, and in accessible, visible locations); and linking with advocacy groups and fair housing councils. The Housing Element should also address potential discrimination by lenders.
- **Preserve Assisted Housing.** The Housing Element must include a very specific action to preserve assisted housing threatened with conversion to market-rate housing. Every assisted development identified in the assessment portion of the Housing Element as being at risk of conversion to market rate housing must be addressed with an implementation action. To the degree necessary, the actions must provide for the application for and utilization of any available federal, state or local funding, unless the community can demonstrate that it has "other urgent needs" for the funding. Other urgent needs would probably include completion of new assisted housing to which the locality has already made a commitment, or development of replacement housing for the units being lost.

Section Three: Directory of Housing Strategies and Programs

Section Three of Blueprint 2000 provides an in-depth directory of potential housing strategies and programs. It provides a valuable starting point for considering, evaluating, and deciding upon appropriate housing programs. For a summary, see the Directory Overview starting on page 3-1.

The section is organized according to the State's six program requirements (see pages 1-39 and 1-40). Included are programs and strategies that are targeted towards meeting special housing needs and with specific program components like affordability, rehabilitation, preservation, and/or fair housing. Financial programs are listed separately, in Section Four, Directory of Financial Resources.

Quantified Objectives

The sum of the quantified objectives in the Five-Year Action Plan should ideally be equal to or surpass the community's identified housing needs. If the expected number of units to be built in total and in each income or special needs category falls short of a community's housing needs, another review of land availability, development constraints, and proposed housing programs should be conducted. This should be an iterative process, comparing quantified objectives and assessed need and re-evaluating housing and land use programs until a community's housing needs can be met. Specific questions include:

- What potential approaches were overlooked?
- How can a proposed program be expanded?
- What constraints can be removed?
- How can additional sites be made available?

Unlike the sites inventory, where there must be a unit by unit match to the jurisdiction's regional housing need determination (*see page 1-17*), the law recognizes that the community may not be able to marshal the resources to actually meet the full need identified and, therefore, the quantified objectives for the number of units to be developed or assisted can be less than the total housing needs. In this case, where a city or county is unable to meet its housing needs, the limitations of the proposed and existing programs should be clearly discussed; and the rationale for the rejection of other programs and policy changes should be explained.

The quantified objectives should, at minimum, list the number of housing units that can be constructed, rehabilitated, and conserved for each income category of need (very low, low, moderate, and above moderate). If the construction objective is less than the regional share for an income level, the element should include a discussion of the process used to determine the number specified.

Incorporating the 2000 Census Data

The 2000 census data will be released between 2001 and 2003. This is an opportunity for a mid-course review and correction of Housing Elements. Communities should incorporate this data into the annual review process and use the new, more accurate data to review and update their Housing Element's analysis, priorities, programs, and conclusions as appropriate.

MOVING FORWARD

Monitoring Program and Annual Reviews

State law requires that every jurisdiction provide an annual report on the status of its General Plan, with particular attention to the Housing Element. The report should be made by the local planning commission then forwarded to the local legislative body, the Governor's Office of Planning and Research, and HCD.

The annual report should present the status of the plan and summarize progress in its implementation, including progress made towards meeting the jurisdiction's share of the regional housing needs and removing governmental constraints to the maintenance, improvement, and development of housing.

The Housing Element should facilitate the annual report requirements by setting up a monitoring program that tracks the results of local housing programs in a manner that allows for quick and easy comparison to the Element's quantified objectives and overall housing goals. It should establish criteria for measuring success and a methodology for keeping up-to-date records on housing achievements and progress towards meeting goals. Essentially, for every housing goal, there should be an indicator or set of indicators established as part of the Housing Element for monitoring success. Examples of the types of information that could be tracked in a monitoring program include the number and type of building permits finalized, the number of housing units built by type and level of affordability, the number of households assisted, and periodic surveys of local market rents and home prices.

The benefits of an effective monitoring program include:

- **Modify Priorities as Needed.** Units built or approved and other measures of success can be easily compared to housing goals and quantified objectives. Over- or under-performance in certain areas may indicate a need to modify priorities or re-allocate funding.
- **Keep Data Up-to-Date.** An updated Housing Element must be adopted by December 31, 2001, containing quantified objectives for the 1998 to 2006 time period. The next update must occur by June 30, 2006. By keeping relevant data up-to-date and accessible for periodic program reviews, the need for data collection during future Housing Element revisions can be significantly reduced or eliminated.
- **Comply with Statutory Requirements.** The State requires an annual report on Housing Element achievements and progress towards meeting regional share. An effective monitoring program can greatly facilitate the annual report process.
- **Assure Accountability and Long-Term Effectiveness.** The annual report should do more than just summarize "the numbers." It should identify what programs have and have not been effective and what changes should be made.

California Environmental Quality Act Requirements

Each jurisdiction is required to comply with CEQA as it relates to revision of the Housing Element or any aspect of the General Plan. The environmental assessment process requires completion of an Initial Study to determine if "the project" (in this case the revised Housing Element) might lead to a significant adverse effect on the environment. In other words, what will be the environmental impact of implementing all of the programs and actions identified in the Housing Element? If a significant impact is identified (based on defined criteria) then the jurisdiction must prepare an EIR. If the Initial Study indicates that there will be no potential adverse environmental effects (which may be the case, for example, if the Housing Element does not propose any changes to existing land use designations), then the jurisdiction prepares a Negative Declaration to comply with CEQA requirements.

To avoid redundancy in EIRs, CEQA allows agencies to prepare different types of EIRs and to use certain procedural methods. Program EIRs are “first-tier” EIRs, meaning that they typically cover issues at a broad generalized level of analysis. “Tiering” is used as a multi-level approach for EIR preparation. Once a first-tier EIR has been completed, subsequent CEQA documents (second-tier EIRs, Negative Declarations, and Mitigated Negative Declarations) incorporate by reference the first-tier EIR’s general discussions, conducting additional, more specific environmental analysis as necessary in response to the potential impacts of the proposed development.

The most common EIR used for General Plans is a Program EIR (described in CEQA Guidelines Sec. 15168). The Program EIR is usually prepared for an agency program or series of actions that can be characterized as one large project, and agency plans, policies, or regulatory programs. See CEQA Guidelines Sec. 15168(a) for the types of actions that require a Program EIR.

After preparation of a Program EIR, subsequent activities such as implementation and adoption of specific programs, area plans, or other actions will be examined to determine if additional CEQA documentation is needed. No further environmental documentation would be required if the subsequent activity is covered specifically and comprehensively in the Program EIR. However, if a subsequent activity is found to have effects not cited within the Program EIR, the jurisdiction would again need to prepare an Initial Study, leading to either a Negative Declaration or an EIR.

The CEQA Guidelines cite five advantages to the use of Program EIRs [Sec. 15168(b)]:

- Provision for a more exhaustive consideration of impacts and alternatives than would be practical in an individual EIR.
- Focus on cumulative impacts that might be slighted in a case-by-case analysis.
- Avoidance of continual reconsideration of recurring policy issues.
- Consideration of broad policy alternatives and programmatic mitigation measures at an early stage when the agency has greater flexibility to deal with them.
- Reduction of paperwork by encouraging the reuse of data (through tiering).

Some disadvantages of using a Program EIR include:

- Lack of adequate funding because CEQA does not provide a system for recouping the cost from future development projects.
- Difficulty determining how long the data in the Program EIR can be successfully used as a basis for tiering (typically determined on a case-by-case basis).

Despite these shortcomings, the Program EIR is considered a useful tool for evaluating community-wide and regional impacts and for saving agencies time and money as they comply with CEQA on subsequent projects. Thus, they can be used to provide solid base information for site development and to shorten the review time for affordable housing developments or later actions identified in the Housing Element.

The background of the page is a light blue-tinted image of architectural blueprints. The blueprints contain various technical drawings, including floor plans, sections, and elevations. Key labels on the blueprints include 'OPERAT ROOM', 'ENTRY', 'REAR', 'COURT CL', and 'CLO'. Dimensions such as '12'-0"', '13'-0"', '14'-0"', '16'-0"', and '20'-0"' are visible. Drafting tools, including a large ruler and a compass, are scattered across the blueprints. The title 'Community Participation Strategies' is overlaid on the right side of the page in a large, bold, black font.

Community Participation Strategies

Section Two

Community Participation Strategies

WHY PARTICIPATION IS IMPORTANT2-2

COMMUNITY PARTICIPATION IN THE HOUSING ELEMENT PROCESS

State Requirements2-3
Participation Principles2-3
Designing the Process2-4
Defining Roles and Responsibilities2-9
Providing Useful Information2-10
Planning and Holding Successful Meetings2-10
Building Consensus2-13

PARTICIPATION TOOLS AND TECHNIQUES

Public Information Tools2-15
Information Gathering Tools2-16
Community Events2-18
Focused Outreach Activities2-20

WHY PARTICIPATION IS IMPORTANT

The Housing Element is one of the most important parts of a community's General Plan. It has a significant affect on land use decision-making, neighborhood design, and quality of life, as well as on housing availability, quality, and affordability. It also directly affects a wide range of community members whose special housing needs are addressed through Housing Element policies and programs.

As Bay Area communities feel increasingly “built out” and the affordability crisis deepens, the challenge of meeting community housing needs has become increasingly difficult. Residents, who feel that their community is already over-built or who fear that continued growth will have significant adverse impacts on community livability, are understandably concerned about a planning process that seeks to accommodate more growth in their community.

As pointed out in the introduction to this document, previous land use decisions that sought to discourage local residential development have had less than desirable effects at both the local and regional levels: urban sprawl and loss of open space, tremendous housing/jobs imbalance, unbearable traffic, and housing prices that make the Bay Area one of the least affordable places in the country. Saying “no” to housing will not solve our problems; it will only make them worse.

Blueprint 2001 seeks to provide a toolkit of strategies for helping the Bay Area to grow smart—providing opportunities for new housing development that fits in with existing neighborhoods, responds to local housing needs, and enhances community quality of life.

However, none of the tools, strategies, or programs presented in this document will be of use if local residents and stakeholders do not understand, appreciate, and support their implementation.

To build support for local housing solutions, community participation needs to be at the very core of the Housing Element process. It is “where the rubber meets the road.” In fact, a participatory program of education, input, dialog, and consensus-building can be one of the key strategies for responding to community housing needs. By engaging community residents in a frank discussion of local housing issues and needs, the Housing Element can:

- Develop a greater appreciation among local residents for the depth and breadth of housing needs in their community.
- Counter stereotypes about “affordable housing” and its potential benefits and impacts.
- Introduce concepts such as “workforce housing” and the interrelationship between jobs and housing.
- Explore ways that affordable housing is part of the solution to traffic, quality of life, and open space issues.
- Focus attention on design and management issues (rather than density and income) that often make the most difference in the long-term viability and acceptability of affordable housing.
- Establish an overall framework for land use and development decisions that reflects community values and priorities, thereby facilitating subsequent project-specific review and approval.
- Build a foundation for other community planning initiatives related to smart growth and sustainability.
- Provide a positive experience in constructive community engagement with benefits that far outlast the Housing Element process itself.

COMMUNITY PARTICIPATION IN THE HOUSING ELEMENT PROCESS

State Law Requirements

State law requires that local governments “make a diligent effort to achieve public participation of all economic segments of the community...” in the process of preparing the Housing Element (§65583(c)(6)(B)).

This means that jurisdictions must do more than merely hold the public hearings required before adoption of a general plan amendment. At a minimum, the process of preparing a Housing Element should provide an opportunity for residents and stakeholders to give input prior to development of the Draft Element. It should also ensure that residents have access to all of the background data and analyses prepared as part of the process, as well as any interim strategy documents or other reports.

A key point in the State code section regards the participation “of all economic segments of the community.” Since many of the policies and programs in the Housing Element respond to the needs of lower income households, they should be considered a key group for the participation program. Other special needs groups (e.g., people with disabilities, farmworkers, seniors, homeless people, etc.) should also be considered, and efforts made to encourage and enable their participation.

Many jurisdictions respond to the State requirements by forming an “advisory committee” or “steering committee” which meets regularly during the course of the Housing Element process to review findings, give input on key recommendations, and (sometimes) “sign off” on the Draft Housing Element before it goes to the Planning Commission and/or City Council or Board of Supervisors. It is important that these groups include representatives of lower income households and special needs groups as well as housing advocates, developers, business groups, and the community-at-large.

Ideally, the participation program should also provide opportunities for more widespread participation, as described in this section. Not only does this respond to the State requirement in a more complete fashion, but it also carries a number of significant benefits for the Housing Element and its implementation.

Participation Principles

At the core of any successful Housing Element is an effective program of community participation that strives to achieve the following participation principles:

- **Provide Accessible, Usable Information** so that all residents and stakeholders have a clear understanding of the key issues, alternatives, and potential trade-offs.
- **Learn from Each Other**, recognizing that the process of “education” goes both ways: community leaders and housing professionals need to listen to and appreciate the concerns and priorities of community residents, while residents need to listen to and appreciate the housing needs and challenges facing their community.
- **Focus on the Facts** so that decisions are based on reality rather than perception. The more that participants can understand and agree upon what the real needs, resources and constraints are in the community, the more likely they are to agree on potential strategies to address them.
- **Define Key Strategies** to provide an overall framework for the Housing Element’s policies and programs. If participants can agree on “the big picture” for responding to housing needs, the more likely that they will be able to work out acceptable resolutions on the more detailed issues.
- **Encourage and Enable Widespread Participation** that is meaningful, efficient, and effective. Potential obstacles to participation need to be reduced or removed (e.g., time and location of meetings language,

issues, etc.), and participation formats need to provide an opportunity for everyone to participate in a manner that works. Decisions should not be left only to those who can stay the latest or speak the loudest.

- **Facilitate Dialog** so that participation becomes more than just “having your say,” but also includes “listening to others have their say” and seeking out common ground and potential solutions. A skilled facilitator with appropriate sensibilities is essential, helping all participants to keep an open mind and to develop strategies that are in the best interest of the community as a whole.
- **Respond to Input** to ensure a complete “feedback loop” (*see page 2-8*), so that participants know that they have been heard and that their input has been given due consideration.
- **Build Consensus**, understanding that not everyone will completely agree on everything. Identify areas of agreement, acknowledging the (usually significant) areas of “common ground” among participants, and then focus on developing potential resolutions to areas of disagreement.
- **Promote Transparency** so that even if people disagree with the outcome of the process, they understand how it was reached and the reasons behind the decisions made. The documentation of the process should be clear and complete to provide full understanding of the decisions made.
- **Follow-Through on Commitments** made through the Housing Element process, and establish mechanisms for ongoing participation in the implementation process. Recognize that the process of community engagement and participation is ongoing and an essential component of good governance.

Designing the Process

A broad-based program of public information and participation needs to ensure efficient and meaningful opportunities for public review, input, and discussion. It also needs to be closely linked with the technical work activities and key decision making points in the Housing Element process. Data collection and analysis needs to both inform the participation process and be informed by it.

The basic rule of thumb is that the sooner participation begins and the broader it is, the better. But at the same time, resource limitations must be recognized and the value of an efficient process must be appreciated. Endless meetings that lead nowhere are of no use to anyone and can be a considerable drain on project resources and community patience.

The *Housing Element Process* is discussed on *page 1-2*, including a process graphic illustrating a suggested sequence of steps and activities leading to adoption and implementation of an updated Housing Element. This provides the process framework for designing a participation program that integrates public information and participation tasks into the overall project Work Program.

Following is a summary of key participation activities and considerations for each phase of the work effort.

Project Start-Up

- **Plan the Participation Program.** Prepare a detailed public information and participation strategy as part of the overall Work Program, including the following:
 - Link the sequence of participation activities to other project activities.
 - Provide a range of participation opportunities to encourage involvement from key stakeholder groups as well as the general public.
 - Ensure that appropriate levels of staffing and other resources are allocated to the participation program.
- **Initiate Community Information Activities.** Initiate a public communication effort to make the community aware of the update; provide an overview of its goals, activities, and schedule; and highlight

opportunities for citizen input and review. To the extent possible, announce the dates and locations for key public meetings and participation activities. Methods for getting out public information might include press releases, public service announcements, a project newsletter, and/or paid announcements in the local paper. A special effort should be made to identify, make contact, and involve groups that represent people with special housing needs, such as farmworkers, seniors, homeless people and people with disabilities. The services of a translator may be necessary for any or all of these activities

- **Define Roles and Select Key Participants.** There are a number of individuals and groups that may play a key role in the Housing Element process (*see Defining Roles and Responsibilities on page 2-9*). If the participation program calls for the formation of a project steering committee, technical advisory committee, or similar group, then efforts should get underway immediately to define, select, and notify potential participants. Whether or not a committee is being formed, time should be devoted to identifying key stakeholder groups and community liaisons (*see sidebar below*). This can serve as the basis for developing an initial project mailing list (*see page 2-15*).

Identifying Stakeholders

It is important to ensure that all of the groups who will be affected by the Housing Element's policies and programs are included in the update process. Following is a list of County Coordinators for the Bay Area who are working with the Non-Profit Housing Association of Northern California (NPH) to respond to affordable housing issues in their counties. They can provide a good starting point for identifying key stakeholder groups in your area. Additional contacts and resources can be found in Appendix D.

Alameda County - Sean Heron, East Bay Housing Organizations (Oakland), 510-893-5611

Contra Costa County - Merlin Wedepohl, Association of Homeless and Housing Service Providers (Concord), 925-827-3598

Marin County - Betty Pagett, Marin Housing Council (San Rafael), 415-258-1800

Napa County - Sue Dee Sherk, Napa Valley Nonprofit Housing Coalition (Napa), 707-253-6202

San Mateo County - Marsha Rea, Housing Leadership Council of San Mateo County (Redwood City), 650-599-9144

San Francisco County - Rene Cazenave, San Francisco Council of Community Housing Organizations, 415-863-6566

Santa Clara County - Kristie Scannell, Santa Clara County Collaborative on Affordable Housing and Homeless Issues (San Jose), 408-283-2204

Solano County - Contact Tim Iglesias at NPH, 415-989-8160

Sonoma County - Tula Jaffe, Burbank Housing Development Corporation (Sebastopol), 707-823-1296

General - Tim Iglesias, Non-Profit Housing Association of Northern California (NPH), 415-989-8160.

Strategic Directions

- **Explore Community Perceptions Regarding Housing Issues and Needs.** The starting point for the public participation effort should be activities that are focused on listening to the community's concerns and perceptions regarding housing issues and needs. While basic background information may be provided at these initial meetings, the focus should be on community input, not staff presentations. Types of participation activities that might be appropriate include stakeholder interviews, a community survey or questionnaire, community workshop, town meeting, and/or outreach to special needs groups.

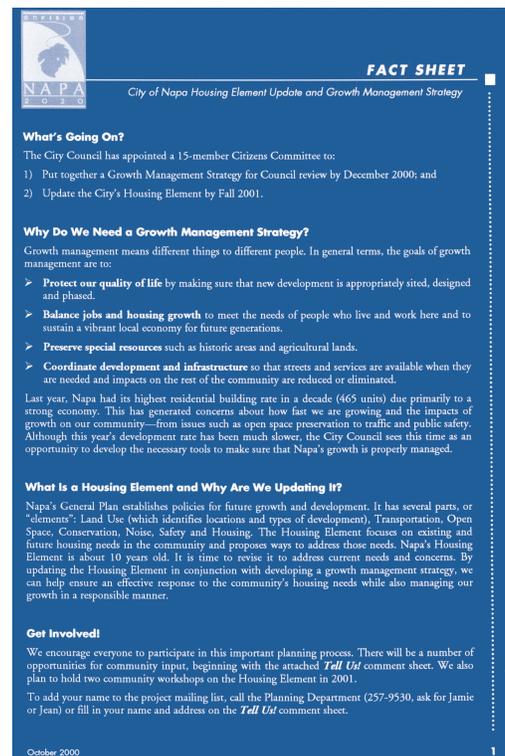
It might also be helpful to conduct a community housing tour to look at recent affordable housing developments in the local area and to develop a better understanding of issues such as density, design, affordability, and ongoing management. Tours can also explore possible housing opportunity sites, including areas of possible reuse/rezoning, redevelopment, and/or mixed-use.

- **Package and Distribute Background Information and Preliminary Analysis Results.** Basic background information on community housing needs, conditions, and trends should be compiled, analyzed, and packaged in a manner that can be easily understood by community residents. One page fact sheets can provide a quick overview of key findings or background information on key issues, with more detailed information provided in report documents. Information can be distributed at public meetings, through key stakeholder groups, in a community newspaper or newsletter, and/or on the jurisdiction's website. Ensure that summaries and descriptions of policies and programs are presented in clear, non-technical language that is easily understood by the general public.
- **Define Community Goals and Priorities for Housing.** Building on the initial community input activities and the initial analysis of community housing needs and trends, facilitate a dialog to define community goals and priorities for housing. This can be done through a visioning process, in which residents describe the type of community they want to be in the future, and the types of housing choices and opportunities they see as part of that future, or through a more traditional goal-setting process. Regardless of the approach used, attention should be given to considering how community goals and priorities for housing relate to goals and priorities for other issues, ensuring consistency with other elements of the General Plan.

Assure that goals for the Housing Element respond to state requirements. (*See Defining Goals, Policies, Programs and Objectives, beginning on page 1-36*) Most importantly, try to cast the net of participation as wide as possible at this point in the process so that all of the key stakeholder groups have an opportunity to help define the Element's goals and priorities. To this end, encourage key stakeholder groups to either attend general community workshops or to host workshops of their own to get input from their constituents.

Policies, Programs, and Objectives

- **Package and Distribute Information on Potential Programs and Strategies.** Once goals and priorities have been defined and agreed to, consider a range of alternative strategies for achieving them. The Directory of Programs and Strategies (*Section Three*) and the Directory of Financial Resources (*Section Four*) provide a good starting point, as do the programs and strategies in the existing Housing Element. Any successful programs and strategies should be continued. Information from *Blueprint 2001* can be photocopied and distributed to help foster community dialog about possible housing solutions that respond to local needs.
- **Evaluate and Select a Set of Programs and Strategies, and Develop Preliminary Policies, Programs, and Objectives.** Engage key stakeholder groups, decision makers, and other members of the community in considering, evaluating, and selecting a set of programs and strategies that best respond to local needs and to the agreed-upon goals and priorities. Develop preliminary policies, programs, and quantified objectives for community review and input prior to finalizing the Draft Housing Element. This will help focus review of the Draft Element on refinement of the agreed upon policies and programs rather than on possible reworking of its basic approach or assumptions. Similarly, discussions with State of California Department of Housing and Community Development (HCD) regarding the preliminary draft of goals, policies, and programs can help ensure that the Draft Element responds to State concerns as well.



Fact Sheet

Baird+Driskell Community Planning

Element Review and Adoption

- **Prepare, Summarize, and Distribute the Draft Housing Element.** Prepare the Draft Housing Element, including with it a brief one- to two-page summary of its key findings, strategies, and programs to provide an overview for members of the public that may not have the time to review the entire document. Make the document available via the web as well as in locations that are easily accessible to the public, including places such as the public library, local government offices, community centers, senior centers, school offices, or even local coffee houses. Send a press release regarding release of the Draft Housing Element to local media contacts, and copies of the document summary to key stakeholder groups.
- **Conduct Review and Discussion Sessions.** Conduct review and discussion sessions in a community workshop format that allows for more interactive dialog than is typically possible in a formal public hearing. These sessions can also be used to meet public participation requirements for the environmental review process, if required. Ideally, feedback from HCD can be incorporated into these sessions so that any necessary modifications to the draft can be considered and discussed. As before, encourage key stakeholder groups to either attend general community workshops or to host their own workshops to get input from their constituents.
- **Respond to Comments.** Consider and respond to comments received in the review and discussion sessions, identifying any recommended modifications to the Draft Housing Element document as a result.
- **Conduct Public Hearings.** The final step in the participation process is formal public hearings before the Planning Commission and City Council (or Board of Supervisors, for counties) to review and adopt the updated Housing Element. If the prior participation process was successful, the public hearings will largely be a formality leading to adoption of the Draft Element with few, if any, substantive modifications.

Implementation

- **Support Ongoing Participation.** An extensive public participation program can lay the groundwork for actual implementation of the adopted policies and programs. A project steering committee can transition into an implementation committee to oversee and monitor community housing needs and achievements. The project mailing list should be maintained and regularly updated to ensure that interested members of the community are kept informed about housing issues as they arise. This can be particularly important if future “Not In My Back Yard” (NIMBY) sentiments arise around a particular housing development or issue.
- **Provide Regular Reports and Feedback Opportunities.** Begin laying the groundwork for the next Housing Element update by establishing an effective monitoring system, providing regular reports on community housing needs and achievements, tracking progress towards meeting quantified objectives, and providing regular evaluation of each Housing Element program. Establish clear measures of success or “indicators” that can be used to track progress over time and ensure accountability. Annual evaluations should provide an opportunity for community review and input, giving particular attention to evaluation comments from residents who have been served or affected by a particular program.
- **Demonstrate a Commitment of Meeting Housing Needs.** Use the adopted Housing Element as a strategic planning tool to raise awareness regarding housing needs and confirm the community’s commitment to meeting those needs. Follow through on this commitment by establishing spending and action priorities on an annual basis and ensuring accountability for actions taken (or not taken) by all of the stakeholders involved.

The Feedback Loop

Community participation is an iterative process of ongoing dialog between members of the public, key stakeholder groups, technical professionals, and local decision makers. It is not something that can happen effectively in a single meeting, particularly in a formal public hearing, where each person has an allotted time to present their opinion, and there is no opportunity for meaningful dialog and consensus building between stakeholders.

The diagram below illustrates how a public participation feedback loop could be structured for each phase of the Housing Element Work Program. The exact sequence of steps may differ for each phase (e. g., gather community input before undertaking data collection) and the steps do not necessarily need to be sequential (e. g., community outreach and data collection could occur simultaneously).

Keep in mind:

Community participation happens throughout the process, not just once.

There should be at least one opportunity for community input in each phase.

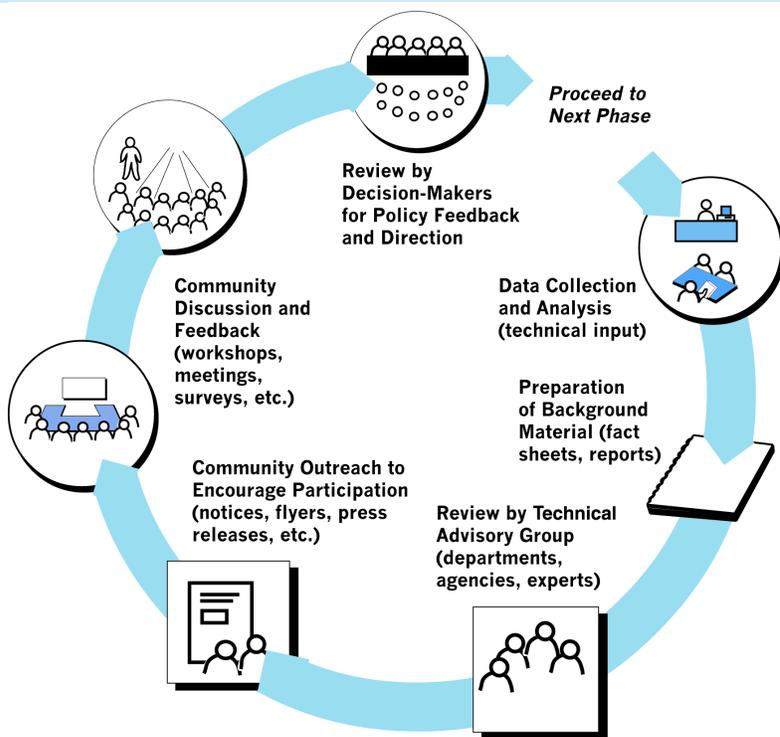
Community participation is both bottom-up and top-down: community input needs to inform technical analysis and decision making, and be informed by it.

Community participation is the focus of the Housing Element process, not something that happens “on the side.”

A single community meeting or workshop requires considerable preparation as well as follow-up — information feeds into it, and flows out of it.

Decision makers need to be kept in the loop throughout the process.

Movement towards agreement on key issues is strengthened through each iteration, which also builds political support for implementation.



Baird+Driskell Community Planning

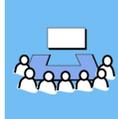
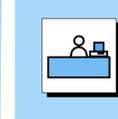
Review of Goals, Strategies, Policies, and Programs

Defining Roles and Responsibilities

An effective participation program provides a variety of participation activities to facilitate the involvement of various stakeholder groups as well as the general public.

The table below provides an overview of some of the key sources of input during the Housing Element process, including elected and appointed officials, stakeholder representatives, community residents and technical staff from the local jurisdiction as well as other agencies and jurisdictions, housing experts, and consultants. The table describes each of these input sources, identifying who is represented in each group, what their typical role is in the process, and their usual decision making or operating procedures.

This table can be customized and expanded for your local Housing Element process to clearly define the roles and responsibilities of each group that will be involved. It can then be used to help ensure that the members of each group understand their roles and responsibilities and are aware of how they and others fit into the overall process.

								
Title:	City Council or Board of Supervisors	Planning Commission	Ad Hoc Citizen Committee	Community Workshops and Outreach	Technical Workshop	Technical Advisory Group (TAG)	Staff Level Input from Other Depts/Agencies	Planning Department Staff and Consultants
Membership:	City Council or Board of Supervisors	Planning Commission	Invited Representatives of Key Stakeholder Groups	Open to all Citizens and Interest Groups	Representatives of Other Cities, County, Other Agencies, and Housing Experts	Planning, Housing Authority, Redevelopment, City Attorney or Counsel, etc.	Staff of Various Departments and Agencies	Director of Planning, Project Manager, Other Staff, and Consultants
Role:	Direct Policy and Make Final Decisions	Recommend Policy Direction	Provide Input and Build Consensus on Strategic Policy Directions	Provide Opportunity for Public Input	Provide Input on Technical Issues and Strategies	Provide Advice on Process and Technical Issues	Review Products and Technical Input	Prepare Draft Products and Provide Administrative Support
Decision-Making/Operating Procedures:	Majority	Majority	Consensus When Possible; Summary or Pros/Cons on Disputed Issues	Discussion and Comment	Discussion and Comment	Discussion and Comment	Data and Input	Support Staff to Council and Commission; Facilitate Involvement from the Public, Other Departments, and Agencies

Baird+Driskell Community Planning

Roles and Responsibilities

Engaging Decision Makers

It is important that the ultimate decision makers—councilmembers or supervisors and/or planning commissioners— be kept “in the loop” throughout the Housing Element process. This can be done in a variety of ways: from regular check-ins, to membership on the project steering committee, to involvement in study sessions or council-sponsored workshops. Whatever method is used, it is critical that decision makers understand the issues, needs, and community sentiments on which the Draft Housing Element is based, and that they support its basic goals and priorities. This may require special sessions with decision makers early in the process to present findings on housing issues and needs, review potential strategies, and formulate and approve key policy directions.

Providing Useful Information

Successful participation requires that all participants have access to accurate and understandable information regarding current housing conditions, past experiences, projected trends, and potential alternatives. Such information must be developed through objective analysis and presented in a manner that can be quickly and easily understood by the general public. It is possible that translation services will be necessary to include all participants. Technical data and analysis should both inform and respond to the public participation process, providing data and other information in response to the issues and perceptions raised in community discussions.

Keep in mind that most participants will have limited time to devote to the process. Information must be concise and targeted. Executive summaries and fact sheets can provide a quick overview of key points and references to other documents or websites can provide more detailed information.

Planning and Holding Successful Meetings

Successful participation is the result of successful meetings. Whether it is a committee meeting, a community workshop, or a council study session, meetings need to be properly planned, facilitated, and recorded. The people who organize the meeting need to be respectful of other people's time and commitments, and need to make the most of the time together. The meeting may need to include a translator.

Countering Myths and Misperceptions

Too often, decisions related to local housing and land use are based on stereotypes, myths, and misperceptions, rather than facts. Members of the public or even decision makers may make statements such as "high density housing leads to high crime" or "affordable housing developments lower property values" without ever substantiating these statements with facts. An effective participation process, informed by reliable data, can help counter such myths and misperceptions.

- **Involve People Who Know the Facts.** Include people on the steering committee, in community workshops, and in other participation forums who understand housing issues and related issues, can provide the facts, and can serve as advocates for people who are typically not represented in the decision making process. They can be important participants in community discussions, can help organize tours of local housing developments, and/or can make presentations about the housing needs and issues of low-income households and special needs groups. Include housing experts as well as people with other information, such as police officers regarding the issue of crime and affordable housing or traffic engineers regarding traffic and parking.
- **Provide Reliable, Accessible Information.** Do not allow myths and misperceptions to be the basis for decision making. Provide facts in an easy to understand format. This helps people to not only understand "the numbers," but also what they mean. For example, translate "levels of affordability" into actual rents and monthly housing payments, and compare those payments to the average monthly income of local teachers, retail clerks, police officers, and other members of the local workforce.
- **Give "Affordable Housing" a Human Face.** Everyone has their own idea of what "affordable housing" means, and associated stereotypes. Help people understand the definition of affordable housing, and what it means in terms of local housing opportunities and people's lives. Conduct a tour of affordable housing developments, show videos, and provide literature about what the developments are like. Define who the residents are and encourage their participation in the process so that they can tell their stories and help people understand that real lives are affected by affordable housing.

Following are some tips for ensuring efficient and effective public meetings.

Preparing for the Meeting

Be clear about the meeting's purpose, agenda, and expected outcomes. Do not have a meeting unless you need to and are prepared for it.

- **Plan the Agenda.** The agenda is critical for a successful meeting. It sets forth the purpose of the meeting, the schedule of activities, and the objectives or expected outcomes. It represents a form of group contract—what the group agrees to work on together for the duration of the meeting. As a result, one of the first items on any agenda should be a review of the agenda with the meeting participants, and an opportunity to make any modifications that are necessary.

The printed agenda should be sent to participants ahead of time if possible. It should provide sufficient detail so that each of its activities is clear, identify the approximate time allocated to each activity and clearly define the expected outcomes. It should also include the meeting's location, date, time, and a contact name and telephone number.

- **Locate an Appropriate Meeting Room.** Find a meeting room that will successfully accommodate the planned activities. It should be centrally located, accessible by public transit, and have adequate and convenient parking available. The room needs to be accessible for people with disabilities and have accessible restrooms. Depending on the meeting topic, it may also be important that the meeting be held in what is perceived as a “neutral” location.

The meeting room itself must be large enough to accommodate the number of expected participants as well as the activities that are planned. Will the room size and layout work acoustically? Is there room to break into small groups? Can chairs and tables be moved? Is there enough wallspace for graphic recording? Is there space for making presentations and displaying materials? Can the room be darkened easily if you are planning to show slides? Are there adequate electrical outlets? Is there adequate ventilation and temperature control?

- **Provide Adequate Notification.** Send out notices about the meeting well in advance. If it is a meeting open to the general public, notices should be sent at least three weeks prior to the meeting date. Subsequent reminders sent the week prior to the meeting will help increase attendance. Notices and press releases should also be sent to local media contacts. If participants will be reviewing materials ahead of time, be sure the materials are sent out at least a week before the meeting.
- **Organize Materials.** Get all of the materials organized for the meeting well ahead of time, including photocopies of handouts. If you will be holding a series of meetings, put together a materials checklist and supply box, including markers, nametags, pencils, scissors, masking tape, etc. If refreshments will be served, organize supplies such as napkins, cups, and plates as well.
- **Arrive Early to Set Up.** Be sure to arrive at the meeting room well ahead of time to set up the room, meeting materials, and refreshments.

Conducting the Meeting

All group meetings should be properly facilitated and recorded. Meetings that are specifically related to Housing Element issues should be facilitated by someone with appropriate sensibilities to low-income and special needs groups. It is often helpful to have a trained facilitator serve this role at community meetings. This allows planning staff to focus on their role as resource persons to provide information, answer questions, and participate in the group discussion.

All meetings should begin and end on time. If more time is needed, the group may decide to extend the meeting time or to schedule a follow-up meeting. If some participants cannot stay for an extended meeting period, then a follow-up meeting should be scheduled.

The following roles are essential to a successful meeting. These may be played by a single individual if they are experienced and the meeting is small. Most often, however, separate individuals should play the roles.

- **Facilitator.** The facilitator is responsible for keeping the group on schedule and making sure all of the items on the agenda are covered. She or he does not contribute opinions, but makes sure that all participants have an opportunity to speak. The facilitator should stand at the front of the room, be energetic and positive, and keep the dialog focused on the task at hand. The facilitator summarizes key points made by participants to ensure they have been properly recorded; asks follow up questions for clarification; and acknowledges areas of common concern, agreement or disagreement. The facilitator helps resolve process issues, enforces the group's rules of conduct, and makes sure that the commitment to finish the meeting on time is kept.

- **Recorder.** The recorder is the group's note taker. This should be done on large sheets of paper (called a wallgraphic) or on flipcharts at the front of the room, providing a "group memory" of key points from the meeting discussions. The recorder should try to capture the key points from the discussion, using the participants' own words as much as possible. At the beginning of the meeting, the recorder (as well as the facilitator) should explain his or her role, and ask participants to check the recorder's work throughout the meeting to make sure their points have been recorded accurately.



Gilroy General Plan Vision Workshop

Baird+Driskell Community Planning

A seasoned recorder can provide a very valuable service by organizing comments by theme and illustrating connections between themes, thereby providing a tool for group decision making.

- **Resource Person.** Other project staff can serve as resource people to answer technical questions about background information, analyses, and related issues. It is usually best to have this be a person separate from the facilitator and recorder, so that those individuals can concentrate on their meeting management tasks. Like the facilitator and recorder, resource persons should introduce themselves at the beginning of the meeting, explaining who they are, and the role they will serve during the meeting.

Following Up

Each meeting should close with a clear identification of next steps, including an explanation of how the meeting results will be summarized and made available, and how they will be subsequently used in the decision making process. Participants should be made aware of how they can obtain a copy of the meeting summary and how they can maintain their involvement in the participation process.

The meeting summary should provide a comprehensive summary of the meeting's process and results, including a transcript of the points recorded as part of the "group memory" during the meeting (filled out in more detail as necessary).

Building Consensus

The goal of the participation process is to build consensus among elected officials, staff, key stakeholders, and community residents. The stronger the consensus, the stronger the likelihood that political and popular support will be there for actual implementation.

However, consensus can only be reached if all of the participants commit themselves to trying to reach it. That does not mean that they must agree from the beginning that they will “compromise their values in order to reach agreement.” It means that they see a value in reaching consensus, and will commit themselves to engaging in a consensus-building process.

To help build consensus, all participants should:

- **Agree to Disagree.** Recognize from the beginning that disagreements will exist. The process does not seek to make everyone agree on everything. Rather, it seeks to find a common ground that everyone can live with and support, even if they don't agree with all of its components.
- **Be Inclusive.** Participants must value and respect differences of opinion, recognizing the diversity of voices and perspectives in the community. Everyone must have the opportunity to make their voice heard and to contribute their ideas and opinions.
- **Focus on Listening.** Consensus is built through dialog. That means that not only must everyone have an opportunity to have their say, but they must also commit themselves to listening to other people have their say too.
- **Keep an Open Mind.** The participation process is a learning process. By listening to, valuing, and responding to the diversity of ideas, perspectives, and opinions in the community, we build a richer, more complex and more complete understanding of the issues and possible solutions. Everyone needs to be open to changing their opinions in response to what they learn.
- **Don't Get Personal.** Keep the dialog focused on issues. Do not tolerate personal attacks or other digressions that create animosity and division. All participants must agree to treat each other with trust and respect.
- **Think Critically.** Being critical does not mean being negative. It means recognizing both the strengths and weaknesses of past experiences, current opportunities, and new ideas, and then finding ways to apply the gained knowledge.
- **Innovate.** Be willing to explore new ways of doing things. Consider successful initiatives from other communities, and how they might be tailored in response to local issues. Think “outside the box” and don't be afraid to be the first jurisdiction to try a new approach to an old (or new) problem.
- **Think Long Term.** Develop long-term solutions, building a policy framework and institutional mechanisms for ongoing implementation and monitoring. Through the participation process, develop the relationships, communication channels, and new ways of working together that will be the foundation for ongoing community planning and problem-solving.

Consensus building is further supported through a participation process that:

- **Begins with the Big Picture.** Many times, people who see themselves as being in opposition to each other actually agree with each other on a vast majority of issues. By beginning the process with the big picture, participants will realize that they share many common values and aspirations. Start with general questions and focus on areas of agreement before moving on to the details and areas of potential disagreement. What do we like about our community? What would we like to change? What would we like our community to be like in twenty years?

- **Avoids Creating “Winners” and “Losers.”** Don’t create situations in which one side wins and the other, therefore, loses. Avoid taking yes/no votes to make decisions or lock-in outcomes. This may become necessary later in the process, but is definitely not necessary early in the process. Rather, take group “polls” in which participants can indicate their overall level of support or agreement with the issue or proposal under discussion, leaving open the option of changing their mind after further discussion. For example, participants can choose one of the following responses:
 1. I fully support the proposal as presented.
 2. I can live with the proposal as presented, but think it needs some modification.
 3. I think the proposal needs more discussion; I feel I need more information to make my decision.
 4. I am opposed to the proposal, with or without modification, and do not wish to discuss it further.
- **Keeps Options Open.** Don’t get locked into deciding between narrowly defined choices early in the process. Alternatives and policy proposals should not be presented as “either/or” choices. Rather, they should be presented as a basis for discussion, identifying the strengths and weaknesses of each, and seeking to create a “hybrid” or modified alternative that reflects the group’s priorities. Be open to making adjustments to agreements that were made early in the process in response to new information or further group discussion.
- **Doesn’t Get Bugged Down in Process.** Agree on the basic rules of group behavior and a general process framework in the first one or two meetings, and then focus on the issues. Don’t let the process overshadow the important issues that need to be discussed.
- **Fine Tune Between Meetings.** Debrief after each meeting and develop a strategy for moving forward in the next meeting. Identify any additional information that needs to be collected or analyzed; explore potential alternatives in response to group concerns; and develop a process for the next meeting that continues to move the group forward and keeps to the schedule.
- **Documents Both Process and Results.** Be sure to keep a complete and accurate record of group discussions and agreements. Whenever a poll or vote is taken, record not only the tally of votes, but also the reasons why members voted the way they did. Always be sure to follow up meetings with a written summary of comments made at the meeting and its results.

PARTICIPATION TOOLS AND TECHNIQUES

Following is a brief overview of a variety of tools and techniques that can be used to facilitate and enhance the participation process. While not comprehensive, it provides a starting point for developing a toolkit of methods to support a locally tailored participation program. Think critically about the groups you are trying to reach and how best to contact them and facilitate their participation. Involve representatives from key stakeholder groups in designing and implementing an effective information and participation strategy. Also, be sensitive to issues such as language by providing materials in multiple languages or translation services at public events if necessary to facilitate the communication process.

Public Information Tools

- **Mailing Lists.** A project mailing list should be developed and maintained both for the duration of the project and as an ongoing tool for community outreach on housing issues. The mailing list can be developed starting with existing mailing lists from the local jurisdiction, community organizations, and key stakeholder groups and supplementing during the process with sign-in sheets from community workshops, study sessions, and public hearings. Using database or contact management software, a mailing list can be customized to support targeted mailings based on identified interests, geographic location, or type of contact (e.g., elected or appointed official, interest group, media contact, resident, developer, business owner). Mailing list information can also be merged with word-processed documents to send personalized letters of invitation to key events. Request e-mail addresses as part of the mailing list data, and ask participants if they would prefer to receive materials by regular post or e-mail.
- **Newsletters.** Your jurisdiction may have an existing newsletter that can be used to distribute information on the project and its findings and to announce community participation and input opportunities. Alternatively, a project newsletter can be developed, establishing a project identity and potentially providing an ongoing vehicle for information on housing issues, strategies and achievements, and a tool for annual evaluations. Announcements and/or inserts sent to other community groups that distribute their own newsletter can also provide a vehicle for getting information out to the community.
- **Press Releases.** Local media representatives (reporters, editors, etc.) should be identified and contacted early in the process so that they are aware of the project, purpose, and schedule. Add the media to the project mailing list, send regular project updates, and encourage them to attend key project meetings and community participation events. Regular press releases can help encourage coverage of upcoming project activities in the local newspaper, radio, or television. This will significantly increase the project's visibility and enhance community outreach efforts.
- **Public Service Announcements.** Public service announcements (PSAs) are sometimes provided free of charge as a community service by commercial radio and television stations. Contact your local media representatives to announce your project or an important upcoming community meeting.
- **Websites.** Websites are becoming an increasingly important vehicle for distributing information to the public as well as to committees and other agencies. Establish a highly visible presence for the project on the homepage of the local jurisdiction's website with links to key project documents (in downloadable format), a project schedule, and contact information. Interactive features such as comment forms or mailing list sign-up can also be included, as can links to other relevant websites (e.g., the website for HCD, nonprofit housing groups, etc.). Encourage community stakeholder groups with websites to link to the project website. Also include the project's web address on all printed materials.

- **Informational Displays.** Project visibility and outreach can be significantly enhanced by informational displays at prominent locations in the community. A portable information display can be set up at places such as shopping centers, coffee shops, school events, and community centers to provide an overview of the project as well as an opportunity for feedback through a questionnaire or comment form.
- **Fact Sheets.** Fact sheets are a useful tool for summarizing information on key issues in a format that is concise, easy to read, and tailored to local concerns. Ideally presented in two pages or less, a fact sheet provides a quick overview of the issue and a summary of the important data about it. The strategies and programs described in Section Three of *Blueprint 2001* are presented in a fact sheet format to facilitate their use in public workshops and strategy sessions.
- **Presentations.** Presentations at project-organized workshops and meetings should be concise and properly prepared, with accompanying handouts and visuals to communicate key points and information. These and other presentations can also be made at the regular meetings of community groups (e.g., business groups, service clubs, church groups, and seniors groups). This can help get the word out about the project, counter myths and misperceptions about housing, communicate key findings and recommendations, encourage participation in project workshops and meetings, and foster a broad-based community dialog. Such presentations can be made by staff, elected or appointed officials, or by members of the project steering committee.
- **Slide Shows and Videos.** These can be developed to accompany presentations, as part of an informational display, and/or as stand-alone information pieces available to community groups and on the project website. Groups such as the Non-Profit Housing Association of Northern California and the Association of Bay Area Governments (ABAG) also have general videos available about affordable housing and related issues. *See Appendix D, Contacts and Resources.*
- **Speaker Series.** It is sometimes helpful to have voices from outside the community incorporated as part of the information and participation program. Invited speakers from other cities or counties, non-profit and for-profit housing developers, and regional associations such as ABAG, Greenbelt Alliance, Non-Profit Housing Association of Northern California, Bay Area Council, the California Affordable Housing Law Project, or the Nonprofit Housing Association. They can provide valuable information, regional perspectives, and new ideas that may be useful in local discussions. A speaker series can be incorporated into the participation program in a separate series of events or as part of the regular meetings of the project steering committee or community workshops. It can be organized as a series of events and speakers, or as a one-time event in which various speakers are present and a round-table discussion occurs.

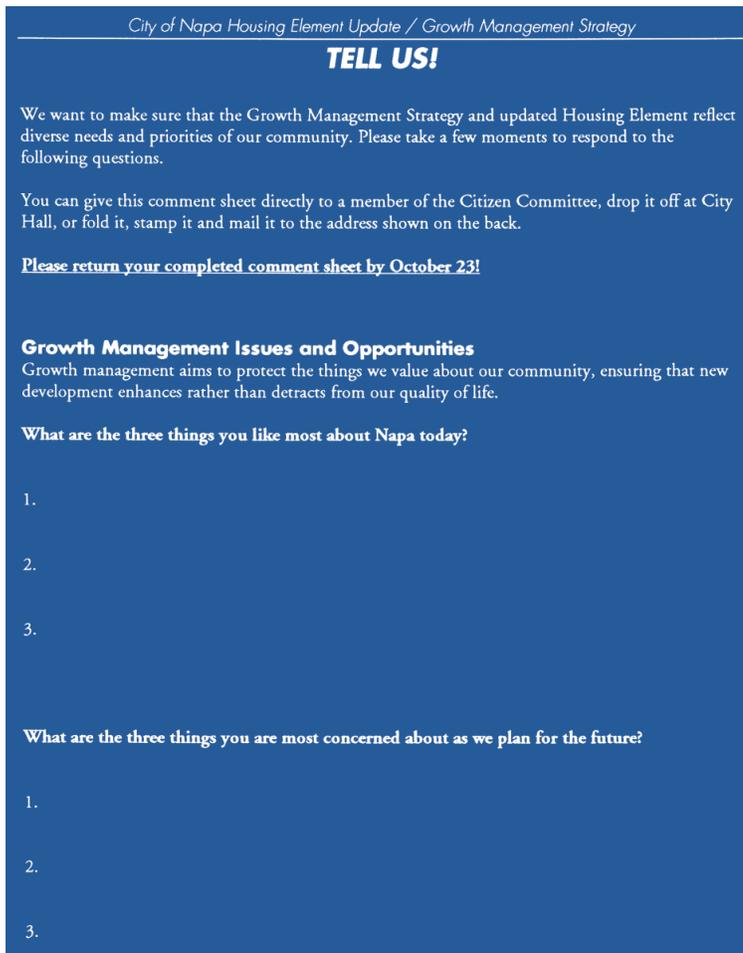
Information Gathering Tools

- **Interviews.** Interviews provide a structured approach for gathering information from a relatively small sample of individuals. They can be formal, making use of a structured or semi-structured interview instrument, or relatively informal and unstructured, in a conversation format. Interviews are typically conducted with a relatively small sample of key individuals or stakeholders, use open-ended questions, and are focused on having in-depth discussions on key issues through use of follow-up or “probing” questions.
- **Questionnaires.** Both questionnaires and surveys are used to reach large numbers of people to get their input on key issues or ideas. Questionnaires can be useful early in the participation process to get input from a large number of people, develop a complete list of key issues and concerns, and raise community awareness about the project. Because surveys require considerable work to ensure a representative sample, they are best used later in the process, once it is possible to frame meaningful questions or present specific project proposals for consideration and feedback. Questionnaires can also be valuable later in the process, though they do not carry the same “statistical validity” as surveys in providing feedback on specific issues, ideas, or proposals.

Like an interview, a questionnaire uses a structured instrument through which respondents are asked for input on a pre-set list of questions. However, it typically uses close-ended questions (such as multiple choice, yes/no, scale rating, or short answer) and does not specifically support in-depth discussions or follow-up questions. Questionnaires are designed for use with larger samples with the ability to easily quantify responses (for example, 34% of the respondents said “x” while 66% said “y”).

Questionnaires are usually completed by people on their own (and therefore sent by mail or distributed through other channels), with as many people as possible encouraged to respond. However, the questionnaire can also be an interview tool. While attention can be given to documenting the profile of respondents, there is little to no effort given to making sure that the profile matches that of the larger population or to ensuring a “random sample” of respondents. The intent is to get responses from as many people as possible.

- **Surveys.** A survey is similar to a questionnaire in its use of a structured instrument, use of close-ended questions, ability to accommodate relatively large samples, and ability to easily quantify responses. The primary difference between a questionnaire and survey is in its sampling techniques, with an emphasis on achieving a randomly generated, representative sample. This means that the sample of people surveyed is representative of the larger population of interest, and that, therefore, it is “statistically valid” and it is possible to make generalizations based on its results.
- **Comment Forms.** A comment form is similar to a short-form of questionnaire, but usually uses only open-ended questions to allow respondents to communicate their thoughts in as much detail as they like. Comment forms are usually used as part of a community workshop or meeting, or may be used in conjunction with an informational display, presentation, or speaker series. In a workshop setting, the questions on the comment form can be the same as the questions used for the group discussion, and participants can be given the comment forms to help organize their thoughts ahead of time. They can also be used to collect individual comments to supplement the group discussion comments if there is not enough time for all participants to share comments.



Comment Card

Baird+Driskell Community Planning

 **Community Events**

- **Neighborhood or Community Workshops.** Apart from committee meetings and public hearings, workshops are the most common type of participation activity in a Housing Element process. Held at key points in the process, they provide an opportunity for members of the general public and invited stakeholders to review information, provide feedback, and engage in a dialog about Housing Element issues, ideas, and policy alternatives. The workshop's focus should be on receiving participants' input. At least half or more of the agenda should be dedicated to group discussion on various topics. If the focus is on presenting information rather than on group discussion about the information, then the event should be a presentation, not a workshop. Workshops should be scheduled in either a weekday evening or a Saturday. If possible, conduct a series of workshops (all of them using the same agenda) in multiple locations to maximize attendance. If a single workshop is held, it should be held in a large, central location. *See Planning and Holding Successful Meetings on page 2-10.*
- **Town Meetings.** A town meeting is a large workshop hosted by the City Council or Board of Supervisors to focus attention on a topic of local importance. It may include presentations, but like a workshop, the emphasis should be on public input and dialog. It is an opportunity for elected and appointed officials to engage in a discussion with members of the public, using a much more interactive format than is typically possible in a formal public hearing or regular city council meeting. Town meetings are usually held in a large, central location on a weekday evening or a Saturday. Ideally, they should also be broadcast on a local cable channel.
- **Tours.** Discussions about local housing issues can be considerably enhanced by taking participants on a tour of local housing developments. This helps to ground their discussions in reality and provides a common set of reference points. A tour can be useful at the beginning of the process to help introduce committee members to various concepts and developments (e.g., looking at different housing types, different designs and densities, recent developments, special needs housing). It can also be used to engage the group in a visioning exercise, looking at areas in the community and housing developments that they view as positive and successful, and identifying areas in the community or housing developments they would like to see improved.

Workshop Kits

Extend participation opportunities to many more people in a cost-effective manner by providing "workshop kits" to groups and individuals interested in holding a workshop with their neighbors, friends, or to members of a particular stakeholder group. The "kit" should contain the agenda, handouts, and comment sheets from the main workshop, as well as any presentation materials. A brief "facilitator's guide" can provide an introduction and overview, supplemented by a facilitator's training session to introduce the kit and workshop activities to interested people. This approach has been used successfully in many communities to extend the participation program's outreach to hundreds of more people than might otherwise be reached.

In some communities, members of the project steering committee used workshop kits to conduct extensive community outreach. The workshop results, compiled by the facilitators in a standard format, can then be summarized and presented in a document for committee members and decision makers. The sign-in sheets from each workshop can also be used to expand the project mailing list.

Later in the process, a housing tour can be used to provide information in response to particular areas of concern. For example, a tour of SROs in the local area and nearby communities, or a tour and evaluation of housing opportunity sites may provide additional understanding.

- **Design Charrettes.** This is a type of interactive community workshop where the emphasis is on a specific site or local area and on the physical design constraints and opportunities. To be successful, it needs to involve design professionals (architects, landscape architects, urban designers) who can translate community input into design sketches and ideas. Participants can also get involved through manipulation of a project model and kit of parts, or by making sketches of their own. The charrette should be a very hands-on, interactive activity. If successful, it will result in an agreed upon design approach for the site or area, articulated as a general set of design principles, if not an actual draft sketch or model.

Because it is site or area-specific, the use of a design charrette may be limited in the scope of a Housing Element process (which is typically policy-focused and area-wide in scope). However, it may be a useful method for reaching group consensus on the potential opportunities and policy direction for a problematic locale such as the potential for introducing housing in an existing commercial area or increasing densities on key infill properties.

- **Open Houses.** An open house provides an opportunity to present information to the public in a more interactive format than an informational display (though informational displays may be included), and a less formal format than a presentation or workshop. Residents and other stakeholders are invited to “drop in” during a certain time period on a weekday evening or Saturday, to get more information about local housing issues and to give their input as part of the Housing Element process. The open house can be set up as a series of information displays, or stations, with project steering committee members, elected and appointed officials, and/or staff and consultants available to answer questions and engage in discussions with participants.

Comment forms or large-format interactive displays (e.g., place dots on the map to indicate possible locations for mixed-use development) can be used to collect input, and mini-workshops or a speaker series can be held in conjunction with the open house to provide opportunities for group discussion. An open house can also be held prior to a town meeting or community workshop, where the open house begins one hour prior to the workshop start time; or can be held as part of a larger community event, such as a series of “booths” at a popular community festival in the park. The idea is to reach as many people as possible, especially those who might not typically get involved.

- **Study Sessions.** A study session can be used at key points in the process to engage decision makers (both elected and appointed officials) in a discussion about key issues and recommendations. Study sessions are particularly useful just before the public hearings to provide a less formal environment for reviewing and discussing the Preliminary Draft or Draft Housing Element. It is an opportunity for decision makers to ask questions and to discuss possible changes to the document, and to involve the public and other stakeholders.

Study sessions should be treated like any public meeting, with appropriate noticing and an agenda for the discussion. Members of the public should have an opportunity to present their concerns and opinions, but the focus of the session should be on the input and discussion of the relevant decision makers. Study sessions can include both councilmembers/supervisors and planning commissioners to facilitate their sharing of ideas and opinions.

- **Public Hearings.** The final public participation opportunities in the Housing Element process are the public hearings that must be held before the Planning Commission and/or City Council or Board of Supervisors to review and approve the Draft Housing Element. Public hearings must follow a specified format, with members of the public given an opportunity to present both oral and/or written comments on the draft element. Final adoption of the Housing Element is by the City Council and/or Board of Supervisors.

Focused Outreach Activities

- **Focus Groups.** A focus group involves a select group of individuals in a facilitated discussion about a specific topic or set of topics. Unlike a community workshop in which participation is open to all, a focus group is by invitation only to explore the perspectives of a particular group. Drawing upon the techniques used in market research, participants are selected because they share similar characteristics (e.g., housing developers, or people with special housing needs) or represent a range of perspectives or interests (e.g., from different neighborhood groups, local businesses, environmental groups, etc.).

The focus group session provides an opportunity to gather personal knowledge, attitudes and/or feelings about the topic(s) at hand. Participants are encouraged to express their views and feelings about the issue or topic in their own words, exploring the issue in some depth and, at times, responding to the input given by other participants. A focus group is a data collection tool, not a consensus-building tool. Focus groups typically meet once only, though it is possible that they could meet consecutively over a period of time to explore an issue or sequence of issues in-depth.

- **Special Needs Groups.** Special workshops, focus groups or meetings may be held with people who have special housing needs to ensure that their interests and perspectives are represented in the process. Due consideration should be given to the time and location of such meetings, noticing, provision of childcare (especially for working parents or single parent households), transportation to and from the meeting, and multi-lingual needs. It may be best to hold the meeting in a special location, such as a senior center, emergency shelter, or transitional housing facility.

- **Youth Outreach and Participation.** Young people can bring energy, ideas and new perspectives to the planning process. Because they represent future housing needs and will be significantly affected by current housing decisions, they should have an opportunity to be involved in the Housing Element process. Notices of meetings and other project mailings should be sent to schools, youth groups, and student representatives. Youth participation should be encouraged at all of the community events and youth representatives should also be included in the project steering committee. Special youth-focused workshops can also be held to facilitate youth involvement, and local teachers may want to incorporate information on the Housing Element and participation activities into a course curriculum.



Moraga Festival Display

Baird+Driskell Community Planning

The background of the page is a light blue-tinted image of architectural blueprints. The blueprints contain various technical drawings, including floor plans, sections, and elevations. Key labels on the blueprints include "OFFICE ROOM", "LIFT UP STAIR", "CENTRAL DROP IN PA", and "COAT CL". Dimensions such as "13'-0\"", "14'-0\"", "12'-0\"", and "10'-0\"" are visible. A large, semi-transparent ruler is positioned diagonally across the bottom right of the page, with markings in inches and centimeters. Other drafting tools like a compass and a pencil are also faintly visible.

Directory of Programs & Strategies

Section Three

Directory of Programs and Strategies

DIRECTORY OVERVIEW3-3

ENSURING ADEQUATE SITES

Adaptive Reuse3-5
Air Rights Development3-7
Increased Densities3-9
Infill Development3-12
Mixed-Use3-15
Rezoning Commercial and Industrial Land3-18
Rezoning Surplus Institutional Land3-21
Second Units3-23
Transit-Oriented Development3-26

SUPPORTING AFFORDABLE HOUSING

Density Bonuses and Other Incentives3-30
Energy Efficiency3-33
Inclusionary Zoning3-35
Jobs/Housing Linkages3-38
Manufactured Housing3-40
Self-Help and Community-Help Housing3-43
Working at Home3-45

MEETING SPECIAL NEEDS

Housing for Farmworkers3-49
Housing for Homeless People3-52
Housing for People With Disabilities3-55
Housing for Seniors3-58
Shared Housing and Co-Housing3-60
SRO Hotels and Efficiency Apartments3-63
Supportive Housing3-66

CONSERVING AND IMPROVING EXISTING HOUSING

Conversion Controls3-70
Mobile Home Parks3-72
Rehabilitation3-74
Rent Control3-77
Rental Assistance3-79

REMOVING GOVERNMENTAL CONSTRAINTS

Design Guidelines and Design Review3-82
Growth Management Systems3-85
Parking Standards3-88
Procedural Reform3-91
Street and Infrastructure Standards3-95
Zoning Standards and Building Codes3-98

PROMOTING EQUAL HOUSING OPPORTUNITIES

Fair Housing Programs3-101

PRESERVING ASSISTED HOUSING

Preservation of Assisted Units3-105

DIRECTORY OVERVIEW

This section of *Blueprint 2001* provides a Directory of Programs and Strategies that can be used to increase the supply of housing, especially housing that is affordable to lower- and moderate-income families or that responds to other unmet housing needs.

The Directory provides a menu of possible approaches and resources to support local initiatives. **No one program is a guarantee of success and not all the techniques listed are appropriate for all communities.** Success hinges on the local community's ability to use a range of techniques and to tailor programs to capitalize on potential opportunities. It can be used as a resource when developing the policies and programs for a housing element and as an ongoing resource for ideas, information, and contacts to make local housing programs more effective.

This section is organized according to the State's program requirements (described on pages 1-39 and 1-40):

- **Ensuring Adequate Sites** (*beginning on page 3-5*). These programs and strategies can be used to help increase the supply of potential housing development sites.
- **Supporting Affordable Housing** (*beginning on page 3-30*). These programs and strategies are targeted towards increasing the supply of housing that is affordable to lower income households or have the net effect of improving affordability in the long-term (for example, by linking jobs and housing; encouraging home-based occupations; or improving energy efficiency).
- **Meeting Special Needs** (*beginning on page 3-49*). This is not one of the six program area requirements specifically defined by State law for the Five-Year Action Plan, but is an important part of the Housing Element in terms of responding to issues identified in the needs assessment. These programs and strategies could be placed in the category of "Supporting Affordable Housing," but have been organized under this heading because they speak specifically to a particular housing type or the special housing needs of a population segment.
- **Conserving and Improving Existing Housing** (*beginning on page 3-70*). These programs and strategies focus on the existing affordable housing stock and efforts to preserve it.
- **Removing Governmental Constraints** (*beginning on page 3-62*). These programs and strategies focus on local government procedures and standards and how they can be modified to support affordable housing goals.
- **Promoting Equal Housing Opportunities** (*beginning on page 3-101*). This addresses the issue of "fair housing" and how the housing element can help ensure equal housing opportunities for everyone.
- **Preserving Assisted Housing** (*beginning on page 3-105*). This addresses the issue of affordable units that may be lost due to expiring subsidy restrictions.

Each description includes a brief overview of the approach and purpose, a list of *Benefits*, pointers for what to do *During the Housing Element Process...* and ideas for *Potential Programs and Actions* that might be included in the Housing Element.

When available and relevant, a list of key *Contacts and Resources* is provided and related sections to be cross-referenced are listed under the heading *See Also...* and *Success Stories* are described to highlight successful programs and projects from communities throughout the Bay Area. Contact information for the success stories, highlighted in bold-face type in *Section Three* is included in *Appendix D*. Financial programs are listed separately in *Section Four, Directory of Financial Resources*.

Smart Growth Strategies

Smart growth principles provide a framework for understanding and responding to the relationships between housing and other issues that are critical to the long-term livability of our communities.

Many of the policy and program strategies included in this Section promote both affordable housing and smart growth principles. These strategies are marked with the "Smart Growth Strategy" symbol to help identify them as particularly useful strategies for meeting local housing needs in more livable and sustainable ways.

**SMART
GROWTH**

ENSURING ADEQUATE SITES

Adaptive Reuse 3-5

Air Rights Development 3-7

Increased Densities 3-9

Infill Development 3-12

Mixed Use 3-15

Rezoning Commercial and Industrial Land 3-18

Rezoning Surplus Institutional Land 3-21

Second Units 3-23

Transit-Oriented Development 3-26

Adaptive Reuse

Conversion of outmoded buildings can provide the opportunity for new residential uses within a community. Buildings being converted are often large and vacant and were used for institutional or other non-residential activities. Adaptive reuse projects have involved old school buildings, train stations, hospitals, and other public buildings; inns and hotels; and warehouses, factories, and other industrial buildings. These buildings have been converted into apartments, condominiums, co-housing projects, and live-work spaces.

Benefits

- Introduces housing into non-residential areas, restores buildings to a useful purpose, or provides live-work space at a reasonable cost.
- Augments local tax rolls through reuse of under-utilized or deteriorated buildings.
- Preserves local landmarks of historical and/or architectural significance, containing features that cannot be easily duplicated at today's construction costs. These developments may qualify for preservation tax credits for private investors if used for affordable housing.

During the Housing Element Process...

- **Conduct a Survey.** A comprehensive survey could, as a first step, identify the extent of adaptive reuse possibilities within a community. The survey could address the property's location, age, configuration, and structural condition, along with various political, financing, and tax-related considerations that may be applicable.
- **Review Regulations.** Review the Zoning Ordinance, historic preservation ordinances, and other development regulations for language and standards that allow or encourage adaptive reuse.

Potential Programs and Actions

- **Revise the Zoning Ordinance.** Encourage adaptive reuse through flexible zoning, such as mixed use, or by allowing residences as a permitted use in certain commercial and industrial zones.
- **Adopt Design Guidelines.** Design guidelines can provide useful parameters for adaptive reuse projects and help make developments and the neighborhood as a whole more attractive for residents.
- **Promote Multiple Objectives.** Non-profit and for-profit developers have been able to combine creative planning, government grants and loans, and federal tax incentives not only to rescue individual sites but also to spark neighborhood revitalization.
- **Provide Useful Information.** Special handbooks written for building officials can provide guidance for meeting building code requirements for older buildings.
- **Identify Key Officials.** Where public buildings are involved, cooperative public officials are invaluable. Cooperation includes expediting the property transfer and supporting the rehabilitation process with loans, grants, and rent subsidies where needed.
- **Use Available Resources.** Historical tax credits and programs and organizations supportive of preservation will provide additional clout and resources for adaptive reuse.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 *Converting Storefronts to Housing*, PAS Report 472, American Planning Association, Chicago, 1997.

 *New Uses for Obsolete Buildings*, Urban Land Institute, Washington, DC, 1996

- ☞ California Main Street Program
- ☞ National Trust for Historic Preservation

See Also...

- Infill Development (*Page 3-12*)
- Rezoning Commercial and Industrial Land (*Page 3-18*)
- Rezoning Surplus Institutional Land (*Page 3-21*)
- Rehabilitation (*Page 3-74*)
- Parking Standards (*Page 3-88*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Industrial Building Becomes Live/Work Development.** The Emeryville Warehouse Lofts, developed by Holliday Development and the **Martin Group**, is a mixed-use development containing 128 residential loft units and 13 commercial loft units in a converted industrial building that was originally constructed as a fruit-drying company. The City of **Emeryville** provided a loan to the developers to assist in development costs and acquired a portion of an adjacent Southern Pacific Railroad spur for use as a parking facility. Twenty-six of the units were set aside at below-market-rate prices for moderate-income households as required by the City's Affordable Housing Set-Aside Ordinance.
- **Conversion of Navy Cottages to Supportive Housing.** As part of the conversion of the Alameda Naval Air Station to civilian uses, **Resources for Community Development** will convert 12 Navy personnel cottages to supportive housing for disabled people living with AIDS. The Alameda Point Collaborative, a consortium of community-based service providers, will provide comprehensive services for residents. Funding sources for the project include HUD's Housing Opportunities for People with AIDS Program, the Federal Home Loan Banks' Affordable Housing Program, and funds from the Cowell Foundation and the San Francisco Foundation.



Alameda Point Collaborative, Alameda

Okamoto Sajio Architecture

Air Rights Development

In most built-up areas, very few vacant or unused sites are available for new development, and those that are available tend to be quite expensive. However, sites with low-intensity land uses may offer the opportunity to build housing above the existing use.

In some places, highway departments have even begun to market such sites because new federal highway regulations allow them to benefit financially from air rights leases. More common in the Bay Area are smaller air rights development projects over existing parking lots or new public garages.

While construction of air rights housing can be expensive, difficult to design, and subject to unusual constraints, it can create new housing opportunities literally out of thin air.

Benefits

- Creates new housing opportunities in built-out communities that lack vacant residential sites.
- Provides land at essentially no cost, thereby reducing development costs significantly. However, extra design and construction costs may reduce some of the cost savings.
- Provides greater community control over the type and affordability of the housing built since many potential air right sites are publicly owned.
- Provides an opportunity for upfront or ongoing subsidy for the development of low-income housing when it is built in the air rights above a municipal parking lots or retail development.
- Potentially reduces the overall cost of development through shared parking arrangements between daytime municipal and commercial uses and nighttime residential uses.

During the Housing Element Process...

- **Identify Sites.** As a first step, a local government must identify sites where air rights development could be feasible, such as public and parking private lots, roadways, or other low-intensity sites. A creative approach to identifying potential sites can reveal sites that have been overlooked in the past. A survey of both public and private parking lots may reveal many opportunities. Proximity to business districts enhances the marketability of parking and commercial uses and produces housing that is closer to jobs, shops, services, and transit.
- **Develop Partnerships with Experienced Professionals.** The involvement of an accomplished architect and a competent developer can be vital, given the design complexities that may arise in air rights development.

Potential Programs and Actions

- **Adopt Supportive Land Use and Zoning Policies.** Incorporate air rights policies in the housing element and make land use and zoning changes to facilitate the use of private air rights for housing.
- **Make Sites Available.** Offer air rights on publicly owned sites for development of affordable housing.
- **Provide Flexibility in Land Use Controls and Development Standards.** Be creative with land use controls and development standards to support air rights development.

See Also...

- Infill Development (*Page 3-12*)
- Mixed Use (*Page 3-15*)
- Rezoning Surplus Institutional Land (*Page 3-18*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Unique Air Rights Leases Produce Affordable Housing.** Chinatown Community Development Center and other non-profit developers have started using air rights in new, innovative ways as they face a shortage of sites and funding as well as heightened community needs and expectations. Two examples illustrate this trend:
 - Larkin-Pine Senior Housing in **San Francisco** is the first affordable housing development in the nation to be built on top of a US Post Office. The development was made possible through a unique air rights lease between the Postal Service and Chinatown Community Development Center. In addition to 63 single occupancy and one-bedroom apartments, the development includes two large community kitchens, two community rooms, and two outdoor courtyards with roof gardens. The development serves 93 very-low income seniors with average annual incomes of less than \$19,000.
 - International Hotel Senior Housing in **San Francisco** will be built on the site of the old International Hotel that was demolished in 1979. Affordable housing will share the site with the Filipino-American Cultural Center, St. Mary's Chinese Catholic Center that is relocating due to seismic problems, and a new K-8 Catholic school and parish. To accomplish this mix of uses and ownership, the site has been divided into three distinct air rights parcels. The 105 unit housing for seniors and disabled people and the cultural center will be built on one parcel, adjacent to which will be the school and parish. Underneath, in an air rights parcel that spans the entire site will be an underground parking garage. St. Mary's Catholic Center and the Archdiocese of San Francisco will own and operate the school, parish, and garage with separate funding used for the other parts of the development.



International Hotel, San Francisco

Larkin-Pine Senior Housing, Chinatown CDC
San Francisco

Chinatown CDC

Increased Densities

Many communities are increasing general plan and zoning densities to allow for higher density residential development. This is the most basic technique for increasing the potential supply of housing. The definition of “higher density” can vary, depending on the existing density characteristics of the community and can include both multi-family and single-family housing. The goal is to increase the potential inventory of housing sites without expanding into surrounding agricultural, open space, or other lands. The interrelated goal of design—which must be linked to discussions of density—is to ensure that higher density developments contribute to community character and do not unduly impact existing residential neighborhoods.

Benefits

- Makes neighborhoods livelier, increases support for nearby retail services, and makes neighborhoods safer by putting more eyes on the street.
- Raises the development capacity of existing sites to increase the overall potential supply of housing through more efficient use of available land.
- Improves the affordability of housing by reducing per-unit land costs and supporting more efficient construction.
- Potentially helps reduce automobile congestion when higher densities are clustered near employment centers and transit nodes.
- Preserves open space resources by reducing the total amount of land needed for residential development.

During the Housing Element Process...

- **Gather Information.** Ensure that you have a reliable inventory of undeveloped and under-utilized land, projections of future housing need, and information on local land and development costs in relation to affordability (i.e., a determination of how many units per acre are needed to achieve affordability). Information on existing development densities in each area of the jurisdiction can also be helpful.
- **Engage Developers and Builders.** Involve developers and builders to get their input on the density ranges that are needed to support affordability and to respond to market demand. Materials from developer-oriented organizations such as the Urban Land Institute can be used to provide guidelines and examples.
- **Review Plans and Ordinances.** Review the density classifications of the land use element and zoning ordinances and identify areas where densities are insufficient to meet affordability goals and other community goals (e.g., to support transit or to meet fair-share housing requirements).
- **Review Other Standards.** Review development standards in light of proposed densities. Standards that deal with issues such as road width, parking, setbacks, lot coverage, and height may inadvertently prevent desired densities from being realized.
- **Focus on Design.** Emphasize the role of design in creating successful high-density developments. Many communities have examples of well-designed higher-density development and these examples are often helpful to illustrate how higher density development can be designed and maintained.
- **Educate the Community.** Residents should be made aware of the need for affordable housing and the link between affordable housing and density.

Potential Programs and Actions

- **Revise the General Plan Land Use Designations and Zoning Ordinance.** As part of the Housing Element Update or as a subsequent implementing action, revise the General Plan and/or Zoning Ordinance to support increased densities, providing a moderate increase in the maximum allowed density in each residential land use category.

- **Re-Zone Areas.** Areas identified during the planning process as suitable for medium and high density residential development should be zoned for “by-right” development to reduce the need for hearings on conditional use permits. Communities **must zone** for “by right” multi-family housing development if the inventory of sites indicates that there are insufficient sites to meet the regional housing needs allocation.
- **Establish Design Guidelines.** Clear design guidelines, administered through an efficient and fair process, produce good design that incorporates higher densities while blending with nearby developments and the neighborhood.
- **Establish Both Maximum and Minimum Densities.** Include a minimum density as well as a maximum density. This prevents residential sites from being used to less than their full potential and gives both the community and developers a clear understanding of the type of housing slated for vacant or redeveloped land.
- **Provide Density Bonuses to Support “Smart Growth.”** Establish mechanisms such as location-specific density bonuses (in addition to the State-mandated density bonuses) to encourage higher density developments in areas close to transit facilities, employment centers, commercial centers, and community facilities.
- **Establish Alternatives to Density Standards.** Consider the use of floor-area ratios, lot coverage requirements, height limits, and other design standards in place of traditional density measures to increase the amount of new housing that can be built, improve compatibility between the new higher density development and the existing area, and direct public debate to the actual appearance and effect of the housing rather than arbitrary density numbers.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ California Planning Roundtable, *Myths & Facts About Affordable and High-Density Housing*, Sacramento, 1993.
- ✍ Congress for the New Urbanism, *Charter of the New Urbanism*, McGraw-Hill, New York, 1999.
- ✍ *Making Residential Density Work*, Urban Ecology’s “Realize the Vision” Series, No. 1, Oakland, 1998.
- ✍ Fader, Steven, *Density by Design* (2d ed), Urban Land Institute, Washington, DC, 2000.
- 📞 Congress for the New Urbanism
- 📞 Urban Ecology
- 📞 Urban Land Institute

See Also...

- Infill Development (*Page 3-12*)
- Mixed-Use (*Page 3-15*)

How Much Density Is Enough to Achieve Affordability?

Producing affordable housing in the current real estate market — where land costs are high, supply is low, and land availability is limited — requires zoning with much higher densities than is currently available. Medium Density Residential ranges should allow at least 18 units to the acre, while High Density Residential zoning ranges should allow at least 30 units to the acre. **These density thresholds may be higher in jurisdictions where land costs are higher than the regional average.**

In addition, it is essential to review development standards in relation to density increases. In many cases, current development standards (i.e., parking ratios, setbacks, lot size and coverage, street width, etc.) are greater than what the designated density can support. These standards will need to be adjusted to allow for each density range. This is especially true with for-sale housing, where conventional small lot zoning standards do not allow for the designated density yields. As a consequence, the production of affordable for-sale, ownership housing always requires a rezoning or conditional use approval.

Jurisdictions should revise their zoning standards to authorize the development of for-sale subdivisions at the recommended densities without requiring discretionary rezone or conditional use approvals. These subdivisions would, of course, still be subject to full design review, including a public hearing and the opportunity for neighboring residents to provide comments, input, and recommendations on design matters.

Adapted from *Affordable Housing Strategies: Suggestions for Policy Formulation in General Plans and Housing Elements* by Burbank Housing (Santa Rosa, 2000).

- Transit-Oriented Development (*Page 3-26*)
- Density Bonuses and Other Incentives (*Page 3-30*)
- Design Guidelines and Design Review (*Page 3-82*)
- Parking Standards (*Page 3-88*)
- Street and Infrastructure Standards (*Page 3-95*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Planning Tools Used to Intensify Development in a Downtown Area.** The City of **Mountain View** continues to use “precise plans” to successfully intensify land use around transit facilities in different parts of the City, providing much needed housing in the tight Silicon Valley market. Precise plans replace original zoning for multiple properties in a defined area. They serve as comprehensive planning and zoning documents and provide detailed guidelines that all development in the area must comply with. By establishing a precise plan for the rapidly revitalizing downtown area, the City is encouraging smart growth and mixed-use development while increasing densities to at least 30 units per acre, with a maximum of 53 units per acre around transit facilities.
- **Increased Densities Make for a Safer Neighborhood.** A mixed-use redevelopment in downtown **Richmond** next to a blighted area near the Richmond BART station has contributed to neighborhood revitalization. The 98 unit Memorial Park built on city-owned park property, includes town homes and apartments. It was developed by **BRIDGE Housing Corporation** in partnership with The Martin Group with funding from a variety of sources including Proposition 84; tax credits; private foundations; and grants from the City of Richmond and Chevron, a major Richmond employer. The development has brought homeowners into the area, increased pedestrian activity, brought a sense of neighborhood renewal, and resulted in safer streets for everyone.
- **General Plan Promotes an Integrated Approach to Residential Densities.** The City of **Gilroy’s** Draft General Plan (2000-2020) establishes a new residential land use designation for the City, called the “Neighborhood District.” Responding to citizen concerns about the uniformity of new residential areas and desires for new neighborhoods that would reflect the character and mix of uses found in the City’s older neighborhoods, the new designation seeks to achieve a more integrated approach to neighborhood development with a mix of housing types and densities in each new residential area. The designation is mapped on vacant lands where new residential development is planned, and establishes a “target” and “minimum” density mix that must be achieved in all areas. It also sets forth a number of policies to help guide the planning and design of these new neighborhood areas, calling for the integration of neighborhood-serving non-residential uses as well as design features such as pedestrian and bicycle circulation systems, community gathering places, and neighborhood open space.



Downtown Richmond Development

Dixi Carillo



Downtown Mountain View Development

Tom Jones

Infill Development

Infill development occurs on sites that have been bypassed by previous development or on developed sites where the current use is no longer optimal or desirable. Infill development projects vary in size from single-family dwellings and multi-family developments on scattered lots to large mixed-use developments covering a city block. Infill development can rejuvenate a neighborhood and provide more housing and other opportunities. On the other hand, infill development can cause controversy in the neighborhood due to the potential loss of local open space, change in community appearance, and potential traffic impacts.

In many Bay Area communities, infill will be a central strategy for meeting future housing needs. Implementation of an effective infill strategy will require use of a variety of related strategies, including mixed-use, second units, rezoning land for residential use, adaptive reuse, and redevelopment. An emphasis on infill will also require a finer-grain approach to planning and development, relying less on the availability of large parcels of undeveloped land and more on making better use of the land that is within the urbanized area.

Benefits

- Reduces the front-end costs of development since infill sites are typically already served by utilities and other infrastructure.
- Provides units that are accessible to public transit and close to jobs.
- Revitalizes older neighborhoods and supports local businesses.
- Increases the value of surrounding properties.
- Accommodates additional housing in areas that are already developed instead of furthering suburban sprawl that consumes open space and agricultural lands on the edge of urbanized areas.
- Provides sites that often are well suited for multiple family developments because more units can offset higher land costs and make housing more affordable.

During the Housing Element Process...

- **Inventory Parcels.** Prepare and disseminate a current, accurate inventory of vacant and under-utilized land parcels. This activity should be part of the identification of adequate sites required for the housing element.
- **Review Densities.** Allow for sufficient density on infill sites so that development is economically feasible.
- **Review Development Standards.** Review and correct excessively high or inappropriate development standards, especially parking requirements.
- **Seek Allies.** Gain support for infill housing from environmentalists and transit advocates.
- **Address Area-wide Impacts.** Examine and deal with infill impacts, such as traffic, on an area-wide basis instead of on a project-by-project basis. Use master EIRs where appropriate.

Potential Programs and Actions

- **Adopt Policies.** Adopt general plan policies that encourage infill development. Strong policy statements need to be in place that can be used to support the approval of controversial infill developments.
- **Revise Standards.** Revise development standards to make infill development feasible and to allow development of irregular, small, or otherwise substandard parcels.
- **Assemble Lots.** Consolidate infill parcels into larger, more easily developable sites where feasible.
- **Promote Joint Development Projects.** Initiate development of surplus public lands as a joint venture with non-profit and for-profit developers.

- **Focus Redevelopment Efforts.** Initiate, expand, or redirect redevelopment efforts to assemble parcels and otherwise support residential infill activities.
- **Provide Common Parking.** Provide municipally owned parking facilities in areas where it is impractical for each infill project to have its own parking.
- **Adopt Design Guidelines.** Establish design guidelines to ensure compatibility with the surrounding area and reduce potential opposition.
- **Address Infrastructure.** Address potential aging problems and the capacity of affected roadways, sewer, and water systems before encouraging infill activities.
- **Adopt Variable Impact Fees.** Vary impact fees by area depending upon road and utility systems that currently exist.
- **Lease Space for Public Use.** Consider leasing ground-floor space for community or civic uses, thereby making the development project more financially feasible.
- **Provide Loans or Guarantees.** Assist with loans or loan guarantees for development projects containing a certain percentage of affordable units.
- **Use Inclusionary Fees.** Use in-lieu fees from inclusionary housing programs to subsidize infill developments containing affordable units.
- **Practice Conflict Resolution.** Anticipate, plan for, and resolve conflicts between builders and local interest groups.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Ewing, Reid, *Best Development Practices*, Planners Press, American Planning Association, Chicago, 1996.

 *The Principles of Smart Development*, PAS Report 479, American Planning Association, Chicago, 1998.

 Suchman, Diane R., *Developing Infill Housing in Inner-City Neighborhood*, Urban Land Institute, Washington, DC, 1997.

 Urban Ecology, *Blueprint for a Sustainable Bay Area*, Oakland, 1996.

See Also...

- Adaptive Reuse (*Page 3-5*)
- Air Rights Development (*Page 3-7*)
- Rezoning Commercial and Industrial Land (*Page 3-18*)
- Rezoning Surplus Institutional Land (*Page 3-21*)
- Density Bonuses and Other Incentives (*Page 3-30*)
- Design Guidelines and Design Review (*Page 3-#82*)
- Parking Standards (*Page 3-88*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Land Assembly Produces a New Mixed-Use Development Downtown.** Eighty-one units of affordable housing, 20,000 square feet of retail space, a child care center, a computer education facility and a college campus have been built on a site assembled from seven separate parcels in the downtown area of **Redwood City**. Working in collaboration with the City's Redevelopment Agency, the developers, **Mid-Peninsula Housing Coalition** and Raiser Organization, had to clean up the toxic waste left by an old Mobil gas station, overcome initial investor reticence, and put together the financing to create a model downtown infill development. City Center Plaza is next to City Hall and features a central walkway that connects pedestrians to the new public facilities and Main Street.
- **Small Lot Provides Live/Work Opportunities in a Downtown Area.** A four-unit development—two units of commercial only and two live/work units—built around a two-level courtyard on a small lot, has brought new residents into the business-dominated downtown area in **Sebastopol**. The development acts as a transitional building, providing a link between adjacent commercial and residential uses.
- **Housing for Developmentally Disabled Adults on an In-fill Site Promotes Independent Living.** Page Mill Court in Palo Alto was developed by **Mid-Peninsula Housing Coalition** to provide 24 units of one and two-bedroom apartments for 31 very low-income developmentally disabled adults on a small infill site. Constructed around a series of courtyards and walkways in a residential area, the development also includes a large community center building that provides both program and social space for the residents. Services are provided by the Silicon Valley Independent Living Center.

The two-story housing complex is designed to fit into a neighborhood where recently constructed condominiums sell for as much as \$600,000. The development is located within walking distance of public transit, the regional Cal Train station, and downtown Palo Alto. While the City of **Palo Alto** provided the greatest share of local financing, the neighboring communities of Mountain View, Sunnyvale, Los Altos, and Los Altos Hills as well as Santa Clara County provided some financial support, since the facility serves their residents as well. The development required extensive organization to build and sustain community support in the face of major opposition from immediate neighbors. City staff worked in partnership with the project co-sponsors to build a broad regional community base to help the City Council understand that many residents wanted to see this project go forward.



Page Mill Court, Palo Alto

Tom Jones



Willow Court, Menlo Park

Michael Pyatok, FAIA

Mixed-Use

Mixed-use development combines residential uses with one or more other uses such as office, retail, civic, entertainment, or even manufacturing. Mixed-use can be either “vertical” (mixing uses within a single structure) or “horizontal” (mixing uses on a large site, with each use confined to a separate building or set of buildings).

Mixing uses often requires changes to the zoning ordinance or planned unit development (PUD) regulations. To encourage housing, a community can allow residential uses in commercial areas and other non-residential zones, especially downtowns, thereby creating multi-use areas. Or, the community can set up a mixed-use zoning district.

Benefits

- Creates opportunities for housing in whole new areas of a city.
- Adds new housing potential in “built-out” communities that lack vacant residential sites.
- Locates infill housing in office or retail districts where it may be less controversial.
- Supports retail uses by locating residences in close proximity to shopping.
- Reduces residential development costs by sharing amenities and parking with other uses.
- Reduces automobile traffic as people can live and work or live and shop in the same area.

During the Housing Element Process...

- **Identify Potential Sites.** As a first step, identify areas where mixed-use development would be feasible. For infill developments, site location is important. Proximity to the central business district may enhance the success of non-residential and residential components.
- **Review Zoning and Planned Unit Development Requirements.** Review the zoning and PUD ordinances and site plan requirements in regard to mixed-use policies. Identify appropriate development standards that will make mixed-uses feasible. Ensure that PUD ordinances allow or require mixed-uses.
- **Review Parking Requirements.** Parking standards should encourage the use of shared parking facilities and support affordability.
- **Identify Receptive Lenders.** Identify potential lenders who are receptive to mixed-use development projects and provide referrals for interested developers.

Potential Programs and Actions

- **Adopt Mixed-Use Policies.** Incorporate mixed-use policies in the land use and housing elements of the general plan.
- **Revise Zoning and Planned Unit Development Requirements.** Revise the zoning and PUD ordinances and site plan requirements to implement policies in support of mixed-uses.
- **Promote Collaborative Approaches.** Refer commercial project developers to successful housing developers when commercial sites are in the early planning stages and encourage them to collaborate on an integrated mixed-use approach.
- **Provide Incentives.** Consider providing incentives such as density bonuses and increases in the commercial floor area ratio or other bulk restrictions.
- **Promote Good Design.** Ensure that the design of mixed-use developments supports community design goals and incorporates pedestrian circulation systems and other community amenities. Also, ensure that residential and commercial uses are compatible.

- **Provide Subsidies to Achieve Affordability.** New mixed-use housing is sometimes expensive because of high land and development costs. Subsidies may be necessary to make housing affordable.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ Schwanke, Dean, *Mixed-Use Development Handbook*, Urban Land Institute, Washington, DC, 1987.
- ✍ *Building More Intensively*, Urban Ecology's "Realize the Vision" Series, No. 5, Oakland, 1998.
- ✍ *Encouraging Mixed Uses*, Urban Ecology's "Realize the Vision" Series, No. 2, Oakland, 1998.
- ✍ State Office of Planning and Research, *Mixed-Use Development: Bringing Jobs and Housing Together*, Sacramento, 1981.

See Also...

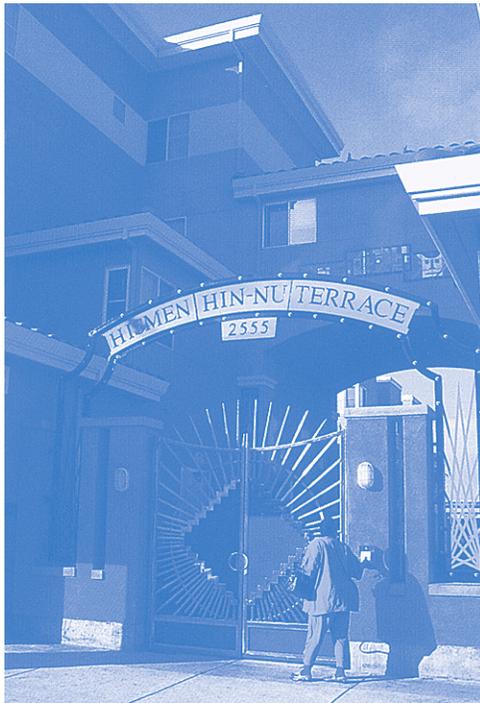
- Air Rights Development (*Page 3-7*)
- Infill Development (*Page 3-12*)
- Transit-Oriented Development (*Page 3-26*)
- Working at Home (*Page 3-46*)
- Design Guidelines and Design Review (*Page 3-82*)
- Parking Standards (*Page 3-88*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Affordable Mixed-Use Revitalizes a Diverse Neighborhood.** Hismen Hin-Nu (“Sun Gate”) Terrace is a new mixed-use air rights development built on a 1.5 acre abandoned supermarket site bought at a foreclosure auction. Two local non-profit developers serving different ethnic groups—**East Bay Asian Local Development Corporation (EBALDC)** and San Antonio Community Development Council (SACDC)—and project architects **Pyatock Associates** developed the site with 92 town homes and apartments above parking and 14,000 square feet of ground floor commercial space. The commercial space includes a Head Start day care center and play area, after school care, a community room with kitchen, an Oakland Police community relations office, and an indoor marketplace for small clothing retailers.

Designed with extensive community input, the development has apartments in the four-floor elevator building bordering the street for seniors and smaller families, and larger town homes with three to four bedrooms are located around landscaped courtyards in the rear. A variety of public and private funding sources were used, including a grant from The National Endowment for the Arts to hire local artists from different ethnic backgrounds to provide artwork for the buildings. Hismen Hin-Nu has had 100 percent occupancy since it opened and serves as an innovative model of a mixed-use development that addresses the security, recreational, and cultural needs of a racially and ethnically diverse very-low income community.

- **Grocery Store Development Includes a Residential Component.** Santa Rosa has encouraged the Safeway grocery chain to include multi-family housing as part of a new store development being planned on a 9-acre site in the City. While most of the site is zoned for commercial use, a little over an acre of the site is zoned for multi-family housing. Rather than agree to rezone the multi-family portion of the parcel, the City Council concurred with the City’s Planning Commission and staff to require housing as part of the development proposal, despite opposition from both Safeway and neighborhood residents. In the process of public hearings to interpret the development’s consistency with the General Plan, Safeway has agreed to work in partnership with a housing developer who will build the residential component of the development. The City expects to be actively involved throughout the process, and intends to encourage a shared parking program to reduce the total number of parking spaces provided (Safeway would prefer to build parking in excess of the City’s requirements), thereby making more land available for other uses.



Hismen Hin-Nu, Oakland



Janet Delaney

Rezoning Commercial and Industrial Land

The Bay Area has a shortage of land designated for residential use and a surplus of land for commercial, office, and industrial use. Also, in many communities, industrial areas have become under-utilized and shopping centers or strip malls have become obsolete. In some communities, under-utilized agricultural land (especially if surrounded by development) and publicly owned surplus land are available. All of these areas should be examined for possible residential uses. This provides a strategy for creating residential opportunities in areas that are less likely to face potential neighborhood concerns about infill housing development.

Benefits

- Allows for additional housing without changing or disturbing existing residential areas.
- Creates new housing opportunities near existing job centers and shopping, thereby reducing dependence on automobiles for transportation.
- Makes job recruitment easier in housing-scarce areas.
- Improves community image and encourages investment through development of vacant and under-utilized land.
- Improves public safety through development of vacant and under-utilized land that is often avoided by pedestrians and bicyclists due to perceptions of being unsafe.

During the Housing Element Process...

- **Inventory Vacant and Under-utilized Land.** Vacant and under-utilized land parcels should be inventoried and blighted areas should be examined for potential residential uses.
- **Compare Supply and Demand.** Compare vacant and under-utilized land zoned for industrial and commercial uses against the jurisdiction's employment projections. Many communities have a more than adequate supply of employment-generating land uses. The appropriateness and feasibility of rezoning surplus land for residential use should then be assessed.

Potential Programs and Actions

- **Designate Sufficient Land.** When rezoning land for residential use, include sufficient land to create a new neighborhood.
- **Build Community Character.** Attention to design and the inclusion of shops and other amenities can help improve the community character of new housing development.
- **Promote Transit-Oriented Development.** Encourage transit-oriented developments (TODs) to take advantage of access to transit routes.
- **Ensure Appropriate Densities.** As much land as possible should be identified for higher density categories to increase the potential number of housing units, reduce per-unit land costs, and build more interesting communities.
- **Provide Zoning Flexibility.** The local government should allow for flexibility in zoning so that various types of housing and mixed-use development can occur. Performance-based criteria, floor area ratios, and other non-density development standards should be used to encourage a mix of housing types.
- **Consider Incentive Programs.** Rezoning programs can include incentives or requirements to construct affordable housing.
- **Plan at a Community Scale.** The use of specific plans and master Environmental Impact Reports is often useful in developing large blocks of land. This approach can also help limit subsequent discretionary reviews.

- **Anticipate Problems of Soils Contamination.** In redeveloping industrial land for housing, attention needs to be given to the presence of toxic materials in soils. A number of brownfields programs exist that may be helpful in the future residential development of existing contaminated sites.
- **Consider Use of Redevelopment Powers.** Use of redevelopment agency authority to consolidate parcels can be very helpful when existing parcels are small, irregular, or poorly served by roads and utilities.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Simons, Robert A., *Turning Brownfields into Greenbacks*, Urban Land Institute, Washington, DC, 1997.

 California Center for Land Recycling

 US Environmental Protection Agency

 Local Government Commission Website

See Also...

- Air Rights Development (*Page 3-7*)
- Infill Development (*Page 3-12*)
- Rezoning Surplus Institutional Land (*Page 3-21*)
- Transit-Oriented Development (*Page 3-26*)

Land Recycling

Environmentally distressed properties, or brownfields, are an important infill development resource in many communities. While some sites are large, heavily contaminated industrial sites, the majority are smaller, less contaminated neighborhood sites that offer both a valuable infill potential and an opportunity to turn a neighborhood liability into an asset. A recent study for the Bay Area Alliance for Sustainable Development determined that over 150,000 acres of potentially recyclable land are currently vacant or under-utilized in the Bay Area. Through the right combination of private, community, and government action, combined with technical expertise to construct a viable plan, these lands can be cleaned up and made available for housing and other community amenities — ensuring the protection of public health while also enhancing the local quality of life.

Adapted from Brownfield Redevelopment Case Studies, published by the California Center for Land Recycling (San Francisco, 2000).

Success Stories

- **Out-Dated Shopping Centers Transformed into Workforce Housing.** The original plan for Foster City included neighborhood shopping centers to serve the majority of residents' day-to-day shopping needs. As elsewhere in the Bay Area, shopping patterns have shifted to larger retail facilities, reducing the viability of some of these neighborhood centers. In 1997, the City of Foster City implemented a process, first identified in both its Housing and Land Use and Circulation Elements, to address the pressing issues related to neighborhood shopping centers and workforce affordable housing.

The City expanded its Community Development Agency Project Area to facilitate redevelopment of two existing non-viable neighborhood shopping centers, which were experiencing problems with high vacancy rates, vandalism, and physical deterioration. The new uses include both market-rate and below-market-rate, affordable housing. The Marlin Cove Center will be a mix of housing with commercial space consolidation, while the Port O'Call center will be completely changed from commercial to residential use. The City has worked closely with tenants, property owners, nearby residents and developers to address site design and redevelopment concerns, and relocation needs and to assure that a significant portion of the units built are below-market-rate. Both sites are currently under construction.

- **A Vacant Commercial Site Becomes a Vibrant Neighborhood.** The long-vacant Sears site in mid-town San Jose was developed by Ecumenical Association for Housing (EAH) and Barry Swenson Builders with new residential uses, a Safeway market, and a one acre city park. The Parkview development was built in phases starting with a 90 unit affordable apartment complex for low-income families, followed by 140 units for low-income seniors in an adjacent building, and finally 62 town homes and the park. Parkview Senior Apartments include multiple community rooms and a computer learning center. The development was made possible through loans from the City of San Jose, equity investments from California Equity Fund, and conventional financing from banks. The development has brought an exciting sense of renewal to San Jose's midtown neighborhood with its rich mix of uses.



Marlin Cove, Foster City

Foster City Community Development



Port O' Call, Foster City

Foster City Community Development



Parkview Senior Apartments, San Jose

Sandy & Babcock International

Rezoning Surplus Institutional Land

Perhaps the single most effective resource a local government has is the land it owns. Surplus land of school districts, other public agencies, churches, and occasionally even private corporations may also offer opportunities. By law, governmental entities are required to notify and consider a first offer for purchase from other public bodies and non-profits interested in developing the land for housing. Although this law does not apply to the Federal government, opportunities also exist in the re-use of federally owned property such as defense bases.

Benefits

- Offers an opportunity for a community to build housing. If the land is owned by the local government, or can be acquired at no or little cost, then very affordable housing can be developed.
- Gives a community great control over the type and amount of housing built.
Provides a potential revenue source through sale or trade of the property to subsidize affordable housing efforts elsewhere if surplus land is not suitable for residential use.

During the Housing Element Process...

- **Inventory Surplus Land.** The land inventory required in the housing element revision is the most logical and effective way to go about identifying surplus land. Conduct the inventory with housing development in mind. It may be possible to relocate or consolidate current land uses to make a housing site available.
- **Consider Future Availability.** In conducting the survey, look critically at publicly owned sites that may not be surplus now, but might be well suited for housing in the future. It is also useful to contact other land-owning departments and agencies to become aware of surplus sites.
- **Survey Local Policies.** Survey local policies and land use plans to determine whether they encourage the use of surplus land for housing.

Potential Programs and Actions

- **Promote Direct Provision of Housing.** Land not needed for an agency's primary function may be used for housing for employees of the agency. School districts, for example, may build housing for teachers.
- **Revise Local Policies.** Revise local policies and land use plans to favor the use of surplus land for housing, thereby making it easier to implement affordable housing programs.
- **Cooperate With Other Groups.** Cooperate with non-profits and homebuilders to help identify sites, evaluate the housing development potential, and build affordable housing.

See Also...

- Air Rights Development (*Page 3-7*)
- Infill Development (*Page 3-12*)
- Mixed-Use (*Page 3-15*)
- Transit-Oriented Development (*Page 3-26*)

Success Stories

- Affordable Senior Housing and Market-Rate Townhouses Replace Former School.** The City of Mountain View partnered with the Andean Group, a private development corporation and the non-profit Mid-Peninsula Housing Coalition to redevelop a surplus public school site as a combination of mid-priced family townhouses, low income elderly housing, and a public park. The senior development, Ginzton Terrace, has 107 one and two bedroom apartments, of which 35 are for moderate-income, 36 for low-income, and 36 for very low-income senior residents.

The master site plan spatially integrates Ginzton Terrace with Oaktree Commons, which contains 73 moderate-income and market-rate townhouses for families. The two developments share a small passive open space and a large public park with children's playing fields and climbing structures. The senior and family housing are financially integrated through shared voting membership in the Oaktree Commons Homeowners Association, which maintains all the common open space. The City discounted the land and provided a substantial density bonus to allow the senior housing to be developed. Despite the density bonus, the overall feeling of the development is compatible with adjacent single family and small apartment developments, and the integration of senior rental housing with mostly market-rate owner-occupied units has been considered a success, with a number of social benefits and no impact on the market value of the townhouses.

- Condominiums on a School Site Leased by the City.** After four years of trying to sell the former site of the San Francisco Technical High School near Golden Gate Park, the San Francisco Unified School District leased the land for a period of 75 years to the City and County of San Francisco for the development of affordable housing. It took the City, non-profit developer BRIDGE, Pacific Union, and architects David Baker and Associates more than three years to overcome community opposition to the development, and a settlement was finally mediated by then-mayor Art Agnos. Parkview Commons is built on a steep site with a nearly 50-foot difference in grade.

It consists of 114 affordable housing units that range from studios to four bedroom units. Two former Art Deco style gymnasiums were saved from demolition and rehabilitated to serve as a community center and a circus school. Automobile access is restricted and pedestrian walks bordered by gardens traverse the site. The garages are all connected to the units through direct internal access, a popular safety feature. Low- and moderate-income residents purchase their units but lease the land from the City. To offset the subsidy the City holds a second mortgage on the property with a lien in the amount of the difference between the sale price and market value of the property. The City also encourages long-term affordability and discourages speculation by retaining the right to purchase the property for four years as well as the right of refusal for as long as owners have their homes.



Oaktree Commons/Ginzton Terrace,
Mountain View

Tom Jones



Parkview Commons, San Francisco John Sutton

Second Units

A second unit is an additional self-contained living unit on the same lot as the primary residential unit. It may be either attached to or detached from the primary unit, but must contain cooking, eating, sleeping, and full sanitation facilities. State law (Gov Code §65852.2) permits second units and establishes minimum standards for their development. Second units are also known as in-law units or accessory dwellings and are sometimes called granny flats although that term also applies to a similar but more restrictive type of unit (Gov Code §65852.1).

A local government can either adhere to the State standards or adopt its own second unit ordinance. Any local ordinance must comply with the provisions in the State law. The clear intent of the State is to promote the use of second units (Gov Code §65852.150). State law exempts second units from local growth limits.

Opposition to second units generally comes from neighborhood concern over parking and traffic impacts. Local regulation can control the location, size, parking requirements, and architectural compatibility. In order to minimize fears (usually unfounded) that single-family neighborhoods will be overrun by second units, some communities limit the number of second units by neighborhood.

Benefits

- Provides affordable housing because usually there are no land costs. Second units frequently rent for less than comparably sized apartments.
- Supplements the income of the homeowner, thus allowing the elderly to remain in their homes or moderate-income families to afford houses.
- Provides housing for family members throughout their life cycle. For example, the second unit can be rented when a family is young and just getting started; then used as a home office; then used for their children as they become teenagers and young adults; then as a living unit for elderly parents; etc.
- Permits the elderly to “age in place” and helps them avoid unnecessary and premature relocation to nursing homes and supportive housing.

During the Housing Element Process...

- **Provide Facts.** Respond to community fears about being overwhelmed with impacts from second units by collecting information from other communities about the number of second unit applications they received when their ordinances were liberalized and the actual impacts that were experienced after unit occupancy. Also, try to evaluate the actual impacts from existing second units in the community.
- **Evaluate Existing Ordinances.** Review existing ordinances in relation to second unit requirements. At a minimum, local ordinances should comply with State law requirements. Determine how many second units have been approved in recent years and if the number is low, determine what the barriers are. Interviews with recent applicants may highlight existing standards, fees, or other requirements that discourage the development of new second units.
- **Educate Officials.** Provide information on second units to local officials, including data on second units within the jurisdiction as well as experiences from other jurisdictions. Help them understand the potential benefits of encouraging more second units and strategies for addressing potential impacts.

Potential Programs and Actions

- **Adopt an Effective Ordinance.** Adopt a second unit ordinance that is consistent with State laws. A review of existing ordinances and the amount, location and affordability of built second units may point to potential improvements and modifications.
- **Adopt Standards.** Encourage second units by adopting specific standards dealing with issues such as minimum lot size, maximum unit size, parking standards, setback and height requirements.

- **Anticipate Concerns.** Address compatibility issues within existing neighborhoods by establishing achievable standards and guidelines.
- **Adopt Reasonable Parking Requirements.** Establish reasonable parking requirements that take into consideration the size of the unit and location. Most second units are unlikely to need more than one off-street space, and units located close to transit, employment centers or where on-street parking is plentiful may not need any off-street spaces. Also consider innovative parking provisions, such as tandem parking or allowing parking in side-yard setbacks, for their potential applicability.
- **Avoid Excessive Requirements.** Limits on the maximum number of units within a neighborhood, requirements for owner occupancy, and high parking requirements may deter legal construction of second units and should be used only when absolutely necessary to ameliorate community concerns.
- **Discourage Conditional Use Permits.** If second unit approvals can be made without a conditional use permit or other action requiring public hearing, property owners will find it less burdensome to add second units.
- **Provide Assistance.** Financial or technical assistance can encourage second unit development and improve their affordability.
- **Legalize Existing Second Units.** Allow for the legalizing and upgrading of existing units so as to conform to health and safety requirements. This can be encouraged by reviewing building code requirements to ensure they are not excessive and by streamlining the conformance process.
- **Encourage Second Units in New Construction.** New housing should be designed with flexible spaces that can be used for second units, housing for family teenagers or seniors, or home offices.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 *Promoting Second Units*, Urban Ecology's "Realize the Vision" Series, No. 6, Oakland, 1998.

See Also...

- Housing for Seniors (*Page 3-58*)

Success Stories

- **Second Units Reduce Costs of Home Ownership in a Planned Unit Development.** Courtside Village, a mixed-use development on a 68.5 acre site in **Santa Rosa** includes single-family homes around a core of multi-family apartments, retail, live/work units, a pre-school, community center, and church, with pocket parks scattered through the development. The development is zoned as a “planned community district” and is designed to replicate a traditional town or village with its mix of housing types, income groups and an environment where pedestrians are given equal consideration.

The housing type variety includes second dwelling units as a principal permitted use on some lots without requiring a conditional use permit. The use permit requirements establish maximum allowable heights and setbacks from the lot line and require that all second units go through design review. Prior to obtaining a building permit, an agreement of restrictions is recorded against the property deed, specifying that the second unit may not be sold as a separate dwelling unit and that it must be restricted in size to 700 square feet. Mortgages on homes with second units are substantially lower after income potential is calculated in.

- **Second Unit Legalization through the Home Safe Program.** Following a finding in the mid-1990s by **Daly City** Building Inspectors of thousands of illegal second units, the City created its “Home Safe Program,” which allowed owners to legalize units built before January 1992 after payment of a \$100 application fee. Daly City ensured that second units were brought up to current building code standards by relaxing zoning restrictions on parking, size, and density. Over a two-year amnesty period, over 1,000 second units were effectively legalized. Since then the program has been suspended, mostly due to neighborhood concerns over the ensuing lack of street parking. Currently, second units (which are mostly in ground floor garages) are required to provide two parking spaces per unit.

Transit-Oriented Development

Transit-oriented development (TOD) refers to development at a transit access point—a station or location served by one or more transit lines—that has buildings with varied activities within an easy walk of the transit access. TODs may be in urban areas or in suburbs, and should incorporate housing as well as other uses. The types of buildings and activities will vary by community and location, but the following are characteristics of many TODs:

- A waiting area for transit users.
- Activities used by transit riders either before or after their transit trips, such as convenience retail shops and services.
- Higher density residential uses and higher intensity retail and office uses.
- Mixed-uses, frequently with residential uses above commercial uses.
- Easy access for pedestrians and bicyclists to and from the point of transit access.
- Special facilities such as bicycle storage and day care facilities.

Benefits

- Reduces or eliminates the need for residents to own automobiles because they can get to their jobs, shopping and other services by transit or by walking.
- Supports affordable housing because higher densities in a TOD result in more units that can offset higher land costs.
- Promotes job development when commercial uses are included in the development.
- Takes advantage of under-utilized land at or near transit stations.

During the Housing Element Process...

- **Review General Plan Policies.** The local government should adopt general plan policies that encourage TODs.
- **Identify Sites.** Working with the transit providers, identify current and future sites for TODs, including sites served by rail, bus, and ferries.
- **Review Zoning.** Ensure that zoning and other ordinances support higher density, mixed-use development near transit access points.
- **Work with Transit Providers.** Work with transit providers to plan for and develop the land immediately surrounding transit access points.
- **Involve Other Entities.** Involve for-profit and non-profit developers in the planning and development of TOD projects.

Potential Programs and Actions

- **Address Design Issues.** Develop specific plans or design guidelines for TODs to ensure that they are integrated into the fabric of the community. Civic spaces should be encouraged as an integral component in TOD designs to support their function as important community centers and gathering places.
- **Revise Parking Requirements.** Revise parking requirements to allow TOD parking standards to be established on a case-by-case basis, depending upon the character and location of the development. Parking for residents often can be greatly reduced because they have such good access to transit.

- **Encourage Services to Locate in TODs.** Encourage civic and community services—such as daycare, adult education, health clinics, library services, etc.—to locate at TOD sites.
- **Provide Transportation Alternatives.** Provide facilities for bicycle and electric vehicle rental at TOD sites.
- **Provide Mortgage Information.** Provide information on special mortgages that may be available to people who live in TODs.
- **Look at Funding Alternatives.** Explore the use of transit funds to help fund the planning and development of TODs.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ Burrington, Stephen H. and Bennet Heart, *City Routes, City Rights: Building Livable Neighborhoods and Environmental Justice by Fixing Transportation*, Conservation Law Foundation, Boston, 1998.
- ✍ Calthorpe, Peter, *The Next American Metropolis*, Princeton Architectural Press, New York, 1993.
- ✍ *Moving Toward More Community-Oriented Transportation Strategies for the San Francisco Bay Area: A Resource Guide*, Metropolitan Transportation Commission, Oakland, 1996.
- ✍ Morris, Marya (ed), *Creating Transit-Supportive Land-Use Regulations*, PAS Report 468, American Planning Association, Chicago, 1996.

See Also...

- Air Rights Development (*Page 3-7*)
- Infill Development (*Page 3-12*)
- Mixed-Use (*Page 3-15*)
- Rezoning Commercial and Industrial Land (*Page 3-18*)
- Rezoning Surplus Institutional Land (*Page 3-21*)
- Parking Standards (*Page 3-88*)

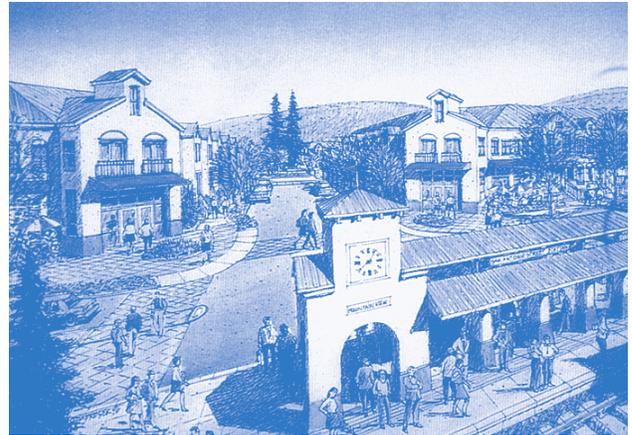
Success Stories

- **Rezoning of a 1950s-Era Industrial Area to a Mixed-Density Transit Oriented Development.** The City of **Mountain View** encouraged GTE to consider selling 40 acres of surplus industrial property for residential development and subsequently rezoned the site to medium high density residential (12-14.5 dwelling unit - du/acre). The site surrounds a Light Rail Station, which along with two public mini-parks is the focal point for the new neighborhood. The 525 unit Whisman Station development is being completed by a group of four residential developers and features single family homes at eight du/acre, small lot single family at 11-14 du/acre, townhouses at 12-14 du/acre and high density townhouses between 15-35 du/acre next to the station. An adjacent four acre parcel is to be developed in the last stage.
- **Public-Private Partnership Supports Transit Oriented Development that Revitalizes the Neighborhood.** The Fruitvale Transit Village Development occupies a 15-acre site around the Fruitvale BART station in **Oakland**. When complete, it will have a public library branch, 67 affordable housing units, office space, retail shops, a small medical facility, and a multi-story parking garage that is expected to increase BART ridership at the station by 5 to 10 percent. An outdoor plaza and facade improvements along International Boulevard buildings are intended to strengthen the ethnically diverse commercial district surrounding the development. The project is being developed by the **Spanish Speaking Unity Council**, a local community based organization that initially organized the community to present an alternative to the development proposed by BART. Due to the community participation efforts in shaping the plan, the Fruitvale Transit Village is enthusiastically supported by local residents and merchants.



Fruitvale BART, Oakland

ELS, MV&P, DES Architects



Whisman Station, Mountain View

Calthorpe Associates

SUPPORTING AFFORDABLE HOUSING

Density Bonuses and Other Incentives3-30

Energy Efficiency3-33

Inclusionary Zoning3-35

Jobs/Housing Linkages3-38

Manufactured Housing3-40

Self-Help and Community-Help Housing3-43

Working at Home3-45

Density Bonuses and Other Incentives

Communities can adopt zoning and subdivision regulations to allow a density bonus above what is normally permitted on the site in exchange for the provision of some below-market-rate housing units. The bonus is usually specified as a percentage of the density allowable under existing zoning regulations. California law (Gov Code §65915) requires local governments to grant a 25 percent density bonus (or provide other incentives of equal value) to a developer in exchange for an agreement that the extra units be affordable.

Gov Code §65915 provides that a local government shall provide an incentive for a development that includes at least:

- 20 percent of the units for lower-income households

OR

- 10 percent of the units for low-income households

OR

- 50 percent of the units for senior citizens.

To implement these provisions, each local government must adopt ordinances to either (1) grant a density bonus of at least 25 percent and provide an additional incentive, or (2) provide a financially equivalent incentive(s). The provisions of the State law apply to all cities and counties and to all housing developments of five or more units. Note that the density bonus units need not be in the same location as the base units.

Despite the presence of a state law, successful density bonus programs depend on local modifications and participation. Cities and counties can grant bonuses in excess of those called for by state law to encourage affordable housing or other residential development to meet a community's special housing needs. In combination with other land use concessions and/or financial subsidies, a density bonus can be a powerful tool for affordable housing. Density bonuses in exchange for affordability can also be negotiated case-by-case.

Benefits

- Makes residential development more economical, especially where land costs are high. In effect, a density bonus allows a local government to create greater land value in a project that can then be used to subsidize affordable housing.
- Integrates lower-income households into housing developments that are mostly market-rate, thereby preventing concentrations of below-market-rate units.
- Improves the economic feasibility of converting higher-cost non-residential land for new housing development.

During the Housing Element Process...

- **Identify Suitable Areas for Density Bonuses.** Review the General Plan map to identify areas that are especially suitable for the application of density bonuses.
- **Review Building and Design Standards.** Review development standards (setbacks, parking requirements, height limits, etc.) to determine if they will accommodate the additional units allowed by the density bonuses. Identify modifications that will be required, if any, so that developments that qualify for a density bonus do not need to go through a variance process.
- **Involve the Community.** Ensure that community representatives, local builders, and non-profit developers are involved in the design and implementation of density bonus incentive programs.

Potential Programs and Actions

- **Adopt a Local Density Bonus Ordinance.** Adopt a density bonus ordinance to comply with State law and consider adopting provisions that go beyond state law to meet local housing goals.
- **Revise Zoning Ordinance and Other Standards As Necessary.** The current zoning ordinance and other land development regulations may need to be revised to ensure compatibility with the intent and language of density bonus provisions.
- **Provide Other Incentives.** The density bonus alone may not be a sufficient incentive. Cities may need to offer additional inducements such as reduced parking requirements, fee waivers, and expedited development review procedures.
- **Establish a Mechanism for Tracking Success.** The local government should keep a record of all developments that use density bonuses so it can evaluate the effectiveness of its laws over time and provide examples of successful design.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 HCD, *State Density Bonus Law*

 HCD, *Model Density Bonus Ordinance*

See Also...

- Increased Densities (*Page 3-9*)
- Inclusionary Zoning (*Page 3-35*)
- Design Guidelines and Design Review (*Page 3-82*)
- Parking Standards (*Page 3-88*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Floor to Area Ratio Exemption Promotes Residential Mixed-Use.** The City of **Emeryville** is considering a proposal to change regulations for multiple-use projects so that the Planning Commission may choose to exempt residential square footage from the floor to area ratio (FAR) calculations for developments requiring a Conditional Use Permit. The revised regulation would require specific findings in order to grant such exemptions, including access to transit or other mechanisms to reduce the number of automobiles per unit. This proposal, along with the City's existing affordable housing density bonus and set-aside ordinance, is designed to facilitate the development of a variety of housing types.
- **Targeted Density Bonuses Promote Affordable Housing.** The City of **San Rafael** provides density bonuses and other incentives for housing developments either for-sale or rental that provide more than 15 percent of the total units affordable to very-low, low- and moderate-income households for at least 40 years. Density Bonuses are limited to medium- and high-density land use designations. In the downtown area on sites greater than 20,000 square feet, or where other design criteria can be met, a one-story height bonus up to a maximum four-story building may be considered.



San Rafael

Kearey Smith

Energy Efficiency

State Housing Element Law requires an analysis of the opportunities for energy conservation in residential development (Gov Code §65583(a)(7)). Energy efficiency has direct application to affordable housing because the more money that is spent on energy the less available for rent or mortgage payments. Energy efficiency also has important environmental implications.

Benefits

- Reduces residential energy costs, making housing more affordable.
- Ensures better interior climate control for those residents that might be inclined to shut off heating and cooling systems in order to save money.
- Reduces the need for new power generation plants with their attendant air quality problems.
- Contributes to sustainability by reducing the need for materials used for larger heating and cooling systems, transmission and distribution lines, and generating plants.
- Reduces energy used for transportation, freeing up money to be used for housing.

During the Housing Element Process...

- **Develop a Comprehensive Strategy.** Develop a comprehensive energy efficiency strategy. Some local governments may want to combine this with a water efficiency strategy.
- **Review General Plan Policies.** Ensure that the local general plan provides policy guidance on energy efficiency.
- **Review Zoning, Subdivision, and Building Standards.** Evaluate existing regulations in terms of energy efficiency goals. Do they encourage use of design strategies that promote energy efficiency and use of “green” building materials and technologies?

Potential Programs and Actions

- **Make Funds Available.** Make funds available for energy efficiency improvements for affordable housing, such as more efficient lighting.
- **Promote Pool Covers.** Pool covers are a very efficient way of heating swimming pools and can also provide protection against accidental drowning. They can be encouraged or required.
- **Promote Appropriate Landscaping.** Water efficient landscaping conserves energy because considerable energy in California is used for water distribution. This type of landscaping can be encouraged or required.
- **Encourage Measures Beyond Those Required.** Many energy efficiency practices that exceed state building energy standards are cost effective in certain locations and types of buildings. The local government should encourage cost effective energy efficiency practices.
- **Establish a Technical Assistance Program.** Establish an energy technical assistance program to work with providers of affordable housing.
- **Promote Proper Siting.** Buildings can be sited to take advantage of solar energy and natural breezes. Require that buildings be sited in an energy efficient manner.
- **Initiate a Retrofit Program.** Older buildings often do not meet current energy efficiency standards. Require that certain energy efficiency features be installed when property ownership changes or major modifications are made.
- **Encourage Shade Trees.** Shade trees can provide cooling and installation can be required or encouraged. The location and type of trees are important for ensuring that solar access is not compromised.

- **Work with Local Utility Companies.** Utility companies have numerous resources to promote energy efficiency. Work with and take advantage of materials available from utility companies.
- **Look for Innovative Financing.** Various financing programs are available for energy efficiency. For example, buildings that have Energy Star compliance are eligible for favorable financing.
- **Encourage Green Energy Sources.** Work with ABAG's Power Purchasing Pool Program or directly with providers of "green energy" to ensure that affordable housing uses energy that has fewer adverse environmental impacts.
- **Locate Development to Reduce Transportation Needs.** Residential development should be sited and designed to take advantage of transit and encourage walking and bicycle use.
- **Encourage Compact Development.** More compact development encourages walking and bicycle movement, saving energy and money. Money is also saved through the more efficient use of existing roads and utility lines.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 *Energy Aware Planning Guide*, California Energy Commission, Sacramento, 1993.

 Porter, Douglas R., *The Practice of Sustainable Development*, Urban Land Institute, Washington, DC, 2000.

 Wilson, Alex, et al, *Green Development: Integrating Ecology and Real Estate*, Rocky Mountain Institute, John Wiley & Sons, New York, 1997

 California Energy Commission

 Pacific Gas and Electric Company

Success Stories

- **Project Promotes Both Energy and Cost Efficiency for First-time Home Buyers.** The **Emeryville Resourceful Building Project** is intended to provide affordable, environmentally sound housing for first-time buyers. The goals of the project are to provide housing that is both extremely energy efficient and easy and inexpensive to operate and maintain. It also helps provide housing that has a healthy indoor environment, reduces long-term resource consumption, and employs construction materials to reduce environmental impacts. The Resourceful Building Project selects materials, construction methods, and operating systems to meet the above criteria. In addition, the products must be currently available, of proven performance, and be cost competitive. Wherever possible, environmental benefits are realized through simple design changes rather than expensive new materials and systems. An energy consultant conducts energy efficiency studies to help optimize building performance and systems, which reduces operating costs and provides long-term economic and environmental benefits.
- **Executive Order for Green Affordable Housing.** The City of **San Jose** has recently passed an executive order to create a "green" affordable housing program. The order states: "The sustainable building goal of my administration is to site, design, deconstruct, construct, renovate, operate, and maintain buildings that are models of energy, water, and materials efficiency; while providing healthy, productive and comfortable indoor environments and long-term benefits to Californians."

Inclusionary Zoning

All local jurisdictions should consider inclusionary zoning. It is a system that calls for a minimum percentage of lower and moderate income housing to be provided in new developments. Inclusionary programs are based on mandatory requirements or development incentives, such as density bonuses. Most contain the following elements:

- Income-eligibility criteria for defining affordability
- Pricing criteria for affordable units
- Restrictions on resale and re-rental of affordable units
- Provisions for in-lieu fees
- Other provisions regarding on-site or off-site construction requirements, transfer of excess affordable housing credits, etc.

Successful inclusionary zoning is usually supported by higher-density zoning and other housing programs. Downzoning will decrease the effectiveness of inclusionary zoning.

Benefits

- Establishes a local requirement under local control, without depending on state or federal subsidies or the direct involvement of outside agencies.
- Results in lower land costs over time, as affordable housing requirements are known with certainty at the earliest stages of project formulation.
- Expands the supply of affordable housing for lower- and moderate-income households by integrating such housing into the community.

During the Housing Element Process...

- **Review Data on Affordable Housing Development.** Look at the success of previous efforts to encourage affordable housing development in the local area. If an inclusionary requirement has been in place but few units have been built, identify potential refinements to the existing program that might result in more units being built. If no program has been in place, consider whether implementation of a program might promote more affordable housing development.
- **Consider the Experience of Nearby Jurisdictions.** Adjacent jurisdictions may have inclusionary programs in place. Talk to staff from these jurisdictions to understand the structure of their programs and how successful they have been.
- **Involve Developers.** Include both for-profit and non-profit developers in discussions about inclusionary zoning and defining the parameters for a local program. Collaboration between these groups can be the key to successful implementation.
- **Consider In-Lieu Fees.** The ordinance may provide for alternatives (such as in-lieu fees) for developments that cannot satisfy the inclusionary requirement due to unusually high cost of construction for a particular site. In-lieu fees should not be completely optional for the developer if the desire is to scatter low- and moderate-income units throughout the community. The fee should be sufficient to facilitate the development of the required affordable units at another location in the community.
- **Consider Land Donation.** Land donation may be considered as a preferred alternative to in-lieu fees. The developer donates (or sells at a considerably reduced price) a portion of the development site to the City or a non-profit housing developer. A non-profit developer then develops the donated land, using their expertise and resources for developing and managing affordable housing.

- **Consider Increasing Densities.** Increased densities and other land use changes to enhance residential development capacity may accompany inclusionary zoning. This will help offset the financial impact of inclusionary requirements and fees.

Potential Programs and Actions

- **Adopt an Ordinance.** Adopt an inclusionary ordinance to implement policies in the housing element. Inclusionary zoning may apply to both rental and ownership units, single and multiple family developments.
- **Set Reasonable Requirements.** Affordable housing requirements should be relatively modest (10 to 15 percent of the total number of units), if there are no development incentives such as density bonuses and fee waivers to reduce the financial impact on the developer.
- **Address Very Low Income Households.** Inclusionary policies should require some housing targeted for very low income households. Inclusionary zoning is one of the few mechanisms available to address the community's share of the need for very low income housing.
- **Establish Appropriate Fee Level.** In-lieu fees, if too low, may not generate enough funding to construct housing units. Also, low in-lieu fees are a major disincentive to construct the affordable housing on-site.
- **Vary Requirements by Area.** Inclusionary requirements may vary by district. For example, infill housing in downtown areas may have a lower inclusionary requirement because infill housing is desired and/or significant affordable housing may already exist downtown.
- **Establish Design Guidelines.** Ensure that inclusionary units are integrated within the development so as not to be distinguishable from the market-rate units.
- **Establish Criteria for Applicants.** Criteria need to be established to screen the applicants for the low-cost units because the demand from eligible buyers and renters is sure to exceed the supply.
- **Establish Resale Controls.** Set up resale controls for continuing the use of the units by eligible occupants on turnover. This requires on-going management and administration. Some cities and counties have contracted with local housing authorities to run this staff-intensive activity.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

✍ Calavita, Nico and Kenneth Grimes, "Inclusionary Housing in California," p. 150, *APA Journal*, American Planning Association, Vol. 64, No. 2, Spring 1998.

✍ Orfield, Myron, *San Francisco Bay Area Metropolitcs: A Regional Agenda for Community and Stability*, Urban Habitat Program, San Francisco, 1998.

✍ White, Mark S., *Affordable Housing: Proactive & Reactive Planning Strategies*, PAS Report 441, American Planning Association, Chicago, 1992.

See Also...

- Increased Densities (*Page 3-9*)
- Density Bonuses and Other Incentives (*Page 3-30*)
- Jobs/Housing Linkages (*Page 3-38*)

Success Stories

- **Lowered Affordability Standards Help Very Low-Income Rental Households.** Steep increases in rental costs and increases in county median income have pushed many workers in Marin out of the rental housing market. In response, the City of **San Rafael** has lowered the affordability standard for households qualifying for rental units built through its inclusionary zoning policies. For market-rate rental developments, the qualifying level has been lowered from moderate to low-income. In affordable housing rental developments, the qualifying level has been lowered from low-and moderate-income to low income and very-low income. The City expects this policy to further augment a successful program that has produced about 2,940 below-market-rate units since its inception in 1986.
- **Land Deal Provides More Bang for the Buck.** Rather than requiring a market-rate developer to build affordable housing to meet the City's inclusionary requirements, the City of **Larkspur** opted for a form of land donation, purchasing four acres of the development site (two acres of which are restored wetlands). The developer got a valuable tax break for the land sale, and the City got the land at a bargain price. The City then leased the site to a non-profit developer, **Ecumenical Association for Housing (EAH)**, for a dollar a year (for the first five years after which a complex formula based on project returns kicks in).

EAH built 28 one-to three-bedroom units in four townhouse style apartment buildings on two acres of land, including two units for people with disabilities and a tot lot—more units and more amenities than would have been achieved through traditional application of the City's inclusionary requirements. Also, the development has been able to target more lower income households than it would otherwise, with all of the units being affordable to households earning less than 60 percent of median income.



Edgewater Place, Larkspur



Graham Photography

Jobs/Housing Linkages

Linkage programs are designed to offset the impact that employment has on housing needs within a community. The idea is that because people move to an area for jobs, the job creators should contribute to housing the people who fill the jobs.

To provide adequate housing, some communities have found it necessary to require new industrial, commercial, and office development to aid in the development of new housing. In a linkage program, the applicant must directly provide market-rate and/or affordable housing or pay in-lieu fees for housing purposes. The amount of housing or in-lieu fees provided is usually related to the size of the new non-residential development project. Linkage programs can be combined with land use incentives, such as density bonuses and reduced parking requirements.

Linkage programs can also be related to the jobs/housing balance in the community. If a community has more jobs than housing, a linkage program can be established. If a community has more housing than jobs, a linkage program may not be required. This provides an incentive for businesses to locate in communities that are short of jobs. A linkage program could also be related to the jobs/housing balance within different parts of the community; new housing would not be required in housing-rich areas of the city or county. In all cases, the jobs/housing balance should be monitored to ensure that the system remains fair and effective.

Benefits

- Mitigates the impact of new jobs on the local housing market or community as a whole. This is especially significant in communities where home prices would be unaffordable or unavailable to most of the prospective workers in the proposed development.
- Potentially provides housing on-site or near the location of jobs, resulting in reduced traffic and many benefits to the employer.
- Provides housing without depending upon state or federal subsidies or the direct involvement of outside agencies.
- Improves the efficiency of land use. Through good site design, space can be made available for housing at virtually no cost to the business owners.

During the Housing Element Process...

- **Document Relationship.** Linkage programs require the establishment of a cause-and-effect relationship between new development and the increased demand for housing. This relationship needs to be documented by a professional study before the linkage program is implemented.
- **Review Zoning Requirements.** Changes in land use and zoning standards allowing for mixed-use and infill development will complement the jobs/housing linkage program.
- **Examine Alternatives.** Alternatives to direct construction may be allowed, such as the contribution of land or payment of in-lieu fees to subsidize off-site housing.
- **Involve Business Sector.** Linkage programs should involve representatives from the business sector to ensure the program is realistic, can be implemented, and has minimal adverse impacts.

Potential Programs and Actions

- **Adopt Policies and Other Provisions.** Communities should stress the job/housing relationship in their housing element and use the development-permit approval, environmental assessment, or zoning process to implement linkage programs.
- **Encourage Job-Generating Development.** A strong program to attract industrial, office, or commercial development will give a community greater potential to provide housing through a jobs/housing linkage program.

- **Relate Requirements to Effect.** Exaction requirements or in-lieu fees should be set according to empirically based evidence of the cause-and-effect relationship.
- **Comply with State Statutes.** The community should set a timetable for getting the “committed units” constructed and should comply with all other legal requirements.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ Andrew, Christine I. And Dwight H. Merriam, “Defensible Linkage,” p 199, *APA Journal*, American Planning Association, Vol. 54, No. 2, Spring 1988.
- ✍ Goetz, Edward, “Office–Housing Linkage in San Francisco,” p 66, *APA Journal*, American Planning Association, Vol. 55, No. 1, Winter 1989.
- ✍ Huffman, Forrest E. Jr., and Marc T. Smith, “Market Effects of Office Development Linkage Fees,” p 217, *APA Journal*, American Planning Association, Vol. 54, No. 2, Spring 1988.

See Also...

- Mixed-Use (*Page 3-15*)
- Inclusionary Zoning (*Page 3-35*)
- Working from Home (*Page 3-45*)
- Growth Management Systems (*Page 3-85*)

Success Stories

- **Office Developments Help Replace Lost Housing.** In Walnut Creek’s Golden Triangle area, adjacent to the BART station, older housing was removed in the late 1970s to make way for new office buildings. At that time, the City established the policy to replace lost units based on the square footage of office space added, requiring one dwelling unit per 7,000 square feet of commercial development.

Office developers were given three alternatives: 1) buy a site in the Golden Triangle Mixed-Use Area and deed restrict the property for the required number of units to be replaced; 2) provide a designated area on the office building site where the replacement residential units could be constructed; or 3) deposit with the City either money (one dollar per square foot of office development) or a financial guarantee that the City could invest for up to ten years and then use for housing purposes.

One office complex generated \$110,000 under Alternative 3, which was used to acquire land and construct two affordable units within a new eight unit townhouse complex. Upon completion, the City rolled over the construction loan into First-Time Home Buyer loans for two lower income buyers.

Another office development resulted in a housing complex to be developed under Alternative 1 on a parcel in the Golden Triangle Mixed-Use Area. It is anticipated that this complex will provide approximately 27 apartment units with at least four units for lower income households.

- **Jobs/Housing Linkage Program Funds Affordable Housing.** San Francisco’s jobs/housing linkage program started in 1981 and requires office developers to help provide housing in one of three ways: 1) build units themselves, 2) contribute to a partnership or joint venture or 3) pay into an in-lieu fee fund. New developments must provide one unit per 259 square feet of office space or pay in-lieu fees of \$7.05 per square foot. Sixty-two percent of units provided must be affordable to low-income and moderate-income households. Since its inception, most developers have opted to pay in-lieu fees that have helped fund the City’s affordable housing programs. The linkage program will soon be expanded to include the current surge in developments that serve multimedia and other high tech information services, hotels, big box retail, and other business services not currently considered classified as “office developments.”

Manufactured Housing

A manufactured house is a factory-built, single-family structure that is built on a permanent chassis and transportable in one or more sections. It is perhaps the most affordable house on the market today, as it is the least expensive to construct. Also, once built, it may be difficult to distinguish from a site-built house.

California law (Gov Code §65852.3) permits all manufactured homes built under HUD guidelines and on a foundation to be placed on lots zoned for conventional single-family residential dwellings. The homes must conform to the same development standards applied to a conventional single-family residence (building setbacks, parking, design review, etc.) on the same lot, but may also be subject to three additional architectural requirements: roof overhang, roofing material, and siding material. Regulations on roof overhangs are subject to the provisions of Gov Code §65852.5 and any architectural requirements for roofing and siding material may not exceed those that would be required of conventional single-family dwelling construction on the same site. In any case, no city or county can apply any development standards that have the effect of precluding manufactured housing.

Gov Code §65852.4 provides that all manufactured homes built under HUD guidelines and on a foundation must be subject to the exact same permit approval process and criteria as a conventional dwelling on the same lot. Other State laws that also apply to manufactured housing include the California Factory-Built Housing Law (Health & Safety Code §§19960-19997), which deals with “modular homes” built to State (not federal) codes; the Manufactured Housing Community Act (Health and Safety Code §§18800-18821); and Section 714.5 of the California Civil Code, which makes unenforceable any deed restrictions (Conventants, Creeds and Restrictions - CC&Rs or similar) recorded after 1987 that bar manufactured homes.

Benefits

- Provides a high quality housing product that is less expensive than traditional site-built homes.
- Appears increasingly similar to (even indistinguishable from) site-built housing thanks to ongoing design improvements.
- Shortens the interim financing period necessary for the unit, the land, and the site improvements thanks to the ability to very quickly set up and finish the unit after it arrives at the site.
- Provides an option for infill development of small, odd-shaped parcels, including surplus rights-of-way.
- Provides a potential option for development of second units where backyards are large enough to accommodate a small manufactured home and the primary unit is unsuitable for remodeling or expansion to add a second unit.
- Offers a lower cost construction option for conventional subdivisions and planned unit developments since factory built parts will be less expensive. However, on difficult terrain or locations where transportation access is limited, the costs of moving the parts may offset the benefits.

During the Housing Element Process...

- **Review Local Ordinances and Regulations.** Because certified manufactured homes on a foundation may not be restricted from locating in a residential district, they are a viable option for affordable housing under existing residential development regulations. Local ordinances and regulations must not contain language or requirements that counters State provisions for manufactured homes.

Potential Programs and Actions

- **Provide Incentives.** Communities can adopt zoning and other incentives for manufactured housing development.
- **Educate the Public with Good Models.** Manufactured housing continues to face citizen resistance due to negative, often inaccurate perceptions. Local officials can dispel such negative attitudes with help from the manufactured housing industry. Working together, public officials and industry representatives could develop a model site to showcase the product.
- **Consider Contextual Guidelines.** Some communities have enacted architectural compatibility guidelines to ensure that these developments will blend into existing neighborhoods and to alleviate public concern over design compatibility. Rooflines are an important consideration, as is compatibility with the architecture of adjacent homes.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ Carroll, Jeff, "Manufactured Housing Update," p 43, *Urban Land*, Urban Land Institute, March 1997.
- ✍ HCD, *Manufactured Housing for Families: Innovative Land Use and Design*, State of California, Sacramento, 1990.
- ✍ Sanders, Welford, *Manufactured Housing: Regulations, Design Innovations, and Development Options*, PAS Report 478, American Planning Association, Chicago, 1998.
- ✍ Sanders, Welford, *Manufactured Housing Site Development Guide*, PAS Report 445, American Planning Association, Chicago, 1993.

Success Stories

- **Using Manufactured Housing as Urban Infill to Solve the Housing Crisis in Declining Neighborhoods.** Elmhurst is an inner-city neighborhood in Oakland that contains a number of vacant lots and run-down, empty houses. The Elmhurst Initiative was an effort to help raise property values, provide affordable homeownership, and prevent further decline in the neighborhood. The City of **Oakland** used CDBG funds to acquire six vacant, tax-delinquent properties and accepted architect **Paul Wang's** proposal to use factory/HUD code-manufactured housing on the lots, some of which were as narrow as 25 feet. Wang worked closely with the manufacturers, Silvercrest Western Homes to modify designs. High-pitched roofs, redesigned windows and sliding doors to the patio as well as site-built single car garages and porches provide a high level of livability and help the houses blend in with neighboring World War II-era homes. Using manufactured homes helped reduce overall construction costs by about 10 to 15 percent.

While City loans were used for the first two units, subsequent private financing was secured for the remaining four. A City program provided 2 percent down-payment assistance to help all six of the low and moderate-income first-time homebuyers. The Elmhurst development exemplifies the use of good-quality manufactured homes in urban infill to help provide affordable housing as well as support the process of rehabilitation in troubled neighborhoods.

- **Affordable Manufactured Housing Provides Home Ownership Opportunities for Families.** Wisteria Homes is a single family, detached housing subdivision offering 28 affordable three-bedroom homes for first-time low and moderate-income homebuyers. The homes are manufactured off-site to the highest federal and state standards for manufactured homes and are then transported and assembled on-site for about an approximate 20 percent savings in housing costs. Each home has cathedral ceilings, an attached two-car garage as well as private landscaped front and rear yards. Three of the units have unfinished, roughed-in 400 square feet "granny units" built over the garage. Non-profit developers **Burbank Housing Development Corporation** worked with the City of **Petaluma** to obtain state subsidies of about \$10,000 per unit and also obtained access to a 3-percent down payment state program for all eligible participants. Mortgage Credit Certificates were also made available to all qualified buyers.



Wisteria Homes, Petaluma

Burbank Housing

Self-Help and Community-Help Housing

Self-help, or sweat equity housing enables potential homeowners to build up credit for a down payment on a home by contributing their labor to the construction or renovation. It can be a means for the low-income household to enter the housing market. Community-help housing expands the labor pool to include the neighborhood or a broader group of volunteers, such as houses built by Habitat for Humanity. Programs can be utilized by individuals or groups, usually with subsidies and public support. California Housing Finance Agency (CHFA) finances self-help housing by providing below-market bond financing for mortgages on homes in urban areas and the Farmers Home Administration Mutual Self-Help Housing program has sponsored many rural development projects.

Benefits

- Allows individuals and families to obtain a home for which they could not otherwise qualify.
- Saves money both for participants and funding sources because of the labor provided.
- Helps develop valuable skills for the participants through the on-site home building or renovating experience.
- In programs that involve rehabilitation of neglected homes, improves the housing stock and returns properties to the tax rolls.
- Can result in higher quality housing, because owners are responsible for completing detail work.

During the Housing Element Process...

- **Involve Community Groups.** Community non-profit organizations tend to organize most self-help development projects. Local governments can contact non-profits to provide information on the existing local opportunities and/or assist interested players.
- **Review Existing Ordinances and Regulations.** Consider whether there are any existing ordinances or regulatory mechanisms that encourage self-help housing developments.

Potential Programs and Actions

- **Consider Reduction or Elimination of Fees.** Offsets or forgiveness of development and impact fees—park development fees for example—can help lower the overall costs for self-help developments.
- **Consider Modified Standards.** Relaxed design standards and expedited processing can provide added incentive to self-help. However, care must be taken to ensure that the self-help housing fits in with the character of the neighborhood.
- **Seek Donations.** Financial support can be provided through donated labor, materials, and land, or through free technical advice from the city or county. Such donations can be leveraged from the for-profit sector or provided in coordination from non-profits.
- **Seek Financial Assistance.** Grants and loans from local governments can help fill financing gaps.
- **Train and Equip Participants.** Programs can be provided to help recruit and counsel potential participants and assist them with acquiring the land and/or buildings. Participants will also require tools, materials, and training in using these tools and materials.
- **Set Up Management Structure.** Skilled organizers and supervisors will be needed to manage the development and oversee day-to-day aspects of construction.
- **Encourage Sharing of Labor.** If prospective tenants work together on each other's houses, developments will be finished sooner and cost effectively.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.



Habitat for Humanity



Rural Community Assistance Corporation

See Also...

- Infill Development (*Page 3-12*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Former Renters become Owners by Building Homes in a Mixed Income Development.** The Gloria Way Development in East Palo Alto consists of 38 units of affordable rental housing at the Bay Oak Apartments developed by EPA Can Do and Mid-Peninsula Housing Coalition and 24 units of community-built ownership housing developed by EPA Can Do and Habitat for Humanity. Neighborhood and community input into the design process was a crucial factor in the decision to include the ownership component. Designed by a single architect to ensure a cohesive appearance, the units are linked by walkways and constructed around courtyards with two play areas for children. The development is located near public transit and provides a transition from adjacent commercial uses on one side and a single-family residential neighborhood on the other.

The City worked with San Mateo County to make the site available at a below-market price, and also made CDBG and HOME funds available in order to make the development affordable to extremely low, very low, and low income residents. The 24 new homebuyers—all of whom were already community residents often living in overcrowded or sub-standard conditions—were provided zero-interest mortgages made possible by community donations. In addition, Habitat for Humanity raised \$1.8 million locally and brought together 6,000 individuals (including the future homeowners) who volunteered 80,000 hours to build the new homes. The development, thus, provided affordable rental housing, created opportunities for first-time homebuyers, and promoted positive relations between participants from different communities.

- **Neighbors Welcome Owner-Built Transformation of Vacant Lots.** Mercy Housing California assisted 18 homeowners to construct single-family detached homes on parcels in Fairfield left vacant by a bankrupt housing developer. Though roads and all improvements were already in place, a downturn in the housing market halted completion of a small market-rate subdivision, raising concerns from neighborhood residents who found themselves living across from weedy, unkempt lots. The City of Fairfield used Redevelopment Tax Increment funds to help Mercy Housing acquire the land.

Given low initial interest in the development, a decision was made to start construction after identification of the first eight participants with the hope that their experience and possible changes in the housing market would stimulate greater interest for a second phase. In the interim, Fairfield housing prices escalated making the financial advantages of owner-built homes more apparent. The second phase subscribed quickly. All the homes served households at or below 80 percent of Fairfield median income by combining HOME funds for development costs with HCD administrative funds for technical assistance to homeowners, and a 5 percent down payment CHAFA Self Help Housing Program. The success of this development is evident in the City's interest in replicating the model in other neighborhoods.



Working at Home

Working at home is linked to the affordability of housing because a home office may reduce the need to rent office space elsewhere. It can also save considerable time and expense associated with commuting and it allows people who must be at home to supplement their income through home-based work. The reduction or elimination of automobile commutes also has potential environmental benefits and having more people at home during the day can enhance neighborhood safety, contribute to the sense of community, and support nearby retail businesses.

Home occupation regulations have been an integral part of development regulations for many years. Recently, the concept of live-work units has become common. These topics are often treated separately in policies and ordinances, but are really two segments along a broad continuum. They are likely to merge because new housing is increasingly being designed to accommodate workspace.

Benefits

- Negates the need to rent office space elsewhere and the savings can be applied to the home purchase or rental.
- Allows people who have difficulty being away from the house for long periods to have some income that they can use for buying or renting a home.
- Increases efficiencies, thereby producing more income that can be used to buy or rent a home.
- Reduces the expenses associated with commuting. Money saved can be applied to mortgage or rental payments.
- Produces more eyes on the street in residential areas during normal work hours and, therefore, may reduce crime.
- Contributes to neighborhood cohesion by allowing people to live and work in the same neighborhood.
- Supports rehabilitation of under-utilized commercial and industrial areas through development of live-work units.
- Plays a major role in the incubation of new businesses that provide community-based jobs.

During the Housing Element Process...

- **Review General Plan Policies.** The general plan should be reviewed to ensure that it provides policy guidance for home occupations and live-work units.
- **Review Home Occupation Ordinances.** Existing home occupation ordinances should be reviewed to ensure they do not present unreasonable obstacles to working at home.

Potential Programs and Actions

- **Ensure Zoning Allows Live-Work Units.** The zoning ordinance should be revised to allow live-work units to be built as part of a new building or as existing building rehabilitation.
- **Tailor Regulations to Area.** Home-work regulations may vary within different parts of a city or county. Some communities use three categories of home-work: home occupation, live-work, and work-live. The latter category emphasizes the work aspects of the unit and allows activities with more noise, smell, vibration, etc.
- **Clarify Sale of Merchandise.** Most home-work regulations prohibit the sale of merchandise, although some ordinances allow art and handicrafts to be sold in areas where consumer shopping might normally occur.

- **Clarify Use of Employees.** Most home occupation and some live-work regulations prohibit employees except for those residing on the premises. Communities that want to realize the benefits of increased home-based occupations (decreased commute traffic, more people at home during the day, etc.) may want to allow limited use of employees.
- **Consider Limits on Work Area.** Some home occupation regulations place a maximum floor area limit, usually a percentage, on the space that can be occupied by the area used for work. This percentage may vary by residential district or location.
- **Liberalize Deliveries.** Some home occupation regulations prohibit deliveries. This type of restriction, however, appears discriminatory at a time when home deliveries of consumer goods purchased on the Internet appear to be rapidly increasing.
- **Focus on Impacts, Not Use.** Some home occupation regulations specify what businesses can be conducted from the home. This approach does not appear to be useful and often discriminates against non-professional jobs.
- **Incorporate Into Mixed-Use Development.** Areas with a significant number of live-work units can support other types of uses—copy shops, office supply stores, daycare, etc. Live-work units lend themselves to being a part of a mixed-use development or area.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 *Reconciling the Separation Between Home and Work*, Urban Ecology's "Realize the Vision" Series, No. 4, Oakland, 1998.

 Bennett, Julie, "Home Bodies," p 10, *Planning*, American Planning Association, May 1999.

 The Live/Work Institute

See Also...

- Mixed-Use (*Page 3-15*)
- Jobs/Housing Linkages (*Page 3-38*)
- Parking Standards (*Page 3-88*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Live/Work Development Helps in Downtown Revitalization.** A five unit live/work development in a renovated building in the heart of **Pittsburg's** downtown is contributing to the revitalization of the area. The bottom level of each two-level unit is dedicated to commercial use and has street access. The development was built through a conditional use permit since Pittsburg does not have a live/work zoning district. In addition, the City provided a parking variance to allow for the provision of only five spaces, about a third of the spaces required by zoning requirements.
- **Mixed Income Live/Work Adds to Diverse Community.** The for-profit developer Holliday Rose MacKenzie joint ventured with non-profit **Arts Development Company (ArtsDeco)** to create a development that mixes 29 units of low-income artist live/work space with 11 market-rate live/work units, in a development that also includes 59 conventional condominiums. Designed as an integrated development on a sloping site in **San Francisco's** Potrero Hill neighborhood, the project brought together the financial resources and live/work development expertise of principal Rick Holliday with the public financing secured by the ArtsDeco group, which was charged with re-housing artists displaced by an earlier eviction. The development involved reclassification of a formerly industrial vacant, steep triangular site through the conditional use process, and utilized planned unit development zoning that allowed a density bonus. Three story housing stepping down the street along the residential frontage and four-story live/work units plus a community theater and gallery space were built.

The cost effectiveness of developing the entire site at one time with the same architect and contractors plus the density bonus allowed the sponsor to set aside 10 percent of the condominiums at moderate income levels and to also provide "at-cost" construction for the low income for-sale live-work units. Taking advantage of the slope of the site, an exterior amphitheater space adjoins the common galleries off of which the low-income live/work units are arranged. In addition, at community request, a landscaped "mews" walk allows public access through the development. The development is adjacent to a middle school, one block from a neighborhood commercial area, and within three blocks of two 24-hour transit lines.



ArtsDeco, San Francisco

Tom Rider

MEETING SPECIAL NEEDS

Housing for Farmworkers3-49

Housing for Homeless People3-52

Housing for People With Disabilities3-55

Housing for Seniors3-58

Shared Housing and Co-Housing3-60

SRO Hotels and Efficiency Apartments3-63

Supportive Housing3-66

Housing for Farmworkers

Although many people think of the Bay Area as an urban region, agriculture plays a major role in many Bay Area counties. Farmworkers are an essential component of this agricultural sector of the economy. Unfortunately, the farmworker housing issue is often pushed out of sight and, therefore, out of the public eye.

Farmworkers tend to be relatively young, predominantly male, and almost always members of a minority group, primarily Hispanic. The vast majority of farmworkers are legally eligible to work in California, although a small minority are undocumented workers. Whether they are documented or not, they are still covered by fair housing laws. While a number of farmworkers are single men, many have family members accompanying them, especially after the recent changes in immigration laws. Most farmworkers have high rates of poverty, live in overcrowded housing units, and have a low homeownership rate. Some farmworkers migrate, depending on the types of agricultural products, while others are relatively permanent within a community.

California has a Farmworker Housing Grant Program, administered by HCD. Other funds for farmworker housing may be available from the U.S. Department of Agriculture (USDA) Rural Housing Program, Rural Community Assistance Corporation, and CDBG Grant Program. HCD also includes an Office of Migrant Services, which deals with seasonal rental housing and support services.

Benefits

- Reduces overcrowding and the accompanying deterioration of the community's housing stock.
- Helps assimilate immigrants into the society by bringing them into the community.
- Provides opportunities for adequate housing, as a matter of fairness, equal to those of other types of employees.
- Improves the efficiency of the agricultural sector of the Bay Area economy.
- Reduces long-distance commutes, improving air quality.

During the Housing Element Process...

- **Define the Issue.** It is critical to define the exact characteristics of the farmworker populations being served so that appropriate housing types are available. Housing opportunities should accommodate the need for temporary housing by migrant workers and permanent housing by year-around residents.
- **Ensure Adequate Sites.** If sufficient sites for farmworker housing are not shown in the housing element, farmworker housing must be allowed "by right" in districts where it can be accommodated.
- **Involve Major Stakeholders.** Farmworker organizations as well as growers should be involved in the formulation of farmworker housing programs.
- **Expand Area of Analysis.** Multiple-jurisdictional farmworker housing programs may be especially useful in collecting data and devising solutions.

Potential Programs and Actions

- **Integrate Family Housing into the Community.** Farmworker housing for families should be provided within existing communities so that the families can participate in community life and take advantage of available commercial, educational, and public services.
- **Site Housing for Single Men in Appropriate Locations.** Farmworker housing for single men could be located within an existing community or nearer the workplace. Locating such housing nearer the workplace reduces travel times and may reduce public opposition.
- **Revise the Zoning Ordinance.** To facilitate farmworker housing, allow such developments as a permitted use in appropriate zones, or "by right" if the special needs analysis has demonstrated inadequate sites.

- **Examine Housing Types.** Housing types common in California—single-family homes for a nuclear family—may not be appropriate for farmworkers with extended families.
- **Educate the Public.** Local governments can undertake public education on the value of agriculture and the contribution of agricultural workers to the Bay Area's diversity and economy.
- **Consider Multi-lingual Programs.** Public participation and information programs may need to include presentations and materials in Spanish or other languages used by local farmworkers.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 HCD, *Migrant Farmworker Housing in California*, State of California, 1988.

 California Department of Housing & Community Development

 US Department of Agriculture

 Rural Community Assistance Program

See Also...

- Supportive Housing (*Page 3-66*)

Success Stories

- **Townhomes Complex for Farmworkers.** Harvest Grove in the City of Healdsburg consists of 44 townhomes clustered around a central courtyard for farmworkers and their families. The development has a large community meeting room and a community garden with a custom garden gate commemorating the life of Cesar Chavez. Harvest Grove was built by **Burbank Housing Development Corporation** using USDA 514/516 financing along with some funding from the Healdsburg Redevelopment Agency and an Urban Development Action Grant (UDAG) grant for site acquisition.
- **Rural Center combines Emergency Shelter and Transitional Housing for Farmworker Families.** The John H. Boccardo Living Center in southern Santa Clara County provides 18 transitional and eight shelter units located around a common courtyard to meet the needs of rural and farmworker families needing housing as well as to meet winter general emergency shelter needs. On-site play areas and community rooms meet the social and recreational needs of large families, while a building wing containing educational, computer learning, food preparation, administrative, counseling, and training rooms accommodate the full range of supportive services which are shared between the transitional housing and shelter. All residents are provided the training and support services necessary to help them ultimately secure permanent housing solutions regardless of whether they have entered the facility with an emergency shelter need or through referral by a network of other service organizations.

Developed by **South County Housing** and owned and operated by Emergency Housing Consortium (EHC), the success of the Center is due to a unique financial collaboration involving the cities of **Morgan Hill** and **Gilroy** and the **County of Santa Clara** in a first-ever partnership involving both HUD and USDA shelter programs. In addition to EHC's on-site programs, residents receive a variety of support services from other Santa Clara County organizations, which work together with EHC and South County Housing through the Santa Clara County Collaborative on Homelessness and Housing Issues.



Harvest Grove, Healdsburg



Boccardo Living Center,
Santa Clara County

Tom Jones

Burbank Housing

Housing for Homeless People

Homeless people face the ultimate housing deprivation. The homeless population in California is estimated at approximately 1 percent of the State's total population. About a third of the homeless consist of homeless families. Homeless people's circumstances vary considerably—some are employed but many have been unemployed for some time.

Homeless people need permanent supportive housing, emergency shelter, or transitional housing. To the extent this housing or shelter is being provided, it is provided by a combination of local governments, religious organizations, and not-for-profit organizations. The need is not limited to our larger cities but extends to smaller communities.

Siting facilities that serve homeless people can be challenging. Community education is essential to building community acceptance, helping local residents to question their stereotypes about homeless people and understand the real issues of homelessness in their community. Also, State law is very clear about the need for local communities to provide adequate sites for emergency shelters and transitional housing facilities that serve homeless individuals and families.

Benefits

- Helps people who have had hard times to get back on their feet.
- Helps reduce crime rates in heavily impacted areas.
- Provides the framework and stability for homeless people with physical and mental illness problems and substance abuse issues to deal with them.
- Increases the awareness of community members about the need to look after others who are having difficulty in life.
- Improves the quality of life for everyone in the community.
- Treats everyone in the community humanely.

During the Housing Element Process...

- **Acknowledge the Problem.** Often, the first step is to develop community awareness and to understand and acknowledge that homelessness is an issue in the community.
- **Form a Task Force.** A task force approach is often useful because the issues are usually complex and multi-disciplinary.
- **Review Regulations.** Local land-use regulations should be reviewed to ensure that they allow emergency shelters, transitional housing, and permanent supportive housing without unnecessary planning and zoning approvals. Consider zoning some sites where emergency shelters are permitted "by right."
- **Bring in Experts.** Involve non-profit and religious organizations that specialize in homeless issues to draw upon their experience and knowledge.
- **Involve the Community.** Appropriate neighborhood involvement can help establish successful homeless housing programs.
- **Involve Necessary Governmental Entities.** Housing for homeless people often involves multiple departments and agencies because the issues that homeless people face are often quite complex.

Potential Programs and Actions

- **Conduct Public Education Program.** Community education is very important to build support for programs for homeless people.
- **Form Partnerships.** Partnerships between the local government and other organizations are often useful in providing housing for homeless people.
- **Revise the Zoning Ordinance.** To facilitate the development of needed facilities, revise the zoning ordinance to expressly allow for emergency shelters in particular zones. Some communities have designated some sites where emergency shelters are permitted by right..
- **Use the Power of Religious Organizations.** Religious organizations that provide shelter for homeless people as part of their mission may be constitutionally able to bypass the need for some or all of the zoning approvals.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 California Affordable Housing Law Project, *Laws Affecting the Location & Approval of Affordable Housing and Homeless People*, Oakland, 1999.

 Community Acceptance Strategies Consortium, *Siting of Homeless Housing and Services*, Non-Profit Housing Association of Northern California, San Francisco, 1999.

 HCD, *Shelter for the Homeless: Housing Element Requirements*, 1989.

 Interagency Council on the Homeless, *Homelessness: Programs and the People They Serve*, The Urban Institute, HUD, 1999.

 HUD - San Francisco Office

 National Center for Homelessness and Poverty

See Also...

- Supportive Housing (*Page 3-66*)

Success Stories

- **Use of Municipal Swim Facilities as Cold Weather Homeless Shelter.** When threatened with closure of the National Guard Armories for use as cold weather homeless shelters, **Petaluma** sought an alternative. A municipal swim facility, located two blocks away from the Opportunity Center, a day center for homeless adults, had not been used for winter swimming in many years and provided an appropriate space. The facility has two large dressing rooms complete with heaters, showers, and ADA-compliant restrooms. It sleeps about fifty people nightly, providing a temporary shelter facility until the City completes a multi-service facility for homeless people in 2002. Petaluma has also joined **Santa Rosa** and **Sonoma County** to implement a “Continuum of Care” to better serve homeless people in the County. This process has enabled government agencies, the non-profit community and members of the private sector to join in providing better services, shelters, information, and referrals.
- **New Family Center fits into Neighborhood and Boosts Resident Successes.** Hamilton Family Center, formerly housed in a crowded Haight Ashbury church basement, now has a new home for its transitional housing and programs for homeless families in **San Francisco**. Although initially opposed by some of its North of Panhandle neighbors, a lengthy neighborhood participation process and sponsor assurances gained the project support and a building design that fits both the facility and the character of the area. The facility is composed of two separate four-story structures sharing a common open space. Able to accommodate up to 70 persons and fully meeting the City’s parking requirement, the facility includes residential common areas for all residents including a living room, separate dining room, meals program kitchen, and daycare center with its own large outdoor play area. Support spaces include several large and small meeting spaces for simultaneous adult and children’s educational and counseling programs, skills enhancement, youth recreation, and supportive services for the residents to help homeless families gain the ability to live independently after a 12 to 24 month residency. While **HUD** and the City and County of San Francisco have provided substantial funding for this facility, the sponsors raised several million dollars in private and foundation giving that helped make this facility and its operations endowment possible.



Hamilton Family Center, San Francisco

Steve Suzuki

Housing for People with Disabilities

The term “disability” refers to a wide range of physical and mental conditions that may affect a person’s ability to function independently. The over-riding consideration in housing for people with disabilities is to ensure that the person is able to function independently to the extent of his or her ability and desire. The lack of suitable housing choices should not further limit the person’s ability to function on his or her own.

People with disabilities represent a wide range of housing needs. For many people with disabilities, the availability of barrier-free design housing or accessibility modifications to their existing housing can enable them to live independently, either alone or with their families. For some, the availability of supportive housing or shared living arrangements provides an environment that is suitable for meeting both their housing needs and ongoing service or support needs. For others, more intensive care arrangements may be necessary.

The housing needs of people with disabilities vary widely depending on the type and severity of disability as well as the age, ability and personal preference of each individual. Just as for non-disabled individuals, what is important is that all types of housing be available to meet the wide and changing range of individual needs.

Supportive housing is a growing form of housing for people with disabilities, providing medical and other services on-site in developments that vary in size from only a few residents to much larger facilities. State law provides that small developments must be subject to the same local land-use regulations as single-family housing (see Supportive Housing). Supportive housing developments for people with disabilities can be assisted by using HUD’s Section 811 grant program, which provides direct loan financing. Capital advances can be used for new construction or rehabilitation of existing buildings. The Section 811 program also includes rental assistance for residents.

Local governments and providers of housing for people with disabilities also must be aware of the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. §12210) and the Rehabilitation Act of 1973 (29 U.S.C. §1691), both of which prohibit discrimination by local governments against people with disabilities and require reasonable accommodation.

It is also important to remember that *all* new multi-family housing is required to have barrier-free features. In an elevator building, 100 percent of the unit must be barrier-free. In a non-elevator building, only the ground floor apartments must be barrier-free. Several excellent design books are now on the market to help explain barrier-free design and provide design solutions, and others are available from the National Association of Homebuilders and from HUD. For now, accessibility features represent less than 1/2 to 1 percent of the cost of most projects. As accessibility becomes more common, the cost will become even more inconsequential.

Benefits

- Enhances the existing housing stock, providing a wider range of housing types and related services that can respond to the special housing needs of many community residents.
- Provides housing choices that enable all residents to find accommodation that is suitable for their level of ability.
- Encourages a more integrated and comprehensive approach to housing for people with special needs, allowing them to participate fully in civic and community activities.

During the Housing Element Process...

- **Involve People with Disabilities, Service Providers, and Advocacy Groups.** People with disabilities are the best and most reliable source of information about their housing and fair housing needs. There are also a number of service providers and advocacy groups throughout the Bay Area that can provide valuable information and input to ensure that local policies and programs respond to community needs in an effective and equitable manner.

- **Evaluate Needs.** The special housing needs of people with disabilities must be evaluated and described in the housing element. The evaluation should consider the full range of disabilities, existing housing opportunities, and areas of current and projected unmet need.
- **Review Regulations.** Review local land-use and building regulations to ensure that they do not act as barriers to the development of appropriate housing opportunities.
- **Review Parking Requirements.** Housing for people with disabilities will generally require less parking than comparable housing developments. These lower requirements should be reflected in local standards.

Potential Programs and Actions

- **Ensure Adequate and Suitable Sites.** Local land-use plans and development regulations should ensure adequate sites to meet the full range of housing needs for people with disabilities. Supportive housing and other group living situations should be located close to transit, shops, and community services.
- **Promote Barrier-Free Design.** Encourage developers to use barrier-free design in new housing developments so that all housing can be used by people of all abilities. For example, encourage builders to grade up to the front door instead of building stairs.
- **Consider Density Bonuses.** Local governments should consider providing density bonuses to developments that use barrier-free design or otherwise respond to the special housing needs of people with disabilities.
- **Identify Financial Support Opportunities.** Identify local, state, federal, and private sources of financial support to assist in the development of housing for people with disabilities.
- **Form Partnerships.** Investigate possibilities to form partnerships with non-profit housing groups.
- **Establish Local Loan and Grant Programs.** Develop loan and grant programs to make it easier for people with disabilities to afford accessibility modifications to their existing homes, build new barrier-free design housing or otherwise pay for their special housing needs. CDBG and HOME funds can be used to fund grant programs of this type.
- **Provide Information and Education Programs.** Work with advocacy groups and others to develop and implement information and education programs for local housing staff, planning officials, developers, community groups and others to build support for a more comprehensive and effective approach to housing for people of all abilities.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Brummett, William J., *The Essence of Home: Design Solutions for Assisted Living Housing*, John Wiley and Sons, New York, 1996.

 California Association of Homes and Services for the Aging

 Non-Profit Housing Association of Northern California

 Job Accommodation Network

 Technical Assistance Collaborative, Inc.

 Center for Universal Design

See Also...

- Supportive Housing (*Page 3-66*)

Success Stories

- **Barrier-Free Design in a Resident-Initiated Affordable Development.** Silver Oaks is a 24 unit project in Oakley with 23 units for very low-income people with disabilities, a manager's unit, a community room and a common outdoor area. The apartments are designed to meet the needs of people with disabilities, including mobility impairments. The units have wider than usual doorways to accommodate wheelchairs, stove and oven controls within easy reach, adaptable countertops and showers into which wheelchairs can be rolled. The project was initiated by an Oakley resident who approached a non-profit housing developer, **Ecumenical Association for Housing (EAH)**, to build the project. EAH secured funds from the County Redevelopment Agency and federal sources. Grants from two local foundations covered costs related to ensuring accessibility and indoor and outdoor furniture for the common areas.
- **Supportive Housing for Deaf Seniors.** Fremont is home to the California School for the Deaf and has a sizable deaf community, including many deaf seniors for whom the aging process can be particularly daunting. The Deaf Senior Retirement Corporation, a member of the Bay Area Coalition of Deaf Senior Citizens, hired **Satellite Senior Homes** to develop an affordable housing development with supportive services for deaf seniors. Van Meter Williams Pollack teamed with Martinez and Amador to design the Fremont Oak Gardens, a 51 unit apartment complex with planned amenities and systems to meet the specific needs of the deaf including a strobe light (signal) system, a fire safety system, a door bell system, TTY (telephone) system, video entrance technology, and a computer lab. Also, a variety of support services will be offered at Fremont Oak Gardens, such as interpreting, health screening, home delivered meals, and transportation. The development is located on lands previously owned by St. Anne's Episcopal Church, which will remain on site. The City's Redevelopment Agency Housing Fund and HOME funds paid for land acquisition, while CDBG funds provided pre-development financing. Additional sources of funding include Alameda County HOME funds, and a HUD 202 application has been submitted. Five neighboring jurisdictions may also provide funding and a campaign to fundraise private sector contributions has begun.

Housing for Seniors

With the overall aging of society, the senior population (persons over 65 years of age) will increase in most communities. Consequently, the need for affordable and specialized housing for older residents will grow. Typical housing types used to meet the needs of seniors include smaller attached or detached housing for independent living (both market-rate and affordable), second units, shared housing, age-restricted below-market-rate rental developments, congregate care facilities, lifecare facilities, residential care homes licensed by the State, and skilled nursing homes.

Congregate housing is long-term supportive housing in a group setting, which includes independent living sleeping accommodations in conjunction with shared dining and recreational facilities. Residents of congregate care facilities occupy individual apartments, most of which include kitchens, although these may be minimal. The facility has a centralized dining room and kitchen where at least one hot meal per day is provided. Other services may include maid service, security and emergency services, recreation rooms, nursing assistance, and beauty salons.

A variation of congregate housing is called “life care.” Elderly persons buy into a life care development with an initial non-refundable accommodation fee plus a monthly fee. The price guarantees occupancy in a particular size of apartment and typically one meal a day. Tenants may also move into a “personal care” unit (no kitchen, three hot meals provided) or nursing facility if health support needs change. One version of life care allows purchase of a condominium unit so that the member owns a real asset.

Many supportive housing developments for the elderly have been built using HUD’s Section 202 and 202/8 programs, which provide direct loan financing. Non-profit organizations have been instrumental in marshalling the resources to construct and operate the developments, but housing authorities and for-profit developers are also potential development project sponsors.

Benefits

- Allows residents to remain in a community as they age and to participate in local civic and community activities.
- Meets the needs of older persons through developments oriented toward the senior population.
- Increases the supply of housing for larger families by making it possible for older households in large homes to move into smaller units, group living arrangements, or care facilities.
- Enjoys fairly widespread support, allowing senior housing developments to be approved more easily in the public review process than most other multi-family developments.

During the Housing Element Process...

- **Evaluate Needs.** The needs of the elderly should be evaluated and described in the housing element.
- **Review Regulations.** Land use regulations may need to be reviewed to ensure that they allow opportunities for each type of living facility.

Potential Programs and Actions

- **Consider an Overlay Zone.** Facilitate senior housing by designating a “senior housing overlay zone” that allows for higher densities and reduced parking requirements than the base residential land use designations.
- **Identify Financial Support Opportunities.** Identify local, state, federal and private sources of financial support to assist in the development of housing for seniors.
- **Form Partnerships.** Investigate possibilities to form partnerships between local government and non-profit housing groups.

- **Establish Local Loan Programs.** Develop loan programs to make borrowing easier for seniors.
- **Provide Density Bonuses.** Use density bonuses to encourage senior housing.
- **Select Convenient Locations.** Encourage senior housing to locate close to transit, shops, and community services.
- **Educate the Community.** Educate the community on seniors' housing needs and build support for senior housing.
- **Use the Internet.** Encourage project proponents, non-profit housing groups and seniors looking for housing options to take advantage of the large quantity of information on the Internet.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

✍ Gordon, Paul A., *Seniors' Housing and Care Facilities* (3d ed), Urban Land Institute, Washington, DC, 1998.

✍ Parker, Valerie, et al, *A Change for the Better: How to Make Communities More Responsive to Older Residents*, AARP, Washington, DC, 1991.

✍ Porter, Douglas R., *Housing for Seniors*, Urban Land Institute, Washington, DC, 1995.

☎ American Association of Retired Persons

☎ California Association of Homes and Services for the Aging

☎ Non-Profit Housing Association of Northern California

See Also...

- Second Units (*Page 3-23*)
- Shared Housing and Co-Housing (*Page 3-60*)
- Supportive Housing (*Page 3-66*)

Success Stories

- **Land Financing Deepens Affordability for Senior Apartments.** The Saratoga Senior Development in the City of Vacaville has 108 units, of which 10 percent were targeted for senior households with incomes below 50 percent of median and the remaining were for senior households with incomes below 60 percent of median. The City made a 30-year, 0-percent deferred loan of \$800,000 to the developer to purchase land that was designated multi-family, high density. In exchange, it required the developer to make 20 units affordable to households with incomes below 30 percent of median. The development is currently being expanded, and the City is once again providing land financing of \$566,000 on favorable terms in exchange for 20 of the planned 120 units to be targeted to households with incomes below 40 percent of median. The City of Vacaville has a compliance program in place that monitors affordability and re-certifies all affordable units.
- **Senior Apartments in the Old Town.** BRIDGE worked with the Pinole Redevelopment Agency to provide 70 units of housing for low-income seniors on this three acre site close to Pinole's Old Town and Senior Center. BRIDGE owns the site, which is ringed by mature eucalyptus trees and commands sweeping views of the San Francisco Bay. The development has one and two-bedroom units with a community room, landscaped courtyard, library, and hair salon. The project has won awards for design excellence and was funded through state tax credits purchased by Edison Capital in addition to city and county subsidies to ensure long-term affordability.

Shared Housing and Co-Housing

Shared housing as used here is a generic term. It generally means an arrangement in which two or more un-related people, each with private sleeping quarters, share a house or an apartment. It has various names such as intentional communities, homesharing, co-housing, and group living. It occurs when people reside together for social contact, mutual support and assistance in pursuit of a common purpose, and/or to reduce housing expenses. The group may range from two elderly persons sharing a small home to several disabled adults sharing a large single family home or a single mother with an extra bedroom may share her home with an elderly person who helps with childcare and/or living expenses. The degree of assistance can vary from none (other than from other members of the household) to live-in, full-time help.

Co-housing is a type of shared housing arrangement. Co-housing developments have individual units with kitchens, combined with a common kitchen and meeting room. They may also include such common features as childcare facilities, artist studios, darkrooms, and woodworking shops. Co-housing developments are normally organized as condominiums, although they can also be organized as cooperatives.

Shared housing arrangements are normally established by mutual agreement of the residents. Housing arrangements that include support services organized or provided by an outside agency are usually classified as supportive housing.

Shared housing arrangements are allowed by zoning in a variety of ways. Several un-related adults who share a housing unit fall within the definition of "family." (This is a state constitutional right, not dependent upon the wording of the zoning ordinance.) Some shared housing arrangements may be established as an apartment or condominium.

Benefits

- Reduces the cost of household maintenance for each member of the group, provides social contact, generates mutual support, increases personal safety and security, decreases the amount of assistance needed from relatives, and integrates special groups (such as the elderly) into the community.
- Encourages car sharing which is where several households share a single vehicle. This can reduce the need for parking and further reduces household expenses.
- Allows for more efficient use of government housing subsidies or funds from a sponsoring organization.

During the Housing Element Process...

- **Review Ordinances and Development Regulations.** Review the zoning ordinance and other development regulations to identify policies and standards that act as barriers to shared housing arrangements.
- **Seek Input and Advice.** The involvement of non-profit groups active in homesharing can help overcome the concerns of elected officials and community residents. They can help to identify potential barriers, define workable strategies, and develop a framework for new policies and programs to support shared living initiatives.

Potential Programs and Actions

- **Revise Building Codes.** Building codes may need to be revised if they require more living space per resident than is available in many homes suitable for conversion to shared housing.
- **Promote Public Education.** Public education that addresses the misconceptions or a lack of knowledge about shared housing is a strong element for success.
- **Promote Good Design.** Good design ensures opportunities for privacy to smooth the resident's transition from single-family homes. Some remodeling of the unit may be necessary to provide both private and shared space.

- **Provide Additional Services.** Many cities and counties offer counseling services for homesharing by six or fewer persons. A local government interested in sponsoring a new program might contact existing homesharing organizations for advice.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

✍️ McCamant, Kathryn and Charles Durrett, *Cohousing: A Contemporary Approach to Housing Ourselves* (2d ed), Ten Speed Press, Berkeley, 1993.

See Also...

- Housing for Seniors (*Page 3-58*)
- Supportive Housing (*Page 3-66*)

Success Stories

- An Innovative Inter-Generational Cooperative Housing Program.** The **Fairfax Vest Pocket Community** provides shared rental housing and nurtures community and companionship for potentially isolated lower income seniors and single parents with children. The complex—within walking distance of shopping, schools, day care and two senior community centers—consists of five shared houses and a community building with meeting rooms, a laundry and a community kitchen. The houses, set in a neighborhood of single family craftsman style homes, contain large common living and dining areas and three to four sleeping quarters with one bedroom and bath being ground floor accessible. The kitchen looks onto an outdoor play space and has been designed to facilitate shared living.

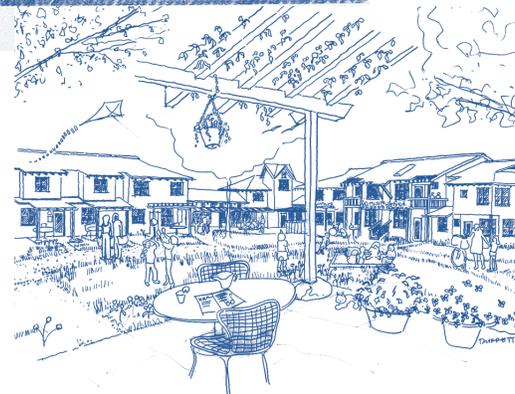
Marin Housing Authority screens potential residents for financial and program eligibility and they are then interviewed by current residents for housemate compatibility. **Marin Housing Authority** has also started an on-site supportive services program to assist residents with employment goals, problem solving, and life and community-living skills. The Vest Pocket Community was funded by a State model program, the Marin Community Foundation and county CDBG money. It has won several awards and demonstrates the benefit of using infill sites for creating affordable housing while also creating an alternative to the isolation faced by many seniors and single parent families in conventional housing.

- Building Co-Housing in a Suburban Community.** A 32 unit co-housing development is being constructed on a 2.2 acre site that lies along a bike trail about a mile away from the **Pleasant Hill BART** station. Each unit, ranging from one bedroom to four bedroom homes, is a self-contained condominium linked via internal pedestrian paths to extensive common facilities, including community cooking, dining and sitting rooms, children's playrooms, guest rooms, and laundry facilities. All the buildings have passive solar heating and cooling features. Extensive involvement of both neighbors and future co-housing residents in the design and development process helped the developers negotiate a site plan with limited vehicular access and reduced parking (1.6 spaces per unit) in graveled parking areas. The City went through a General Plan Amendment and rezoned the site from general commercial to a planned unit development. It also required the development to include six senior households to meet inclusionary housing requirements. As with other co-housing projects, this development offers a model of creating higher density housing that reinvigorates older neighborhoods and strengthens social ties that make for strong communities.



Pleasant Hill Co-Housing

The CoHousing Company



SRO Hotels and Efficiency Apartments

Single room occupancy hotels (SROs) are one of the most traditional forms of affordable private housing for single and elderly low-income people and for new arrivals to an area. An SRO room usually is small, between 80 and 250 square feet. It typically has a sink and a closet but shares a bathroom, shower, and kitchen with other rooms. An efficiency apartment also is small but contains a small cooking area and bathroom.

Many older SROs have been lost due to deterioration, natural disasters, hotel conversions, and demolition. One component of the strategy is to preserve and rehabilitate existing residential hotels and other buildings suitable for SRO or efficiency apartments. A second component is to encourage new SRO and efficiency apartment construction.

Benefits

- Provides an affordable entry point into the housing market for formerly homeless people.
- Provides a low-cost housing option that can also protect some people from becoming homeless.
- Through rehabilitation, preserves housing that is affordable, centrally located, and reasonably secure.
- May provide affordability for low-income households without the need for government subsidy. With subsidies, these units become affordable to very low-income persons.
- Offers a social environment of independence and dignity.

During the Housing Element Process...

- **Evaluate Existing SROs.** Identify existing SRO facilities and evaluate whether they may be lost due to conversion or be in need of rehabilitation. Work with owners to identify the population of people being served in existing facilities, define issues that need to be addressed, and evaluate potential preservation options.
- **Consider Un-Met Demand and Under-Served Need.** Talk with service providers in the local area to identify un-met housing needs for low and very low income individuals and families as well as special needs groups. Consider whether new SROs or efficiency apartments might help meet those needs. Vacancy rates and waiting lists for existing facilities are good indicators of pent-up demand.
- **Identify Preservation Opportunities and Potential Sites for New Facilities.** Based on evaluation results, identify existing facilities that should be targeted for preservation efforts as well as sites and areas where new facilities could be developed.
- **Evaluate Existing Policies and Regulations.** Make sure that the General Plan, zoning ordinance and other development regulations provide adequate support for preservation of existing SROs and efficiency apartment as well as development of new facilities. Identify potential barriers, such as unreasonable parking requirements or excessive building standards.
- **Involve the Community and Stakeholder Groups.** Community support is essential for a successful SRO program. Encourage collaborative public-private sector approaches and programs that address both administrative and technical aspects. Involve local officials, community residents, and members of key stakeholder groups (e.g., service delivery agencies, SRO owners, SRO residents, etc.) in defining a program that meets housing needs and responds to community concerns. Utilize Success Stories from other communities to help alleviate unfounded fears about the impacts of SROs and efficiency units.

Potential Programs and Actions

- **Adopt Policies on Preservation.** A policy in the housing element calling for the adoption of an SRO preservation ordinance is a first step to slow the removal of units. Further, communities can arrange below-market-rate loans, allocate CDBG funds, or use tax increment financing to rehabilitate units.

- **Reduce Development Pressure.** Zoning and building codes can be amended to discourage new construction in areas where existing SROs are located, thus limiting the pressures for demolishing the older structures in favor of new and larger (and expensive) hotels.
- **Provide Assistance as Needed.** Consider both public and private funding sources to assist private owners in preserving SRO facilities. Address rehabilitation costs, social service delivery, and maintenance of the units at affordable prices.
- **Identify the Lead Organization.** An organization must be identified or created with the financial strength and experience to evaluate, purchase, and rehabilitate an SRO or to enter into a joint venture with a for-profit developer.
- **Ensure Financial Feasibility.** For-profit developers and lenders must be willing to pursue SRO hotels as a profitable housing venture.
- **Undertake Educational Programs.** Neighborhood groups and local businesses must be educated about the advantages of new and rehabilitated SROs.
- **Ensure Good Management.** Professional management is required to keep the program going.

See Also...

- Infill Development (*Page 3-12*)
- Housing for Homeless People (*Page 3-52*)
- Supportive Housing (*Page 3-66*)

Success Stories

- **Former Nursing Home Provides Permanent Affordable Housing with Supportive Services.** The Hugh Taylor House is a former nursing home that now provides permanent affordable housing for the working poor and formerly homeless individuals. It includes 30 housing units, a mix of studios, and one and two bedroom units. Twenty-five units are reserved for Section 8 moderate Rehabilitation program recipients with all other units restricted to people with incomes below 50 percent of median. The development takes a comprehensive approach to solving more than the need for housing, **East Bay Asian Local Development Corporation (EBALDC)** has contracted with Career Training Institute to train tenants in career and vocational skills and job readiness. Computer orientation and tutorial sessions are offered. Tenants cultivate gardens in the sunny courtyards and share a community meeting room with other neighborhood organizations. The Bank of America, California Housing Rental Rehabilitation Program, and the City of Oakland funded the development.
- **Mini-Studio Apartments Help Bridge a Gap between SRO Hotels and Full-Size Apartments.** The Carroll Inn is designed to bridge the gap between SRO hotels and full-size apartments. It has 119 mini-studios, each of which is fully furnished and has an attached bathroom, microwave oven, refrigerator, and phone jack. Other amenities include community/meeting rooms, kitchens, laundries and vending machines on each floor, a mini-gym, and a small convenience store that stocks necessities at-cost for purchase by residents. Since security is an issue for many residents, Carroll Inn also has 24-hour front desk service, closed circuit video cameras, and security-locked entrances.

The development is located close to the Sunnyvale Town Center and is near public transportation, local retail employment centers, community support services and shopping. It provides affordable housing for people with very modest incomes, including individuals living and working in the community, seniors on fixed incomes and single parents with one child. **Mid-Peninsula Housing Coalition** received pre-development funds from the American Red Cross; construction loans from Union Bank, the State Rental Housing Construction program, the City of **Sunnyvale** and Santa Clara County; a bridge loan from Mercy Housing; and permanent funds from SAMCO, the state, city, and county as well as the Intel Corporation as a low income tax credit investor. In addition to financial assistance, the City of Sunnyvale also acquired the site and adopted an ordinance allowing different standards for compact SRO units.



Carroll Inn, Sunnyvale

Tom Jones

Supportive Housing

Supportive housing is permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing and lead fuller lives. It can service seniors, people with disabilities or long-term illnesses, farmworkers, and formerly homeless people. The types of support services that can be provided include medical and mental health care, vocational and employment services, substance abuse treatment, childcare, and independent living skills training.

Most supportive housing is built and managed by non-profit housing developers in partnership with non-profit service providers. Local governments, however, must play a major role in assuring support and providing necessary approvals. Some types of small-scale supportive housing arrangements may be totally excluded from special regulations. For example, a shared living arrangement that meets the definition of “residential facility” (H&S Code §1502(1)) and serves six or fewer persons cannot be required to apply for a conditional use permit, zoning variance, or other special zoning clearance if such approval is not required of a family dwelling of the same type in the same zone. (H&S Code §1566.3)

Benefits

- Provides housing that is particularly attractive to older persons because building design and services can be tailored to their special needs. The degree of health support services varies with the particular development.
- Offers a permanent solution to housing issues that, if not effectively addressed, can produce a financial and social burden for the community.
- Leverages substantial private sector and philanthropic resources to address community issues.
- Receives broad public acceptance and less neighborhood opposition because the need is so visible.

During the Housing Element Process...

- **Provide Sufficient Sites.** Begin by zoning larger areas for supportive housing development. Local zoning ordinances usually allow supportive housing developments in commercial zones and in selected residential zones, including single-family zones.
- **Review Zoning.** The zoning and other local regulations should encourage supportive housing by ensuring that the approval process is simple and the regulations are appropriate.
- **Review Parking Requirements.** The rate of car ownership of residents in supportive housing development is much lower than other types of housing developments. Therefore, less parking is required.
- **Involve Non-Profit Organizations.** Non-profit developers and service providers are the key to successful supportive housing initiatives. They should be involved in housing element discussions to ensure that policies and programs for supportive housing will be successful.

Potential Programs and Actions

- **Find a Sponsor.** Supportive housing developments often need formal sponsors such as community organizations, churches, city government, or the county welfare department. Each sponsor assumes an ongoing responsibility for the home including making initial arrangements, developing the project (if needed), selecting residents, hiring supervisory staff (if any), monitoring operations, and providing emergency assistance.
- **Provide Financial Support.** Financial subsidies or land use concessions can improve the affordability of supportive housing.
- **Ensure Good Management.** Management of the development is the paramount determinant of the quality of the environment for the residents. Good management also ensures that good relations are maintained with neighbors.

- **Provide Support to Individuals.** In market-rate developments, some organization may need to provide for the elderly occupant to buy an asset, such as a condominium unit.
- **Address Age Differences.** Individual developments need to address the problem of “age segregation” where the younger elderly do not want to move into a development dominated by the very elderly.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ☎ Corporation for Supportive Housing
- ☎ California Association of Homes and Services for the Aging
- ☎ Non-Profit Housing Association of Northern California

See Also...

- Housing for Farmworkers (*Page 3-49*)
- Housing for Homeless People (*Page 3-52*)
- Housing for People with Disabilities (*Page 3-55*)
- Housing for Seniors (*Page 3-58*)

Success Stories

- **Supportive Housing to Help Seniors Live Independently and Age at Home.** A new health clinic and 40 units of affordable housing have been built by a non-profit housing developer, **Resources for Community Development (RCD)**, and a non-profit health service organization, Lifelong Medical Care (formerly Over 60 Health Center) to meet the needs of the frail elderly. All housing units and community space will be fully accessible and include amenities designed to meet the special needs of seniors. The building includes a multi-purpose community room, office spaces for case management and other service delivery and south-facing courtyard, and garden. The seniors living here will be able to maintain their independent status with minor assistance, age at home, and have a good quality of life. The project is funded by HUD's Section 202 program and by the City of **Berkeley's** Housing Trust Fund.
- **Neighbors Welcome Conversion of Run-Down Motel to Permanent Housing.** A dilapidated motel on San Pablo Avenue in **El Cerrito** was transformed into the Idaho Hotel apartments to provide 29 permanent supportive housing units for single homeless individuals. The sponsor, **Rubicon Programs Inc.** of Richmond, redesigned the former motel to include efficiency apartments with their own kitchenettes and baths, a community room, and kitchen as well as residential services and social programs. In addition to providing property management, Rubicon provides on-site services, including individual and group counseling, case management, vocational services, and other support to promote independent living. Eighteen of the units are for those with mental disabilities, while eleven units are set-aside for persons who are HIV positive. A staff of three provide the on-site property management and service programs for the residents with funding provided by a combination of local and federal sources. Rubicon also established a Neighborhood Advisory Group prior to completion of the project to build ties between the development and the surrounding community. Located close to grocery shopping, and within walking distance to the El Cerrito BART Station, residents can easily meet daily living needs and take public transportation to jobs, outside services, and other destinations.



Idaho Hotel Apartments

Tom Jones

CONSERVING AND IMPROVING EXISTING HOUSING

Conversion Controls 3-70

Mobile Home Parks 3-72

Rehabilitation 3-74

Rent Control 3-77

Rental Assistance 3-79

Conversion Controls

The conversion of existing housing to non-residential uses, as well as the conversion of existing rental units to ownership units (typically condominiums), can result in a significant reduction in the affordable housing stock. While such conversions may create home ownership opportunities that are affordable to lower income households, they can also significantly affect the balance between rental and ownership housing; reduce the variety of individual choices of tenure, type, price, and location; increase overall rents; and displace individuals and families.

Conversion controls seek to limit the rate of conversion in situations where the private market is not developing new rental housing at an adequate rate to make up for the loss of units.

Benefits

- Preserves the existing housing stock, especially rental housing that is affordable to moderate, low, and very low income households.
- Helps discourage the displacement of current residents in neighborhoods experiencing gentrification.

During the Housing Element Process...

- **Assess the Rate of Conversion and Loss of Units.** Review conversion data for the past five to ten years to determine the number of units that have been lost either through demolition/conversion to non-residential uses or conversion of rental units to ownership. Compare the loss of rental units to construction of new rental units (at similar levels of affordability) to determine the net change in the local supply of rental housing.
- **Evaluate Potential for Future Loss of Units.** Based on recent trends and current and projected market conditions, evaluate the potential for future loss of units due to conversion.
- **Review Existing Policies and Ordinances.** Review any existing policies and ordinances that control the conversion of residential units from rental to ownership or to non-residential uses. Consider how effective they have been at controlling the rate of conversion and the loss of rental housing stock.

Potential Programs and Actions

- **Establish a Conversion Policy.** Include a policy statement in the Housing Element regarding the conversion of units. The policy should establish clear priorities for the jurisdiction regarding the preservation of the rental housing stock, limiting conversions based on either an evaluation of the vacancy rate for rental housing (e.g., applications for conversion will only be accepted if the rental housing vacancy rate is greater than 5 percent) or demonstration that rental units being lost are being replaced through new construction. The policy statement should also address the relocation of current tenants, including adequate notification and relocation assistance, and ensure that existing tenants are first given the option of purchasing their respective units before the units are offered to the general public.

- **Adopt an Ordinance to Control the Rate of Conversion.** Develop and adopt a local ordinance to carry out the Housing Element's policy on conversions. The ordinance should address:
 - Purpose of the Ordinance.
 - Criteria for determining whether an application for conversion should be accepted (i.e., the thresholds that must be met in order to allow any conversions to occur).
 - Application procedures, including conditional use permit requirements and filing procedures.
 - Tenant notification requirements and relocation benefits.
 - Requirements to ensure that converted housing achieves the same standards of quality and safety as new construction.

See Also...

- Mobile Home Parks (*Page 3-72*)
- Preservation of Assisted Units (*Page 3-105*)

Mobile Home Parks

Mobile home parks serve as a valuable source of affordable housing. Although mobile home parks are an allowed use in many zoning districts, new parks are difficult to develop in high cost areas.

Preservation of mobile home parks is an important issue because many existing mobile home parks are threatened by the escalating value of land and accompanying development pressure. Preservation allows a community to protect a valuable source of usually irreplaceable affordable housing.

The State of California, non-profit organizations, and many local communities have assisted residents in buying their mobile home parks. Some cities and counties have passed conversion ordinances to preserve mobile home parks and/or to assist the residents who might be displaced. Local ordinances may be adopted which limit conversions or specify conditions and provide for assistance to residents. Other ordinances establish mobile home rent control or seek to achieve long-term access to the land or impose resale restrictions on the site.

Benefits

- Provides aid to those who can least afford to replace a stand-alone unit that they own.
- Retains the availability of mobile homes to ease pressure on senior housing, apartments, and sometimes on condominiums.
- Provides an option for quick, inexpensive housing development, especially in rapidly growing communities with low vacancy rates.

During the Housing Element Process...

- **Analyze Conversion Potential and Preservation Options.** Identify local mobile home parks and analyze their potential for conversion. Work with residents and owners to identify suitable programs and actions, such as ordinances, subsidies, purchase assistance, or other measures.
- **Conduct Legal Research.** Regulatory programs, such as rent control, should be analyzed carefully because they have been the subject of considerable litigation in the past several decades. The Ellis Act (Gov Code §§7060-7060.7) may also affect the ability of local governments to restrict the reuse of mobile home parks.
- **Involve Stakeholders.** Senior groups and mobile home park owners can help define mobile home park problems. Their support and expertise is also helpful in developing community support for new programs.

Potential Programs and Actions

- **Adopt Local Programs.** Consider the following approaches to preserve affordable mobile home housing:
 - Provide rent subsidies.
 - Grant financial assistance with CDBG, tax increment funds, or other local resources.
 - Establish rehabilitation loans to correct health and safety violations.
 - Participate with mobile home residents in the State's Mobile Home Park Assistance Program.
 - Require adequate notice of any intent to raise rents.
 - Adopt preservation ordinances with measures to encourage retention of housing, aid in relocation, and provide compensation to owners and residents.
 - Protect current mobile home parks and sites by zoning them for appropriate residential use.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ HCD, *Incentives for Family Mobilehome Parks*, State of California, Sacramento, 1986.
- ✍ HCD, *Local Government Mobilehome and Mobilehome Park Policies in California*, 1986.
- ✍ HCD, *Ordinances and Laws Regulating Change of Use of Mobilehome Parks*, 1987.

See Also...

- Conversion Controls (*Page 3-70*)

Success Stories

- **Resident Purchase of Mobile Home Park Secures Affordable Housing for Low-Income Seniors.** Alta-Mac is a 33-space mobile home park with homes in fairly good condition with a small unused home and a laundry room as amenities. Most of the residents are low and very-low income seniors who were spending over 30 percent of their incomes on housing when the owner asked if they would like to buy the park. They organized themselves and with the help of unsecured funds from the City of Santa Rosa made deposits to hold the purchase deal and used a city loan to cover predevelopment financing. The residents also hired an experienced consultant to help with the deal. They formed a non-profit corporation where each member pays a one-time, non-transferable, non-refundable fee. Each member also receives one vote, occupies one space in the park and pays a monthly rent to the corporation.

The \$885,565 necessary for conversion to resident ownership was raised from Redevelopment Agency set-aside funds, provided as a deferred loan from the **Santa Rosa Housing Authority**, a loan from the National Cooperative Bank, funds from the State Mobile Home Park Resident Ownership Program (MPROP), an Affordable Housing Program Grant from the City, and resident owner equity. The Housing Authority was the co-applicant on the loan from MPROP, which required city staff to monitor and ensure the success of the development—an important contributor to the success of this initiative. The savings from low-interest government financing enabled the resident owners corporation to offer some financial assistance to members. The very successful park conversion to resident ownership took about three years to complete.

- **Affordable Mobile Home Park Provides Sanctuary for Residents.** Osocales Community in Soquel is an affordable mobile home park with a new lease on life. Renovated by **Mercy Housing Santa Cruz** with funding from the Santa Cruz Redevelopment Agency, twenty-eight new and rehabilitated homes for low and very-low income residents are surrounded by existing trees and ample new planting along a quiet driveway. **Pyatok Associates** worked with residents, staff, and Wamsher Construction to design a compact yet friendly site plan. Five-foot minimum setbacks from the driveway and minimal use of asphalt give the park a softer and more permanent feel. While the site improvements took a number of years to complete, the end result was affordable homes in a quality development for low and very-low income residents.

Rehabilitation

In communities with a large stock of older housing or structures that could be converted easily into residential units, rehabilitation can be the most cost-effective method to provide affordable housing. Rather than spending limited housing dollars on new construction, subsidies can be directed towards increasing the affordability of existing housing and/or improving the habitability of substandard housing. Rehabilitation can also improve the appearance of whole neighborhoods and preserve historical sites for the community.

Benefits

- Preserves and potentially expands affordability in the existing housing stock.
- Does not require development of vacant land or changes in land use to achieve affordability goals, thereby resulting in less community opposition.
- Achieves more “bang for the buck” in the use of limited resources to promote affordability.
- Improves the livability, safety, and quality of existing housing and neighborhoods.

During the Housing Element Process...

- **Inventory Housing Conditions and Assess Rehabilitation Needs.** Ensure that the housing element includes an inventory of local housing conditions and an assessment of rehabilitation needs. Use this assessment to identify and target the most promising projects and programs.
- **Review Land Use and Zoning Standards.** It is important to have the right land use and zoning standards and to regulate the development capacity of housing preservation areas. Use the housing element process to review local standards and regulations to ensure they support rehabilitation activities.
- **Build Community Support.** As with any affordable housing program, community acceptance is necessary and essential.
- **Achieve HCD Certification.** Access to many of the State and Federal resources to support local rehabilitation activities requires that the local jurisdiction have a certified housing element.
- **Identify Housing and Other Structures that Can Most Easily Be Made Barrier-Free.** The HUD regulations require it, and accessible, rehabilitated housing that is barrier-free can be used for a greater variety and number of households.

Potential Programs and Actions

- **Develop Rehabilitation Funding Sources.** There are a variety of potential funding mechanisms, including significant resources available through state and federal government for the rehabilitation of both renter and owner occupied housing. Cities and counties, housing authorities, and/or non-profits working with local governments can use CDBG and several other federal entitlement and competitive funding sources for local rehabilitation programs and projects. Federal and state low-income tax credits can also be used for purchase and/or rehabilitation of existing housing.
- **Target Redevelopment Activities Towards Rehabilitation.** Redevelopment agencies are particularly useful in supporting rehabilitation activities, including the site acquisition and the use set-aside funds.
- **Ensure Proper Management.** Management of rehabilitation activities can be staff intensive. Local governments need to have either staff ability or a good relationship with another public or non-profit to ensure adequate experience, skill, and expertise to execute a successful program.

See Also...

- Adaptive Reuse (*Page 3-5*)
- Energy Efficiency (*Page 3-33*)
- Self-Help and Community-Help Housing (*Page 3-43*)
- Zoning Standards and Building Codes (*Page 3-98*)
- Preservation of Assisted Units (*Page 3-105*)

Success Stories

- Revitalizing a Troubled Neighborhood with Public/Private Partnerships, Creative Financing, and Inter-Governmental Cooperation.** The Maples was a 120 unit apartment complex in 30 four-plexes, in a high crime neighborhood with significant blight. There was a 25 percent vacancy rate, boarded windows, graffiti, litter, no landscaping, and poor exterior lighting. The “Acacia Neighborhood Team,” with representatives from Vacaville’s Office of Housing and Redevelopment, Police, Fire and Community Services Departments and a non-profit housing corporation, **Vacaville Community Housing (VCH)**, worked with residents to identify problems and implement cost-effective solutions to keep rents affordable for very low income households.

The key element was helping VCH acquire (and later manage) all 120 units from different absentee landlords, followed by substantial rehabilitation to bring the units up to code and add amenities such as increased lighting, private entryways for each unit, and features such as tot lots, picnic tables, and barbecues in common areas. A small Neighborhood Center was also opened in a one-bedroom unit to meet needs for after school care and job training for teenagers. Lastly, the project changed the public Acacia Street into a one-way private drive to reduce speeding and the police assigned two officers to a Street Enforcement Team and helped set up a Neighborhood Watch Program. The project was assisted through redevelopment set-aside funds, bond funds, HOME program funds, and private financing. Annual operating costs are met by CDBG and city funds. The Maples has been very successful in revitalizing the neighborhood, where residents now move freely in the “miracle on Acacia Street;” affordability has been maintained; school attendance is up; retail vacancies in the area have dropped; and crime is negligible.

- SRO Rehabilitation Provides a National Model.** The UA Homes Development involved acquisition and rehabilitation of a 77 unit SRO in **Berkeley** that had been severely damaged by the Loma Pieta earthquake of 1989. The major rehabilitation included a seismic upgrade and replacement of ceilings, walls, and all building systems. Laundry facilities were included on every floor and a community room, resident-manager’s office, and service offices were added. The City also allowed three parking spaces at the rear of the building to be converted to a community garden. The development also has a popular and innovative arts program. The non-profit developer **Resources for Community Development** used funds from the City of Berkeley, CDBG, FEMA, Small Business Association, SAMCO, the City of Berkeley Housing Trust, and the American Red Cross to put the project together. Completed in 1992, UA Homes houses formerly homeless individuals who receive rent subsidies through the HUD Section 8 Moderate Rehabilitation Program.



UA Homes, Berkeley

Steve Suzuki

Rent Control

Rent controls are used by a number of Bay Area jurisdictions to regulate the price of rental housing. Although controversial, it has been upheld by the courts and remains a useful tool for preserving the affordability of existing rental housing. The Bay Area's three largest cities—San Jose, San Francisco, and Oakland—all have rent controls in place, as do several smaller jurisdictions.

Critics of rent control claim that the overall affect of such controls is to discourage the development of new rental housing or rehabilitation and improvement of existing rental units. They also claim that rent controls tend to distort the rental market, resulting in a shortage of moderate-priced rental units since new units have rents that are well above the median rent and units that have been occupied for a long period of time remain at levels far below the median.

In rent-controlled jurisdictions, annual rent increases are allowed based on an established percentage, typically based on the rate of inflation. Many jurisdictions also have what is called “vacancy decontrol,” in which rents may revert to “market-rates” whenever a unit is voluntarily vacated by a tenant. Nearly all rent control regulations allow owners to repossess a unit for their own use, and provide exemptions for small multi-unit buildings in which the owner is also a resident of one of the units.

These restrictions and exemptions are outlined in the local rent control ordinance with established grievance procedures, typically overseen by local rent boards, to mediate disputes related to rent increases, evictions, and related matters.

Benefits

- Preserves the affordability of the existing rental housing stock.
- Protects low and very low income renters—including renters on fixed incomes—from substantial rent increases that could force them out of their homes.
- Discourages the displacement of current residents in areas where rents are increasing at rates greater than the overall rate of inflation.

During the Housing Element Process...

- **Evaluate Recent Rent Increases and the Impacts on Renter Households.** Collect data on increases in local median rents (ideally by unit size) over the past several years and compare the rate of increase to the rate of inflation. If the rate of rent inflation is substantially higher, try to ascertain the impact of higher rents on local renter households (e.g., eviction/displacement, overcrowding, etc.). This may require anecdotal evidence obtained through interviews with rental agencies, service providers, and others who are familiar with the local rental market.
- **Consider the Causes of Rent Increases.** Are rents increasing across the board, or only for some unit types? Is the mismatch between supply and demand being exacerbated by the lack of new construction for rental units or the loss of existing units? Are the rent increases more substantial in some parts of the City than in others? Are the management costs of rental housing increasing at similar rates (e.g., property taxes, insurance, etc.)? What are the profit margins for the owners/managers of rental properties?
- **Evaluate the Potential Benefits and Impacts of Rent Control.** Consider the potential benefits and impacts of rent control both in terms of controlling local rents and preserving affordable housing and on the larger housing market in general. Conduct an evaluation process that is as open, inclusive, and comprehensive as possible, helping participants to understand the current situation and its causes as well as the full range of potential strategies for addressing them.

Potential Programs and Actions

- **Monitor Rental Rates.** To ensure reliable data for decision making related to rent control and other rental housing strategies, establish an effective mechanism for monitoring rental rates in the local area. This may include annual, bi-annual, or quarterly reports on median rents in the local area by unit type, forwarded to local decision makers and other interested parties. For larger jurisdictions, a breakdown of median rents by geographic area can also be helpful.
- **Establish or Modify a Rent Control Ordinance.** Based on an evaluation of the local situation, consider establishing a rent control ordinance or similar mechanism to discourage unwarranted or unreasonable rent increases. If a rent control ordinance is currently in place, but has been ineffective in achieving its goals, consider modifications that might improve its effectiveness.
- **Ensure a Multi-Strategy Approach.** Rent control in and of itself will not provide an effective strategy for ensuring the long-term viability of the local rental market for lower income households. The strategy must also address the availability of sites for new multi-family housing development, incentives to encourage such development, and other local policies to ensure that new rental housing is developed and managed at prices affordable to lower income households.

See Also...

- Mobile Home Parks (*Page 3-72*)
- Rental Assistance (*Page 3-79*)

Success Stories

- **Dispute Resolution Ordinance Addresses Rent Increase Issues.** In response to the rental housing crisis and its potential impacts on tenants, **Fremont** enacted an ordinance to discourage unreasonable rent increases. The ordinance does not establish “rent controls.” Instead, it establishes a three-step rent dispute resolution process that consists of conciliation, mediation, and fact-finding within a fixed time period. Conciliation and mediation assistance is provided by Mediation Services, a non-profit, non-partisan neighborhood-based conflict resolution program staffed by trained volunteer mediators. If mediation does not result in an agreement, either party may request a Fact Finding Panel to determine the reasonableness of the rent increase and the impact of the rent increase on the affected households. The panel is appointed by the City and composed of three neutral persons: a tenant, an owner, and a designated neutral third party. In addition, rent increases are limited to once per year and landlords are prohibited from retaliating against a tenant for use of any remedy provided by the ordinance. To date, over 200 persons have been served.

Rental Assistance

Several local governments help qualified individuals or families locate and afford market-rate rental housing. For those having difficulty securing an apartment, loans or grants may be provided for all or a portion of the first and last month's rent as well as the security deposit. To improve the affordability of housing, some communities (occasionally with the support of a foundation or trust) provide limited monthly subsidies to low-income households.

However, the largest amount of rental assistance is provided by HUD's Section 8 Housing Assistance Payments, which up till recently had two programs: 1) certificate rent subsidies to owners of housing units on behalf of very low-income tenants; and 2) vouchers used in rental housing of the tenant's choosing. Section 8 *certificates* provide the difference between one-third of a household's income and the "fair market" monthly rent (including utilities) for an apartment (set separately for each county and according to the number of bedrooms) directly to the owner. Section 8 *vouchers*, however, have no rent ceilings, and the tenant is responsible for paying the difference between the "voucher payment standard" and the actual rent. Since the voucher program is meant to cost the government less, the subsidies are lower than those for the certificate program. All new housing assistance through the Section 8 program is now provided in the form of vouchers.

Benefits

- Helps fill the gap between household income and housing costs.
- Provides assistance to the very low- and low-income households who are most in need.
- Under some programs, allows households to find the housing most suitable for their needs with rental assistance tied to the household rather than a specific housing unit.

During the Housing Element Process...

- **Conduct a Needs Assessment.** Document the existing level of rental assistance and try to quantify the level of unmet need. Waiting lists at the local housing authority or other service agencies that provide rental assistance can provide some indication of the level of unmet need, though it most likely under-represents the actual need. Overcrowded units and the incidence of homelessness may provide other indicators.
- **Consider Potential Sources for Additional Assistance.** Identify potential funding sources to continue or expand existing rental assistance programs or to establish a new locally based program.
- **Develop a Comprehensive Affordability Strategy.** Rental assistance programs cannot be effective, if there is a shortage of lower cost rentals available in the community. The higher the local rental costs, the more expensive it is to operate a rental assistance program. A comprehensive approach is needed to support the construction and rehabilitation of units in the local area that are affordable to lower income households.

Potential Programs and Actions

- **Collaborate with Other Jurisdictions and Agencies.** Rental assistance programs can be expensive to fund and operate. Many smaller jurisdictions work with County agencies to facilitate assistance for local residents. Another option is to collaborate with adjacent jurisdictions, pooling financial and staff resources to achieve the necessary level of size and efficiency to make a local program feasible. This provides more local control and targeting of resources to meet local needs.
- **Define Selection Criteria.** Develop clear criteria for the selection of participants to ensure that funds are targeted to those households who are most in need. Communicate the criteria in a clear and concise manner to potential applicants.
- **Ensure Professional Administration.** The success of rental assistance programs relies on having efficient, accessible program administration to direct aid to those most in need.

See Also...

- Housing for Homeless People (*Page 3-52*)
- Shared Housing and Co-Housing (*Page 3-60*)
- SRO Hotels and Efficiency Apartments (*Page 3-63*)
- Mobile Home Parks (*Page 3-72*)
- Rent Control (*Page 3-77*)

Success Stories

- **Rental Housing Assistance.** The **Marin County Housing Authority** assists low-income renters through a variety of programs including Section 8 Certificate and Voucher Programs. It uses Housing Opportunities for Person With AIDS (HOPWA) funds to provide rental assistance to low-income person with AIDS, and operates the Rebate for Marin Renters Program, which is funded on a two-to-one basis by the Marin Community Foundation. Program recipients—who include low- and moderate-income families, seniors, and people with disabilities—receive a monthly rent rebate based on unit size for a year.
- **Housing Scholarship Program Helps Families Become Self-Sufficient.** City officials, local job training agencies, landlords, and community leaders worked collaboratively to institute the Housing Scholarship Program in **Fremont**. The Program has helped over 200 families on public assistance become self-sufficient since its inception in 1987. Generous landlords and affordable housing developers receiving assistance from the City have agreed to provide rent reductions of up to 50 percent for up to one year to lower income families who have demonstrated the necessary commitment and skills to achieve sustainable livelihoods.

The Program offers job training, affordable housing, life skills classes, and other services to stabilize families as they increase their skills and job earning potential while enrolled in an approved job training program. A Board of elected officials, community organizations and support services, and former scholarship recipients meets monthly to award housing scholarships. In 1999, the Housing Scholarship Alumni Association was formed to help alumni support each other and take the next step to homeownership. **East Bay Habitat for Humanity**, in a joint venture with **Eden Housing**, will build three homes for lower income families, while Eden Housing will build 14 homes for lower to moderate income first time homebuyers. Three alumni will be selected to become Habitat for Humanity homeowners, thus completing the cycle from homelessness (for many scholarship applicants), to renter and finally homeowner.



Market-Rate Apartments

Tom Jones

REMOVING GOVERNMENTAL CONSTRAINTS

Design Guidelines and Design Review3-82
Growth Management Systems3-85
Parking Standards3-88
Procedural Reform3-91
Street and Infrastructure Standards3-95
Zoning Standards and Building Codes3-98

Design Guidelines and Design Review

Many communities have adopted design guidelines and design review procedures in an effort to improve the quality of design and ensure that new buildings fit into the context of existing development.

Design review can supplement development regulations by addressing issues that cannot easily be quantified in an ordinance. They also allow more flexibility than a zoning ordinance might provide. The advantage of using design review to promote affordable housing is that it addresses a major concern of neighbors—the fear that the development will be ugly, too bulky, and out of character with the neighborhood. Good design is often the key to overcoming concerns about density because well designed higher density buildings can be much more acceptable than poorly designed lower density buildings.

Design review, however, can be a two-edged sword. If the guidelines are vague and the process too cumbersome, affordable housing will be discouraged. As a general rule, quantifiable standards should be in the zoning ordinance while more subjective provisions should be in the design guidelines. Good design guidelines will help the process to be as objective as possible.

The review process should ensure that development projects are reviewed in a timely manner and should restrict the scope of review. For example, the primary purpose of most design review processes is not to judge the design merits of a building, but to ensure that it reasonably fits within the context of the neighborhood. Many local governments restrict the ability of design review to limit the size of the proposed project.

Benefits

- Assures neighborhood residents that new development will fit into the context of the neighborhood.
- Results in more attractive and functional communities for everyone.
- Potentially reviews how the design of a building contributes to increased public safety.

During the Housing Element Process...

- **Review the General Plan.** The general plan should provide the policy guidance for a design review system.
- **Encourage Community Participation.** Consider organizing a task force of community representatives, interdepartmental staff, design professionals, and local developers to help define a workable set of design guidelines and design review procedures that respond to community priorities and support affordability goals.
- **Review Existing Guidelines and Review Procedures.** If guidelines and review procedures exist, they should be reviewed and evaluated. How much additional time do they add to the development review process? Are guidelines overly vague? Do they support an objective review process? Interviews with local staff and recent development applicants can shed light on existing strengths and weaknesses.
- **Consider Good and Bad Design Examples from the Local Area.** Conduct a participatory assessment of community design examples from the local area to identify building styles and designs that people like, as well as those that they don't like. It is often possible to distill from these a set of general guidelines that can help ensure that future developments help to replicate desirable design examples.
- **Consider Experiences from Other Jurisdictions.** Talk to staff and developers in adjacent jurisdictions to see if they have successful design review programs that you can draw upon.

Potential Programs and Actions

- **Adopt Design Review Guidelines.** Design review guidelines should be prepared or modified to give direction on the design of new and major reconstruction projects.

- **Adopt Design Review Process.** Elements of the process include who conducts the review; whether or not the results of the review are binding; the timelines for review; the scope of the review; and the appeal process, if any.
- **Clarify Role of Design Review.** Design review bodies should be discouraged from reviewing the architectural merits of a building, but instead focus on how the building fits into the existing character of the neighborhood. Design review should not be used to limit innovative design as long as it is compatible with the area.
- **Clarify Scope of Design Review.** The scope of design review should be carefully prescribed. Although some cities allow the design review process to modify zoning standards, such as density and height, a better approach is to have numerical standards addressed through the normal project review process.
- **Tailor Guidelines to Specific Areas.** One set of guidelines does not normally fit all areas of a city or county. Guidelines may need to be based on different areas of the city, different neighborhood design styles, different types of streets, or different categories of building prototypes.
- **Incorporate Graphics into Guidelines.** Design guidelines should use graphics as much as possible. Graphics help to illustrate the guidelines and provide examples of the intent of the text.
- **Integrate Guidelines with Ordinances.** Design guidelines need to be coordinated with the zoning ordinance and other development regulations. The preferred approach usually is to have numerical standards in the zoning regulations and non-quantifiable provisions in the guidelines.
- **Ensure Complete Coverage of Topics.** Typical design guidelines for residential development will include such topics as landscaping, privacy, parking areas, street furniture, defensible space, human scale, pedestrian circulation, and façade materials.
- **Establish an Appropriate Review Authority.** Many jurisdictions use a design review board while other jurisdictions use the staff to review development projects. In either situation, some baseline level of design and architectural expertise is useful.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

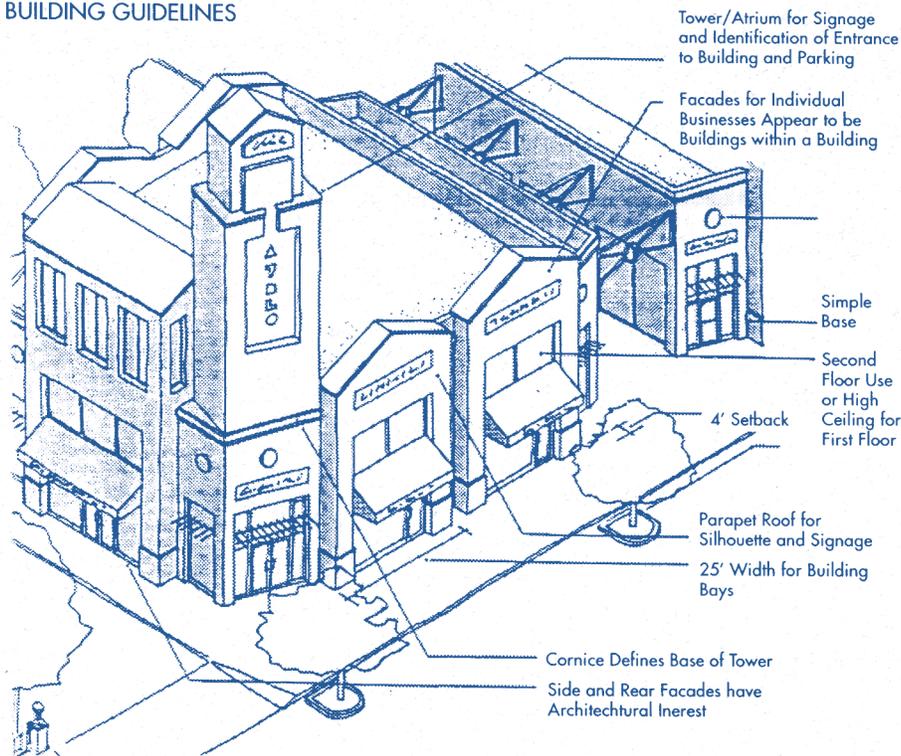
 Henshaw, Mark L., *Design Review*, PAS Report 454, American Planning Association, Chicago, 1995.

 Pregliasco, Janice, *Developing Downtown Design Guidelines*, California Main Street Program, Sacramento, 1988.

Success Stories

- **Design Guidelines Promote Mixed-Uses and Higher Densities.** Design guidelines adopted in 1992 to spur development on its main commercial corridor, San Pablo Avenue, led the City of **Albany** to adopt a detailed San Pablo Avenue Vision Plan in 1997. The Vision Plan recommends specific zoning changes and general plan updates to encourage development. It also proposes height minimums, suggests uniform setback lines to create an attractive pedestrian environment, and recommends greater floor-area ratios. Parking requirements for residential development and mixed-use developments are reduced since extensive public transit is available along the entire corridor. Developers submitting designs in line with the new plan will be able to go through a simplified, more rapid permitting process.
- **Design Review Enhances Neighborhoods and Property Values.** After years of additions and new construction built with little regard for existing neighborhood character, the City of **South San Francisco** adopted a *Design Review Guide for Residences and Additions* in February 1998. The guidelines cover basic elements of building height and bulk, lot coverage, and neighborhood compatibility. Parking, outdoor space, building entry, setbacks, materials, roof forms, and detailing are also covered by the ordinance. Simple explanatory diagrams accompany the guidelines. The easy-to-follow handout includes tips on how best to prepare your submittal and communicate with planning staff and the Design Review Board. The goal of the guidelines is to seek a general sense of compatibility in the neighborhoods, while allowing for originality in design, thereby helping to maintain property values and present a positive image of the community to residents and visitors.

BUILDING GUIDELINES



Proposed Design Guidelines, Albany

Design, Community and Environment

Growth Management Systems

Some growth management mechanisms enact outright limits to the quantity of new residential development. These are often in the form of numerical caps on the number of new dwelling units that can be approved during a given period of time. Sometimes, the cap is applied equally to all units regardless of location or affordability, while other jurisdictions provide exemptions and/or incentives for affordable housing and/or city-centered development (Morgan Hill and Half Moon Bay, for example). No matter how a numerical cap is structured, *a community may not restrict growth to less than the number of units necessary to meet its share of the regional need for housing for all income levels during the five-year period covered by the housing element.*

Other forms of growth management include limiting growth in specific areas, establishing Urban Growth Boundaries (UGBs), or restricting major development until certain infrastructure performance standards are achieved.

The relationship between growth controls and housing affordability is a complex topic on which only limited research has been done. Because the factors involved vary significantly between jurisdictions, it is difficult to draw lessons from one experience and apply it to all others. Factors that may affect the impact of growth management policies on housing affordability include the inventory of residential development sites (either vacant or through re-use), the density allowed on those residential sites, the vacancy rate in existing residential units, local demand for housing, and the availability of housing in adjacent jurisdictions.

A well-designed growth management system can support community livability, environmental protection, *and* housing affordability. For example, an UGB combined with encouragement of infill and affordable housing development can encourage more compact forms of development in strategic locations, thereby protecting environmental resources; promoting transit use, bicycling and walking; and reducing per-unit housing costs through better land utilization and efficient use of existing infrastructure.

Benefits

- Potentially lowers infrastructure costs, reduces driving distances, and reduces the need for car ownership.
- Causes the community to focus more on revitalizing its existing developed areas, potentially creating more livable communities (especially if affordable housing needs are taken into consideration).
- Allows the community to address growth concerns without impacting housing affordability if adequate land and exemptions are provided for new low- and moderate-income housing.
- Establishes “smart growth” as a clear alternative to sprawl, making affordable infill development more attractive to the community.

During the Housing Element Process...

- **Examine Existing Systems.** Growth management systems may not be necessary in those communities that have already established good planning programs and effective mechanisms to implement these programs. Therefore, the first step is to improve the existing planning and regulatory systems.
- **Analyze Impacts of Existing Systems on Affordability.** When preparing the housing element, include an analysis of the effect of existing growth management systems on the development of housing for all income levels and whether the systems hinder the community in meeting its share of the regional housing needs.
- **Analyze Impacts of Existing and Proposed Systems on Fair Housing Laws.** When preparing the housing element, include an analysis of whether existing growth management systems may have a negative effect on persons protected by fair housing laws. If new growth management systems are contemplated, their impacts on housing prices and “fair housing” should be carefully evaluated before and during the drafting process.

- **Review Zoning Ordinances.** Consider whether local ordinances allow and encourage higher density, infill development, second units, mixed-uses, and other techniques that might compensate for any adverse affects of growth controls.
- **Encourage Effective Public Debate.** Inability to manage growth can create a political backlash and encourage residents to pursue “policy by initiative.” Growth management should be discussed as part of the public process of a General Plan revision.
- **Establish an Advisory Committee.** Advisory committees may be useful to oversee design and implementation of the ordinance and ensure community support for affordable housing.

Potential Programs and Actions

- **Include Exemptions for Affordable Housing.** Various exemptions or other measures should be considered to lessen the impact of growth management systems on housing affordability. Quota systems should exempt low-income and senior housing. Ordinances may award building permits according to formulas that reserve a percentage of the permits for low- and moderate-income housing. Inclusionary units and density bonuses that add affordable housing can be exempted from growth limits. **Note** that second units are exempt by State law from local growth limits.
- **Make Exemptions Meaningful.** Recognize that exemption of affordable units from the numerical limits of a growth management system is not helpful if the affordable units depend upon the construction of non-allowed market-rate units.
- **Provide Sufficient Sites.** Regardless of the growth management system used, ensure that sufficient sites are available to meet the community’s share of the need for housing for all income levels. The system should support rezoning and/or other creative planning processes to enable conversion of under-utilized sites to housing. This provision is particularly important for cities where vacant land is at a premium.
- **Implement Monitoring Systems.** Monitoring systems should accompany growth management systems to track impacts on housing costs and provide the basis for any needed adjustments.
- **Provide Incentives.** Economically meaningful incentives should accompany growth management systems so that a percentage of units affordable to very low, low and moderate-income households can actually be built.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

✍ Greenbelt Alliance. *Bound for Success: A Citizens' Guide to Using Urban Growth Boundaries for More Livable Communities and Open Space Protection in California.*

✍ Hales, Charles. *Higher Density + Certainty = Affordable Housing for Portland, Oregon* (Urban Land: September 1991).

✍ Porter, Douglas R., *Managing Growth in America's Communities*, Island Press, Washington, DC, 1997.

✍ White, Mark S., *Affordable Housing: Proactive & Reactive Planning Strategies*, PAS Report 441, American Planning Association, Chicago, 1992.

📍 Greenbelt Alliance, San Francisco, CA; <http://www.greenbelt.org>

📍 Shute, Mihaly and Weinberger (land use law firm with specialization in growth management measures that respond to affordable housing needs); <http://www.smwlaw.com>

See Also...

- Adaptive Reuse (*Page 3-5*)
- Increased Densities (*Page 3-9*)

- Infill Development (*Page 3-12*)
- Mixed-Use (*Page 3-15*)
- Rezoning Commercial and Industrial Land (*Page 3-18*)
- Rezoning Surplus Institutional Land (*Page 3-21*)
- Density Bonuses and Other Incentives (*Page 3-30*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Growth Boundary with Special Provisions for Affordable Housing Production.** For the past two decades, the City of **Morgan Hill** (population 33,100 in the year 2000) has combined a stringent growth cap measure with explicit provisions for affordable housing. Under the current growth control measure (Measure P), housing projects must compete each year for the right to build. These projects are numerically judged against 13 categories. Two of these categories are **housing needs**, which deals with the provision of units to meet the City's need for low and moderate income housing, and **housing types**, which addresses the extent to which the proposed development consists of a diversity of housing types to meet the goals of the housing element. The focus is on a mix of housing types and range of housing sizes that provides for economic diversity within the project. Each housing related category is worth 15 points. Because it is so competitive, a difference of a few points can make or break a project. To get the full 15 points in the housing needs category, developers must reserve 10 percent as affordable below-market-rate units for both ownership and rental for which the City establishes the price, selects the buyers, and records resale agreements. Morgan Hill also reserves 20 percent of its total annual building allotment for developments that are 100 percent affordable to very low and low-income households. On average, approximately 31 percent of Morgan Hill's total housing production is in the affordable range.
- **Strong Growth Control Measure Does Not Hinder Housing Production.** The City of **San Jose** adopted a "Greenline" urban growth boundary in November 1996 to solidify the City's long-standing general plan policies in support of containing outwardly sprawling development. On November 7, 2000, San Jose voters decided to lock in the Greenline policies, establishing strict criteria by which any expansion of the Greenline can be approved. Since adoption of the Greenline in 1996, housing production has skyrocketed from an average of just over 2,000 units per year in the preceding five years to 4,000-5,000 units per year beginning in 1996. Although a booming economy is undoubtedly an important factor, the numbers also show that the adoption of a more stringent urban growth boundary did not hinder housing production. Much of this success is due to San Jose's pursuit of aggressive programs, policies, and planning to strongly encourage a broad range of housing types, and in particular higher-density, transit-oriented infill development throughout the City.
- **Growth Control Measures with Exemptions for Affordable Housing.** **Petaluma** has had a growth management ordinance to control residential growth since 1972 and an urban growth boundary since November 1999. Annual allocation of allotments is capped at 500 units per year, though Petaluma has on average granted allotments of 350 units per year since 1972. However, exemptions are allowed for multi-family housing for the elderly, very low and low-income units, and all developments on less than five acres and 30 units or less (phased at 15 units per year). This, along with a range of programs and strategies to encourage affordable housing development and a supportive local government, has helped Petaluma meet its fair share of affordable housing need.



Almaden Lakes Apartments and Homes, San Jose

Dixi Carillo

Parking Standards

Parking standards can have a significant affect on housing affordability as well as on the ability to achieve designated densities. Too often, parking standards fail to take into account the real vehicle ownership rates and use patterns of the development's prospective residents, resulting in excessive onsite parking. Excessive parking requirements reduce the number of units that can be provided in the development, add to the per-unit costs, encourage automobile use, and reduce the potential for other site and building amenities. They can also have a significant impact on building design and perceived density, making a relatively low-density development appear to be much higher density and resulting in large portions of the site being covered in asphalt rather than in landscaping or other amenities. Lastly, because parking construction costs are passed on as a housing cost, tenants are forced to pay for a parking space (or even two spaces) whether the spaces are used or not.

Benefits

- Reduces construction costs, especially when spread out over many units.
- Supports community design goals by reducing the perceived density of housing developments and minimizing the site area devoted to parking areas, which are generally considered unattractive and unsafe.
- Potentially supports transit use by removing a hidden subsidy for automobile users.

During the Housing Element Process...

- **Form a Task Force.** Although parking is closely related to design issues such as setbacks, height, and bulk, it may be useful to assemble a task force to just review parking requirements. The task force should include jurisdictional staff from departments responsible for housing, planning, and transportation; residential and commercial architects; business owners; community representatives; and, if available, parking and transportation experts. Wide participation helps to frame the issues, evaluate solutions, and generate a positive community attitude toward the recommendations.
- **Review Parking Requirements.** All parking requirements should be reviewed to determine if they are reasonable in light of contemporary development patterns, automobile ownership rates, and driving habits.
- **Review Data on Parking Utilization.** Take into consideration recent studies on the factors that impact vehicle ownership rates (e.g., income, age, access to transit, etc.). If possible, collect data on actual parking utilization in various types of developments in the local area (e.g., for affordable housing developments, senior developments, and in various neighborhood areas served by transit). Compare this data with existing parking requirements.

Potential Programs and Actions

- **Reduce Parking Requirements for Affordable Housing.** Parking requirements should be reduced for housing units that will remain permanently affordable in proportion with the level of affordability achieved. These reductions should be built in to development regulations rather than negotiated in the project review.
- **Reduce Parking Requirements for Special Needs Populations.** Parking requirements should be reduced, if appropriate, for housing designs serving certain types of inhabitants, such as students, senior citizens, and persons with disabilities.
- **Reduce Parking Requirements for Certain Housing Types.** Parking requirements may be reduced for certain types of development, such as mixed-use and live-work centers, because the residents have less of a need to own an automobile.
- **Vary Requirements According to Transit Access and Other Area-Specific Factors.** Parking requirements should be reduced for residential development near transit access points. Parking requirements may also need to be varied by neighborhood as well as type of use. For example, senior developments in centrally located areas that are well-served by transit and close to shopping may have significantly reduced parking

requirements. Reductions should be built into the development regulations rather than negotiated at the project review stage.

- **Promote Shared Parking.** Shared parking provisions are especially useful in mixed-use developments and areas. They should be clear and easy to administer. The provisions should not be subject to any discretionary review.
- **Encourage Common Parking.** Parking in dense areas, such as downtowns and in already built-out areas is best provided on an area basis rather than as a part of each project. Impact fees for parking and parking districts are ways of financing this type of parking.
- **Establish a Car-Sharing Program.** Car-sharing is an innovative mobility service that makes vehicles available to people on a per-use basis. Car-sharing provides a way to dramatically reduce the number of cars in an urban area and supports a practical shift away from over-dependency on automobiles.
- **Allow More Parking on Streets.** If more on-street parking is allowed, the need for off-street parking is reduced. Parallel and angle parking can have multiple benefits of reducing the need for off-street parking, making the streets safer for pedestrians and cyclists, and encouraging increased pedestrian use of the sidewalks. On-street parking is more acceptable if it is well managed.
- **Encourage Flexibility and Innovation.** Encourage parking solutions that respond to site-specific and area-specific parking concerns. For example, encourage the use of transportation models to predict future parking needs for proposed developments or develop “landscape reserves” that can be converted to parking in the future if needed.
- **Encourage Ongoing Monitoring and Data Collection.** Monitor the actual parking usage in developments with and without reductions in parking requirements or other special parking provisions to help identify successful local parking solutions and workable parking standards.
- **Provide Community Information.** As in nearly every aspect of affordable housing, a pro-active program of community education and participation can help build local support for reduced parking requirements. Information should be developed to help residents understand the trade-offs involved, including the impact of building design, housing cost, and potential site amenities.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

- ✍ *Designing Out Parking Spaces*, Urban Ecology’s “Realize the Vision” Series, No. 3, Oakland, 1998.
- ✍ Edwards, John, *The Parking Handbook for Small Communities*, National Main Street Center, Washington, DC, 1994.
- ✍ Russo, Ryan – *Myths & Facts about Parking- Rethinking Residential Parking*, NPH, San Francisco, 2000.
- ✍ Shoup, Donald C., “An Opportunity to Reduce Minimum Parking Requirements,” p. 14, *APA Journal*, American Planning Association, Vol. 61, No. 1, Winter 1995.
- ✍ Wilson, Richard W., “Suburban Parking Requirements: A Tacit Policy for Automobile Use and Sprawl,” p. 19, *APA Journal*, American Planning Association, Vol. 61, No. 1, Winter 1995.

See Also...

- Increased Densities (*Page 3-9*)
- Infill Development (*Page 3-12*)
- Mixed-Use (*Page 3-15*)

- Transit-Oriented Development (*Page 3-26*)
- Design Guidelines and Design Review (*Page 3-82*)

Success Stories

- **Participation Process Builds Support for Reduced Requirements.** A well-informed community is an essential part of implementing smart parking policies. An affordable senior housing project in **San Leandro** being developed by **American Baptist Homes of the West** and designed by **Pyatok Associates** used an exemplary model of community outreach and participatory design to educate the community and build support for reduced parking standards. After four community meetings, most neighborhood residents supported a reduction in the project's parking requirements, from the City requirement of 1.5 spaces per unit to a ratio of 1 space per unit, even speaking in favor of the reduction before City decision makers. As a result, 60 one-bedroom apartments affordable to very low-income senior residents will be constructed with 43 resident and staff parking stalls, and 17 visitor stalls. The reduced requirement saved the space and cost of 30 parking spaces. With less parking, the project will provide more gardening space for residents, more landscaped areas instead of asphalt, and more total units.
- **Landscape Reserves Respond to Community Concerns.** Recognizing that affordable housing developments located near transit have different parking needs, **Palo Alto** has revised its zoning code to give staff and decision makers discretion in "deferring" the standard minimum parking requirements. This allows the developer to reduce the number of parking spaces, holding some of the site's remaining open space in a "landscape reserve" for additional parking. If parking demand proves to be higher than the number of spaces provided, landscape reserve areas can be converted to parking. At California Park, a 45 unit development adjacent to a Caltrain station, **Palo Alto Housing Corporation** was permitted to build 73 instead of 95 parking spaces. In the deferred space, a family play area was installed that includes a sandlot, some play equipment, two picnic tables, and a barbeque. Since the project opened in 1989, the reduced parking has been sufficient and there are no plans to convert the landscape reserve play area to parking.

Procedural Reform

Procedural reform is an important part of the preparation of the housing element because of the need for programs for identifying sites and removing constraints. Developers estimate that every month required for processing a development application adds at least 1 to 2 percent to the overall cost of a housing development. When development processing requires a year or more, the resulting impact on housing costs can be significant.

By reviewing and streamlining land use and development review procedures, local jurisdictions can help keep housing costs down. Procedural reform should increase the level of fairness, certainty, and efficiency in the development review process while maintaining adequate protections for community livability and environmental quality.

Benefits

- Reduces development costs associated with delays in the approval process.
- Makes the project review system more transparent and predictable.
- Improves the time efficiency of those responsible for development review.
- Encourages desirable developments by offering streamlining for preferred project types.

During the Housing Element Process...

- **Form a Task Force or Committee.** Consider forming a task force that includes builders, community representatives, and officials to review existing procedures. Another approach is to form an interdepartmental committee of responsible staff members.
- **Review Recent Permit Data.** Review city or county records to determine the length of the process from application to permit, the number of reviews required, the number of departments or boards reviewing, and the types of information and details required.
- **Identify Procedural Issues and Barriers.** Involve builders, departmental staff, and community representatives in identifying factors that add unnecessary time and cost to the development review process. Use this analysis to define meaningful programs in the housing element for streamlining land use and development review procedures.

Potential Programs and Actions

- **Provide Clear and Objective Regulations and Guidelines.** Local governments should provide as much guidance as possible to prospective applicants on local concerns, priorities, and criteria for approval. Strategies to consider include:
 - *Develop Specific Plans or Community Plans* to provide as much guidance as possible on desired land uses and development types in key areas of concern, and prepare master Environmental Impact Reports (EIRs) for these planning areas to look at community-wide impacts and potentially reduce the number of required discretionary approvals.
 - *Complete Zoning Revisions to Support Affordable Housing*, ensuring that the zoning for areas suitable for affordable housing allow such development by right rather than requiring a conditional use permit. This speeds up the review process and adds certainty, especially because decisions that are of right do not require an EIR.
 - *Complete Zoning Revisions to Support Emergency Shelters and Transitional Housing Development*, ensuring that regulatory burdens, combined with NIMBY opposition, cannot present an insurmountable barrier such developments.

- *Create Design Guidelines* to ensure that new developments fit into the neighborhood and community context. Ensure that guidelines are clear and concise with sufficient levels of flexibility built in.
- *Develop Environmental Criteria and Standards* that ensure clear criteria and standards for development review.
- *Create Parking Regulations* that ensure reasonableness and flexibility.
- **Streamline Review Procedures.** Review the application and review process to identify structural or procedural issues that could be improved. Specific strategies to streamline the process might include:
 - *Define Roles and Schedules* for each board and agency involved in the review process; provide timetables to establish deadlines; and eliminate duplication in review, including any overlapping jurisdiction of departments and boards.
 - *Provide Opportunities for Informal Feedback* to give applicants an opportunity to informally present their proposals and get early feedback before formally submitting their application.
 - *Create a Process Overview* to provide an accurate summary of the development review process and timeframe, outlining key steps as well as submittal requirements.
 - *Develop Application Forms* to standardize and simplify the process. Consider developing a master form that can be copied for each agency and department.
 - *Conduct Staff Training* to ensure that planning and building staff are properly trained in development review.
 - *Create Staff Back-Up Plan* to supplement staff with contract planners if needed in times of high development activity.
 - *Develop and Use Uniform Notification Processes* for all types of housing, including affordable housing.
 - *Create Appeal Procedures* to ensure that unnecessary appeals are not allowed.
- **Expedite the Process.** Consider strategies to improve the time efficiency of the actual review process, including:
 - *Appoint Development Review Coordinator* to monitor, expedite and coordinate actions.
 - *Develop Project Review Committee* of responsible representatives from each department to work with the applicant.
 - *Hire Contract Staff* to provide plan checking and engineering review, if city or county staff does not have available time.
 - *Conduct Concurrent Reviews and Hearings* to reduce the overall time for review and approval.
 - *Update Status Information* to provide timely information to the applicant and the public on the status of the application.
- **Give Priority to Affordable Housing Developments.** Provide for fast tracking (i.e., special, accelerated treatment) of development proposals that provide for affordable housing or other types of desirable development, such as senior housing or transit-oriented development.

Affordable Housing Overlay Zones

To facilitate the review and approval of affordable housing developments, some jurisdictions are establishing “affordable housing overlay zones” that permit, by right, the development of affordable housing on medium and high density residential properties that are covered by the overlay. The zone may also cover commercial, mixed-use, and light industrial areas. Developments on properties within the overlay zone would not be subject to discretionary permit approval or zoning change approvals. They would be subject to a full design review, including a public hearing and the opportunity for neighborhood residents to ensure that the design addresses their specific concerns. The Town of Corte Madera is developing such an overlay zone that will designate specific sites in the City for affordable housing development, making affordable housing mandatory on some sites and voluntary on others.

Adapted in part from Affordable Housing Strategies: Suggestions for Policy Formulation in General Plans and Housing Elements by Burbank Housing (Santa Rosa, 2000).

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 *Not in My Back Yard: Removing Barriers to Affordable Housing.* Advisory Commission on Regulatory Barriers to Affordable Housing. HUD, Washington, DC, 1991.

 *Towards More Affordable Homes: Streamlining the Entitlement Process in Silicon Valley.* Silicon Valley Housing Leadership Council, San Jose, 1999.

 *Removing Regulatory Barriers to Affordable Housing: How States and Localities Are Moving Ahead.* Carol T. Robbins. HUD, Washington, DC, 1992.

See Also...

- Design Guidelines and Design Review (*Page 3-82*)

Success Stories

- **Streamlining the Residential Entitlement Process to Decrease Housing Costs.** Entitlement delays create a significant barrier to increasing housing supply by raising the construction costs of rental housing developments. While increased costs in market-rate developments are passed on to renters, the effects on affordable housing developers who operate on very tight budgets and are often tied into forms of funding awarded on a cyclical basis (like tax credits or tax exempt bonds) is particularly acute, since developments can often get held up for six months to a year. The Residential Entitlement Streamlining Project, sponsored by the Housing Leadership Council, a coalition of community, government and business leaders initiated by the **Silicon Valley Manufacturing Group**, summarizes best practices and identifies critical path items on the entitlement continuum. These include the EIR Review Process, analysis of time taken for each review process, delays in decision-making due to lack of training and clear divisions of responsibility between staff and elected officials, staff empowerment in the review process to allow for public hearings to move forward quickly, and customer-focused service.
- **Neighborhood Planning to Encourage Smart Growth and Resolve Neighborhood Issues.** Recognizing that well functioning urban neighborhoods with a mix of housing, retail, open space, and transit are essential to meeting the City's future challenges, the **San Francisco** Planning Department has launched the "Better Neighborhoods 2002" program in three areas of the City. Through open discussions, walking tours and other public events, the program is initiating a discussion with residents on the future of their neighborhoods. At the end of the two-year process, the Planning Department intends to have specific plans that will be ready for approval by the Planning Commission for all city neighborhoods.

Formulating a policy document with neighborhood resident input gives the community a chance to discuss and resolve many issues related to future development, including housing, without necessarily focusing on any one development. Thus when developments go through the approvals process, there should be less need for public debate and controversy. The advance preparation of the EIR will also facilitate a smoother process for specific developments, reducing processing times and ultimately, reducing costs.



Villa Torino Apartments, San Jose

Tom Jones

Street and Infrastructure Standards

When designed and implemented appropriately, site-planning innovations can provide a win-win outcome, reducing housing construction costs while also creating developments that are more pedestrian friendly. Communities can modify their subdivision and engineering requirements for topics such as street widths, or use performance-based standards in place of prescriptive planning and engineering standards.

Benefits

- Enables more affordable housing to be built by reducing development costs and, potentially, allowing more units per acre.
- Contributes to the livability of a community and reduces energy and material requirements.

During the Housing Element Process...

- **Establish a Task Force.** Some communities have assembled a housing task force including non-profit and for-profit organizations, public agencies, and community representatives to review local regulatory processes, including street and infrastructure standards. Any task force should include representatives from all departments whose mission is affected by development standards. In particular, the involvement of public works, engineering, fire, and public safety officials is critical in any decision to modify development standards.
- **Involve the Community and Provide Accurate, Accessible Information.** Wide participation helps pinpoint regulatory reform possibilities and generates a positive community attitude toward the recommendations. A public information program can help explain the benefits of modified standards in relation to livability and safety. Design charrettes and computer simulations are useful tools that can help residents visualize alternative development patterns.
- **Review Codes and Standards.** Review the local codes and standards for unnecessary or costly requirements that contribute to construction costs, as well as excessive permit fees.
- **Emphasize the Relationship Between Standards and Livability.** Site and engineering standards have a direct impact on the livability of a neighborhood, especially on pedestrian and bicycle friendliness, safety, and opportunities for social interaction. These considerations should be an integral part of deliberations on site and engineering standards.

Potential Programs and Actions

Streets

- **Reduce Street Width.** Limit street width to the minimum required to carry traffic and provide parking. Consider the use of one-way loop streets as a way to further narrow width.
- **Design Efficient Street Patterns.** Design the street network to reduce the need for driving. A grid or modified grid pattern is preferable to a cul-de-sac/collector/arterial system that requires residents to drive a long distance to reach a shopping area, school, or other facility that is actually located nearby.
- **Reduce Pavement Thickness.** Reduce pavement thickness to conform to actual need.
- **Modify Cul-de-sacs.** Reduce turning radius on cul-de-sacs and work with the fire department to determine actual requirements for modern fire equipment.
- **Reduce On-Street Parking.** Consider requiring parking on only one side of the street (taking into consideration the potential implications of reduced on-street parking to the requirements for off-street parking in individual developments). In areas where street parking is removed, provide adequate separation between the sidewalk and moving traffic through use of landscape strips.
- **Use Natural Stormwater Drainage.** Eliminate curbs and gutters in parking areas, and divert storm water by sheet flows and swales.

Sidewalks and Walkways

- **Consider Combined Sidewalks and Curbs.** Integrate curbs and sidewalks by constructing sloped curbs along streets with light traffic. Combining sidewalks and curbs along busy streets, however, can discourage pedestrian activity due to the distinct lack of separation between the walking path and moving vehicles.
- **Emphasize Pedestrian Circulation.** Design the pedestrian circulation system so that people can walk, rather than drive, to destinations.

Subdivision Design

- **Provide Flexibility for Housing Types.** Provide lots suitable for zero lot line units and other housing types that consume less land per unit.
- **Anticipate Second Units.** Design lots that are suitable for the inclusion of second units.
- **Orient Lots Efficiently.** Orient the lots so that solar energy and natural ventilation can be used to reduce energy bills.

Storm Drainage Systems

- **Use Natural Systems.** Incorporate natural detention and retention systems into the site plan, perhaps as part of the park and recreation lands or habitat protection system.
- **Use Less Expensive Materials.** Consider less expensive materials such as polyvinyl chloride and polybutylene, and/or precast concrete structures.

Sanitary Sewers

- **Modify Manhole Requirements.** Increase manhole spacing and substitute cleanouts for manholes.

Utilities and Utility Easements

- **Change Location of Utility Lines.** Place utility lines in easements instead of rights-of-way in order to reduce length of line.
- **Promote Common Trenching.** Use common trenching for multiple utilities.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Arendt, Randall, *Growing Greener: Putting Conservation into Local Plans and Ordinances*, Island Press, Washington, DC, 1999.

 Burden, Dan, *Street Design Guidelines for Healthy Neighborhoods*, Center for Livable Communities, Sacramento, 1999.

 Jarvis, Frederick D., *Site Planning and Community Design for Great Neighborhoods*, Home Builders Press, 1993.

 Sanders, Welford, et al, *Affordable Single-Family Housing: A Review of Development Standards*, PAS Report 385, American Planning Association, Chicago, 1984.

Southworth, Michael and Eran Ben-Joseph, *Streets and the Shaping of Towns and Cities*, McGraw-Hill, New York, 1996.

See Also...

- Design Guidelines and Design Review (*Page 3-82*)
- Parking Standards (*Page 3-88*)
- Zoning Standards and Building Codes (*Page 3-98*)

Success Stories

- **Private Street Width Reductions.** In the City of **Vacaville**, the Public Works Department prefers that street widths be maintained at the current 50 feet wide standard to enable emergency and other service vehicles to move freely. However, city staff has negotiated standards on a case-by-case basis for private street widths to be reduced to 32 to 36 feet in planned unit developments.
- **Encouraging Street Width Reductions to Make Pedestrian-Friendly Streets.** Over the past several years, the City of **Pleasanton** has realized the benefits of reduced street widths along with varied setbacks for homes in new planned unit developments. City staff encourage 32 foot wide streets with parking on both sides. They work closely with engineering and fire departments to evaluate each development and mitigate issues of access in a number of different ways, including the provision of ample numbers of fire hydrants.

The resulting reduction in asphalt hardscape has translated to increased landscaping and separated sidewalks, which makes for visually and spatially more attractive streets. The reduced street widths also slow down traffic by requiring drivers to pay more attention to the road, making the streets more pedestrian friendly. Together with other traffic calming devices like traffic circles being implemented through the City's Capital Improvement Program in older areas, Pleasanton is actively trying to return streets to neighborhood residents. The City also relaxes setbacks for functional porches to 15 feet (with the setback for the house at 20 feet) and grants an additional five feet for porches when garages are set back 23 feet from the street. By encouraging residential design that brings porches and homes closer to the street and sets garages further back, Pleasanton is encouraging the development of pedestrian-friendly, attractive neighborhoods.

Zoning Standards and Building Codes

Zoning standards and building codes can have a significant affect on housing affordability. They can also act as barriers to achieving designated densities or have unintentional impacts on community design and character. Inflexible standards may also inhibit innovative housing types and design. The housing element process is an opportunity to establish clear community housing and design goals and to ensure that zoning and building standards are consistent with those goals.

Benefits

- Supports affordability goals by reducing or eliminating unnecessary or excessive requirements.
- Leads to better building and urban design by ensuring that zoning and building standards are consistent with community housing and design goals.
- Produces better communities—safer, more interesting, and more diverse. If zoning standards do not achieve this result, they should be modified.

During the Housing Element Process...

- **Review Existing Standards.** Make sure that existing zoning and building standards do not act as barriers to achieving desired densities or affordability. Identify potentially excessive building code standards that may increase construction costs unnecessarily, such as building material requirements, roofing requirements, sprinkler system requirements, or others.
- **Involve Local Builders.** Ask for input from for-profit and non-profit developers and local contractors to help identify zoning and building standards that may act as barriers to higher density development and/or impact housing construction costs unnecessarily.
- **Contact Other Organizations.** It may be useful to look at what other jurisdictions have done and to contact organizations that advocate design and regulatory reform solutions, such as the Northern California Association for Non-Profit Housing, Local Government Commission, Congress for the New Urbanism, and Urban Ecology.

Potential Programs and Actions

- **Make Regulations Consistent.** Lot size, setback, height, and bulk requirements should be consistent with density and parking requirements. Inconsistent regulations often make it difficult to achieve density standards, especially when a density bonus is used.
- **Reduce Lot Size.** Large lot size requirements make housing unaffordable to many people and consume land that could be used more intensively.
- **Revise Open Space Requirements.** Many development regulations require individual-unit or common open space for multi-family development. These requirements should be reviewed in light of resident needs and the facilities available in the immediate neighborhood.
- **Encourage Mixed-Use Zones.** Single-use zoning districts should be reviewed to determine if a range of appropriate uses can be introduced, allowing greater flexibility in the application of zoning standards.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Ewing, Reid, *Best Development Practices*, Planners Press, American Planning Association, Chicago, 1996.

 *The Principles of Smart Development*, PAS Report 479, American Planning Association, Chicago, 1998.

 Local Government Commission

See Also...

- Adaptive Reuse (*Page 3-5*)
- Air Rights Development (*Page 3-7*)
- Increased Densities (*Page 3-9*)
- Infill Development (*Page 3-12*)
- Mixed-Use (*Page 3-15*)
- Second Units (*Page 3-23*)
- Density Bonuses and Other Incentives (*Page 3-30*)
- Design Guidelines and Design Review (*Page 3-82*)

Success Stories

- **Relaxed Standards for Interiors, Not Exteriors.** The City of **Palo Alto** initiated its Below-Market-Rate (BMR) program in 1974 to require all new developments of 10 or more units to provide at least 10 percent of units at costs affordable to low- and moderate-income households. On sites larger than five acres, 15 percent of the housing units must be below-market-rate. While in-lieu fees are acceptable, the City encourages housing construction over fee payment. However, the City recognizes that scatter-site affordable housing production is difficult to achieve in light of the area's land costs and the City's relatively demanding standards. To help make affordable developments more feasible, the City has relaxed the development standards for the interiors of BMR units. However, the City requires that the building exteriors meet the same standards as market-rate developments, helping ensure that affordable housing developments "fit in" with surrounding neighborhoods and enjoy ongoing community support.
- **Facilitating Increased Housing in a Thriving Mixed-Use Corridor.** The Van Ness Avenue Area Plan prepared by the City and County of **San Francisco** retains the historic character of the area while adding a significant increment of new housing to this medium density mixed-use district. The number of residential units within individual infill developments depends on the height and bulk of the building, the amount of commercial space provided under the minimum housing-to-commercial ratio, amount of on-site parking provided, and size of units. The Plan emphasizes a larger number of medium sized rental units (one and two bedroom) since Van Ness is not anticipated to be a preferred area for family housing. It also encourages greater affordability by suggesting higher densities, smaller unit sizes, and design and marketing strategies such as "no-view" or "street-facing" units with lower cost appliances and carpeting to reduce unit costs and prices.
- **Incentive Zoning to Encourage Affordable High-Density Housing.** The City of **Mountain View** has used incentive zoning to encourage more affordable high-density housing through lot assembly and redevelopment in a 1940s style highway commercial and residential area. The new zoning for the 15-acre subject area has a base density of 21 dwelling units per acre with a 25 percent bonus on properties aggregated to five acres or more and another 25 percent, if low and very-low income units are incorporated.

PROMOTING EQUAL HOUSING OPPORTUNITIES

Fair Housing Programs3-101



Fair Housing Programs

State planning law (Gov Code §65583(c)(5)) requires local governments to adopt housing programs to “promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color.” State fair housing laws provide further protection, covering all groups regardless of sexual orientation, familial status, source of income, and disability (see discussion of civil rights laws below).

Another provision of the planning law (Gov Code §65008) prohibits local governments from discriminating against low-income persons, subsidized housing, and homeless shelters. A third provision of the planning law (Gov Code §65589.5) provides that local governments must make specific findings before they can disapprove a housing development affordable to low- and moderate-income households or condition the approval in a manner that renders the development unfeasible for low and moderate income households.

The California Department of Fair Employment and Housing administers the State’s civil rights laws, including the Fair Employment and Housing Act (Gov Code §§12900-12996). All California citizens have the right to rent, lease, or purchase housing accommodations without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familiar status, source of income, or disability. (Gov Code §12955) This prohibition against discrimination applies to every person, local government, or firm involved in the provision of housing, including lending institutions.

The Fair Employment and Housing Act also prohibits discrimination through public or private land use practices and decisions, including restrictive covenants, zoning laws, denials of use permits, and other actions authorized under the Planning and Zoning Law. (Gov Code §12955(l)) For a local government to justify an action, law, or practice that has a discriminatory effect, it must demonstrate that what it has done was necessary to achieve an important purpose sufficiently compelling to override the discriminatory effect. (Gov Code §12955.8)

The Fair Employment and Housing Commission is the policy making body for equal opportunity efforts, and the Department of Fair Employment and Housing investigates every complaint that is filed. In the Bay Area, offices of the Department of Fair Employment and Housing are located in Oakland, San Francisco, and San Jose. They can be reached at 800-884-1684. The Department does not require local governments to provide specific conciliation or referral service.

The Federal government also has adopted fair housing laws. The Fair Housing Act (42 U.S.C. §3601) prohibits local governments from making housing unavailable to persons based on race, color, religion, sex, familial status, national origin, or mental or physical disability. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d) prohibits discrimination based on race, color, or national origin by any recipient of federal funds. In addition, the Americans with Disability Act of 1990 (42 U.S.C. §12210) and the Rehabilitation Act of 1973 (29 U.S.C. §1691) prohibit discrimination by local governments against disabled persons and requires reasonable accommodation.

Local governments’ role in the housing element is to identify strategies that will support and implement these laws. Local governments may not impose different requirements on government-assisted residential developments or emergency shelters than those imposed on non-assisted developments. (Gov Code §65008)

Local governments should also keep in mind that the fair housing laws prohibit laws and actions that have a discriminatory effect on the protected groups as well as those that intentionally discriminate. (Gov Code §12955.8) An outwardly neutral practice, such as a prohibition on the development of multi-family housing, could violate the fair housing laws if the exclusion of multi-family housing falls disproportionately on minority households, low-income households, renters with disabilities, or families with children.

Benefits

- Increases awareness of local governments to existing state and federal laws that prevent discrimination and expand housing opportunities.
- Reduces potential liability of local governments by causing them to examine their policies to ensure they do not lead to housing discrimination.
- Ensures that land use decisions and regulations do not have the effect of discriminating against persons or groups protected by fair housing laws, including low income and homeless persons.
- Provides a structure for the quick conciliation of discriminatory complaints.
- Promotes the integration of people who would otherwise be restricted to “special needs housing.”

During the Housing Element Process...

- **Review Previous Assessments, If Available.** For “entitlement” communities under the Federal CDBG/HOME program, the locality’s analysis of impediments to Fair Housing Choice (AI) should contain a comprehensive assessment of the land use barriers to equal housing opportunity, and consequently, should be reviewed.
- **Inventory Services.** Begin by consulting with housing advocates, counseling organizations, apartment owners, and real estate agents in the community regarding the availability of services to address discrimination. If these services are not available or are inadequate, specific local government actions can be developed with technical assistance from the Department of Fair Employment and Housing.
- **Review Ordinances.** Review zoning and other land use controls to determine whether the restrictions have a discriminatory effect on persons protected by the fair housing laws.
- **Reach Out to Other Groups.** Involve fair housing groups and organizations that represent property owners in the inventory of services, review of local ordinances and land use controls, and identification of programs and actions. These groups can also help in the implementation of programs and the dissemination of information.

Potential Programs and Actions

- **Conduct Staff Training.** Ensure that all staff, especially city and county attorneys, and decision makers are familiar with fair housing laws. Take advantage of existing training programs if more familiarity is needed.
- **Establish an Assistance Program.** Adequately fund a local Fair Housing Counseling and Enforcement Agency, using CDBG or other local funds.
- **Distribute Information.** Distribute fair housing information to developers, realtors, building owners, and renters.
- **Adopt an Ordinance on Discrimination.** Adopt a local ordinance prohibiting discrimination against the recipients of Section 8 vouchers and other rental housing programs.
- **Revise Occupancy Standards.** Conform local occupancy standards to the State Housing Code standards so that large families and group homes are not unreasonably denied housing opportunities.
- **Amend the Definition of Family.** Amend the zoning ordinance to remove any restrictive definitions of “family.” Some old ordinances still allow exclusion from single-family zones of households larger than five or six unrelated persons, or households of unrelated persons.
- **Eliminate Barriers for People with Disabilities.** Amend the zoning ordinance to require barrier-free design in new multi-family housing and in housing that requires extensive renovation, as indicated by state and federal fair housing laws. Also, ensure that group homes and residential care facilities for persons with disabilities are afforded “reasonable accommodation” when applying for land use approvals.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

-  HCD, *Fair Housing*, Sacramento, 1986.
-  HUD, *Fair Housing: It's Your Right*, Washington, DC, 1993.
-  HUD, *Fair Housing Planning Guide*, Washington, DC, 1996.
-  Palamountain, Chris, et al, *Discrimination Against Children: A Manual on Fair Housing Law for Families with Children*, National Center for Youth Law, San Francisco, 1998.
-  California Affordable Housing Law Project
-  California Department of Fair Employment and Housing
-  California Office of Protection and Advocacy
-  Legal Services of Northern California

Success Stories

- **Non-profit Agency Leverages Local Funds to Provide Fair Housing Services.** Sentinel Fair Housing is a private non-profit organization that operates in the cities of **Oakland** and **Alameda** to end discrimination in housing and promote decent housing for all. The organization is jointly financed by the two cities through CDBG funds, which are then used to leverage funds from HUD's Fair Housing Initiatives Program, as well as private grants and donations. Sentinel provides services to more than 5000 tenants and landlords annually, including the investigation and filing of discrimination complaints; mediation and counseling services; education workshops and multi-lingual information materials; and a wide range of related services to owners, lenders, and public agencies. In 1999-2000, Sentinel led an effort to investigate the displacement effects of increased "just cause" evictions in Oakland, leading to modifications in city policies and ordinances.

PRESERVING ASSISTED HOUSING

Preservation of Assisted Units3-105



Preservation of Assisted Units

The loss of affordability restrictions on a substantial portion of government-assisted rental housing stock will be one of the largest housing-related problems for California cities and counties. The housing most at risk of being converted to market-rate housing currently shelters very low-income seniors and families with children.

The nature of conversion risk and the prospective displacement of low-income tenants differs significantly depending on the government program that was used to finance the property. Units most affected have Section 8 contracts that expire prior to 2005 and owners who may choose to opt out of the contracts. There are also many units with HUD-assisted mortgages containing rental restrictions (Section 236, Section 221(d)13 BMIR) that can be prepaid and converted to market-rate. In addition, most properties assisted by Mortgage Revenue Bonds (MRBs) are expected to convert to market-rate housing upon expiration of their rent targeting requirements. Unlike federally assisted housing, there are no agencies or programs to provide rental assistance vouchers or other transition assistance for MRB-subsidized housing.

Conversion risk is also much greater for properties that are in good physical condition and in high-cost, tight rental housing markets like most of the Bay Area. Properties managed by non-profit developers and properties in areas where the local government makes affordable housing preservation a priority by dedicating funds are in less danger of being converted to market-rate housing.

Benefits

- Responds to one of the most pressing housing issues in many California cities.
- Preserves the affordability of previously subsidized units.
- Reduces the potential for displacement of low- and very low-income seniors and families, many who might otherwise be forced into homelessness or substandard housing conditions.

During the Housing Element Process...

- **Conduct an Assessment of At-Risk Units.** An effective program for the preservation of assisted units requires a thorough inventory of all assisted units at risk of conversion and an assessment of conversion risk, based on condition of housing, the local rental market, and the availability of funds to support preservation.
- **Ensure the Participation of All Stakeholders.** Involve residents of the units, individuals, and organizations that manage the units, program officials, and other social service providers to develop effective responses on a case-by-case basis, preserving affordable units whenever possible and providing residents with assistance through short- and long-term displacement.
- **Develop Workable Preservation Strategies.** The Housing Element must identify a workable strategy for responding to the potential loss of at-risk units. See page 3-105.

Potential Programs and Actions

- **Make Use of State Funding Resources.** Several State programs provide specific funds for affordable housing at risk of conversion. These include California Housing Finance Agency's **Preservation Financing Program**, which provides tax-exempt financing for the acquisition or refinancing of a project with expiring Section 8 contracts, and the new **Multi-family Housing Program** (MHP), which will also provide low interest, deferred long-term loans. Additionally, the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC) both provide preferences for federally assisted at-risk projects.
- **Collaborate with Other Agencies.** Local jurisdictions should work closely with the county housing authority, local non-profits, state agencies, and others who are affected by or interested in the potential loss of assisted units. These agencies can play a key role in designing and carrying out effective preservation strategies.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.



California Housing Partnership

See Also...

- Conversion Controls (*Page 3-70*)
- Rent Control (*Page 3-77*)
- Rental Assistance (*Page 3-79*)

Success Stories

- **Program to Acquire and Rehabilitate Assisted Housing Stock.** The **San Francisco Redevelopment Agency** is pioneering an effort to preserve assisted units with expiring Section 8 contracts through an innovative program. Agency staff started by compiling a detailed list of all at-risk units with dates of contract expiration. They then embarked on a tenant education and outreach program, organizing tenants into residential owners associations and later, into single asset corporations (along with a 501c(3) non-profit organization). Preservation grants (funded from tax increment financing) were given to the associations to help them hire professionals to help in the process of non-profit acquisition and rehabilitation of the property. An aggressive program to acquire properties was also launched, resulting in acquisition of eight properties with over 1,100 units in a two-year period. Funds to acquire properties were raised through tax-exempt bonds and 4-percent Tax Credits. The success of the program relies on meticulous research, a commitment of funds from the City, and a comprehensive education and outreach program that included tenants, owners, and their representatives.
- **Preservation of Assisted Development for Seniors.** On expiration of contracts for a 90 unit rental apartment complex built for seniors with Section 221(d)3 funds in the mid 1970s, the City of **Petaluma** worked with non-profit developer **Burbank Housing Development Corporation** to acquire and rehabilitate the property. Using Federal LIHPRA funds, tax-exempt bonds issued by the City of Petaluma, and additional funds from the City, the developers assisted the tenants to form a community-based organization that now owns the complex. The nine member Board consists of four low-income tenants, three members from Burbank Housing, and two from the City. Burbank Housing also manages the development.

The background of the page is a light blue-tinted image of architectural blueprints. The blueprints contain various technical drawings, including floor plans, sections, and elevations. Key labels on the blueprints include "GREAT ROOM", "UPPER STAIR", "CENT. ROOF N. FA", and "EIDS". Several drafting tools are overlaid on the blueprints: a long ruler with inch markings is positioned diagonally across the lower right, and a pair of compasses is visible near the bottom center. The overall aesthetic is professional and technical.

Directory of Financial Resources

Section Four

Directory of Financial Resources

Directory Overview	4-2
Local Resources	4-2
Fees and Fee Waivers	4-4
Housing Trusts	4-5
Land Donation / Landbanking	4-8
Local Taxes and Revenues	4-10
Mortgage Credit Certificates	4-12
Municipal Bonds	4-14
Private Financing	4-17
Redevelopment Financing	4-19
Tax Credits for Low-Income Housing	4-21
State Resources	4-24
FEDERAL RESOURCES	4-25

Directory Overview

This section discusses resources that are potentially available to local jurisdictions to support affordable housing efforts, including local as well as state and federal funding sources. Guidelines and suggestions for accessing and using such resources are included.

LOCAL RESOURCES

Local financial resources are crucial to achieving affordability goals in today's housing market. It is virtually impossible to make a unit affordable to lower income households (or even moderate income households in many cases) without a significant subsidy, or combination of subsidies, of one form or another. Most often, a financial subsidy combined with regulatory relief (e.g., density bonus, lower parking requirements, streamlined processing, etc.) is what is needed to make an affordable development "pencil out."

The following pages provide an overview of some of the most important programs and strategies for providing local financial assistance to support affordable housing. As is true for all of the programs and strategies listed in this Directory, no single program will be sufficient to meet local needs and not every program will be appropriate in every jurisdiction. A combination of programs will be required, tailored to local needs.

The housing element should provide direction for the utilization of local financial resources in support of affordable housing. While it does not need to define exact dollar amounts, it should identify the local financial resources and strategies to be used, and provide an estimate of the number of households to be served by each program (or combination of programs) in its *Quantified Objectives*. It must also provide a realistic schedule for program implementation and identify the responsible individuals, departments, or agencies.

The following questions, though not exhaustive, provide a framework for discussing local financial assistance programs during the housing element process. These introductory questions are then followed by individual descriptions for the key financial programs and strategies available to support local housing initiatives.

Who Is to Be Served?

Most communities have a range of housing needs to provide for and scarce funds. Priorities must be set. The needs assessment from the housing element will help in identifying the most significant areas of need in the community. This, in combination with an assessment of other state and federal programs and community resources available to assist each area of need, can help to identify important target groups for local financial assistance programs.

How Many Units of What Kind of Housing?

How many units of what kind of housing can be built or conserved—and how many households can be helped—with the local resources at hand? Efficient use of local resources entails evaluating the actual costs of development and determining how far local subsidies can go in making this housing possible. For example, rehabilitation may be more cost-effective than new development; subsidizing moderate-income housing may produce more units, but may not assist those most in need. Construction and land costs, financing data, and other information collected in the constraints analysis for the housing element can help define the potential costs and output of various programs.

How Much Subsidy?

Related to the above question is a policy decision about the three dimensions of any subsidy granted:

1. Depth - the cost/affordability to be achieved
2. Breadth - the number of units to be assisted
3. Length of time for which the subsidy is provided.

While it is desirable to provide the lowest cost units for the most people for the longest amount of time, limited funds may require tradeoffs to be made between these three objectives. Different approaches in the use of local resources may also make it easier to achieve a certain objective.

How Should Assistance be Provided?

Subsidies—given as one-time grants or ongoing annuity payments—provide more support to a project or program, but future use of the funds is lost. Loans can be used to assist more than one project over time, though favorable financial terms are necessary to ensure long-term affordability.

Land can be either sold with affordability restrictions attached to its use or leased for a designated time period. If land or buildings are sold for a nominal price, a greater degree of affordability can be achieved, but the local government may lose some control unless legal conditions on the use of the property are set. Leasing the land retains local control but may deter some developers and restrict financing techniques.

Who Can Best Use Local Resources?

Many different groups have developed affordable housing. Non-profit developers have an excellent track record in using local resources to build or preserve low-income housing while gaining community support and trust. Private, for-profit builders frequently have construction expertise and access to significant financing resources but may be reluctant to develop affordable housing. Local governments, through their housing authorities, have also served as affordable housing developers.

In addition to subsidizing new development directly, local governments can direct their resources to non-profit housing providers. Local funds can be used to support groups serving those in need of housing. Non-profits can also use funds to execute specific housing programs or to support administrative costs.

Who Administers Local Resources?

If a local government has an experienced staff, then a community can use funds more flexibly. If not, the use of other appropriate agencies, such as county housing authorities, consultants, or non-profit organizations, may be an effective way to administer local resources. Whatever method is used, local governments should monitor the use of local resources to make sure that community objectives are being achieved.

Fees and Fee Waivers

Many California cities levy development and impact fees and exactions on new commercial and/or residential development to generate funding for infrastructure development and public improvements. Fees are also sometimes charged to generate funds for affordable housing development. For example, in some jurisdictions with inclusionary zoning, developers are given the option to pay fees in lieu of providing a required number of below market-rate units. Another approach is to charge an “affordable housing” fee on all commercial and industrial developments (usually based on square footage), given that these developments will generate local demand for additional affordable units.

Development impact fees vary greatly, but can account for as much as 20 percent of a new home’s cost in some jurisdictions. To facilitate the provision of affordable housing, some jurisdictions provide “fee waivers” that reduce or eliminate local development fees (often with the exception of school impact fees), providing a form of local subsidy in return for long term affordability restrictions on the affected units. There is a State-mandated school fee waiver for senior housing developments, as there is no “nexus” between the development of senior housing and impacts on local schools.

Since State legislation (AB 1600) requires jurisdictions to show the relationship between fees and their impact on proposed development, the imposition of a fee should be done as part of a comprehensive housing program. A community should have a clear idea of affordable housing need, the amount of funding needed, how the funds from fees are to be used, and how they supplement other programs.

Benefits

- Allows a community to generate and direct funds for affordable housing from local programs and projects.
- Allows developers of market-rate units to contribute to the development of affordable units at another site.
- Provides an incentive for affordable housing by providing fee waivers and reducing overall construction costs on projects with long-term affordability agreements.

During the Housing Element Process...

- **Review Current Fee Programs.** Review all fees being levied to determine how much fee programs contribute and how the resources collected are being used. Also determine the conditions under which fees can be waived. This should be done as part of the overall housing strategy.
- **Involve the Development Community.** Involve housing developers to determine the amount, applicability, and impact of a fee waiver program that would specifically support affordable housing development. Early contact with developers also eases the acceptance of new fees.

Potential Programs and Actions

- **Develop Clear and Reasonable Guidelines and Waiver Programs.** Fees must be reasonable and there must be a demonstrated relationship between the impacts of new construction or job creation and the need for affordable housing. Waiver programs must also be carefully designed so that they are directed at producing housing units that are affordable or aimed at special needs groups.
- **Adopt a Fee Waiver Policy.** An adopted policy that clearly states procedures for waiving fees will encourage developers to seek concessions and promote the development of affordable housing.
- **Establish a Plan for the Expenditure of Funds.** A clear yet flexible plan for expenditure of funds will ensure the usefulness of fees and will make fees more defensible as part of an overall housing strategy.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

✍ *Not in My Back Yard: Removing Barriers to Affordable Housing.* Advisory Commission on Regulatory Barriers to Affordable Housing. HUD, Washington, DC, 1991.



Housing Trusts

Housing trust funds are a flexible way for governments to generate much needed funds, address a variety of critical housing needs, and create new partnerships to build long-term support for affordable housing. In the last two decades more than a hundred housing trust funds have been set up in communities across the nation, from small towns of 1,000 people to some of the largest states. Trust funds fund a very wide range of housing types and services and are productive and efficient: less than two-tenths of one percent of units did not make it to construction.

Two of the earliest sources for housing trust funds were the real estate transfer tax and linkage fees paid by commercial and industrial developers to offset the impact of job creation on local housing supply. Some jurisdictions have also established endowment-like funds (from sale of city-owned land or through contributions) with the interest and earnings from the endowment being the primary source of revenue. Most jurisdictions work to establish a dedicated source of on-going revenue through legislation or ordinance, though it is common to receive additional funds such as appropriations or contributions, but not on a regular basis. Trust funds are generally administered by the planning or housing agency within the jurisdiction and administrative costs are either covered through general funds, absorbed as part of the agency's budget, or more rarely covered by the trust fund itself.

Housing trust funds are a local expression of the commitment to build and preserve housing and to find new ways of doing so. Most trust funds establish priorities depending on the community's needs and have competitive application procedures. Funds are often used to leverage additional funding: on average, each dollar spent by a trust fund has leveraged an additional seven. A majority of trust funds focus on helping create and preserve very-low and low-income housing.

However, trust funds are particularly susceptible to changes in political climate and orientation. Ensuring their relative security and longevity requires that activities be monitored to ensure that goals, priorities, and needs are addressed; and successes and impact of work be documented.

Benefits

- Provides a flexible, locally controlled source of funds dedicated to meeting housing needs.
- Addresses a wide variety of housing needs from new construction, rehabilitation, and acquisition of very-low and low income housing to provide rental assistance, home purchase assistance, project-based subsidies, and other housing related services.
- Allows a community to set funding priorities, target particular housing needs, and leverage additional funds.

During the Housing Element Process...

- **Review Housing Needs and Activities Underway in the Community.** This is a crucial first step that helps define the particular needs that a housing trust fund can possibly address.
- **Establish Major Stakeholders and Begin a Housing Trust Fund Campaign.** Local officials, housing activists, developers, and representatives from local businesses, industry, and other citizens groups are all potential members of a trust fund coalition. A trust fund campaign can vary depending on circumstances from a city-staff led coalition and process, a public-private partnership with staff and funding, and even in a few circumstances, a grass roots campaign driven by community organizations based in neighborhoods.
- **Establish a Task Force or Committee Structure.** Explore the various elements of a trust fund and outline steps for an effective campaign and a clear proposal that will identify potential revenue sources and establish funding criteria, as well as fund administration procedures.



Potential Programs and Action

- **Determine Fund Administration Structure and an Oversight Body.** The Fund can be established and administered as a program of a local jurisdiction's housing authority with an Oversight Board, as a new commission with specific authority and its own staff that is appointed by an elected body, or as a non-profit entity or community foundation with its own Board and staff.
- **Outline Key Responsibilities and Administration Funding.** The responsibilities of the administration include establishing priorities, procedures, and coordination of trust fund with other available housing funds. Trust administration can be funded through the fund or from other government sources.
- **Evaluate Revenue Sources and Establish a Dedicated Revenue Source.** There are currently about forty different revenue sources in use by local jurisdictions to establish trust funds. A dedicated revenue source is important and can draw on certain property transactions; development charges; municipal taxes; and government activities, such as proceeds from sale of land, bond programs, and contributions from local corporations, foundations, and other private sources.
- **Establish a Dollar Goal.** This is directly linked to creating a responsive trust fund that meets community needs and expectations.
- **Provide Clear Guidelines for Form of Awards.** While most trust funds tend to fill financing gaps necessary to make projects work, it is still important to review and determine the form of assistance. This could include grants, loans, lines of credit, or rental assistance.
- **Determine Program Application Procedures and Criteria.** A well-publicized and simple application process, designed around specific objectives is important. The application criteria targets households, people, and projects/developers that will help meet critical housing goals. The fund's programs will need to continually evolve to meet changing housing needs of a community.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Brooks, Mary E. with Debbie Mingo, *A Status Report on Housing Trust Funds*, Center for Community Change, Frazier Park, CA, 1997.

 Brooks, Mary E., *A Workbook for Creating a Housing Trust Fund*, Housing Trust Fund Project, Center for Community Change, Frazier Park, CA, 1999

 Housing Trust Fund Project of the Center for Community Change

 Mary Brooks, Housing Trust Fund Project

Success Stories

- **Pooling Funds from a Variety of Public Sources to Create Permanently Affordable Housing.** The City of Berkeley has operated a Housing Trust Fund (HTF) since 1990. The program pools funds for affordable housing construction from a variety of sources and makes them available through one application process to local developers. The funds provide a significant advantage to both the city and the developer by streamlining the application processes, making a variety of projects possible through comprehensive loan program guidelines, and involving the community in review and evaluation of loan requests. The HTF can also be considered an accounting device intended to simplify the financing of affordable housing development.

HTF gets funds from HOME, Community Development Block Grants, Redevelopment Agency 20 percent set-aside funds, Housing Mitigation and Condominium Conversion Fees, and City of Berkeley General Funds. Between 1990 and 1998, Berkeley's HTF has provided \$12.2 million for construction, rehabilitation, or acquisition of 467 affordable housing units and an additional 56 market-rate units. About 40 percent of the affordable housing units have rent restrictions calculated at 50 percent of median and below. The City enters into a Development Loan Agreement with the borrower and staff monitor activities including verification of tenant incomes and rents, financial performance reviews, and self-reported information from all properties concerning month-to-month occupancy, vacancy, evictions, move-ins, and move-outs.

- **Leveraging Public and Private Investment to Support Development of Affordable Housing.** The Housing Trust of Santa Clara County is a public-private partnership dedicated to building and sustaining a revolving loan fund and grant-making program that will complement and leverage other housing resources throughout Silicon Valley. The initial goal of the Housing Trust is to raise \$20 million in a two-year period. These funds will leverage about \$200 million to help support projects that will serve about 5,000 families in Santa Clara County. The Housing Trust will feature three tiers: a low interest down payment /closing costs loan program for first-time homebuyers; gap financing for affordable rental housing projects; and funds to assist homeless individuals and families in attaining stable housing.

Fund staff estimates that the Trust will be able to serve 800 first-time homebuyers, provide gap financing for about 3,000 affordable rental homes, and assist 1,000 homeless people. The continued funding of the Housing Trust will be through loan repayments and leveraging the initial \$20 million capitalization to obtain funding from corporations, foundations, and other dedicated sources of revenue. The Housing Trust is sponsored by a consortium that includes the Silicon Valley Manufacturers Group, Community Foundation Silicon Valley, the American Electronics Association, Santa Clara County Board of Supervisors, and the Santa Clara County Collaborative on Housing and Homelessness. Together they raised \$14 million in just 11 months.

Land Donations/Landbanking

The development of affordable housing depends to a large degree on the availability of a site. One way in which local governments may acquire land to support affordable housing development is through land donations. A land donation may be offered as an option to developers in meeting inclusionary zoning requirements. Rather than building units on-site themselves or paying an in-lieu fee, they may opt to donate a portion of their site or a site in a different location (so long as it is a desirable site for housing) to the local government at a significantly discounted price. The local government can then make the land available for development of affordable housing, enabling a non-profit developer to achieve much more significant levels of affordability than might otherwise be possible. This has proven to be a very effective strategy in some jurisdictions, and may be considered the preferred strategy for implementation of inclusionary requirements.

Landbanking is a related technique, where a city or county in anticipation of future development, acquires vacant land, underutilized sites, or properties with the potential for reuse or rehabilitation. The local jurisdiction may use landbanking or land trust programs to assemble smaller, unfeasible parcels into a parcel that is large enough to support affordable housing, or sell unsuitable sites and use the proceeds to fund affordable housing development elsewhere. When land is resold or leased to a developer, restrictions for the development of affordable housing can then be applied.

Benefits

- Offers an opportunity for a community to support the development of very affordable housing.
- Addresses the most critical components in affordable housing development, the availability and cost of land.
- Gives a community greater control over the type and amount of housing built, using its land ownership to solicit competitive proposals from housing developers.
- Potentially subsidizes other affordable housing developments through resale of unsuitable properties.
- Works as a defense against future increases in land prices, speculation, uncontrolled development, and the displacement of residents.
- Provides tax benefits to owners who donate land and buildings, allowing communities to provide a benefit in return for landowner largess and goodwill.

During the Housing Element Process...

- **Conduct a Land Inventory.** When conducting the land inventory for the housing element, identify surplus, vacant and under-used properties that have residential development potential. In conducting the survey, look critically at publicly owned sites that may not be surplus now, but might be well suited for housing in the future. Small parcels that can be assembled and projects in foreclosure or other financial trouble should also be identified.
- **Contact Other Agencies and Organizations.** Communicate with public agencies, lending institutions, school districts, service organizations, religious institutions, and other landowners to identify potential sites for acquisition. If necessary, the local government can negotiate the purchase of a site and hold it until a housing development is designed.
- **Seek Input from Housing Developers.** Seek input from non-profit developers or other housing professionals to help identify and evaluate potential building sites and eventually build affordable housing.
- **Involve Community Residents.** Involve residents in determining the type and location of housing desired. Make a clear statement of community objectives to assist potential developers in identifying opportunities and constraints for particular sites.



Potential Programs and Actions

- **Adopt Appropriate Policies.** Include policies in the General Plan to support the use of surplus land for affordable housing. If appropriate, redesignate surplus institutional land for residential use in the land use diagram and zoning map.
- **Develop a Land Purchase Fund.** Establish a funding mechanism or strategy to support the purchase of lands for affordable housing development.

Success Stories

- **Land Trading and Other Incentives Encourage Multi-Family Housing and a New City Park.** When a private developer approached **Walnut Creek** with a proposal for market-rate senior housing in the City's highest density residential area (50-100 du/acre), the City asked that the developer consider instead the development of non-age-restricted housing with an affordable component, in accordance with the City's identified priority for general affordable housing. To help make the deal happen, the City offered to consolidate a city-owned undeveloped park site adjacent to the housing site, and to work with the developer to implement a comprehensive development program that included market-rate as well as below-market rate units (with no age restrictions) and a new city park.

The resulting Regent /Ivy Hill/Alma Avenue Park Development will have a new 2.2 acre park, 48 condominiums (at a density of 40 du/acre), and 116 multi-family apartments, with 40 percent of the apartments affordable to low- and moderate-income households (at a density of 89 du/acre). Other incentives that made the project possible included the City's purchase of two other land parcels to be included in the site and provision of a \$1.6 million permanent loan. In addition, a bonding authority will issue tax-exempt multi-family housing bonds and community facilities district bonds for the apartments and the park. Together, these strategies have allowed the community to respond to its affordable housing goals, while helping to meet its open space and park goals.

- **Land Donation to Enable Senior Apartment Community.** The Anderson-Rowe Ranch Senior Housing development in **Novato** is the result of several years of effort by a number of public and nonprofit organizations. The site, donated by the Pell Organization, is surrounded on three sides by open space and is conveniently located within a half-mile of a shopping center. Developed and managed by **Ecumenical Association for Housing**, the development consists of 37 one-bedroom units and 12 efficiency apartments with full kitchens, a manager's apartment, and a security system. On-site amenities include a spacious first floor lounge, large outdoor seating areas, laundry facilities and a community kitchen adjacent to a multi-purpose room. HUD 202 loans provided 80 percent of the financing for the development. Marin County provided redevelopment funds, as well as some Community Development Block Grants and HOME funds for the project. Additional funds were raised locally through the Rotary Club and Marin Community Foundation. In addition, volunteers gave many hours of time for public hearings and other meetings.

Local Taxes and Revenues

A community that is committed to addressing local housing issues can create local resources for housing by imposing or raising special taxes. Alternatively, it can redirect the revenues of existing taxes or allocate a portion of the general fund to housing assistance. New taxes and the expenditure of local revenues involve a host of fiscal, legal, and political issues that must be addressed. Because of Proposition 13 restrictions on special taxes, the enactment of a new tax requires a two-thirds vote of the public if the proceeds are to be dedicated to a particular purpose, such as affordable housing.

Benefits

- Gives a community a powerful tool for the development of affordable housing. Local subsidies can be combined with land use concessions and state and federal funds to provide very affordable housing.
- Allows a community to pursue objectives or programs most suited to its needs since funds are locally generated and not subject to outside restrictions on their use.

During the Housing Element Process...

- **Review Tax Options.** Review and evaluate all possible options, taking into consideration the amount of funds that could be generated, the ease of collection, potential difficulties in meeting legal requirements, political support and opposition, and possible negative impacts.
- **Be Specific.** Have a clear idea of the amount of local resources to be raised and how they are to be used. Identify and target the programs or projects that will use the funds.

Potential Programs and Actions

- **Establish Clear Guidelines.** Establish clear guidelines and link generated funds to a specific purpose, such as funding an affordable housing trust.
- **Generate Community Support.** Broad community support is crucial to imposing any new taxes. Educate the community about community housing needs and the potential benefits of a special tax assessment. Also, build political support and seek endorsements from influential individuals and groups.
- **Establish a Coordinated Housing Strategy.** To be effective, newly generated local revenues need to be coordinated with land use programs and other funding sources.

Tax Options

- **Property Taxes** to repay general obligation bonds over a 20 to 30 year period can be used to finance new housing. A two-thirds vote is required to raise property taxes for general obligation bonds.
- **Transfer Taxes** on the sale of property cannot be levied for special purposes under Proposition 13, but in certain cases can be used to add to the general fund. As well, new or existing transfer tax proceeds can sometimes be redirected to housing-related uses.
- **Special Taxes** such as parcel taxes, hotel taxes, or a variety of business taxes are excellent sources of funds, but if used specifically for housing, a two-thirds vote is necessary.
- **Gann Limit Surpluses** can be a resource for affordable housing and require only a majority vote of the electorate. Under Proposition Four, if revenues of a community exceed certain limits, the proceeds must be returned to taxpayers, or the electorate can choose to direct the surplus to other specific, one-time purposes.
- **Dedication of Revenues**, such as the interest from municipal accounts, residuals from bond repayments, or the proceeds from the sale of public property can be used for housing. Some communities have used such dedicated revenues to support a housing trust fund, a flexible account that can be a source of grants or loans for the development of affordable housing.
- **General Fund Allocations** can be made to support affordable housing activities. This can occur on a one-time project or program-specific basis or as part of annual budgeting.



Success Stories

- **Voter Approved Bonds Fund Affordable Housing and Home Ownership Bond Program.** In November 1996, the voters of San Francisco approved \$100 million in general obligation bonds ("Proposition A") to fund the Affordable Housing and Home Ownership Bond Program. The Board of Supervisors adopted legislation to implement the program in 1997, providing that 85 percent of the bond proceeds be dedicated to the development of rental housing, and 15 percent for downpayment assistance to first-time homebuyers. The Mayor appointed a Housing Committee, consisting of members of the Redevelopment Commission, to oversee the program and advise him on selection of projects. In the first two years of operation, \$40 million in bonds have been issued. About \$34.6 million have been utilized by twenty developments to produce 1,910 units of family, senior, and supportive housing, while the Downpayment Assistance Loan Account has provided funding for loans to 108 first-time homebuyers. The **Mayor's Office of Housing** administers the Program for the City and County of San Francisco.

Mortgage Credit Certificates

This federally created but locally run program assists first-time homebuyers in qualifying for mortgages. The IRS allows eligible homebuyers with a Mortgage Credit Certificate (MCC) to take 20 percent of their annual mortgage interest as a dollar-for-dollar tax credit against their federal personal income tax. This enables first-time buyers to qualify for a larger mortgage than otherwise possible, and can thus bring homeownership within their reach.

Certificates are issued by a local agency, frequently a housing authority, to qualified low- or moderate-income first-time homebuyers. Certain price limits and resale requirements apply. Authority for the issuance of MCCs must be obtained from the California Debt Limit Allocation Committee (CDLAC) and use of MCCs involves forfeiting some mortgage revenue bond funding authority.

Benefits

- Increases ownership opportunities for first-time buyers. Since they are assigned to a potential purchaser, rather than a specific development, the consumer has a wider variety of housing options.
- Has a fairly low administrative burden for the local government agency compared to many other housing programs, because real estate agents and private lenders are involved.

During the Housing Element Process...

- **Evaluate the Feasibility of MCCs.** Determine whether MCCs are feasible based on local home prices and federally determined price limits.
- **Involve Real Estate Agents and Lenders.** Since real estate agents and lenders will implement the program, their early and continued involvement will greatly enhance the usability of MCCs.
- **Evaluate Use of MCCs Versus Mortgage Revenue Bonds (MRBs).** Applying for an allocation for MCCs from CDLAC reduces the ability of a local government to use MRBs for new construction. A jurisdiction needs to have clear priorities for the use of its bonding authority.
- **Consider Inter-Jurisdictional Collaboration.** Because MCCs must be used within the jurisdiction of issue, countywide or multi-jurisdictional programs will be most effective. They also help reduce administrative cost burdens.

Potential Programs and Actions

- **Establish Criteria for Applicants.** Each jurisdiction can establish its own criteria for applications to the MCC program, targeting groups that are in particular need of affordable housing.
- **Establish Outreach and Counseling Programs.** Publicity to increase the visibility of MCCs to prospective buyers is crucial to the program's success. Equally important is counseling of applicants. Outreach and counseling services are sometimes contracted out.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.



California Housing Finance Authority (CHFA)



California Debt Limit Allocation Committee (CDLAC), State Treasurer's Office



Success Stories

- **Mortgage Credit Certificate Program Provides Federal Income Tax Savings for First-Time Homebuyers.** Sonoma County sponsors a MCC program together with all the incorporated cities in the County. The **Community Development Commission of Sonoma County** administers the program through a contract with a private consulting firm. MCCs are only available to first-time homebuyers anywhere in Sonoma County who have not owned a principal residence in the past three years, and intend to occupy the residence for their own use within 60 days of the close of escrow. The program sets purchase prices for new and existing units and establishes median income limits adjusted to household size for both 10 and 15 percent tax credits.

The type of credit depends on the applicant's annual household income and the annual interest paid on the MCC holder's mortgage. The tax credit is taken for as long as the holders maintain their original mortgage (which must be a fixed rate mortgage) and live in the home as their principal residence. The prospective homebuyer's lender (either a mortgage broker or banker) completes the MCC applications and submits the application to the MCC Program Office, which then processes it and issues the MCC tax credit to the borrower through the lender. A portion of the tax credit value is recaptured if the home is sold within the first nine years after purchase, thereby discouraging use of the program for short-term appreciation.

Municipal Bonds

Cities and counties have traditionally funded infrastructure projects through long-term borrowing in the form of municipal bond financing. A number of municipalities are also using bond financing to support local affordable housing programs.

The most common forms of bond financing for affordable housing are Mortgage Revenue Bonds (MRBs) and Tax-Exempt Revenue Bonds. MRBs are generally used to assist first-time homebuyers in the purchase of either new or existing housing, while tax-exempt revenue bonds are used to assist developers of multi-family rental housing units to acquire land, construct a new development, or rehabilitate existing units.

The advantage of “tax-exempt revenue bonds” (which fund revenue-generating improvements and are underwritten on the basis of earmarked revenues), as opposed to general obligation bonds (which are backed by the municipality’s tax base), is that they do not require voter approval. General obligation bonds must be approved by two-thirds of the voters. However, general obligation bonds can be used for any type of infrastructure improvements that serve a public purpose (such as affordable housing), while revenue bonds can only be used to finance improvements that will generate revenues in return (e.g., providing low-interest loans that are then paid back). San Francisco is one of the few Bay Area cities that has successfully passed a voter-approved municipal bond to support affordable housing development, providing significant resources for the city’s affordable housing programs.

Federal and state restrictions require that tax-exempt bonds used to increase affordable housing opportunities establish affordability guidelines, including price and income guidelines for first-time homebuyers and income guidelines for rental tenants. For rental housing, a minimum of 20 percent of the total units are required to be affordable to very low-income households (less than 50 percent of median income). Projects with deeper affordability (often 100 percent) have a much better chance of getting bond allocations.

Local jurisdictions can offer bond financing when a specific project has been proposed or in response to requests for financing from a developer. The sponsoring government entity, usually in cooperation with the developer, puts together a specific proposal for city council or board approval. An application is also submitted to the California Debt Limit Allocation Committee (CDLAC) at the State Treasurer’s Office, which is responsible for allocating private activity bonds. Bond allocation is highly competitive and a complicated formula is used to assign points for each proposal. The California Housing Finance Agency also uses proceeds from the sales of bonds to operate single-family and multi-family below-market interest rate loan programs described in more detail in the section on state financing.

Benefits

- Assists first-time homebuyers to obtain mortgages at below-market interest rates and helps finance the construction and rehabilitation of multi-family rental housing development.
- Allows local government to raise substantial amounts of funding for affordable housing without affecting their tax rates or operating agencies.
- Allows local government to become directly involved in the development process. By combining bond financing with land donations, fee waivers, and other financial subsidies, a community can target very-low and low-income renters.

During the Housing Element Process...

- **Consider Bond Approval Criteria when Designating Sites.** Take into consideration the State’s current bond approval criteria when designating sites for affordable housing development. This will improve the likelihood of winning approval from CDLAC.



Potential Programs and Actions

- **Collaborate with Housing Developers.** This is important for both ownership and rental housing. The local government can help developers put together a competitive proposal by assisting in site identification, acquisition, and finding other subsidy sources like HOME funds, CDBG monies, fee waivers, and other local funds.
- **Seek Assistance from Experienced Professionals.** Issuing bonds is complex and for small projects the administrative costs can be quite high. The involvement of consultants and bond counsels is often necessary. Joint bonds with another jurisdiction can help spread the cost of issuance. In some cases the local government will oversee the developers' use of bond financing.
- **Try to Achieve Deeper Affordability Targets.** The lower interest rates on tax-exempt bonds provide only a shallow subsidy. For the benefit to be maximized, other subsidies and strategies need to be applied.
- **Establish Counseling Programs.** Establishing a counseling program for prospective applicants who are first homebuyers is important for the program's success. The counselors must be knowledgeable with the MRB program, the home buying process, and mortgage financing.
- **Ensure Timely Use of Bond Financing.** It is important to use bond allocations within the specified time frame. Failure to do so results in points being deducted from future applications, and repeated failures can result in disqualification.
- **Establish an Effective Monitoring and Compliance System.** A clear and legal agreement about the amount, degree, and length of time for affordability restrictions on below-market-rate units must be set, monitored and enforced.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Loessberg, Rick. 1991. "MRBs: Effective Funding for Affordable Housing" in *Journal of Housing*, July/August 1991. Pages 181-190.

 ABAG Financial Services

 California Housing Finance Authority (CHFA)

 California Debt Limit Allocation Committee (CDLAC), State Treasurer's Office

Success Stories

- **Business Park Development provides Workforce Housing.** Cochrane Village, developed by Ecumenical Association for Housing (EAH), arose from the consideration of Morgan Hill as a potential site for a new manufacturing facility that would generate a number of entry level jobs in a housing market with a shortage of affordable units for the projected work force. The City of Morgan Hill and EAH worked together to incorporate the housing into the master plan of a new 315-acre business park, thereby locating the housing adjacent to the new jobs and helping to reduce commute distances for new workers.

The 96-unit project contains 50 percent low and 50 percent very low income rental housing and a childcare center with its own outdoor play area that is open to the community at large. A major source of funding was the \$1.04 million privately placed, non-rated, multi-family housing revenue bond issued by ABAG's Finance Authority for Nonprofit Corporations. Other sources of funds included a CDBG loan through Santa Clara County, a 3 percent loan from the Morgan Hill Redevelopment Agency, and some funds from the Santa Clara County Housing Bond Trust Fund. A strong indicator of the development's success is that over 70 percent of the units have an employed resident who works in the adjacent business park or within the city limits of Morgan Hill.



Cochrane Village, Morgan Hill

ABAG

Private Financing

Major financial institutions can assist in the development of low and moderate-income housing by making construction and/or permanent loans at favorable rates. Local governments can help local non-profits access these resources by leveraging public subsidies with private financing.

The Community Reinvestment Act (CRA) directs the Department of the Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to encourage and assist the institutions they regulate to meet the credit needs of their communities. These agencies must assess the records of their member institutions when evaluating applications for a charter, deposit insurance, branch relocation, mergers, or other regulated transactions. As a result of the CRA, many major financial institutions have elected to actively participate in funding low- and moderate-income housing projects developed by non-profit corporations.

Benefits

- Provides private financing at favorable rates that, in addition to public subsidies, fills the funding gap for many successful affordable housing developments.
- Supplements other forms of subsidy.
- Develops constructive relationships with local financial institutions to involve them in responding to affordable housing needs in the community.

During the Housing Element Process...

- **Identify Financial Needs for Housing.** The housing element analysis of financial constraints will help to pinpoint particular financial needs within the community.
- **Identify Private Lenders and Establish Communication.** Identify and then encourage local financial institutions to become involved in local housing efforts. Early, on-going, and positive cooperation with local financial institutions can help make them local partners in affordable housing development.

Potential Programs and Actions

- **Leverage Funds.** Local governments can help leverage private financing by providing local resources and other subsidies to an affordable housing developer who can then access community directed financing and other subsidies. In such situations, local funding is usually subordinated to private financing.
- **Establish a Community-Lending Program.** Technical advice and expertise from community loan officers, regulatory agencies, non-profits, and community groups can help fashion a good community lending program for affordable housing.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 HCD Clearinghouse

Success Stories

- **New Neighborhood Features Mixed Income, Self Help, and Disabled Housing.** The 370-unit Los Arroyos community built on 64 acres of land in the City of **Gilroy** represents a partnership between a for-profit and a non-profit developer that produced an integrated neighborhood of 66 self help homes, 88 median income homes, 149 market-rate homes, 58 apartments for low-income families and seniors, and 21 apartments for developmentally disabled adults. Under Gilroy's Residential Development Ordinance, market-rate housing permits are limited and allocated through an annual competition. With City Council, staff, and community support, local non-profit **South County Housing** competed for and received an allocation of 150 market-rate units on top of their proposed 220 affordable units in order to create a mixed income new neighborhood. South County then partnered with the Glen Loma Group and Orchard Valley Properties to develop 123 of the market-rate homes, while 26 units of market-rate housing were produced by South County Housing.

Proceeds from market-rate lot sales and 88 moderate-income units helped finance the other units, as well as a 3.3-acre park and a community/childcare center. State and HUD financing, foundation grants, Low Income Housing Tax Credits, and the Federal Home Loan Bank's Affordable Housing Program provided the additional funds necessary to create the low-income rental apartments and disability units, while the California Self Help Housing Program assisted with the owner-built component. Long term affordability of the below-market units is guaranteed through the use of deed restrictions and silent second mortgages. Sharing the same architecture and landscaping teams and located along the same curving street system, it is impossible to distinguish between the market-rate and subsidized units. The multi-family and disabled housing apartments are also designed to be compatible in street scale and materials with the adjacent homes.



Los Arroyos, Gilroy

Tom Jones

Redevelopment Financing

Redevelopment projects can be established by a city or county in areas that need revitalization and redevelopment in order to eliminate blight and the conditions that caused it. The increased property tax revenue resulting from new private investment in the area goes to the local redevelopment authority. These **tax increment funds** must be used for public improvements in the district and for affordable housing development anywhere in the locality.

California Community Redevelopment Law requires that at least 20 percent of all property tax increments in a redevelopment area be set aside in a special fund to subsidize the construction and rehabilitation of housing. It also authorizes the acquisition and assembly of land for redevelopment purposes, which can include the construction of new housing, the provision of low-or no-cost land subsidies for affordable housing, or other forms of assistance in the preservation and upgrading of the redevelopment project area.

In addition to providing funds for a wide range of local housing programs, redevelopment law also enables the local Redevelopment Agency (RDA) to issue tax allocation bonds and loans to generate revenues for implementing redevelopment plans. This includes land acquisition and financing for the construction of new housing or rehabilitation of existing units. RDAs also negotiate purchases and have powers of eminent domain that allow them to acquire sites for housing, both within and outside of a project area.

In the past, redevelopment led to the demolition of affordable housing stock and the displacement of existing residents. Now, state laws require public participation, the replacement of all low- and moderate-income housing units removed by redevelopment, and the relocation of tenants and homeowners. At least six percent of new or rehabilitated housing in a redevelopment project must be affordable to low-income households and another nine percent must be affordable to moderate-income households for a total inclusionary housing requirement of 15 percent.

Benefits

- Produces a potentially significant amount of locally controlled funds for the development of affordable housing.
- Creates significant new housing opportunities in areas where housing was not feasible because of site limitations, ownership, or market conditions.
- Assists in the provision of housing through site acquisition and assembly, financing, property purchase, and rehabilitation.

During the Housing Element Process...

- **Collaborate with the RDA.** A close working relationship between the RDA and the housing office of the local government is important for planning an overall housing strategy as well as for correctly assessing the amount and quality of the existing affordable housing stock.
- **Evaluate the Redevelopment Project Area.** Take into consideration existing and proposed redevelopment plans as well as conditions in the project area. In particular, consider the amount and use of 20 percent set-aside funds for the production and improvement of housing. Work with the RDA to identify strategies for strengthening housing-related redevelopment activity. Land use and financing programs can be designed to supplement and aid housing development in RDA project areas.
- **Encourage Public Involvement.** Actively encourage public involvement through public action committees and maintain good public relations to avoid public challenges, distrust, and citizen-sponsored referenda.



Potential Programs and Actions

- **Develop a Clear, Flexible Plan for Set-Aside Funds.** The amount of tax increment funds generated and their use will determine the usefulness of redevelopment as a housing program. Some agencies have directed more than the 20 percent requirement to affordable housing. Others have targeted that money to specific housing objectives. Some communities set up a task force to determine spending priorities and criteria for set-aside funds.
- **Encourage the RDA to Focus on Very-Low Income Housing.** Amend the redevelopment plan to target a significant portion of the affordable housing set-aside funds for development of very-low income housing. The needs of these households are the most difficult to meet, and having funds dedicated to them will help ensure adequate resources to address them.
- **Amend Pre-1977 Redevelopment Plans.** Communities with redevelopment areas established before 1977 should consider amending their redevelopment plans to apply the 15 percent inclusionary housing requirement to these areas.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 California Redevelopment Association (CRA)

Success Stories

- **Redevelopment Funds along with Tax Increment Financing Provide Housing Choices in A Middle Income Neighborhood.** The City of San Jose adopted a policy in 1989 to site the majority of their new low and moderate income housing outside the center city area to provide housing diversity and avoid an over-concentration of low-income housing. The Almaden Lakes mixed income, transit-oriented developments are a demonstration of this policy using a combination of redevelopment agency funds and other sources to achieve this goal. The active participation of neighborhood residents led to a design that respected the adjacent neighborhood: lower density small lot detached homes were located nearest to the neighbors with a gradual transition in scale up to four story apartments further away, backing up to a foothill open space. Divided into three separate projects but integrated into an overall master plan, the first two projects included 250 units of very low income rental units by BRIDGE, and 84 mixed income homes by the Martin/Devcon/J. Lohr Group. Completing the trio of projects is a 250-unit apartment by New Cities Development Group with 20 percent of the units for very low-income renters. The light rail station, the park at Almaden Lake, and the Open Space Preserve of the Almaden Hills are all within walking distance. The apartments were financed using redevelopment agency “set-aside” funds plus low income housing tax credits, while the homes benefited by a combination of redevelopment financing and other city funds to support 35 moderate income second mortgages. No city funds were required for the predominantly market-rate apartment project, with a tax-exempt bond being used to provide the 20 percent very low income units in the complex with a 30 year affordability restriction. Of the 584 total units in the development, 335 fill a need for moderate, low, or very low-income residents, and the remaining 249 are market-rate units. The social mix of units is further strengthened in the sharing of a common swimming pool, tot lot, and community center between the apartments and adjacent homes. Completed in two stages between 1995 and 1999, the total development costs for all three amounted to about \$71,500,000 with the Redevelopment Agency and city share coming to just under \$10,000,000. About 85 percent of all housing funded by the **Department of Housing** at the City of **San Jose** since 1989 has been sited outside the downtown core. Redevelopment Agency financing is the largest single source used, far eclipsing the over \$15,000,000 per year in HUD entitlement funds received by the City.

Tax Credits for Low-Income Housing

Although the Low Income Housing Tax Credit Program (LIHTC) is a federal and state program, local government can play an important role in helping developers to meet eligibility criteria. It is therefore listed here as a “local resource.”

The LIHTC program is a large federal and state housing subsidy program that provides substantial financing for the development of affordable housing. It provides tax credits to the private sector for the construction or acquisition and rehabilitation of very affordable rental housing. These tax credits are crucial to the success of affordable housing developers, who sell credits directly to corporations and private investors or receive the equity from one of a number of investment entities now making tax credits available.

To be eligible for a tax credit, 20 percent of the units in a housing development must rent to very-low income households earning less than 50 percent of area median incomes, or 40 percent of the units must rent for incomes under 60 percent of the median. California law also requires that developments retain these levels of affordability for at least 55 years.

Both federal and state tax credit programs are administered by the State Treasurer’s Office through the California Tax Credit Allocation Committee (CTCAC), which allocates the available credits to projects statewide. TCAC administers two LIHTC programs: the 9-percent (for projects with no federal subsidy) and the 4-percent credit programs (for projects with federal subsidies and more than 50 percent of financing through tax-exempt bonds). The 9-percent credit program, which has limited funds and is highly competitive, awards credits on a combination of formula and competition so that those meeting the highest housing priorities have first access to credits. The 4-percent program has no funding limit but is available only with projects that have an allocation of Mortgage Revenue Bonds. It also has limited funds, but is less competitive than the 4-percent program. Funds raised from the sale of 4-percent credits typically cover 20-30 percent of project costs. Generally the maximum credit allocation is the amount needed to fill the financing shortfall, and the amount needed is determined at least thrice: at the time of application, at the time of allocation, and when placed in service.

To be successful, tax credit projects require an additional subsidy which can include no or low-cost land, local government contributions, or density bonuses and other concessions. While the utilization of the tax credits depends primarily on the project’s developer, local government must work with the developer to identify other strategies and subsidy sources that are appropriate with tax credits and provide the additional subsidies usually required to make them work. Collaboration between the developer and the local government often with the help of a professional specializing in tax credits and other financial tools is the key to a successful tax credits program.

Benefits

- Provides one of the few remaining significant funding sources for development of affordable rental housing.
- Supports new construction, acquisition, rehabilitation, and preservation of existing housing units as rental housing developments.
- Attracts a range of investors from the private sector.

During the Housing Element Process...

- **Evaluate Local Sites for Compliance with CTCAC Criteria.** One of the most important roles of local government is to ensure that adequate sites are available (at adequate densities) to support the development of affordable housing. Make sure that sites available for affordable housing development in the local area will score well, based on current CTCAC criteria.

Potential Programs and Actions

- **Provide Additional Subsidies.** Provide additional forms of local subsidy (e.g., land acquisition assistance or land donations; density bonuses; reduced parking requirements; fee waivers, etc.) to help local developments meet the CTCAC criteria and win tax credit allocations.



- **Collaborate with Housing Developers.** Develop close working relationships with affordable housing developers in the local area and assist them in putting together a competitive application that meets or even exceeds the strict readiness criteria imposed by CTCAC. This includes committing local subsidies and confirming compliance with land use and zoning ordinances.
- **Publicize and Manage the Affordable Units.** Although the housing developer is generally responsible for making potential residents aware of the availability of affordable units, providing financial advice and counseling for residents, and managing the units over time, local government can play a supportive role in providing or monitoring such services.

Contacts and Resources

See Appendix D for phone numbers and addresses, where relevant.

 Community Economics

 California Tax Credit Allocation Committee

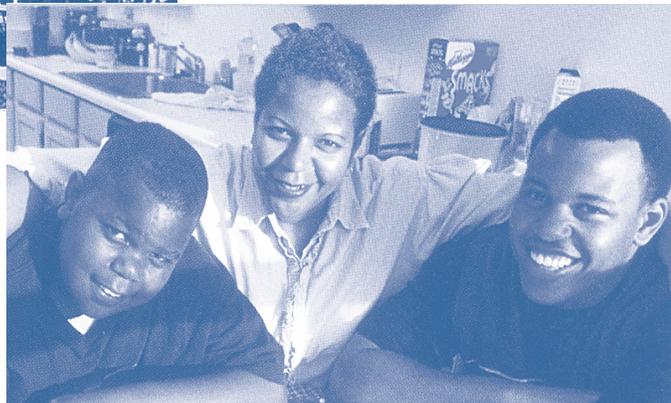
Success Stories

- **Apartment Complex that Helped Transform a Neighborhood.** The Tenderloin Family Housing Development in San Francisco has succeeded in housing a number of very low-income seniors, physically disabled individuals, single parents and families with children, while helping revitalize a troubled neighborhood. The mixed-use development contains ground floor storefront retail, underground parking, a 5,400 square foot childcare center, and 175 apartments (12 studios, 81 one bedroom, 45 two-bedroom, and 37 three bedroom units). The apartment tower surrounds a large landscaped interior courtyard. The larger family units are located on the three lower floors in clusters of nine units, each with a separate entrance off the courtyard, which gives them the scale and feeling of a low-rise walk-up. It took the developers, **Chinatown Community Development Center** in partnership with A.F. Evans Company, about six years to plan, fund, and construct the complex. Three corporate Low Income Housing Tax Credit investors provided permanent financing for the project, and also agreed to turn construction cost savings into a permanent \$250,000 endowment for the child care center. Additional funding was received from the City's Affordable Housing Program, Redevelopment Agency, the State's rental housing construction program and private lenders.
- **Affordable Housing for Families with Children.** Stoney Creek Apartments in Livermore is a development of 70 large two- and three-bedroom units designed for low- and moderate-income families with children. The development has ten buildings that surround five separate landscaped courtyards. A meandering walkway connects the apartments and townhouses to a community building that houses a meeting room, management office, storage space, and kitchen facilities for community events. A local artist has created tile and concrete sculptures for the five tot lots. The non-profit developer, **Eden Housing**, financed the project with funds from the City's LIHTC, as well as other private and state sources. The development has transformed five acres of vacant land into a neighborhood cluster of homes where children can safely play and families can enjoy a quality environment at affordable prices.



Stoney Creek Apartments, Livermore

Jay Graham



Residents: Deshaun, Angie and Derlyn Gross

Alain McLaughlin

STATE RESOURCES

State agencies play an important role in providing housing assistance by allocating federal housing funds and/or making loans available to affordable housing developments. The three principal agencies involved are the State Treasurer's Office, the California Housing Finance Agency (CHFA), and the California Department of Housing and Community Development (HCD).

Programs for housing assistance change frequently and detailed descriptions of programs, application procedures and amounts of subsidy available are provided by the concerned agencies. The major sources of state housing assistance include:

- **The California Debt Limit Allocation Committee (CDLAC).** CDLAC, an agency within the Treasurer's Office, is responsible for overseeing private bond issuances. *See Municipal Bonds, Page 4-14.*
- **The California Tax Credit Allocation Committee (CTCAC).** CTCAC, also an agency within the Treasurer's Office, is responsible for allocating federal and state tax credits that are crucial to the construction and rehabilitation of affordable housing developments. *See Tax Credits for Low Income Housing, Page 4-21.*
- **California Housing Finance Agency.** CHFA offers a variety of programs to fund new construction and resale of single-family housing for first-time homebuyers. The 501(c)(3) Preservation Mortgage Program, for example, allows the mortgage to be used as acquisition financing for projects that employ tax-exempt bonds and tax credits. CHFA also provides permanent financing for new apartments and subsidizes certain projects through its Housing Assistance Trust, a flexible source of state funds that can offer deferred loans to cover negative cash flows in projects where at least half of the units are for low-income households.
- **Department of California Housing and Community Development.** HCD is responsible for administering federal funds for non-entitlement jurisdictions and for various state programs funded through housing bonds. In the past decade there have been no new housing bonds. However, with passage of the Multi-Family Housing Assistance Program, a substantial source of funds will be made available for assisting the construction of new rental housing.

Online Resources!

HCD's Clearinghouse for Affordable Housing and Community Development Finance is an excellent source of information for over 200 housing programs offered by the Federal and State government, private lenders, and foundation grants. The site is at <http://www.hcd.ca.gov/clearinghouse>. The database specifies applicants and counties served by each program. It can be searched by:

- **Types of Assistance**, including information on construction/rehabilitation loans, down-payment assistance, rental subsidies or predevelopment/interim finance).
- **Activities Funded**, including information on acquisition, preservation of affordable housing, new-for sale housing, purchase assistance, rehabilitation of apartments, group homes and transitional housing amongst others.

FEDERAL RESOURCES

Federal housing assistance takes many forms. The single largest (and often least recognized) federal program is mortgage interest tax deduction, estimated at \$54 billion in 1996 for the entire nation. The California Housing Plan (2000) reports that federal assistance for affordable housing was only \$17.2 billion nationwide the same year. This assistance was primarily used to maintain and operate the existing supply of affordable housing. Outlays for new construction were considerably lower.

California localities receive federal subsidies for affordable housing through a number of programs. These programs may be administered locally or at the county level, or in the case of non-entitlement jurisdictions (mostly rural cities and counties) by the California Department of Housing and Community Development (HCD).

Like State programs, Federal programs often change in terms of program details, application procedures, and amount of subsidy dollars available. For detailed descriptions, current subsidy levels, and up-to-date application procedures, refer to program literature available online from the U.S. Department of Housing and Urban Development (HUD, <http://www.hud.gov>).

Some of the largest programs, based on current funding levels, include:

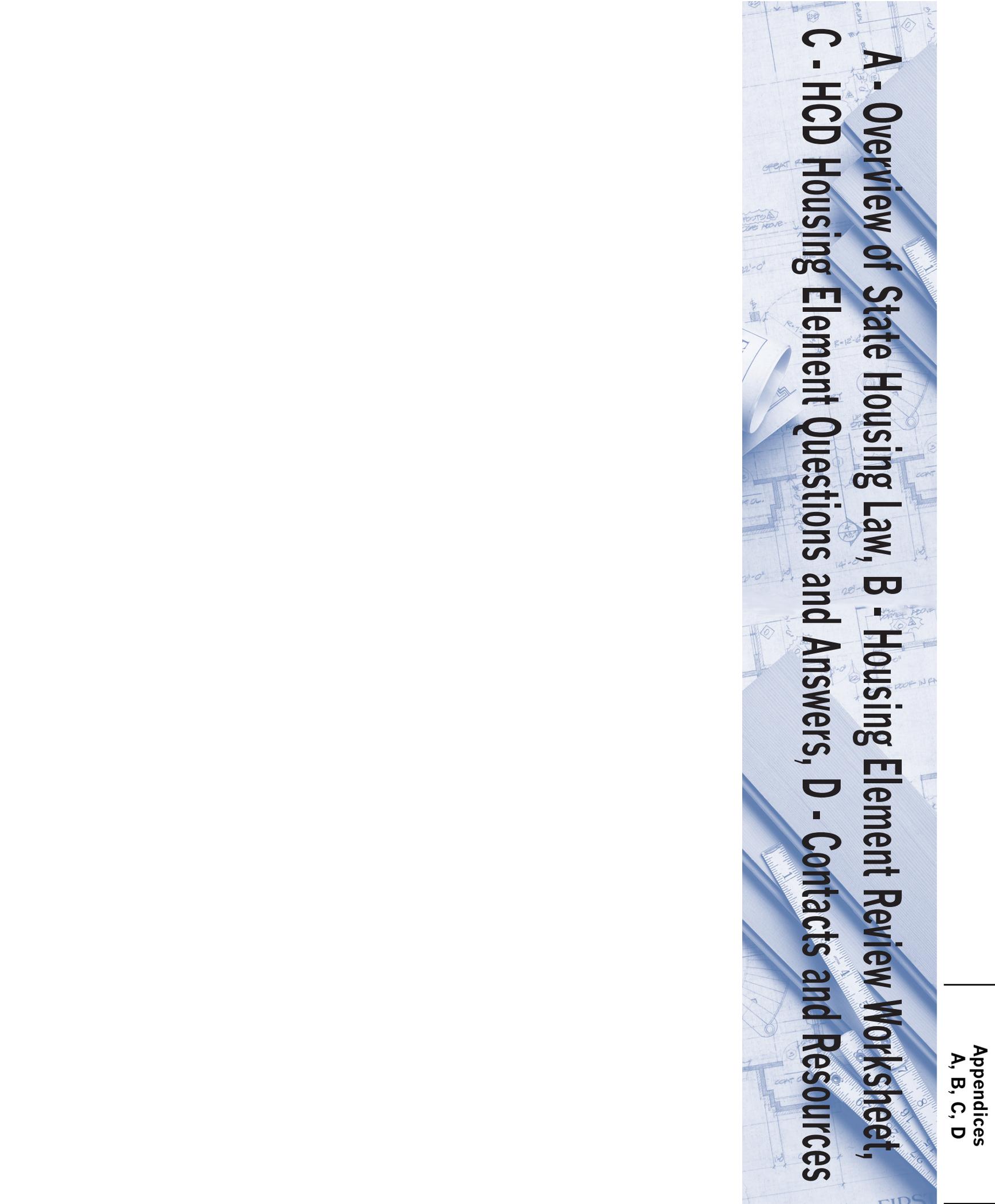
- **Community Development Block Grant Program.** Community Development Block Grant Program (CDBG) is the largest federal housing-related program for affordable housing. It is a 'pass-through' program that allows local governments to use federal funds to alleviate poverty and blight. Cities with populations of over 50,000 receive CDBG funds directly from HUD, while smaller cities usually use county-administered CDBG funds. HUD makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short and long-term loans, grants or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. CDBG funds are best used in combination with other subsidy sources or to provide pre-development funding to initiate housing development.
- **HOME Investment Partnership Act.** HOME, like CDBG, is a formula-based block grant program. HOME funds must be spent only on housing and are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently four-to-one, while the match for rental construction is two-to-one.
- **Section 8 Assistance.** Although this long-standing federal assistance program is not expected to increase in size or scope, it remains an important program for helping to fill the gap between household income and housing costs. *See Rental Assistance, Page 3-79.*
- **Low Income Housing Tax Credits.** This program is crucial to the development of affordable housing development. *See Tax Credits for Low Income Housing, Page 4-21.*



- **HOPE VI.** The federally sponsored **HOPE VI Program** seeks to replace older, dilapidated high-rise public housing with temporary, lower-density and more dispersed housing projects. HOPE VI provides funds for revitalization, demolition, and disposition of severely distressed public housing and for Section 8 tenant-based assistance. However, the replacement formula is not set on a one-to-one basis and allows for subsequent rather than concurrent replacement, which sometimes means that older units are getting demolished faster than newer ones are being built. HOPE VI developments are often designed for mixed income communities and their income-eligibility standards are also often higher, sometimes resulting in the displacement of very-low and low-income families.
- **Housing for Persons with AIDS (HOPWA).** This program provides funds for the acquisition, conversion, lease and repair of facilities to provide housing and services for persons with AIDS. Funds may be used for the construction of SROs, community residences, project or tenant-based rental assistance, mortgage and utility payments as well as costs of other supportive services required for persons with AIDS.

Other programs include the **Elderly Housing Program (Section 202)**, the **Housing for the Disabled Program (Section 811)**, and a variety of **Federal Housing Administration administered rental programs**. Like Section 8, most of these programs are not projected to increase in size or scope, reducing their net effect in the Bay Area's affordable housing market.





**A - Overview of State Housing Law, B - Housing Element Review Worksheet,
C - HCD Housing Element Questions and Answers, D - Contacts and Resources**

Appendix A

Overview of State Housing Element Law

I. OVERVIEW

A. The Local General Plan: The Community’s “Constitution”

All general law and charter cities and counties in California must have general plan. The general plan must provide a long-range plan for the future physical development of the community.¹ *See Government Code §65000 et seq.* It must include seven mandatory elements: land use, circulation, housing, conservation, open space, noise and safety. *See §65302.*

The courts have declared that the general plan is the constitution for future development in the community. It is the preeminent planning document, sitting atop the hierarchy of local land use measures. Once adopted, it has binding effect on the locality. All actions taken by the jurisdiction must be consistent with the general plan:² *See §65300.5 as well as Leshar Communications, Inc. v. City of Walnut Creek (1990) 52 C3d 531; Citizens of Goleta Valley v. Board of Supervisors (1990) 52 C3d 553; Neighborhood Action Group v. City of Calaveras (1984) 156 CA3d 1176; O’Loane v. O’Rourke (1965) 231 CA2d 774.*

B. The Consistency Requirements

The general plan must be an “internally consistent” document. *See §65300.5.* That means that no general plan element, including the housing element, may contain provisions inconsistent with provisions in other elements. For example, the land use element may not designate the same parcel for commercial use that the housing element designates as available for residential use.

In addition, **all other development-related local actions must be consistent** with the general plan, including the housing element. Because the general plan is the community’s constitution for development, the local government may not take actions inconsistent with the plan. Actions required to be consistent with the general plan include the zoning ordinances, subdivision maps, specific plans, building permits, developer agreements and redevelopment plans. (*See, e.g., §§65860, 66473.5 and 65583(c) and Health & Safety Code §§ 33300— 33002.*)

C. The Housing Element & “Fair Share” Needs Obligations

Unlike the other mandatory general plan elements, the housing element must be revised and updated at least every five years (*§65588*) and the statutes set out the required contents with detailed specificity. (*§§65580 – 65589*) Of the seven mandatory elements, it is therefore of “preeminent importance.” *Committee for Responsible Planning v. City of Indian Wells (1989) 209 CA3rd, 1005, 1013.* In adopting the high standards for the housing element, the Legislature declared that the availability of housing is of vital statewide importance and “a priority of the highest order” and that:

The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels. (§65580(d)).

¹ Unless otherwise indicated, all citations are to the **Government Code**.

² There is one archaic exception to this requirement of consistency. The zoning enactments of *charter cities* need not be consistent (*§65860*)—a legislative anomaly that one court has said makes little sense in this era and the Legislature should act to eliminate it. *See Garat v. City of Riverside (1991) 2 CA4th 259.* In fact, it is unlikely that the state Department of Housing and Community Development would approve a housing element that does not include a program requiring consistency between the element and the zoning ordinance.

Consequently, the housing element must make “adequate provision for the existing and projected housing needs of all economic segments of the community.” (*§65583 and see §§ 65302(c) & 65580*) While recognizing that a community may not have the resources to actually develop all the needed housing, the statutes obligate the community to **plan** for meeting its ‘fair share’ of the regional housing needs.

The housing needs of each region in the state are determined every five years, coinciding with the five year housing element cycle. The state Department of Housing and Community Development (HCD) first determines the regional housing need for every area covered by a regional Council of Governments (COG). (*§65584*) [The COG covering the Bay Area is the Association of Bay Area Governments (ABAG).] The COGs (or HCD for cities and counties not covered by a COG) then allocates to each local jurisdiction its fair share of the existing and projected need for the next five year housing element period. The assigned need is broken down by income categories: very low, low, moderate and above moderate. It is this regional housing needs determination that communities must use when making adequate provision for their housing needs in their housing elements. Generally, after the period during which a locality may appeal its allocation to the COG, each jurisdiction receives its assignment of need one year prior to the date by which it must revise its housing element.

D. The Contents of the Housing Element

The housing element must contain three basic sections:

1. “An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs.” (*§ 65583(a)*)
2. “A statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.” (*§ 65583(b)*)
3. “A program which sets forth a five-year schedule of actions...to implement the policies and achieve the goals and objectives...” (*§65583(c)*)

Most importantly, the housing element must:

1. Identify adequate sites with appropriate zoning densities and infrastructure to meet the community’s need for housing (including its need for housing for low and very low income households and mobilehomes, farmworker housing and homeless shelters) (*§65583(c)(1)*), and
2. “Address, and where appropriate and legally possible, remove governmental constraints” to housing development (*§65583(c)(3)*).

It is through the implementation of these two requirements that the housing element process can increase the opportunities for the development of affordable housing.

The obligation to identify adequate sites requires the local government to zone enough sites to meet the community’s fair share of the regional need for very low and low income housing. Where the element’s inventory of sites does not include sufficient sites to meet these needs, the element must contain a program that provides for sites zoned for multifamily **use by right** at densities and standards sufficient to make the development of affordable housing feasible. The obligation to remove governmental constraints compels local government to deal with exclusionary zoning practices, policies restricting affordable housing and shelter development, unreasonable processing requirements, prohibitive development fees and standards, and Not In My Back Yard (NIMBY) opposition to housing.

E. Housing Element Preparation & HCD Review

When preparing the housing element, the local government must “make a diligent effort to achieve public participation of all economic segments of the community...” (*§65583(c)(6)(B)*) HCD interprets this requirement to mean that locality must do more than merely hold the public hearing required before adoption of a general plan amendment. The jurisdiction should establish a process to include representatives of all interest groups in development of the draft element. The process could include setting up task force or working group, or holding a series of community forums and meetings, as well as providing written notice of the availability of the draft element for comment to all interest persons and groups.

At least 60 days prior to the adoption of a housing element or the amendment to a housing element, the local government must submit a draft to HCD for review. HCD reviews the draft and issues written findings determining whether the draft substantially complies with the housing element law. Once adopted, the jurisdiction must immediately submit the final element to HCD, and HCD must issue a written determination within 90 days indicating whether the element substantially complies with the law. (*§ 65585*)

F. Enforcement and Implementation

Failure to timely adopt a housing element in substantial compliance with state housing element law exposes the local government to litigation that can result in a court order curtailing the locality’s powers to approve development. (*§§65754, 65754.5 & 65755*) Indeed, if a court finds that the jurisdiction has failed to adopt an element in compliance with the law, the court **must** issue an order that either suspends the community’s power to take various development approval actions or requires the community to approve proposed residential developments containing affordable housing.

In addition, the general plan consistency requirement provides another means of enforcing the housing element obligation. Once adopted, the housing element becomes the primary land use planning policy and program statement for the local government. As explained previously, the local government may not take actions inconsistent with the housing element. Consequently, if a locality approves a commercial development for sites identified as available for housing, the project can be challenged as inconsistent with the housing element. By the same token, if the local government fails to adopt an adequate element, its general plan is inadequate, and therefore any action required to be consistent with the general plan is *per se* inconsistent.

The adoption of a housing element also creates a mandatory duty to take the actions mandated in the element. If the element obligates the community to take a particular action, failure to implement that aspect of the housing element breaches the mandatory duty created by the element and, therefore, constitutes an act inconsistent with the element.

II. PROCESS AND TIMELINE

A. COG Determines and Allocates Share of Regional Housing Need (§ 65584)

Based on region-wide housing need figures provided by the state Department of Finance and HCD, the COG derives a city or county’s share of the regional housing need. (*§65584(a)*) Needs share figures must be determined for very low income, low income, moderate income and above moderate income households.³ In determining the distribution of regional housing needs, section 65584(a) requires that the following factors be taken into account: market demand for housing; employment opportunities; availability of suitable sites and public facilities; commuting patterns; type and tenure of housing need; the loss of assisted housing units; and the housing needs of farm workers.

³ See 25 C.C.R. §§6910 *et seq.*, Health & Safety Code §50093 and *State of California General Plan Guidelines*, p. 100 (Governor’s Office of Planning and Research, 1990) for definitions of income levels. Generally, income levels are defined as follows, assuming four person households— **very low income**: no more than 50% of area median income; **low income**: between 50 and 80% of median; **moderate income**: between 80% and 120% of median; and **above moderate income**: above 120% of median

The distribution of housing needs numbers within a region must also seek to reduce the concentration of low-income households within communities that already have a large proportion of low-income people.

B. Transfer of Regional Housing Needs Allocation (§65584.5)

As of January 1995 the law was amended to allow a jurisdiction to transfer a percentage of its share of the regional housing needs to another jurisdiction in limited circumstances up until the year 2000. (§65584.5) No transfers occurred. However, §65584.6 does permit the County of Napa to receive credit towards meeting its fair share needs for units it funds through its trust fund in incorporated areas. This pilot program is currently scheduled to expire June 30, 2004.

C. Statutory Deadlines, By Region (§65588)

The statute prescribes deadlines for competition of the second five-year revision, staggered by geographic region, the earliest being July 1, 1989 and the latest July 1, 1992. All subsequent revisions are due five years after those dates **except** that the Legislature extended the dates for the third revision for *six* years due to the failure to include budget appropriations to fund the COGs to perform the regional housing needs allocations. The fourth revisions are then due **five** years after the third revision, depending on the region. The latest deadlines are:

Region	3rd Revision	4th Revision
San Diego Assoc. of Govs. (SANDAG)	June 30, 1989	June 30, 2004
Southern Cal. Assoc. of Govs. (SCAG)	Dec. 31, 2000	June 30, 2005
Assoc. of Bay Area Govs. (ABAG)	Dec. 31, 2001	June 30, 2006
Council of Fresno County Govs., Kern County Council of Govs., Sacramento County Council of Govs. (SaCOG), & Assoc. of Monterey Bay Area Govs. (AMBAG)	June 30, 2002	June 30, 2007
All other local governments	June 30, 2003	June 30, 2008

Subsequent revisions are due at five-year intervals following the fourth revision.

D. HCD Review (§65585)

As explained in the Overview, before a local government adopts or amends a housing element, it must be submitted to HCD for review. Initial housing elements must be submitted 90 days prior to adoption; amendments, updates and revisions must be submitted 60 days prior to adoption. HCD interprets this to mean that, except for the first housing element adopted by a community, all amendments and revisions, including the five year revisions must be submitted 60 days before adoption.

HCD then conducts a review and must issue written findings determining whether the element or amendment “substantially complies” with the housing element laws. Any public agency, group, or person may submit written comments during the review process. HCD must report its findings to the local government within 60 days of the receipt of a draft revised element or a proposed amendment.

The local legislative body must consider HCD’s findings. If HCD finds the element or amendment is out of substantial compliance with the housing element laws, the legislative body is required to either:

1. Change the draft to achieve substantial compliance.
- OR
2. Adopt the draft without changes and include written findings explaining why the legislature believes the draft does substantially comply.

Upon adoption of the final element, the local government must submit it to HCD for review. HCD must then report its written findings to the local government within 90 days.

E. Annual Progress Report (§65400)

After the legislative body has adopted the housing element or other part of the general plan, the local planning commission must provide an annual report to the local legislative body, the Governor's Office of Planning & Research and HCD on the status of the plan and progress in implementation. The report must describe the progress made by the locality in meeting its share of the regional housing needs and the efforts to remove governmental constraints to the maintenance, improvement and development of housing (pursuant to §65583(c)(3)). The report must be prepared "through the use of forms and definitions" adopted by HCD. And it must be submitted to the local legislative body by July 1 of each year.

III. CONTENTS

The purpose of the housing element is to "make adequate provision for the housing needs of all economic segments of the community." (§65583) By "adequate provision" the statute means the housing element must make adequate plans for low and very low income households as well as middle and upper income households. Originally conceived to require and enable communities to eliminate exclusionary land use policies and practices, the core of the housing element obligation is the requirement to identify "adequate sites." It means that the local government must zone land at sufficient densities and served by adequate infrastructure to facilitate the development of housing to meet even the lowest income levels.

A. Review of Progress Under Prior Housing Element

The housing element must contain an evaluation of "the effectiveness of the housing element in attainment of the community's housing goals and objectives," and the progress of the jurisdiction "in implementation of the housing element." (§65588(a)) In this section the locality should describe and quantify the actual progress towards fulfilling and implementing the previous element's goals, objectives, policies and programs. The section should include the reasons for major differences between what was projected or planned and what was achieved. Finally, this part should contain a discussion of how the goals, objectives, policies and programs of the revised and updated element incorporate the lessons from the results of implementing the previous element.

B. Needs Assessment and Inventory of Resources and Constraints (§65583(a))

The first principal section of the updated housing element is the analysis of the community's current and projected housing needs and resources and of the constraints to development of housing to meet the identified needs. Here the local government must provide an up-to-date appraisal of state of the unmet housing needs of all economic segments of the community, including the community's share of the regional housing need, and an inventory of the land and resources that are available to meet these needs.

1. Analysis of Population & Employment Trends & Housing Needs (§65583(a)(1))

This analysis must include the regional housing needs share for each income category as assigned by the regional COG or HCD. However, the regional fair share number is just a starting point — a minimum. Any local conditions or circumstances that have increased the need or any data the jurisdiction obtains indicating additional need (such as new Census data) should be incorporated into the analysis. This analysis is the critical beginning of the preparation of the housing element. Everything else — the number and type of sites needed, the goals and objectives, and the programs — flow from these needs determinations.

2. Analysis and Documentation of Household and Housing Characteristics (§65583(a)(2))

This analysis provides crucial information on the needs of existing households and the condition of the housing stock, and, therefore, helps provide a more complete picture of the real housing needs of the community. It should contain more than merely a recitation of Census data. Other, more current sources of data should be surveyed, and the information should be **analyzed**.

3. Inventory of Land and Analysis of Zoning and Public Facilities (§65583(a)(3))

This is the second critical portion of the assessment and inventory section. Here the community must provide a comprehensive inventory and analysis of sites that are available for housing development to address the identified needs. In addition to vacant sites, the element must contain a catalog of sites having the potential for redevelopment. And to determine whether the site is truly available for development for housing affordable to a particular income group, the element must indicate, for each site: the zoning, whether the site is sufficiently served by public facilities such as sewer and water, the slope and topography, and whether there are environmental barriers to development such as wetlands or toxic contamination.

The inventory should include definitions of all residential land use and zoning categories, including density ranges. For each category, the element should specify the amount of vacant acreage and the amount of acreage with potential for redevelopment or recycling, including the permitted and potential densities of the sites. In this context the analysis of zoning should consider the historical land use patterns, densities and indicated trends, and it should also indicate which sites are developable “as-of-right.” The analysis of public facilities should specify the availability of water, sewer and transportation and other infrastructure for the sites in each category. Finally, this section should describe the non-residential land resources and the potential for mixed-use zoning.

4. Analysis of Governmental Constraints and Efforts to Remove Them (§65583(a)(4))

This analysis provides the necessary corollary to the inventory of sites. Even if the community has enough sites to address its housing needs, building standards, fees, conditional use permit procedures, design review and protracted processing can present significant barriers to development of affordable housing.

Examples of constraints other than those listed in the statute include growth controls, moratoria, open space requirements, parking requirements, minimum street widths and lot sizes, maximum lot coverage, historic preservation, and restrictions on second units, mobile homes or mixed uses.

5. Analysis of Nongovernmental Constraints (§65583(a)(5))

Nongovernmental constraints can be just about anything outside the purview of government. At minimum, this analysis should consider the effect of market forces, environmental concerns and NIMBY opposition to the preservation, conservation and development of housing for all economic segments of the community. In analyzing the availability of financing the locality should consider financing for both developers and home buyers and the possibility of redlining. Environmental constraints include slope, seismic, water supply, toxic contamination, wetlands, flood plain, etc. The analysis of the effect of NIMBY sentiment should consider both the history of such opposition in the community and the opportunities for opposition provided by the community’s development approval processes.

6. Analysis of Special Housing Needs (§65583(6))

The analysis of these special housing needs for particular populations is an important corollary to the analysis of housing needs by income level required by subdivision (a)(1). While the assessment of need by income category provides an indication of the *number* of units that are needed, this analysis provides an indication of the *type* of housing that is needed. However, because the community’s share of the regional housing need is derived from projections that may have been based on inadequate data regarding farmworkers and homeless persons, the number of units needed for these populations may be in addition to regional needs numbers.

This section of the housing element should include an identification of the resources that already exist to serve these households, such as senior housing, transitional housing, housing for disabled persons and emergency shelters. It should also include an identification of the financial and other resources that are available, either locally or from state or federal sources, to compliment the existing resources. Some funding sources that should be considered are redevelopment funds, federal CDBG, HOME, HOPWA and McKinney Act funds, and public, subsidized and Section 8 housing resources.

7. Analysis of Opportunities for Energy Conservation (§65583(a)(7))

This part should assess both what subsidies and incentives are available from public and private sources for energy conservation and what changes could be made in the local building codes to increase energy conservation. *However*, it is important that any consideration of increased building code standards should address the potential constraints such changes may place on affordable housing development in the form of increased costs. The analysis should consider the importance of the energy conservation achieved in relation to the effect on housing affordability.

8. Analysis of Assisted Housing Eligible for Conversion (§65583(a)(8))

This provision is intended to address the potential loss of thousands of subsidized, privately-owned units throughout the state due to expiration of the affordability restrictions imposed as condition of a government grant, subsidized loan or mortgage insurance. The description and analysis should include: 1) an inventory of the units subject to expiration, 2) the preservation versus replacement costs, 3) public and nonprofit entities for potential acquisition, and 4) potential local, state and federal funding sources.

C. Statement of Goals, Quantified Objectives and Policies (§65583(b))

The second principal section of the housing element is the community's formulation of goals and policies and quantification of objectives addressing the housing needs, resources and constraints assessed and analyzed in the first part of the element.

There should be a corresponding goal and policy for each housing need, resource inadequacy and constraint identified in the assessment section of the housing element. In addition, there must be a quantified objective for each housing need identified in the first section.

The *goals* for meeting the housing needs should be at least equivalent to the entire identified needs. Recognizing that the community may not be able to marshal the resources to actually meet the full need and achieve the goals, the law permits the element to formulate quantified *objectives* for the number of units to be developed or assisted that are less than the total housing needs. However, these quantified objectives must establish the *maximum* number of housing units *by income category* (very low, low, moderate & above moderate) that can be developed or conserved over the time frame of the element. In order to demonstrate that the quantified objectives truly are the maximum, the element should include an indication of the bases for arriving at each number. In this context, the quantified objectives must be equated with the identified housing needs. *Buena Vista Gardens Apartments Assn. v. City of San Diego Planning Dept. (1985) 175 CA3d 289, 305.*

Therefore, the quantified objectives should, at minimum, list the number of housing units that can be constructed, rehabilitated and conserved for each income category of need (very low, low, moderate & above moderate). And if the construction objective is less than the regional share for an income level, the element should include a discussion of the process used to determine the number specified.

D. Program Setting Forth Five Year Schedule of Implementation Actions (§65583(c))

The final section of the housing element is the program of actions. In this part the community sets out concrete programs for fulfilling the goals, policies and quantified objectives established in the second section. Just as the second part of the element should include a corresponding goal/policy/objective for each need/resource deficiency/constraint identified in the first section, this final section should have a corresponding implementation action for each goal, policy and objective.

1. General Requirements– Types of Actions & Essential Elements

Generally, the program must contain a five-year schedule of implementation actions that address:

- Administration of land use and development controls.
- Provision of regulatory concessions and incentives.
- Utilization of appropriate federal and state financing and subsidy programs when available.
- Utilization redevelopment housing set aside funds (if the community has a redevelopment area).

Each specific action should have the following attributes:

- a. It must indicate “the agencies and officials responsible for the implementation.” (§65583(c)(6)(B))
- b. It must include a statement of the time frame or “schedule” in which the action will be carried out. The action must be scheduled within the five year time frame of the element. In *Buena Vista Gardens Apartments Assn. v. City of San Diego Planning Dept. supra*, 175 CA3d 289, the court found that in some cases it is appropriate for actions to be designated as “continuing.”
- c. HCD asks that each it contain calculations of the numbers of units to be assisted. (While one appellate court case found that this was not essential to legal compliance – *Buena Vista Gardens Apartments Assn. v. City of San Diego Planning Dept. supra* – at least with respect to the obligation to identify adequate sites (see discussion below), quantification of the number of units that can be accommodated by the sites is essential to determining whether sufficient sites have been identified to meet the community’s share of regional need.)

An implementation action that is specific and quantified is more likely to result in discernible, concrete results than a vague or generally “program.” For example, a program to “encourage development of affordable housing” is far less meaningful than a program to mandate development by committing the local government to adopt an inclusionary zoning ordinance by a particular date.

In addition to these general requirements, the program of actions must contain implementation actions in six specific areas, discussed below.

2. Identification of Adequate Sites (§65583(c)(1))

Based on the results of the inventory of sites prepared in accordance with the assessment section of the element, the program of actions must identify sites for a variety of types of housing sufficient to meet the community’s goals from the second section of the element. **This is one of the most important parts of the housing element because it obligates the community to zone sites at high enough densities to make the development of affordable housing feasible.** In general, the program must identify sites that:

- Will be made available for development during the time frame of the element,
- Are served by infrastructure so that they are actually available for development, and
- Have zoning and development standards that facilitate and encourage a variety of housing for all income levels, including:
 - Multifamily rental housing
 - Factory built housing

- Mobilehomes
- Emergency shelters (which includes shelters for homeless persons)
- Transitional housing.

The number of and types of sites made available must be correlated to the community's goals.

In 1997 the Court of Appeal, in the context of explaining the specific obligation to identify sites for homeless shelters and transitional housing, held that to qualify as adequate and "available" a site:

is one available for immediate development, which is located within reasonable access to public agencies and transportation services; will not require unusually high site development costs; has available public services and facilities; is consistent with the General Plan designation and site zoning so as to permit development of, conversion to or use of, a shelter or transitional housing without undue regulatory approval; and is consistent with applicable parking requirements, fire regulations and design standards.

Hoffmaster v. City of San Diego (1997) 55 Cal.App.4th 1098. Therefore, although one appellate court case indicated that the identification need not provide specific sites (*Buena Vista Garden Apartments Assn., supra.*), the more recent Hoffmaster decision from the same appellate district found otherwise:

for identification to be meaningful, it must necessarily be specific. It must set for sites which will be available to be developed, without restrictive zoning burdens which combined with the NIMBY (Not In My Back Yard) factor... become insurmountable or produce protracted delays and deterrent cost increases.... Finally, through its action program, City bears the responsibility to ensure the regulatory process actually encourages the development of emergency shelters and transitional housing.

a) *Sites For Low & Very Low Income Household Needs (§65583(c)(1)(A))*

Where the inventory reveals insufficient sites to accommodate the housing needs for all income levels, the program section must provide sufficient sites, developable "by right" at multifamily densities, to accommodate the housing for very low and low income households.

Use "by right" means the use does not require a conditional use permit, except where the proposed project is a mixed use project.

This obligation (to zone multifamily sites as developable "by right" if there are insufficient sites to meet the community's share of the regional housing need for very low and low income housing) must be applied in conjunction with §65913.1 (the "least cost" zoning statute). That section requires communities to zone sufficient sites to meet the entire share of the regional housing needs. **Taken together, these linked obligations mandate the locality's program of actions to go beyond identifying sites to meet the element's goals and identify sites to meet the community's total need, at least for very low, low and moderate income households.**

Consequently, in addition to identifying sites that are available, served by infrastructure and zoned for multifamily development by right, to comply with the obligation to identify *adequate* sites, the implementation action must indicate that there are enough sites to accommodate the community's share of the regional need.

b) *Sites for Farmworker Housing (§65583(c)(1)(B)).*

Similar to the requirement to zone sites for by-right multifamily development where the inventory of sites falls short of the community's share of the regional need, §65583(c)(1)(B) triggers an obligation to include an implementation action requiring zoning that permits farmworker housing development by-right where the inventory does not include enough sites to meet the community's need for farmworker housing. The community is required to assess the need for farmworker housing in the first section of the housing element. (§65583(a)(6)) As with sites for very low and low income housing, the sites identified for farmworker housing must be zoned at densities that make the development of housing for low and very low income farmworker households feasible. The sites also must not be subject to development standards so restrictive as to undermine development feasibility.

c) *Alternative Methods of Identifying Sites (§65583.1).*

Just as the inventory of sites may include developed sites with redevelopment potential as well as vacant land (§65583(a)(3)), HCD is authorized to allow identification of sites by a variety of means, discussed below.

■ **Redevelopment, Rezoning and Annexation (§65583.1(a)).** In this context, HCD will allow sites with the following redevelopment potential:

- Mixed use zoning
- Second units
- Recycling of developed land to residential use
- Increasing densities of under utilized land.

HCD will also, in some circumstances, permit a community to identify sites by an implementation action that results in rezoning vacant, nonresidential land or in annexation of land for residential use. The inclusion of these kinds of sites is only appropriate if the implementation action includes a requirement that the rezoning or annexation occur in sufficient time to permit development during the five year period of the element.

- **Military Base Reuse (§65583.1(b)).** Site identification may also include permanent housing units on military bases undergoing closure in limited circumstances. The site must be available during the period of the housing element and sites designated for demolition or conversion do not qualify.
- **Rehabilitation, Acquisition or Subsidy (§65583.1(c)).** Although a primary purpose of the housing element obligation is to ensure that communities *increase* the supply of housing to meet their unmet needs, the Legislature has recognized that in some circumstances the rehabilitation of dilapidated housing or the preservation or conversion of existing units is an appropriate and necessary means of increasing the supply of housing for low and very low income households. §65583.1(c) permits HCD to allow a community to:

substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element...if the community includes in its element a program committing the local government to provide units in that category with the city or county that will be made available through the provision of committed assistance during the planning period...to low- and very low income households at affordable housing costs or affordable rents....

This section is quite intricate, and anyone faced with a jurisdiction attempting to utilize the provision should consult HCD's interpretation letter of October 26, 1998 (available upon request from HCD). In summary, the provision permits HCD to allow communities to subtract from the number of sites they must identify in any income category a number equal to the number of units provided through a housing element implementation action that increases the supply of units through the provision "committed assistance" to rehabilitate dilapidated units, convert non-affordable units to affordable units, or preserve existing affordable units during the time frame of the element. If the committed assistance is not provided by the third year of the housing element period, the community must amend its element by the fourth year to identify adequate sites to accommodate the number of units that were not provided.

- **Rehabilitated Units (§65583.1(c)(2)(A)).** To qualify, rehabilitated units must be extremely dilapidated, any tenant must be provided with full relocation benefits and the right to reoccupy, and the units must remain affordable for 20 years (except that units affordable between 10 and 20 years may be counted on a 1 to 3 basis—i.e., for every three units rehabilitated, one unit may be subtracted from the regional needs).

- Market Rate Units in Multifamily Complexes (§65583.1(c)(2)(B)). Eligible units are rental complexes of 16 units or more that are nonaffordable and unoccupied by low or very low income households and are converted to units available and affordable to low or very low income households for 30 years through acquisition or the purchase of “affordability covenants.”
- Preservation Units (§65583.1(c)(2)(C)). A community may receive credit towards their site identification obligation if it preserves existing government subsidized units for a period of at least 40 years through acquisition or the purchase of affordability covenants.

3. Assist in the Development of Affordable Housing (§65583(c)(2))

The program must include implementation actions that provide some assistance in the development of housing to meet the community’s affordable housing needs. Assistance is can probably take many forms, but the action should be concrete and specific. This is where the program might address the *utilization of redevelopment low and moderate income housing funds and the use of federal and state subsidies* (as required by general portion of §65583(c), see above).

4. Address and Remove Governmental Constraints (§65583(c)(3))

Corollary to the requirement to analyze governmental constraints in the first section of the housing element (§65583(a)(4)), §65583(c)(3) mandates that for each constraint identified the program section should include an implementation action that addresses and removes the constraint “if appropriate and legally possible.”

If the implementation actions addressing constraints do not provide for removal of each constraint, the program should explain the reason for the decision not to remove, *i.e.*, an explanation of why it is not appropriate and/or not legally possible to remove the constraint. An example of a constraint that is not legally possible to remove would be a growth restriction law adopted by initiative.

Actions pursuant to this subdivision could also include some of the actions required by the general part of §65583(c): 1) actions providing for *regulatory concessions and incentives* for the development of affordable housing (such as the concessions and incentives described the Density Bonus law– §65915); and 2) actions addressing the *administration of land use and development controls*.

5. Conserve and Improve Condition of Affordable Housing Stock (§65583(c)(4))

§65583(c)(4) requires the inclusion of implementation actions that conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action. Actions under this subdivision must, at minimum, address any needs based on housing characteristics, including *overcrowding* and *housing conditions* identified in the analysis required in the first section of the element. (§65583(a)(2)) They should also focus on issues of *code enforcement* and *inspection*. And, this subdivision provides an opportunity for communities to address the issues of *controlling demolitions* and requiring *relocation benefits* for persons displaced.

San Diego failed to substantially comply with this requirement where its element included no programs addressing conservation of mobile home parks or affordable apartments (*Buena Vista Gardens Apartments Assn. v. City of San Diego Planning Dept. supra, 175 CA3d 289*)

6. Promote Fair Housing (§65583(c)(5))

Under *§65583(c)(5)* the program of actions must include actions that promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color. While the language mentions particular groups, the provision requires components that promote fair housing for *all persons*. In this context, HCD has construed the obligation to mean that the program must address all groups currently protected by state and federal fair housing laws, and the protected characteristics now include *disability, families with children, source of income, and sexual orientation*. (See §12955 *et seq.*)

Implementation actions in this area should at the very least provide some means receiving, investigating and resolving complaints of discrimination. The actions should also address discrimination by lenders.

In addition to protecting the protected classes from discrimination in the sale and rental of housing, state and federal fair housing laws also prohibit local governments from discriminating in the exercise of their land use and zoning powers. (See §§12955(l) and 65008) Those protected include, not only the traditional classifications, but the **developers and occupants of low and moderate income housing, transitional housing and emergency shelters**. Any local law or policy that treats subsidized housing or the low-income occupants of subsidized housing differently than market rate housing or its occupants violates these laws. Consequently, the implementation actions should address both discrimination in the sale and rental of housing and in the land use laws, policies, and actions of the local government.

In preparing this part of the program of actions, the local government should also keep in mind that the fair housing laws prohibit laws and actions that have a *discriminatory effect* on the protected groups as well as those that intentionally discriminate. (See §12955.8) An outwardly neutral practice— such as a prohibition on the development of multifamily housing— could violate the fair housing laws if the exclusion of multifamily housing falls disproportionately on minority households or low-income households.

7. Preserve Assisted Housing (§65583(c)(6)(A))

The statute mandates inclusion of a very specific action to preserve assisted housing threatened with conversion to market-rate housing. Every assisted development identified in the assessment portion of the housing element (*§65583(a)(8)*) as being at risk of conversion to market rate housing must be addressed with an implementation action. And to the degree necessary the actions must provide for the application for and utilization of any available federal, state or local funding, unless the community can demonstrate that it has “other urgent needs” for the funding. Other urgent needs would probably include completion of new assisted housing to which the locality has already made a commitment, or the development of replacement housing for the units being lost.

8. Public Participation (§65583(6)(B))

As explained previously, local governments must do more to solicit public input on the preparation of the housing element than hold public hearings prior to adoption. *§65583(6)(B)* requires the housing element to describe the public participation process employed by the locality. (However *Buena Vista Gardens Apartments Assn. v. City of San Diego Planning Dept. supra, 175 CA3d 289* held failure to include this is not fatal if adequate participation was *actually* achieved.)

The program of actions must demonstrate that the locality to affirmative steps to get input from low income persons and their representatives as well as other members of the community *in the development* of the housing element. This means that input should be sought, received and considered *before* the draft housing element is completed. Examples of ways of achieving public participation include setting up citizen advisory committees, the circulation of initial drafts to interested persons and groups, and targeted outreach such as presentations to community groups, public meetings and public service announcements.

9. Consistency with the General Plan and Other Community Goals (§65583(c)(6)(B))

Finally, the program of actions must describe how consistency with other elements of the general plan and other community policies will be achieved. Because the housing element is the only element of the general plan that must be updated regularly, it is quite possible that goals and policies and implementation actions developed when the element is revised could conflict with those of other elements. This is often the case with the land use element, which addresses the land use designations and zoning and, therefore, necessarily overlaps with the housing element. As part of the revision of the housing element the land use element may need revision as well in order to achieve consistency between the elements. The program should address this and provide an implementation action requiring the revision of any inconsistent elements at the time the final housing element is adopted.

The community may also have other land use documents that contain policies and programs that may be inconsistent with the revised housing element. These could be a local redevelopment plan or stand alone statement of policy (e.g., “Mayor’s Housing Program”). The housing element preparation process should identify and resolve these conflicts, and this should be described in the final element.

E. Additional Requirements for Coastal Zone Communities (§65588(c) & (d))

§65588(c) requires that communities in coastal zones must take into account the affordable housing provided or required pursuant to coastal zone affordable housing mandates of *§65590* (the “Mello Act”). *§65590* obligates the protection of existing units occupied by low or moderate income households (including mobile homes and residential hotels), limiting demolition or conversion of those units. When demolition of low or moderate income units is permitted, replacement housing must be provided. And, where *feasible*, new development must include low and moderate income housing.

§65588(d) requires that the review of these coastal zone obligations in the updated housing element must, at least, include:

1. The number of units approved for construction after January 1, 1982.
2. The number of affordable units required to be provided either within the coastal zone or within three miles of the zone.
3. The number of units occupied by low and moderate income households authorized for demolition or conversion since 1982.
4. The number of low and moderate income units required, either within the coastal zone or within three miles of it, to replace those units demolished or converted.

§65588(c) also mandates that the review and revision of the housing element “take into account” the units required or provided pursuant to *§65590*. This indicates that these units should be given specific attention in each section of the housing element. For example, the units that have not yet been provided should be added to the housing needs assessment in the first section of the element and to the quantified objectives in the second section. And the program section of the updated element should include implementation actions to:

1. Identify sites for these units (*in accordance with §65583(c)(1)*).
2. Include implementation actions to provide any necessary development assistance (*under (c)(2)*).
3. Address any constraints to their development (*under (c)(3)*), and
4. Describe the ways the loss demolished units will be mitigated (*under (c)(4)(conservation)*).

Appendix B

Housing Element Review Worksheet

This appendix has been excerpted with permission from the State of California, Department of Housing and Community Development.

Locality _____ Draft _____ Adopted _____ HCD Receipt Date _____
 Contact Person _____ Phone # _____ Coastal Zone _____

Section numbers refer to the Government Code Article 10.6. Please provide the information referred to and the element page number(s) where the information is located.

I. Review and Revision

	Page #
A. Evaluation and revision of the previous element according to the criteria of Section 65588(a) and (b).	_____
“Effectiveness of the element” (Section 65588(a)(2)): a review of the actual results of the previous element’s goals, objectives, policies, and programs. The results should be quantified where possible (e.g., mitigation of governmental constraints).	_____
“Progress in implementation” (Section 65588(a)(3)): An analysis of the significant difference between what was projected or planned in the previous element and what was achieved.	_____
“Appropriateness of goals, objectives and policies” (Section 65588(a)(1)): A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the previous element.	_____

II. Housing Needs (65583(a))

	Owner	Renter	Total	Page #
A. Number of existing households and housing units				
1. Households	_____	_____	_____	_____
2. Housing units	_____	_____	_____	_____
B. Lower income households overpaying for housing				
1. Total number	_____	_____	_____	_____
2. percent lower income	_____	_____	_____	_____
C. Special housing needs analyses and estimated number of households				
1. Disabled	_____	_____	_____	_____
2. Elderly	_____	_____	_____	_____
3. Large households	_____	_____	_____	_____
4. Farmworkers	_____	_____	_____	_____
5. Families with female head	_____	_____	_____	_____
6. Homeless	_____	_____	_____	_____
7. Other _____	_____	_____	_____	_____
D. Number of overcrowded households	_____	_____	_____	_____
E. Number of housing units needing rehabilitation	_____	_____	_____	_____
F. Number of housing units needing replacement	_____	_____	_____	_____
G. Analysis of existing assisted housing projects at-risk	_____	_____	_____	_____

II. Housing Needs (continued)

Page # _____

- H. Five-year projected new construction needs, including the locality's share of the regional housing needs as determined by COG or HCD, specify the time frame of the projections _____ and enter the construction need figures in the table below.

<i>Income Category</i>	<i>Five Year Construction Needs</i>
Very low (0-50% of median income)	_____
Other lower (50-80%)	_____
Moderate (80-120%)	_____
Above Moderate (over 120%)	_____
Total Units	_____

- I. Employment and population trends _____

III. Land Inventory (Sections 65583, 65583(a))

Summarize in the table below the information on sites suitable for residential development within the five-year planning period of the element. List page(s) where this topic is discussed, including the discussion of availability of services and facilities for the sites identified in the land inventory.

Zoning/permitted housing type	Number of acres	Density range (units/acre)	Availability of services & facilities (e.g., infrastructure)	Dwelling unit capacity	Page No.
Single family					
Multifamily and rental					
Mobilehomes, manufactured housing, mobile-home parks					
Emergency shelter and transitional housing					
Farmworker Housing					
Sites with residential redevelopment potential and or mixed-use (within timeframe of element)					
Currently non-residential					
Other					
TOTAL					

IV. Constraints on Housing (Section 65583(a)(4) and (5))

List pages where the housing constraints listed below are discussed: Page #

A. Governmental Constraints

- Land use controls (e.g., zoning, growth controls, open space requirements) _____
- Codes and enforcement (e.g., any local amendments to UBC, degree or type of enforcement) _____
- On/Off-site improvements (e.g., curbing requirements, street widths, circulation improvements) _____
- Fees & exactions (permit fees & land dedication or other requirements imposed on developers) _____
- Processing and permit procedures (e.g., processing times, approval procedures) _____
- Other governmental constraints _____

B. Nongovernmental Constraints

- 1. Availability of financing _____
- 2. Price of land _____
- 3. Cost of construction _____
- 4. Other nongovernmental constraints _____

V. Quantified Objectives (Section 65583(b))

List quantified objectives for the maximum number of housing units (by income level) over the five-year time frame of the element to be:

	Very Low	Low	Moderate	Above Moderate
A. Constructed	_____	_____	_____	_____
B. Rehabilitated	_____	_____	_____	_____
C. Conserved	_____	_____	_____	_____

VI. Other Topics

List pages where the following topics are discussed:

- A. Efforts to achieve public participation of all economic segments of the community in the development of the element (Section 65583(c)) _____
- B. Analysis of opportunities for energy conservation in residential development (Section 65583(a)(7)) _____
- C. Description of means by which consistency will be achieved with other general plan elements (Section 65583(c)) _____
- E. For Coastal Zone localities, list the pages where the required information regarding construction, demolitions, and conversions within the coastal zone are provided Section (65583(c) and (d)). _____

VII. Housing Programs (65583(c)). Summarize programs in the element.

Program Purpose	Program Action(s)	Agency Responsible	Time Frame	Page No.
<p><i>Provide adequate sites (65583(c)(1))</i></p> <p>1 Insure total dwelling capacity equal to new construction need</p> <p>2 Provide sites suitable for a variety of types of housing for all income levels, including rental housing and manufactured housing, homeless shelters and transitional housing, farmworker housing</p>				
<p><i>Assist in the development of adequate housing to meet the needs of low and moderate income households (65583(c)(2))</i></p> <p>1 Utilize federal and state financing and subsidies</p> <p>2 Provide regulatory concessions and incentives</p>				
<p>Address and, where appropriate and legally possible, remove governmental constraints (65583(c)(3))</p> <p>1 Land use controls</p> <p>2 Building codes</p> <p>3 Site improvements</p> <p>4 Fees and exactions</p> <p>5 Processing and permit procedures</p>				
<p>Conserve and improve the condition of the existing affordable housing stock (65583(c)(4))</p>				
<p><i>Preserve Units At-Risk (65583(c)(6))</i></p>				
<p><i>Program to promote equal housing opportunities (65583(c)(5))</i></p>				

Appendix C

Housing Element Questions and Answers

This appendix has been excerpted with permission from the State of California, Department of Housing and Community Development document, *Q&A, Housing Element Questions and Answers, Housing Element Workshops, September 2000.*

PUBLIC PARTICIPATION

Existing Needs

Q1: Why is public participation critical to updates?

A: Housing issues affect the entire community — residents and employers, the public and private sectors. The public participation requirement of housing element law presents an opportunity to engage constituents in a dialogue – defining problems and creating solutions.

Public participation involves soliciting input from all citizens. The inclusion of community stakeholders in the housing element public participation process helps ensure appropriate housing strategies are more efficiently and effectively developed, implemented, and evaluated. An inadequate public participation process may lead to community conflict or in worse case scenarios, anti-development initiatives, and NIMBYism.

Q2: Who should be included in the public participation process?

A: Current and potential beneficiaries of housing programs and services and their advocates (lower-income representatives, tenants of affordable complexes – especially those at-risk of conversion, groups targeted for special housing needs consideration, community based organizations, health and human service providers, homeless shelter and service providers, etc.) are invaluable sources of housing element information and data. These groups and their representatives are a good source of information for the required needs analyses, especially when revisions are required in between census updates. For example, senior citizen organizations can usually describe the availability of services for seniors. Legal Services organizations may be able to describe anecdotal information on the number of complaints about fair housing issues, substandard housing conditions, and other housing related problems.

Various community stakeholders including neighborhood leaders, local businesses, major employers, and environmentalists can be mobilized through the housing element participation process to collaborate on housing issues. Developing a variety of housing types for all income groups appropriate to each unique community is a major community-wide undertaking. Responsible public participation can serve to build consensus among constituents for the design and implementation of realistic housing programs. Committed public participants can support an adopted housing element and deflect opposition to future housing projects.

Development professionals including local builders, for- and non-profit developers, architects, trade labor unions, realtors, mortgage bankers and brokers, area lenders, and others can also be significant contributors to the development of an effective housing element. They can provide base-line data (e.g., land and construction costs, current for-sale housing prices and rents, area mortgage lending and availability) and describe practical experience regarding development opportunities and barriers in the community.

Q3: What actions can a local government undertake to achieve effective public participation of all economic segments of the community?

A: An effective public participation process should begin at the outset of the housing element update process. Members of the community should be involved in evaluating the accomplishments of the previous element, identifying current needs, resources and constraints, as well as assisting in the development of community goals, policies and actions. Most communities engage residents in the process prior to preparing the draft element.

In addition to holding required public hearings at the planning commission and city council or board of supervisor level, an adequate and effective citizen participation process must include additional steps to ensure the public participation of all economic segments of the community (including low- and moderate-income households). Many local governments have found the following actions useful in facilitating an effective participation process:

- Establish an ongoing public participation process. This may involve establishing an ad-hoc, appointed, or volunteer task force and/or citizen advisory committee to oversee the status of housing plans and programs. Some jurisdictions conduct open annual housing study sessions and/or hold periodic neighborhood based meetings to increase participation. Alternatives to traditional public meetings/hearings include more “hands-on” approaches like sponsoring “open houses” and/or conducting tours of successful affordable housing projects.
- Conduct special advertising and outreach campaigns to targeted church groups, low-income organizations, seniors, and community and service groups. Post notices regarding public meetings about the housing element at community centers, libraries, city hall, social service offices, on buses, and throughout the community in public places. Information can also be included in local utility bills or other publications.
- Based on the diversity of the community, consider distributing public participation and housing element information in languages other than English.

Local governments that prepare a Consolidated Plan in order to directly receive federal housing and community development funds are also required to conduct a thorough citizen participation process. Local redevelopment agencies are required to hold public hearings on implementation and affordable housing production plans (Health and Safety Code Section 33413(b)(4)).

Many communities combine housing element, redevelopment, and Consolidated Plan, including the Impediments to Fair Housing, and Public Housing Agency Plans’ public participation processes. Since the requirements are similar and planning consistency facilitates implementation (and in many cases is required), the jurisdiction should consider coordinating the drafting, public participation process and implementation of these and other related plans. Coordination in the development of all of these plans helps local governments avoid duplication of effort and ensures consistency in planning.

Q4: How can the update process enhance community and regional planning efforts?

A: The housing element process can be used to implement sound housing and community development planning. Creating sustainable and livable communities that enhance the quality of life is an important goal. The update process can serve as a vehicle for advocating “smart growth” housing strategies. Promoting more compact development, recycling, mixed use and infill, pedestrian-friendly, and transit-oriented developments allow communities to take advantage of existing infrastructure, revitalize older neighborhoods and downtowns, improve air quality, reduce traffic congestion, and curb urban sprawl. Incorporating these concepts into the housing element update helps ensure their effective implementation.

The update process can also create a strong base of support for local officials when issues or controversies arise during implementation of the housing element. Community residents and stakeholders who have contributed to the element's development are more likely to attend public hearings and meetings and support local officials in their implementation efforts.

The housing element update process can function as an informational and public relations tool to better educate the community on who really needs affordable housing (e.g., service workers, teachers, fire fighters, first-time homebuyers, those at risk of homelessness, etc.) and how an adequate supply of safe and affordable housing and the development of a variety of housing types provides significant economic and social benefits to the entire community. Planning for an adequate supply of housing to keep pace with both population and job growth is integral to the overall economic vitality of a community and critical to the quality of life of all residents.

PREVIOUS ELEMENT REVIEW AND REVISE

Q5: Why is the periodic review important?

A: The review and evaluation of the previous housing element is the critical first step in an effective housing element update process. A thorough review and revision of the previous element facilitates a more comprehensive update and ensures the element can be more effectively and efficiently implemented in the current planning period.

The “review and revise” evaluation is a three-step process:

- **Section 65588(a)(2): “Effectiveness of the element”** - Review the results of the previous element's goals, objectives, policies, and programs. The results should be quantified where possible (e.g., the number of units rehabilitated), but may be qualitative where necessary (e.g., mitigation of governmental constraints).
- **Section 65588(a)(3): “Progress in implementation”** - Compare what was projected or planned in the previous element to what was actually achieved. Analyze the significant differences between them. Determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- **Section 65588(a)(1): “Appropriateness of goals, objectives and policies”** - Based on the above analysis, describe **how** the goals, objectives, policies and programs in the updated element are being changed or adjusted to incorporate what has been learned from the results of the previous element.

Many communities cross reference and use the annual progress report (Government Code Section 65400) as a useful source of information for review of the previous housing element. *See Q59.*

Q6: How often should it be revised or updated?

A: The statute requires at least five-year updates in accordance with the statutory schedule. Periodic review of the housing element is also necessary in order to determine whether a revision is required **prior** to the five-year update cycle. If the locality determines that one or more of the following conditions exist, it may be appropriate to revise the housing element **between** statutory updates.

- New policies, regulations, or requirements are proposed for adoption that may inhibit the communities' ability to comply with housing element law or effectively implement housing programs (e.g., growth control ordinances or measures).
- The stated housing goals, objectives, and policies are not effective in providing housing for the existing and

projected needs of all economic segments of the community.

- Housing units are not being produced in adequate numbers and at the necessary price levels to achieve the stated housing goals and quantified objectives.
- A comprehensive general plan update is underway or other portions of the general plan have been amended, making it necessary to revise the housing element to achieve internal consistency pursuant to Section 65583 (c)(6)(B).
- Significant new development not contemplated at the time of the regular revision of the element has occurred or is planned.

HOUSING NEEDS ASSESSMENT

Existing Needs

Q7: What constitutes an adequate analysis of existing housing needs?

A: Existing housing needs include current basic information such as total households by household income, vacancies, and lower-income households overpaying for housing. A thorough community profile typically includes the following quantification and qualitative data and descriptive household information:

- **Total population and demographics** (e.g., age, sex, race/ethnicity, etc.) - Many jurisdictions also discuss population changes over time.
- **Total number of households in the community** - The Department of Finance (DOF) prepares annual population estimates including population, households and dwelling units. The E-5 report is available yearly in May.
- **Tenure characteristics** - The number of renter and owner households in the community.

In addition, the statute specifically requires the housing element to include an assessment of households overpaying:

- **Compare level of payment with ability to pay** - In comparing level of payment with ability to pay, the number of lower-income households (those at or below 80 percent of the median income) who are overpaying for housing should be quantified.

Overpaying is defined in terms of a percentage of the gross household income a household spends for housing including utilities. Overpaying for housing is also known as the housing cost burden. Thirty percent of gross household income is the standard affordability level. Severe overpaying occurs when households pay 50 percent or more of their gross income for housing. The element should estimate the number of lower-income households paying more than 30 percent of their income for housing and the number of households who pay 50 percent or more of their gross income for housing. This information is available by tenure (owner/renter).

Q8: What housing characteristics should be documented and analyzed?**A:**

- **Total number of housing units** - Where possible, the element should describe the distribution of units by type (single-family, multifamily, mobilehomes), as well as any changes in that distribution since the last housing element update.
- **The condition of the housing stock, including the total number of substandard units (e.g., those in need of rehabilitation [repair] and those in need of replacement [demolition])** - The number of units to be rehabilitated and/or replaced may be estimated from a recent (within the last five years) windshield survey or sampling, estimates from the local building department, knowledgeable builders/developers in the community, nonprofit housing developers or organizations and redevelopment agencies. Estimates can also be derived from census data such as percentage of units built before 1960, which can serve as an estimate of the maximum rehabilitation need.
- **The incidence of overcrowding** - The Census defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. Localities are to estimate the number of households that live in overcrowded and severely overcrowded units. The incidence of overcrowding frequently parallels the incidence of large households.

Many communities also analyze other household and housing characteristics:

- Median area sales prices and typical rents including area Fair Market Rents (FMRs).
- Vacancy rates for homes and rentals.
- Fair housing/fair lending complaints filed with local, State, and federal fair housing organizations and departments.

Additional information about need data sources is available from HCD.

Special Housing Needs**Q9: How do special housing needs differ from other housing needs and why is an analysis of special housing needs important?**

A: Special needs are those associated with relatively unusual occupation or demographic groups such as farmworkers or large families, or those which call for very specific program responses, such as preservation of residential hotels or the development of four bedroom apartments.

A thorough analysis of the special needs groups helps a locality identify groups with the most serious housing needs in order to develop and prioritize responsive programs. A special needs assessment starts with general knowledge of the community's demographics. The housing element should analyze the needs of each group specifically mentioned in statute as well as any other group the locality deems appropriate. The analysis should include a discussion of the nature of the special housing need of each group as well as quantification of the need.

Q10: What information should be included in an analysis of special housing needs and where can a locality find information about special housing needs?

A: A thorough analysis would include the following:

- A quantification of the total number of persons, households (e.g., 600 elderly households).
- A quantification and qualitative description of the need. For instance, in the example listed above, of the 600 elderly households, census data reveals that 400 are homeowners and 200 are renters and that 250 of all elderly households have incomes below the poverty level. A qualitative description of the need would include a description of the potential housing problems faced by the group. For example, the analysis of elderly need might show that an estimated 30 percent of elderly households below the poverty level live in substandard housing, indicating a housing rehabilitation need. Most local governments consult information available from service providers, housing or service waiting lists, and data on income and housing costs to identify special housing needs.
- Identification of potential program or policy options and adequate resources to address the need.

Q11: What information should be included in the analysis of homeless need to facilitate the identification of adequate site for emergency shelters and transitional housing?

A: A thorough analysis would include:

- An estimate or count of the daily average number of persons lacking permanent shelter. Wherever possible, this figure should be divided into single males and females, and families (one or more adults with children). These subgroups require significantly different types of shelter.
- As local data allows, also include the mentally ill, developmentally disabled, substance abusers, survivors of domestic violence, and other categories of homeless considered significant by the jurisdiction.
- An inventory of the number, approximate location, and type of existing shelter beds, hotel/motel vouchers, and units of transitional housing available. Present shelter resources by type (e.g., family shelter beds, homeless adult female housing, transitional living units, etc.).
- An estimate, derived from the figures above, of the number of additional beds or shelters and transitional housing units needed.

Q12: What information should be included in the analysis of farmworkers to facilitate the identification of adequate sites for farmworkers?

A: The element should estimate the number of permanent and migrant farmworkers within the community. The analysis should describe the zones where housing for farmworkers are allowed and under what conditions and evaluate whether sufficient opportunities for housing for migrant and permanent farmworkers exists.

The State encourages cities and counties to work cooperatively to identify and address farmworker housing needs.

If adequate sites for farmworker housing have not been identified, the element must include a program that provides farmworker housing uses by right. *See Q45.*

At Risk Assisted Housing Developments Needs Analysis

Q13: What assisted housing must be inventoried?

A: Assisted housing developments are multifamily rental housing complexes that receive government assistance under any of the following federal, state, and/or local programs (or any combination of rental assistance, mortgage insurance, interest reductions, and/or direct loan programs) which are eligible to change to market-rate housing due to termination (opt-out) of a rent subsidy contract (e.g., Section 8), mortgage prepayment (e.g., FHA), or other expiring use restrictions (e.g., State or local programs) **within the 5-year planning period of the housing element and the subsequent 5-year period.**

- **Federal programs listed in subdivision (a) of Section 65863.10**
HUD Section 8 - U.S. Housing Act of 1937
 Lower-income Rental Assistance project-based programs:
 (1) New construction, (2) Substantial or Moderate Rehabilitation, (3) Property Disposition, (4) Loan Management Set Aside (LMSA),
 Section 101 Rent Supplements – U.S. Housing Act of 1965
HUD Section 221(d)(3) BMIR Mortgage Insurance
HUD 221(d)(3) market rate, HUD 221(d)(4) market rate
HUD Section 236 Interest Reduction Payment Program
HUD Section 202 Direct Loans for Elderly or Handicapped – U.S. Housing Act of 1959
HUD Section 213 Cooperative Housing Insurance.
- **Rural Housing Services (formerly Farmer's Home Administration) 515 Rural Rental Housing Loans – U.S. Housing Act of 1949**
- **Federal Community Development Block Grant Programs**
- **State (e.g., California Housing Finance Agency and HCD) and local mortgage revenue bond programs**
- **Local redevelopment agency units assisted with Low- and Moderate-Income Fund**
- **Local in-lieu fees and inclusionary housing programs**
- **Local density bonus and direct assistance units**

Q14: What constitutes an adequate analysis of government assisted at-risk units?

A:

A. Prepare an Inventory

Prepare an inventory of all units at-risk of conversion within the current planning period and subsequent 5-year period (e.g., 2000 – 2010).

If there are no units at-risk in the locality during the ten-year period, ***complete the checklist in the Appendix, which is available from HCD.*** As part of the analysis, describe how the locality determined and verified no units are at-risk of conversion during the planning period and subsequent ten years.

List each development by project name and address, type of governmental assistance received, 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. Where a property has more than one subsidy type, analyze each type separately.

Contact HCD's Division of Housing Policy Development to confirm federally-assisted units with expiring/terminating Section 8 contracts or FHA prepayments at (916) 445-4728 or website www.hcd.ca.gov/hpd/hrc/tech/presrv/ and to determine the status of HCD's funded programs (Deferred Payment Rehabilitation Loan, California Natural Disaster Assistance, California Housing Rehabilitation Program Rental Component, Farmworker Housing Grant, and Special User Housing Rehabilitation Loan) and projects with expiring affordability controls.

Contact the California Housing Finance Agency (CHFA) to inquire about bond-financed projects with terminating use restrictions at www.chfa.ca.gov.

Contact Rural Housing Services to confirm the status of rural housing with expiring use restrictions at website <http://www.rurdev.usda.gov>.

Determine the condition of existing assisted housing developments to facilitate the replacement versus preservation cost analysis. Depending on the age and condition of the project, rehabilitation costs may have to be added to the acquisition costs in order to preserve the project.

Note the first projects developed using the State Low Income Tax Credits (although not required to be included in the preservation analysis by statute) may also warrant listing in the inventory as use restrictions on many of these projects expire within the ten-year timeframe.

Contact the California Tax Credit Allocation Committee (TCAC) through the State Treasurer's Office at www.treasurer.ca.gov to confirm tax credit units at-risk.

Contact the California Debt Limit Allocation Committee (CDLAC) also through the State Treasurer's Office to confirm revenue bond-financed at-risk units.

B. Assess the Conversion Risk

Risk of conversion and displacement of low-income tenants varies significantly from project to project depending on market, ownership, and project-based factors (size of units, location, condition of property, etc.).

Assess overall potential conversion risk based on the total number and type of units at-risk, total number of potentially displaced households, and the economic condition of the local housing market, especially in areas with high housing costs and/or low vacancy rates.

C. Estimate and Analyze Costs

Estimate and analyze the costs of replacement versus preservation for units at-risk in the current five-year planning period.

This analysis determines whether replacement (new construction), or preservation (acquisition and rehabilitation, and/or direct rental subsidy commitments) will be the most economical approach to preserving at-risk units. Current local market rents are key to determining whether use restrictions and affordability controls can be feasibly extended under HUD's Mark-to-Market (where subsidized units have contract rents above market) and Mark-Up-To-Market (where subsidized units have contract rents below market) or other state or local preservation programs.

Estimate the costs of producing new rental housing (comparable in size and rent levels to existing at-risk units) to replace the units that could change from low-income use. Use current land costs and either current construction costs (square footage rates for multifamily development) or the actual cost of recently completed units.

Estimate the cost of preserving the identified assisted housing developments including acquisition and rehabilitation costs long-term affordability controls and project based rent subsidies.

A project-by-project cost estimate is not required (Section 65583(a)(8)(B)).

D. Identify Entities Qualified to Preserve At-Risk Units

Identify local public agencies, public or private nonprofit corporations, and for-profit organizations with the **legal and managerial capacity** to acquire and manage at-risk projects (Section 65583(a)(8)(C)). New purchasers must agree to long-term affordability controls.

Contact potential qualified entities to assess their interest in acquiring and managing at-risk properties. Contact HCD for a list of eligible entities interested in participating in the State's **First-Right-of-Refusal Program pursuant to Government Code Section 658363.11 as amended January 1, 2001**, or to refer potential local qualified entities who wish to be placed on the list.

E. Identify Financing and Subsidy Resources

Identify and consider the use of **all** federal, state, and local financing and subsidy programs as preservation resources. At minimum include federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency, and the administrative fees received by a housing authority operating within the community as well as other available local financing/subsidy programs. Also include HOME funds as a potential source of revenue.

Identify the amount of funds under each program, which have not been legally obligated for other purposes and could be available for use in preserving assisted housing development (Section 65583(a)(8)(D)).

Indicate which of all available federal, state, and local financing and subsidy programs will be targeted for **specific** preservation program actions (e.g., replacement, preservation through acquisition, extended affordability controls, regulatory actions, direct rental subsidies, rehabilitation, tenant and sponsor technical assistance, etc.).

The No At-Risk Units Certification Checklist and Resources is available from HCD for additional information.

Projected Housing Needs

Housing element law requires a quantification of each jurisdiction's existing and project housing needs. This is accomplished pursuant to the regional housing need allocation (RHNA) process provided for by Government Code Section 65584. The city or county's share of the RHNA, as determined by their Council of Governments (COG) and HCD, is the projected housing need for the planning period of the housing element. Each city's RHNA is distributed among four income categories to address the required provision for planning for all income levels, consistent with income definitions of state law. To accommodate the RHNA, the element must demonstrate site development capacity equivalent to or exceeding the projected housing need, to facilitate development of a variety of types of housing for all income levels.

Q15: What should be included in the population and employment trend analysis?

A: A complete description of the locality's most recent population estimate and general characteristics of the employment market is important in portraying the local housing market influences and the demand for housing. This information provides insight into the types of jobs and industries in the community and by inference the incomes associated with employment opportunities; proposed new economic development activities, and future housing needs generated by any new employment opportunities.

The Regional Housing Needs Allocation (RHNA) usually incorporates both population and employment trends, but may not have taken into account recent local factors such as annexations, adoption of a redevelopment plan, or opening of a new business park. In these situations, the locality should analyze the impact of these recent trends on its total projected housing need to determine if and how the locality should plan for additional growth through changes to its housing objectives and/or programs.

Q16: What household income categories are included in a locality's RHNA?

A: The four income category definitions used in the RHNA distribution are those defined in Title 25, Sections 6926, 6928, 6930, and 6932, of the California Code of Regulations. These income categories are based on definitions established by the U.S. Department of Housing and Urban Development (HUD) and state Health and Safety Code Sections 50079.5, 50105, and 50093.

- **Very low income** – within 50 percent of the area median family income with adjustments for usually high or low area income and household size.
- **Low or lower income** – between the very low-income limit and 80 percent of the area median family income with adjustments for usually high or low area income or housing costs and for household size.
- **Moderate income** – between the lower income limit and 120 percent of the area median family income with adjustments for usually high or low area income or housing costs and for household size.
- **Above moderate income** – exceeding the moderate-income limit adjusted for household size.

These income groups are consistent with the definitions of low- and moderate-income households used in many federal and state programs, although definitions for some federal programs differ. More information on the current income limits is available on HCD's website at hcd.ca.gov/hpd/hrc/rep/state/incNote.html.

HOUSING RESOURCES

Resources Land Inventory

Q17: What is the purpose of the land inventory?

A: The purpose of the land inventory is to identify specific sites suitable for residential development in order to compare the locality's new construction need by affordability category with its residential development (total supply) capacity. A thorough land inventory will help the locality determine if additional governmental actions are needed to provide enough sites with appropriate zoning, development standards, and infrastructure capacity to accommodate its new construction need as required by Section 65583(c)(1).

Q18: What land is considered “suitable” for residential development?

A: Land “suitable for residential development” has characteristics that make the sites appropriate for housing construction. These characteristics include **physical features** (freedom from flooding, seismic hazards, chemical contamination, other environmental constraints, and slope instability or erosion) and **location** (proximity to transit, job centers, and public and community services).

Sites not currently planned and zoned for residential use may be included in the inventory if they are otherwise suitable for residential development and the element includes program actions to change the land use within the current planning period.

Q19: What constitutes on “analysis of the relationship of zoning” to these sites?

A: The analysis of the relationship of suitable sites to zoning provides a means for determining the realistic **number of dwelling units** that could actually be constructed on those sites within the current planning period of the housing element. The analysis should also identify the zones the locality believes can accommodate its share of the regional housing need for all income levels, including the needs of low- and moderate-income households. The analysis should reflect:

- Comparison of general plan land-use designations to zoning.
- An evaluation of permitted densities for accommodating the localities share of the regional housing need for lower- and moderate-income households.
- Actual densities of recent residential developments compared to their zoned densities.

The housing element land inventory and analysis will allow the locality to determine whether current zoning and densities make sufficient residential land available to accommodate the new construction need in total and by income level. If the inventory is deficient in either respect, the locality should determine what specific actions, such as modification of zoning, will be necessary to increase the availability of sites at appropriate densities (Section 65583(c)(1)).

Q20: What information should be included in the land inventory for a community with very little vacant land?

A: In communities with scarce vacant land, the inventory should identify and analyze sites available for redevelopment/recycling to residential or a more intense use, infill, and/or non-residential sites that may be appropriate to redesignate for residential use. Examples of land with potential for recycling may include scattered sites suitable for assembly, publicly-owned surplus land, portions of blighted areas with abandoned or vacant buildings, areas with mixed-used potential, substandard or irregular lots which could be consolidated, and any other suitable underutilized land.

The land inventory should describe the acreage and current zoning of such sites, recent or historical development trends, current or proposed development standards, realistic development capacity within the planning period of the element, and any incentives or policies to facilitate their redevelopment or reuse.

Q21: What constitutes an “analysis of the relationship of public facilities and services to these sites”?

A: The analysis is a means of determining the current or proposed timing of availability of essential public facilities and services (e.g., sewer and water system trunklines and treatment facilities, roads, and storm drainage facilities) for sites identified for residential development. Existing capacity and capacity that will be provided during the current planning period of the element should be described and analyzed.

Any phasing plans of a relevant specific plan, development agreement or Capital Facilities Financing Plan should be described. Through a complete infrastructure capacity analysis, the locality will be able to identify where facilities and services are lacking in order to establish program actions (capital improvement plans, financing through general obligation or special district bonds, etc.), that will permit the development of sufficient units to meet the new construction objectives within the planning period.

The analysis of infrastructure capacity also allows local governments to evaluate and plan strategies to use existing infrastructure more efficiently and effectively. Combining the analysis of adequate sites with infrastructure capacity encourages comprehensive planning to identify opportunities to encourage development where public facilities already exist or could be extended to reduce the need to expand infrastructure outside currently served areas. Adequate sites strategies that focus on infill and redevelopment promote the efficient use of existing infrastructure and minimize the premature conversion of nonurbanized land for development.

Q22: What time frame should be used in identifying land suitable for residential use?

A: The housing element should identify sites that **are or will be** made available for residential use within the planning period of the element. Sites identified that require rezoning may be included as an adequate site as long as a program for accomplishing any need rezoning is included in the element.

Q23: How does a locality determine if its current sites are adequate?

A: The locality’s sites are adequate if the land inventory (Section 65583(a)(3)) demonstrates sufficient realistic capacity at appropriate densities and development standards to permit development of a range of housing types and prices to accommodate the community’s share of the regional housing need by income level.

A two-part analysis is necessary to make this determination:

- Can the realistic development capacity of suitable land, which is or will be served by facilities and infrastructure, accommodate the locality’s total new construction need by income group over the next five years? (Total Supply)
- Are these available sites appropriately zoned (considering local development standards and land costs) for a variety of housing types (single-family, multi-family, mobilehomes, etc.) and at appropriate densities to facilitate the development of housing to meet the locality’s regional housing need by income level category, including the need for very low- and low-income households?

If the amount or variety of a jurisdiction’s residential development capacity is less than its new construction need for any income level, a shortfall exists. In such a case, the housing element must include a program to increase residential development capacity or increase the capacity to accommodate the regional share by income level.

Many jurisdictions find it useful to contact area developers to request input on the minimum densities necessary and the feasibility of the development of particular sites.

Q24: Does the land use element of the general plan contain the necessary information to complete the land inventory?

A: The land-use element contains some, but not all, information necessary for the housing element land inventory. The land-use element usually identifies the proposed general distribution and location of land-use over a ten- to twenty-year general plan time frame. Often times the land-use element contains parcels that are within the jurisdictions' planning area (sphere of influence), but will not be within the locality's boundaries during the planning period. The housing element land inventory provides a current and comprehensive analysis of sites suitable for residential development over the housing element's shorter five-year time frame.

Q25: What level of environmental review is required to assure sites are available for residential development?

A: If it is anticipated that land uses will change and land will be rezoned within the current planning period in order to provide suitable sites for residential development, a mitigated negative declaration, if not a full Environmental Impact Report (EIR), may be required in the environmental review of the housing element.

A comprehensive environmental review of the housing element may preclude the need for later environmental review on specific plans or individual affordable housing projects. For example, portions of the land-use inventory may be covered by a specific plan with an EIR which would exempt further environmental review pursuant to Government Code Section 65457.

CONSTRAINTS ON HOUSING

Governmental Constraints

Q26: What is considered a governmental constraint?

A: Although local ordinances and policies are enacted to protect the health and safety of citizens and further the general welfare, it is useful to periodically reexamine local ordinances/policies to determine whether, under current conditions, they are accomplishing their intended purpose or in practice constitute a barrier to the maintenance, improvement or development of housing for all income levels.

Such an examination may reveal that in practice the ordinance/policy may require excessive performance standards and/or restrictions, and therefore operates as a governmental constraint. The analysis may also show that certain policies have a disproportionate or negative impact on the development of particular housing types (e.g., multifamily) or on housing developed for low- or moderate-income households.

Ordinances, policies or practices which have the effect of excluding housing affordable to low- and moderate-income households may also violate state and federal anti-discrimination laws which prohibit land-use requirements that discriminate or have the effect of discriminating against affordable housing.

The analysis should describe past or current efforts to remove governmental constraints. Where the analysis identifies that constraints exist, the element should include program responses to mitigate the effects of the constraint.

Q27: What should be analyzed as potential governmental constraints?

A: The element should analyze each of the following policies as described in the statute, and others as deemed appropriate by the locality. Each analysis should use specific objective data, quantified where possible. A determination should be made for each potential constraint as to whether it poses as an actual constraint.

- **Land use controls:** Zoning (e.g., density, parking requirements, lot coverage, lot sizes, unit sizes, design criteria, floor area ratios, setbacks), moratoria and prohibitions against multifamily housing developments, growth controls, urban growth boundaries, open space requirements, etc.
- **Codes and enforcement:** Any local amendments to the State Housing Law or Uniform Building Code, the degree or type of enforcement. A strict code enforcement program or a code amendment, which specifies expensive materials and/or methods, can pose a significant constraint to housing development or maintenance.
- **On- and off-site improvement requirements:** Street widths, curb, gutter and sidewalk requirements, water and sewer connections, and circulation improvement requirements. Describe any generally applicable level of service standards or mitigation thresholds.
- **Fees and exactions:** Permit fees, impact fees (e.g., park, school, open space, parking district, etc.), in-lieu fees, land dedication requirements (e.g., streets, public utility and other right-of-ways, easements, parks, open space, etc.), and other exactions imposed on developers. Describe any contribution or payment required as an authorized precondition for receiving any type of development permit.
- **Processing and permit procedures:** Types of permits, typical permit processing times, and standard approval procedures. Describe the types of permits, discretionary approval procedures, and processing time required for recent and current residential projects, including all permits applicable to residential development including overlay zones (e.g., Community Plan Implementation Zones, Hillside Overlay Zones, Environmentally Sensitive Areas, etc.). Other applicable regulations such as landscaping, design, planned districts, etc. should also be included. As part of this analysis, localities should compare the permit and approvals process for a typical single-family subdivision and a typical multifamily project.

Q28: How should an adopted growth control measure be evaluated as a governmental constraint?

A: Ordinances, policies, procedures, or measures imposed by the local government that specifically limit the amount or timing of residential development should be analyzed as potential governmental constraints and mitigated, where necessary. The analysis will vary depending on the nature of the measure. In general, the measure and its implementation procedures should specifically be described and analyzed for their impact on the cost and supply of housing.

For ordinances which control the number and timing of permits, the element should describe any permit allocation process, allocation timing, specific limits on the number of permits issued per project type, and any affordable housing incentives in the allocation process. The method of determining the number of permits to be issued annually and the basis for this determination should also be included.

The analysis should demonstrate how the policy or ordinance accommodates the locality's current regional housing need allocation for all income groups. If not, the element must include a program to mitigate the impact of the ordinance and allow accommodation of the total housing need. *See Q49.*

Examples of types of policies or requirements that should be analyzed include:

- Systematic (area-wide) residential downzoning
- Urban limit line, growth boundaries, or perimeter greenbelt
- Annexations restrictions
- Building permit or other residential development caps
- Voter approval for upzoning, rezoning or general plan changes
- Legislative super-majority for upzoning, rezoning or general plan changes
- Systematic changes to local height and FAR regulations
- Adequate public facilities ordinances.

Nongovernmental Constraints

Q29: If governmental constraints are factors that localities can control or influence, then by implication localities have no control over nongovernmental constraints. Why should they be analyzed?

A: Although nongovernmental constraints are primarily market-driven and generally outside direct government control, localities can significantly influence and offset the negative impact of nongovernmental constraints through responsive programs and policies. Analyzing specific housing cost components, including the cost of land, construction costs, and the availability of financing, assists the locality in developing and implementing housing and land-use programs that respond to existing local or regional conditions. While the price of new housing depends on some factors beyond a locality's control, local governments can create essential site preconditions (favorable zoning and development standards, fast track permit processing, etc.) that encourage and facilitate development of a variety of housing types and prices.

Community opposition to the development of affordable housing is another type of nongovernmental constraint that could be analyzed and added.

Under the Home Mortgage Disclosure Act (HMDA) lending institutions are required to publicly disclose the race, income and gender of home mortgage borrowers and the census tract in which the loans are made. Contact the National Community Reinvestment Coalition (www.ncrc.org) for more information on fair lending.

Jurisdictions that prepare an Analysis of Impediments to Fair Housing Choice (AI), for the Consolidated Plan may be able to use information from that Plan about policies that make housing less available to the groups covered by the fair housing laws.

Q30: What factors should be analyzed as nongovernmental constraints?

A:

- Land Prices - In looking at the price of land, estimate the average per unit cost of land, or the range of costs for developable parcels, in both single-family and multifamily zones.
- Construction Costs - The analysis of construction costs, for typical single-family and multifamily projects, should focus on the total cost to the developer, exclusive of profit, but including land, fees, material, labor, and financing.

- **Financing Availability** - An analysis of financing should consider whether financing is generally available in the community. This analysis could indicate whether mortgage deficient areas or underserved groups exist in the community. The financing analysis may also identify the availability of financing from private foundations (including bank foundations), corporate sponsors, community foundations, community banks, insurance companies, pension funds, and/or local housing trust funds. The analysis should consider whether the availability of financing is limited by discriminatory area lending patterns or practices.

A lack of, or limited access to, take out (new construction), rehabilitation, and/or permanent (mortgage) financing could be addressed through responsive housing finance programs such as mortgage revenue bonding, a mortgage credit certificate program, use of tax credits, first time homebuyer and down payment assistance programs, and/or targeted low-interest CDBG or HOME rehabilitation loans.

Some jurisdictions track and report housing costs and financing components periodically throughout the housing element planning period. For example, permit applicants can provide intended sales prices or rents, prices and rents of new units can be surveyed as they come into the market, and/or the rents of units developed with public assistance and subject to affordability controls can be recorded.

The Appendix for HCD Q & A is available from HCD for data sources.

HOUSING PROGRAMS

Programs

Q31: What should an effective housing program include?

A: Responsive programs reflect the results of the local housing needs analyses, identification of available resources including land and financing, and the mitigation of identified governmental and nongovernmental constraints. Programs are the specific action steps the locality will take to implement its policies and achieve its goals and objectives. The statute requires that programs include a specific time frame for implementation and identify the agencies or officials responsible for implementation.

Effective program descriptions include the following:

- Immediate, short-term, and long-term action steps.
- Proposed measurable outcomes (e.g. the number of units created, completion of a fee study, development of a homeless shelter, initiation of rezoning program, preservation of at-risk units, annexation of land within the sphere of influence, etc.).
- Definite time frames for implementation (e.g. by June 2002, ongoing, annually during the planning period, upon adoption of the general plan amendment, etc.).
- Identify the agencies and officials responsible for implementation (e.g., the redevelopment agency, county community development department, city building official, housing manager, public housing authority, etc).
- Demonstrate the local government's firm commitment to implement (e.g., the city and/or county will rezone x number of acres of nonresidential land to residential for development of x number of mixed-use units).
- Identify specific funding sources, where appropriate (e.g. dollar amounts of annual funding entitlements or allocations – CDBG, HOME, ESG, HOPWA, Continuum of Care, Redevelopment Agency Low and Moderate Income Housing Funds, Bond Proceeds, Tax Credit Allocations, and other federal, State and local resources).

Examples of effective program descriptions include:

“The Department of Housing and Community Development will apply for \$500,000 in Small Cities Community Development Block Grant funds for the City’s Rehabilitation Program for the 2002-2003 program year (i.e., by January, 2001) and annually thereafter. The goal is to rehabilitate up to twenty lower income owner-occupied units a year.”

“The Planning Department will revise the zoning ordinance to allow zero-lot-line and cluster developments by June 2003. This program is intended to facilitate the development of single family housing units affordable to moderate income households.

“The Planning Director will study the County’s development standards to determine which standards and policies can be relaxed to facilitate the development of lower-income housing. The review will include, but not be limited to the County’s setback, lot coverage, design, and parking requirements. The review will be completed by January 2003 with adopted recommendations implemented by June 2003.”

Q32: What information about a redevelopment agency’s Low and Moderate Income Housing Fund (LMIHF) should be included?

A: The housing element should estimate the **amount of funds expected to accrue to the LMIHF** over the planning period of the element and **describe the planned uses** for those funds. For each program in the housing element that lists the Redevelopment Agency as the responsible agency for implementation also include the amount of redevelopment funds allocated or planned to be allocated to that program.

Each redevelopment agency (Health and Safety Code Section 33334.4) is required to “expend, over the duration of the redevelopment plan, the moneys in the Low and Moderate Income Housing Fund to assist housing for persons of low and very low income in at least the same proportion as the total number of housing units needed for those income groups.”

Q33: How do redevelopment implementation and housing production plans relate?

A: Many communities include redevelopment reports and plans **within** the housing element. Incorporating a redevelopment agency affordable housing production plan in the housing element will help promote consistency between the housing element and redevelopment plan and ensure resources can be effectively targeted to priority local housing needs. A redevelopment agency’s affordable housing production plan may be developed separately from the housing element, but **it is required to be consistent with the housing element.**

Redevelopment agencies are required to produce five-year implementation plans (Health and Safety Code Section 33490) and affordable housing production plans for each project area (Health and Safety Code Section 33413(b)(4)). Production plans include project sites, inside and outside of redevelopment agency project areas, where the agency intends to expend LMIHF monies to facilitate the development of affordable housing.

Q34: What other financial resources should be included?

A: The amount of all federal, State, and local financing and subsidy programs expected to be available or programs the locality may consider applying for during the planning period should be described. Such programs include the Community Development Block Grant Funds, HOME, HOPWA, Continuum of Care, tax credit allocations, mortgage revenue, mortgage credit certificates or other bond proceeds, and any other source of funding (e.g. Rural Housing Services, HCD programs, CHFA programs, housing trust funds, private foundations, etc.). HCD’s Clearinghouse for Affordable Housing Finance website www.hcd.ca.gov/clearinghouse/ provides information on over 200 financing and funding resources.

Identification of Adequate Sites

Q35: When must a housing element include an adequate sites program?

A: All housing elements are required to include a program identifying adequate sites. If the land inventory contains sites with sufficient capacity, variety and infrastructure to meet the total share of regional need, the program should, at minimum identify which sites are appropriate and feasible for particular income levels. The program should demonstrate that sites will be available for residential development during the timeframe of the element.

The land inventory should demonstrate adequate site capacity to accommodate the regional housing need for all income groups. If not, actions to address the shortfall must be included under the adequate sites program.

The land inventory should also identify sufficient sites to accommodate the lower income regional housing need. If not, a program that provides sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including appropriate density and development standards to accommodate and facilitate the development housing for very low and low-income households.

Q36: How is “use by right” defined?

A: Use by right means owner-occupied, rental multifamily residential development applications are not subject to discretionary review, except when the proposed project is a mixed-use project involving both commercial and residential uses. Use by right for all rental multifamily residential housing is to be provided in accordance with subdivision (f) of Section 65589.5.

Q37: What strategies can be used to increase total residential development capacity?

A: The following approaches have been used by localities to increase their total residential development capacity:

- **Upzone** existing residential areas at appropriate densities to facilitate development of affordable housing.
- **Prezone and annex** land suitable for residential use.
- **Establish Minimum Densities** – Designate minimum densities of development to assure that existing available land is not underutilized.
- **Institute Flexible Zoning** – Allow various residential uses within existing zones without requiring rezoning or conditional approvals.
- **Allow and Encourage Mixed-Use Zoning** – Permit housing in certain non-residential zones either as part of a mixed-use project or as a stand alone residential use.
- **Rezone** underutilized land from nonresidential to residential to expand the supply of available residential land.
- **Zone for, promote and encourage infill, compact, transit-oriented, walkable, bikeable and pedestrian-friendly developments** to facilitate Smart Growth strategies and reduce premature development of non-residential land.
- **Encourage development that takes advantage of existing infrastructure** with surplus capacity (e.g. recycling, compact, infill, mixed-use, manufactured housing, second units).
- **Redevelop and/or recycle** underutilized existing land to more intensive uses.

- **Convert obsolete older public/institutional/commercial/industrial buildings to residential use** through adaptive reuse and/or historic preservation.
- **Overzone** – Create a surplus of land for residential development during the current planning period of at least 20 percent more than the locality's share of the regional housing need. Overzoning compensates for urban land left vacant due to ownership and development constraints (about 10 percent), and creates a real surplus (10 percent). A sufficient supply of land beyond the time frame of the element helps prevent land shortages from bidding up land costs.
- **Allow small and irregular size lot development.**
- **Phase additional capital improvements** - Coincide capital improvements with the demand for new construction.
- **Access alternative capital improvement funding mechanisms** - Such as Mello-Roos community facilities bonds, the Infrastructure Bank, special assessment districts, development agreements, general or special obligation bonds, and/or the use of state and federal funds (e.g. transportation funds) to expand infrastructure capacity.
- **Increase height limitations** – Allow three stories in multifamily zones at minimum.
- **Use innovative siting techniques** – Approve Subdivision Maps that can accommodate zero-lot-lines and half-plex developments.
- **Promote clustering** of new housing to help reduce new infrastructure and housing development costs.
- **Increase floor area ratios** – Allow for larger buildings on smaller lots and/or more units per lot by reducing the FAR (total lot area divided by the total building area).
- **Establish no net loss policy** – Rezone equal amounts of land to replace any residential land used for other than its intended residential use.

Q38: How can a locality make sufficient sites available to accommodate its share of the RHNA for all income levels, particularly lower- & moderate-income households?

A: While the land inventory may identify **sufficient sites in the aggregate** to accommodate the locality's total numerical share of the regional housing need assessment (RHNA), it may not identify sufficient sites with appropriate zoning and infrastructure to accommodate the very low-, low- or moderate-income household portion of the share of need. In these circumstances, the element must identify sites to address the need for lower- and moderate-income households.

- Localities have developed various land use controls and development incentives to encourage a **variety** of housing types for **all** income levels, including:
 - Zone sites for higher density and more intensive residential use.
 - Encourage and facilitate second unit development in single-family residential areas.
 - Zone sites for mobilehomes and mobilehome park use.
 - Establish a rental-only zone that provides for rental apartment development in areas designated for higher density residential use.
 - Promote multifamily rental housing above ground floor commercial uses (mixed residential-nonresidential land use). Permit apartment uses in office/commercial areas where office space revenue can offset rental costs and act as an internal project subsidy.

- Compile an inventory of public surplus lands and land owned by other entities, such as school districts, public utilities, etc., to identify sites suitable for development of low- and moderate-income housing. Facilitate the acquisition of surplus public lands and other identified land for affordable housing development.
- Zone for housing types typically occupied by rental households (e.g. second units, apartment complexes, and mixed use projects).
- Offer development incentives (e.g. land writedowns and below market rate financing) negotiated through developer agreements to increase multifamily densities in selected areas.
- Reduce multifamily development standards (e.g. number of required covered parking spaces, setback and building height requirements, etc.)

Q39: What are “appropriate zoning and development standards?”

A: Appropriate zoning and development standards facilitate the location, siting, capacity, and price of residential development to meet identified housing needs, particularly new construction for lower income households. These include establishing maximum densities, minimum floor areas, maximum lot coverage, allowing minimum building, rear and side yard setbacks, reduced parking and amenities requirements, and other controls such as streamlined architectural and design review standards.

State zoning law (Government Code Section 65913.1) requires localities to zone sufficient vacant land for residential use with appropriate standards to meet the housing needs as identified in the general plan. Appropriate standards are requirements that “contribute significantly to the economic feasibility of producing housing at the lowest possible cost.”

In regulating subdivisions, Government Code Section 65913.2 provides that a local government may not impose design criteria for the purpose of rendering an affordable housing development infeasible. A community may not impose standards and criteria for public improvements (e.g. streets, sewers, schools, or parks) that exceed those imposed on other developments in similar zones. Additionally, the effect of a community’s ordinances and actions on accommodating the housing needs of the region must be considered.

Q40: Must a locality provide adequate sites through appropriate zoning at the beginning of the planning period?

A: No. However, a locality’s ability to accommodate all units needed during the planning period is best served by designating appropriate zoning as early as possible. The most direct procedure is for the locality to undertake rezoning when the housing element is adopted. Although the program does not have to ensure the provision of sites at the beginning of the planning period, it must make provision for sites that will be available soon enough in the planning period to reasonably permit development during the planning period. The locality may also commit to subsequent zoning actions within the five-year schedule of the housing program. Subsequent zoning allows the locality to meet the site-specific rezoning provision (e.g., public notification and hearing) according to a prescribed timetable.

Q41: How can a community with little vacant land identify sites to accommodate its entire regional share allocation?

A: Communities with a shortage of vacant land should evaluate their land inventory analysis to focus on underutilized land and identify sites with the potential for recycling. Identification of these sites should be accompanied by programs that relax stringent development standards (design criteria, parking, building height, setback requirements, etc.), support more compact and higher density residential developments, and facilitate the new construction of multi-family rental and owner-occupied units, including second units and clustered, infill, and mixed use developments through appropriate regulatory and financial incentives. Such developments are often located in urban core areas, Redevelopment Project Areas, adjacent to existing neighborhoods, close to transit centers and established businesses and services. Maximizing the use of underutilized land through recycling leverages the use of existing infrastructure and can reduce overall development costs.

Q42: When may sites located on a military base undergoing closure or conversion serve as an adequate site?

A: The following two conditions must be met in order to qualify sites on a converting or closing military base as adequate sites:

- Housing units at the site will be available for occupancy by eligible households within the planning period of the element.
- Sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses **do not qualify** as an adequate site.

Q43: Must a local government accommodate *all* of its regional share allocation by identifying adequate sites?

A: No. Local governments may meet **up to 25 percent** of their adequate sites requirement by substituting existing units which are not now available and affordable to households with very-low and low- incomes, are condemned or uninhabitable, or will be lost from the affordable housing stock because of expiring affordability restrictions during the planning period. All such units must have long-term affordability restrictions and covenants. To use this provision of the law, the housing element must include a program to:

- Identify the **specific source of funds** to be used to provide committed assistance.
- **Dedicate the funds** needed for this purpose.
- Describe the **number of units to be provided for low- and very low-income households.**
- Demonstrate that the amount of funds dedicated is sufficient to provide the units at affordable costs.

Only units to be substantially rehabilitated, converted from nonaffordable to affordable by acquisition of the units or the purchase of affordability covenants, or preserved at affordable housing costs by the acquisition of the units or purchase of affordability covenants are eligible.

- A. **Substantially Rehabilitated:** Units to be substantially rehabilitated must result in a net increase in the stock of housing affordable to low- and very low-income households and be at imminent risk of loss to the housing stock. Relocation assistance is to be provided to any occupants temporarily or permanently displaced and the local government must require that any displaced occupant will have the right to reoccupy the rehabilitated units.

The units are to have been found by the code enforcement agency or a court to be unfit for human habitation and vacant or subject to being vacated for at least 120 days because of the existence of at least four of the conditions in Health and Safety Code Section 17995.3)

- B. Converted: Multifamily units in a rental complex of 16 or more units converted from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions.** These units are not to be acquired by eminent domain and must provide a net increase in the stock of housing affordable to low- and very low-income households.

Converted units must be made available at affordable housing costs, not occupied by low or very low-income households, and in decent, safe and sanitary condition when occupied. The acquisition price is not to be greater than 120 percent of the median price for housing units in the city or county. Long-term affordability covenants (not less than 30 years) apply to these units.

- C. Preserved:** Units are to be preserved at affordable housing costs to lower income households by acquisition of the unit or the purchase of affordability covenants for the units. Preserved units must have long-term affordability covenants and restrictions (at least 40 years), have received governmental assistance under specified programs, be expected to convert to non low-income uses, and be in decent, safe and sanitary condition. When units are identified for preservation, they must be available at affordable costs to persons and families of low- or very low-income.

Other Requirements to Meet the Alternative Site Requirement:

- Units may be substituted one for one, except for substantially rehabilitated units with affordability covenants and restrictions of less than 20 years which may be substituted at the rate of three units for one. No credit is provided for units with less than 10-year affordability restrictions.
- Jurisdictions are required to document the status of their committed assistance program during the housing element planning period in the annual report to the governing body. The report should identify the units for which committed assistance has been provided and indicate how each unit complies with the statutory requirements. If the jurisdiction has not entered into an enforceable agreement of committed assistance for all the units initially identified, the local government must adopt an amendment to its housing element identifying additional adequate sites sufficient to accommodate the number of units for which committed assistance was not provided. Jurisdictions which do not amend their element to include adequate sites, or which do not complete rehabilitation, acquisition, purchase of affordability covenants, or the preservation of identified units **within two years** after the committed assistance was provided are prohibited from identifying substitute units in the next regular housing element update, above the number of units actually provided or preserved with committed assistance.
- Only those local governments (during the current or immediately prior planning period) that have met some of their share of the regional need for housing affordable to households with low and very-low incomes may use the alternative sites provision of housing element law. Documentation of having met this need includes issuance of a building permit, payment of all development and permit fees, and/or that the unit is eligible to be lawfully occupied.
- “Committed assistance” means a local government has entered into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make identified units affordable and that the units will be made available for occupancy within two years of the execution of the agreement. “Net increase” means only those units that were not provided committed assistance in the immediately prior planning period.

Q44: What is required to identify adequate sites for emergency shelters and transitional housing?

A: Every locality with an identified unmet homeless and/or transitional housing need must identify adequate sites, including existing facilities that can be converted to accommodate that need. The identified sites should be available for use as emergency shelter and transitional housing. Appropriate sites have the following characteristics:

Location: The site should be located within the boundaries of the jurisdiction, close to public services and facilities, including transportation, and easily accessible from areas where homeless persons congregate.

Zoning: Any zoning classification that allows the siting of a shelter or transitional housing project, and does not impede the development of the sites, or the conversion or use of an existing structure is appropriate. Any zoning application for emergency shelter or transitional housing should regulate the use, not the users.

Most communities include shelters and transitional housing as a permitted or conditional use in one or more zones. The General Plan designation and site zoning should accommodate the development of (or conversion of existing facilities to) emergency shelters or transitional housing without undue special regulatory approval.

Development standards: Parking requirements, fire regulations, and design standards should not impede the efficient use of the site as an emergency shelter or for transitional housing.

Q45: What is required to identify adequate sites for farmworker housing?

A: Sites identified for farmworker housing should facilitate the provision of housing for agricultural workers while minimizing the development of prime agricultural land to urban uses. These sites should also have characteristics relating to location, zoning and development standards which would be appropriate for their use for housing for farmworkers. Where a need for farmworker housing has been identified, the program should identify zones where housing for permanent and where appropriate for migrant farmworkers is allowed. Where adequate farmworker sites have not been identified, jurisdictions must allow farmworker housing “by right”.

Cities and counties are encouraged to work cooperatively to identify their respective share of sites needed for farmworker housing and to locate those sites, to the extent feasible, within or adjacent to existing urbanized areas.

Development of Housing for Low- and Moderate-Income Households**Q46: What is local government’s role in assisting in the development of adequate housing for low- and moderate-income households?**

A: Having assessed and identified the housing needs of low- and moderate-income households, localities can employ a significant number of diverse strategies to assist in developing adequate housing to meeting those needs. A combination of public and private resources is necessary to build affordable housing.

Localities can offer **direct support** for the development of affordable housing through various financing mechanisms including the issuance of municipal and mortgage revenue bonds and use of redevelopment powers. Direct assistance can also be provided through the utilization of appropriate federal and state financing and subsidy programs to create rental and ownership opportunities. Localities can create first time homebuyer, equity sharing, or self-help housing programs to provide affordable homeownership opportunities. Local governments can also assist developers in making applications for other public or private housing funds or low-income housing tax credits.

Working with local nonprofit housing developers, advocacy groups and tenants may make assisting in the development of affordable housing easier and more effective. Many jurisdictions support existing nonprofit housing developers or help establish new joint ventures and local housing sponsors. Local governments can establish a local housing authority or work with an established nonprofit development corporation or Community Based Housing Development Organization (CHDO) to develop, operate, and manage low- and moderate-income housing projects. Contacts for housing advocacy and technical assistance organizations are available through HCD's website.

Local governments can **indirectly** facilitate the development of more affordable housing through effective administration of land use controls and by providing appropriate regulatory concessions and incentives.

The following are examples of programs that have been successfully implemented by localities to comply with State law and address their housing needs:

- Adopt a density bonus ordinance in compliance with Government Code Section 65915 and develop an outreach program to ensure its successful implementation.
- Expand on the minimum requirements of state density bonus law by offering additional density bonuses (more than 25 percent) and/or bonuses for housing meeting the special needs of the community (e.g., housing for large families).
- Use landbanking to make surplus lands available as sites for affordable housing.
- Provide fast track or one-stop permit processing for low-income housing projects.
- Reduce, waive or subsidize development and impact fees for affordable housing projects.
- Reduce or waive certain development standards to promote affordable housing development. For example, reduce parking standards or covered parking requirements for senior or certain projects designed for lower income households.
- Allow the purchase of air rights to increase building heights and/or intensify residential uses.

Q47: When must a housing element include programs to address or remove governmental constraints?

A: For each policy, requirement, or procedure identified as a governmental constraint, the element must include an appropriate program action to eliminate or modify the constraint or demonstrate how it will be offset by another policy or program.

Q48: What are examples of programs localities have used to reduce or eliminate barriers to the maintenance, improvement, and development of housing?

A: The following are strategies communities have found appropriate to remove regulatory barriers:

Land Use Controls

- Modify and/or reduce growth controls to ensure accommodation of projected housing needs.
- Exempt affordable housing projects from growth control ordinances.
- Allow zero-lot line and cluster developments.

- Relax development standards, for example:
 - Front yard set backs of 20 feet or less
 - Minimum lot sizes of 6,000 square feet or less
 - Lot width of 60 feet or less.
- Reduce parking requirements.
- Provide flexible standards for second units to encourage their development.

Codes and Enforcement Procedures

- Allow use of alternative building design and construction materials and methods.
- Issue building permits before subdivision approval so the developer can begin construction upon permit approval.
- Coordinate inspection/enforcement activities for existing housing with information, technical assistance, and the availability of rehabilitation program grants/loans.
- Allow rehabilitation using materials and methods as of date of original construction, unless a health or safety hazard would result (Health and Safety Code Section 17922 (c)).
- Use State Housing Law (SHL) codes without additional local requirements. State law prohibits modification of SHL standards, except where local variations are necessary for reasons of climate, geology, or topography (Health and Safety Code Section 17958.5).

On/Off Site Improvement Requirements

- Reduce street widths (e.g., 36 feet or less) and right of ways (e.g., 56 feet or less).
- Reduce the number and size of sidewalks (e.g., on one side of street only).
- Use roll curbs instead of formed curbs and gutters.
- Increase spacing between manholes.
- Allow multiple service laterals.
- Allow common trenching for utilities.
- Allow fire hydrant intervals of 500 feet or more.
- Where appropriate, reduce the size of water and sewer mains.
- Design residential streets to accommodate average traffic estimates.
- Use utility or sidewalk easements instead of right-of-ways.
- Place water supply systems and sanitary sewers in easements instead of right-of-ways.

Fees and Exactions

- Reduce or waive fees, exactions, and/or development standards for particular types of development (e.g., rental housing, assisted housing, second units, mixed use and infill projects, housing affordable to low- and moderate-income households).
- Allow payment of fees upon certificate or occupancy, rather than prior to building permit issuance to reduce developer construction financing costs and overall development costs.

Processing and Permit Procedures

- Expedite permit processing (allow one-stop, consolidated, and concurrent permit processing).
- Hold pre-application conferences.
- Prepare and present explanatory materials on the application and review processes to streamline permit processing.
- Utilize development agreements as authorized by Government Code Section 65864.
- Eliminate conditional use permit requirements for multifamily projects when land is zoned multifamily.

Conserve and Improve the Existing Affordable Housing Stock

Q49: What strategies conserve (maintain affordability) and improve (structurally rehabilitate) the condition of the affordable housing stock?

A: The existing affordable housing stock is a valuable resource that should be conserved and, as necessary, improved. Strategies used to conserve and improve the condition of the affordable housing stock include:

Conservation

- Require one-to-one replacement of any housing units demolished due to public or private action.
- Enact ordinances governing demolition of housing units and conversions of housing units to other uses (e.g., office or commercial). For example, Section 17980(b)(3) of the Health and Safety Code requires enforcement agencies to consider needs expressed in the housing element when deciding whether to require vacation or repair of property.
- Provide stable zoning to preserve affordable housing. For example, change the underlying zoning for a mobilehome park from commercial to mobilehome park.
- Enact occupancy ordinances requiring presale code inspections and compliance before title to a property is transferred.
- Maintain long-term affordability restrictions on assisted rental units (see preservation).

Improvement

- Conduct annual housing condition surveys to determine the extent of rehabilitation need and to prioritize rehabilitation program actions.
- Enforce building and housing codes through an ongoing compliance program, financed in part with proceeds from denial of state tax benefits to owners of substandard rental housing.
- Establish a self-help paint-up/fix-up neighborhood improvement program.
- Designate lower income neighborhoods for concentrated housing rehabilitation assistance through subsidized grants and/or deferred low interest loans.
- Designate lower income neighborhoods for public facility/infrastructure improvements through general fund capital improvement plans, special assessments districts, Mello-Roos community facilities districts, etc.
- Access state and federal grant/loan owner and rental rehabilitation programs including HCD Rental Housing Programs, Community Development Block Grant, HOME, etc.
- Rehabilitate residential hotels and motels (SROs) for very low- and low-income households including the homeless and those at-risk of homelessness.

Q50: What steps can be taken to preserve units at-risk of conversion?

A: The nature of conversion risk varies significantly among projects depending on the type of subsidy and related affordability controls. Individual program responses should be tailored to the results of the analyses and specific local situations. The following strategies are not exhaustive.

- **Establish an early warning system and monitor at-risk units** based on at-risk units in the inventory and analyses (conversion risk, costs, and resources) for possible conversions within the current and next planning period.
- **Gauge owners interest in renewal and/or opting-out of project-based Section 8** or by determining whether profit-motivated owners intend to renew Section 8 contracts. Five-year (possibly longer) HUD contracts are available subject to annual appropriations.
- **Identify potential new purchasers** including “qualified entities” interested in participating in the **First Right of Refusal** program (Government Code Section 65863.11).
- **Respond to any federal and/or state notices** including Notice of Intent to Pre-Pay (Government Code Section 65863.10), owner Plans of Action, or Opt-Out Notices filed on local projects. Local governments receive these Notices and should respond by contacting property owners and helping facilitate refinancing or purchase by a qualified entity through the First Right of Refusal process.
- **Allocate potential sources of funds** for acquisition and rehabilitation including gap funding for nonprofit housing developers as intermediaries and for subsidy assistance (California Housing Finance Agency, state HCD, predevelopment funds, tax-exempt bonds, tax credits, Redevelopment Low and Moderate Income Fund, CDBG, HOME, etc.).
- **Provide tenant relocation assistance and/or direct rental subsidies.** In the event of owner prepayment or opt-out, the Section 8 enhanced voucher may not be sufficient to assure affordability or the new owner may refuse to accept Section 8 vouchers. In such cases, local relocation assistance and additional rental subsidies may be necessary. Work with the local Public Housing Authority to determine the availability of tenant-based Section 8 certificates and vouchers for tenants who choose to move from at risk units or are displaced by conversion.
- **Provide ongoing preservation technical assistance and education to affected tenants and the community at-large,** on the need to preserve the existing affordable housing stock.

Q51: What other kinds of local program actions help prevent the loss of assisted housing stock?

A:

- Prohibit condominium conversions or establish a purchase program to assist interested income eligible tenants in purchasing their units.
- Require owners to replace low-income units converted to market rate on a one-to-one basis.
- Provide local direct rental subsidies to affected tenants who wish to remain in converted units or where Section 8 vouchers and certificates are not available.
- Link local housing sponsors with converting projects requiring new ownership, financing and/or subsidies, and management.
- Provide prospective new owners with predevelopment, acquisition, rehabilitation, and/or gap grants and loans in exchange for long-term use and rent restrictions.
- Provide rehabilitation grants/loans with extended use restrictions for older units (e.g. locally funded with mortgage revenue bond proceeds, CDBG, or HOME).

- Act as an “intermediary” to temporarily preserve converted units until local housing sponsors can secure financing to repurchase and rehabilitate.
- Offer local incentives (lower interest rate loans and more favorable loan terms and conditions) to owners wishing to refinance and prepay their existing mortgage in exchange for continued affordability restrictions.
- Reduce, waive or subsidize local development fees associated with preservation or replacement of at risk units.
- Incorporate preservation incentives/conversion disincentives into an adopted Preservation Ordinance.

Equal Housing Opportunity

Q52: What can local governments do to promote equal housing opportunity?

A: Since state and federal laws uniformly outlaw most kinds of housing discrimination, local government’s role is to identify program strategies that support and implement these laws. Such strategies may include consultation with fair housing and counseling organizations in the community to document the incidence of housing discrimination and the availability of services to address the problem. If fair housing services are not available or are inadequate, the locality can request technical assistance from HUD (<http://www.hud.gov/theo>); the Housing Unit of the State Department of Fair Employment and Housing (<http://www.dfeh.ca.gov>), and/or local, regional, private Fair Housing organizations to help develop specific local government actions to promote fair housing opportunity. Fair Housing laws make it illegal to discriminate against any person because of race, color, religion, sex, disability, familial status, national origin, ancestry, marital status, sexual orientation, source of income and age in the rental or sale, financing, advertising, appraisal, provision of real estate brokerage services, etc., and land use practices.

In the housing element, a local equal housing opportunity program should provide a means for the resolution of local housing discrimination complaints and should be promoted throughout the community. The local program may involve the dissemination of information on fair housing laws, and provide for referrals to appropriate investigative or enforcement agencies. Where appropriate, communities should distribute fair housing information in languages other than English. Sites for display of fair housing information include buses, in public libraries, community and senior centers, local social service offices, and other public locations including Civic Centers or County administrative offices.

In larger and/or urban jurisdictions, more direct program actions would be appropriate such as a commitment to use CDBG funds to support fair housing information and referral and counseling services. The locality may wish to contract with or create a fair housing council to investigate and resolve discrimination complaints, and advocate specific equal housing opportunity actions before community and business organizations.

A Consolidated Plan requires annual certifications that the jurisdiction will affirmatively further fair housing, conduct an analysis to identify impediments to fair housing choice, and take actions to overcome the effects of any impediments identified.

Many jurisdictions cross-reference and/or incorporate fair housing information and data from the consolidated plan into their housing element.

Contact HCD to get the Q&A Appendix for additional resources.

The following are examples of successful policies, plans, and practices to identify barriers and promote fair housing:

- Use CDBG funds to fund fair housing enforcement, education, and technical assistance activities.
- Ensure that all new, multifamily construction meets the accessibility requirements of the federal and state fair housing acts through local permitting and approval processes.
- Use banks that conduct an effective Community Reinvestment program.
- Revise zoning and land use policies that have an unintended negative impact on the ability of families with children, low-income families, and renters with disabilities from having a choice of housing options.
- All units of government are required to comply with the Americans with Disabilities Act, which prohibits discrimination against people with disabilities in employment, public and commercial facilities, delivery of services, zoning, and land use.

Q53: Does state law address equal housing opportunities in relationship to housing development and zoning?

A: Yes. Government Code Section 12955 et.seq. (The Fair Employment and Housing Act) prohibits all housing providers, including local governments, from discriminating in housing development and all actions related to the provision of housing based on race, color, national origin, ancestry, sex, sexual orientation, religion, mental and physical disability, marital status, familial status, source of income and age.

Additionally, Government Code Section 12955 subdivision (l) specifically prohibits discrimination through public or private land use practices, decisions and authorizations. Discrimination in this regard includes, but is not limited, to restrictive covenants, zoning laws, denials of use permits and other actions authorized under the Planning and Zoning Law (Title 7, commencing with Section 65000), that make housing opportunities unavailable. Government Code Section 12955.8 prohibits land use policies and practices that have a disproportionate impact on persons protected by the fair housing laws unless they are necessary to achieve an important purpose sufficiently compelling to override the discriminatory effect and there is not less restrictive means to achieve the purpose.

To be in violation of fair housing law, discrimination may be intentional or unintentional. Intentional discrimination is established by showing that one or more of the protected bases is a motivating factor committing a discriminatory housing practice even though other factors may have also motivated the practice. Unintentional discrimination typically entails a facially neutral practice (e.g., a numerical occupancy standard) which has a discriminatory effect or impact on a protected group.

Government Code Section 65008 prohibits localities from denying the enjoyment of residence, land ownership, tenancy, or any other land use because of religious beliefs or ethnic origins. It also prohibits localities from preventing or discriminating against any residential development or emergency shelter because of the method of financing or the race, sex, color, religion, national origin, ancestry, lawful occupation, or age of the owners or intended occupants.

Local governments are required under state and federal law to “reasonably accommodate” housing for persons with disabilities when exercising its planning and zoning powers. Jurisdictions must grant variances and zoning changes if necessary to make proposed housing for persons with disabilities feasible, but would not require a locality to fundamentally alter its zoning scheme.

In addition, localities are prohibited from enacting or administering ordinances, which discriminate against a residential development or emergency shelter because the development or shelter is intended for use by low- and moderate-income households. Finally, local governments may not impose different requirements on a government assisted residential development or emergency shelter than those imposed on non-assisted developments.

Contact HCD for the Q&A Appendix for planning, zoning, fair housing, and other related laws.

Energy Conservation Opportunities

Q54: What constitutes an adequate analysis of energy conservation opportunities?

A: The purpose of this analysis is to ensure the locality has considered how energy conservation can be achieved in residential development and how energy conservation requirements may contribute to reducing overall development costs and therefore, the supply and affordability of units.

The following are examples of policies, plans, and development standards that have been successful in reducing local energy costs or consumption:

- Promote higher density and “Smart Growth” developments.
- Adopt an Energy Conservation Ordinance to establish programs that encourage conservation of nonrenewable energy resources.
- Enforce State Energy Efficiency Standards for Residential and nonresidential Buildings (Government Code Title 24, Part 6).
- Provide incentives to encourage green (energy-efficient and environmentally-sensitive) building techniques and materials in new and resale homes and apartments.
- Support the elimination of contamination in older buildings (lead based paint, asbestos, etc.) during rehabilitation and code inspections.
- Promote energy audits and resident participation in utility rebate programs through private and public utility companies.
- Encourage low-income homeowners or renters to apply for free energy audits and home weatherization through the federal DOE’s Weatherization Assistance Program in partnership with state and local programs (usually conducted by community action agencies or other nonprofit organizations). Weatherization and insulation services reduce the heating and cooling costs for low-income families.
- Use emerging technologies to reduce high demands for electricity and natural gas including use of passive solar devices and where feasible other renewable energy technologies (e.g., biomass, wind and geothermal).
- Develop energy conserving standards for street widths and landscaping of streets and parking lots to reduce heat loss and/or provide shade.
- Require energy efficient retrofits prior to resale of homes.
- Promote efficient building design to orient buildings to the sun rather than the street or site.
- Encourage the use of location-efficient mortgage funds available from Fannie Mae.
- Promote the construction of tighter building envelopes with maximum height and sky exposure planes and minimum setbacks.
- Promote the use of passive solar devices as an alternative to the use of electricity or natural gas and where feasible other renewable energy technologies (e.g. biomass, wind and geothermal).

The California Department of Community Services and Development (www.csd.ca.gov), in partnership with the network of local community services agencies that assist low-income households, administers the Low Income Home Energy Assistance Program (LIHEAP) that provides financial assistance to low-income persons to offset the costs of heating and/or cooling dwellings and the Energy Low-Income Weatherization Assistance Program (DOE-LIWAP) that provides installation and weatherization measures that increase the energy efficiency of dwellings occupied by low-income persons.

Additional information is available from the federal Environmental Protection Agency (EPA), Department of Energy (DOE), and HUD's Partnership for Advancing Technology in Housing (PATH), California Environmental Protection Agency (Cal-EPA), and the California Energy Commission.

The EPA website is <http://www.epa.gov/region9/>.

The Department of Energy's (DOE) website is <http://www.doe.gov>.

The PATH website is <http://www.pathnet.org/>

PATH promotes the creation and use of technology to improve the quality, durability, environmental performance, energy efficiency, and affordability of American homes. Led by HUD, this public/private initiative combines resources from both the Government and the housing industry to speed innovation throughout the homebuilding industry.

Cal-EPA's website is <http://www.calepa.ca.gov> and the State Energy Commission's websites include:

<http://www.energy.ca.gov>

energia@energy.ca.gov

<http://www.energy.ca.gov/consumer/home/index.html>.

QUANTIFIED OBJECTIVES

Quantified Objectives

Q55: What is meant by maximum objectives for units to be constructed, rehabilitated, and conserved by income group?

A: The **construction** objective refers to the number of units that potentially may be constructed over the planning period of the element given the locality's land resources, constraints which cannot be mitigated or removed, and proposed programs. The **rehabilitation** objective is the number of existing units expected to be rehabilitated during the planning period of the element.

The **conservation** objective refers to the preservation of the existing affordable housing stock throughout the planning period. To determine the number of units to be conserved, a locality could, for example, quantify the number of existing housing units that will be preserved through the provision of more stable zoning for mobilehome parks or other affordable housing types. A housing element could also provide objectives for local participation in the Section 8 tenant-based certificate/voucher program, which preserves the affordability of rental units. A subset of the conservation objective is the number of federally, state, and locally assisted "at-risk" units to be preserved.

Each quantified objective should be described by income level as illustrated in the following table:

Income Category	New Construction	Rehabilitation	Conservation
Very Low-Income			
Low-Income			
Moderate-Income			
Above Moderate			

Q56: How should a locality establish its maximum objectives?

A: The setting of maximum objectives follows a locality’s work in identifying its housing needs, surveying its land and financial resources, analyzing constraints, and developing appropriate programmatic and policy responses which reflect a community’s unique needs and circumstances. This information is used to establish reasonable estimates of the maximum number of units, by income level, these programs and policies can accomplish.

Ideally, objectives will be equal to identified needs. However, when a locality has determined total housing needs exceed available resources, the quantified objectives may be less than the total identified need. Under these circumstances, the element should describe the analysis used to establish the maximum objectives.

Some localities also establish objectives by tenure and/or type of household to be benefited.

Q57: Given limited resources, how can a locality establish maximum objectives?

A: For some communities, total housing needs may exceed the locality’s ability to meet those needs with existing resources. In such cases, communities target limited resources to areas of the greatest local need.

Emphasizing a particular objective however may result in reducing another. For example, in urban areas with a shortage of land, programs to maximize housing preservation may be the priority, even though this may limit opportunities for the development of new housing.

In growing communities, the development of housing affordable for future residents may be a greater need than rehabilitation. Such a community may use Community Development Block Grant or HOME funds for land writedowns to facilitate new construction rather than for rehabilitation loans.

OTHER REQUIREMENTS

Consistency with General Plan

Q58: How should consistency among elements of the general plan be achieved?

A: The housing element affects a locality’s policies for growth and residential land uses. Among other things, the housing element establishes the locality’s housing goals, policies and objectives, identifies sites for new construction, and addresses governmental constraints. The goals, policies, and objectives of an updated housing element may conflict with those of the land-use, circulation, open space elements, zoning, and/or redevelopment, capital improvement plans, especially if these plans or elements have not been updated recently.

The general plan is required to be “internally consistent.” Conflicts between general plan elements should be acknowledged and resolved. A general plan must be amended to eliminate conflicts between elements. When

conflicts exist, the housing element must describe how consistency will be achieved and how the goals of the housing element will be addressed. California law also requires consistency between a general plan and implementation measures such as the zoning ordinance except for charter cities.

Many communities attempt to address and resolve conflicts by amending the zoning ordinance and all relevant elements of the general plan concurrent with amendment of the housing element. For example, if densities of particular sites must be increased to identify adequate sites, the attendant amendments to the general plan and the zoning ordinance could be proposed and adopted at the same public hearing as the housing element.

At the time of any amendment to the housing element or other general plan elements, the jurisdiction should review the entire general plan to ensure internal consistency is maintained.

A broader discussion of general plan consistency requirements is found in the Governor's Office of Planning and Research *General Plan Guidelines*.

Annual Report to the Legislative Body

Q59: How does the annual reporting requirement relate to the housing element?

A: The annual report to the legislative body (Government Code Section 65400(b)(1)) provides information on the status of general plan and implementation efforts, including progress in meeting the share of the regional housing need and efforts to remove governmental constraints to the maintenance, improvement, and development of housing. Annual reports of local governments to their legislative bodies document progress in meeting identified housing goals and objectives, facilitate housing element revisions and updates, assist in local reviews of the previous housing elements, and can serve as a tool to encourage effective public participation. Annual reports are to be submitted to the Governor's Office of Planning and Research and HCD by July 1.

Annual reports can also serve as an effective tool in monitoring progress in implementing programs and policies. Should the annual reports document have significant delays or constraints to program implementation, the local government could modify program actions to improve implementation.

Requirements for Coastal Zone Jurisdictions

Q60: What do the requirements for coastal zones include?

A:

- The number of new housing units approved for construction within the coastal zone (after January 1982).
- The number of housing units for persons and families of low- and moderate-income (Health and Safety Code Section 50093) required to be provided in new housing developments either within the coastal zone or within three miles of it.
- The number of existing residential dwelling units occupied by low- and moderate-income households required either within the coastal zone or within three miles of the coastal zone that have been authorized to be demolished or converted (after January 1982).
- The number of residential dwelling units for low- and moderate-income persons and families that have been required for replacement (of those units being demolished or converted) in the coastal zone or within three miles of the coastal zone. Designate the location of replacement units in the housing element review for coastal zones.

This data on new construction, demolished/converted, and replacement housing units for low and moderate income households helps the locality determine whether the affordable housing stock in the coastal zone is being protected and provided as required by Section 65590.

It is also appropriate for the housing element to include incentives and regulatory concessions in order to increase the feasibility of providing low- and moderate-income housing within the coastal zones.

Notification to Retail Water and Sewer Providers

Q61: What is a local government's obligation regarding notification to water and sewer providers?

A: Upon completion of an amended or adopted housing element, a local government is responsible for distributing a copy of the element to area water and sewer providers. The purpose of this section of the law is to ensure that public and/or private water and wastewater providers provide a priority to proposed housing development projects for lower income households in their current and future resource or service allocations.

Local public and/or private water and sewer providers must grant a priority for service hook-ups to developments that help meet the community's share of the regional need for lower income housing. This law is useful in areas with limited available sewer or water hook-ups.

Water and sewer districts may need to put written policies for allocating preferences in place in order to comply with the law. To facilitate and expedite the notification process, localities should communicate the affordable housing needs identified in their housing elements directly to applicable districts. For example, when distributing the housing element to special districts, local governments should include a cover letter citing Government Code Section 65589.7, describe the regional housing needs, and identify the sites in the land inventory that are appropriate for the development of housing for lower income households and therefore require priority.

"Water services at retail" means supplying water directly to the end user or consumer of that water, and does not include sale by a water supplier to another water supplier for resale.

Appendix D

Contacts and Resources

SUCCESS STORY CONTACTS

Agencies and organizations that provided information for the “success stories” in *Sections Three and Four* of this document (identified in each) are listed below with their contact information. The list is organized by Public Agencies, Non-profits, and Other Organizations. This is NOT a comprehensive list of agencies and organizations. It was developed to assist people who are interested in obtaining more information on individual “success stories.”

City/Agency	Contact Person or Department	Phone
Alameda, City of	Planning Department	510-748-4554
Albany, City of	Jerri Rahm, Community Development Department	510-528-5760
Berkeley, City of	Tim Stroshane Housing Department	510-665-3472
Daly City, City of	Planning Department	650-991-8033
East Palo Alto, City of	Housing Services Department	650-853-3114
El Cerrito, City of	Jill Keimach, Community Development Department	510-215-4330
Emeryville, City of	Diana Murrel (Resourceful Bldg. Project, FAR exemption) Amy Hiestand, Redevelopment Agency (all other projects)	510-596-4335 510-596-4354
Fairfield, City of	Planning Department	707-428-7461
Foster City, City of	Richard Marks, Community Development Director	650-286-3225
Fremont, City of	Bob Calkins (Res. Rent Increase Dispute Resolution Ordinance) May Lee (Housing Scholarship Program) Laura Gonzalez-Escoto, Housing Dept. (all other programs and projects)	510-494-4502 510-494-4506 510-494-4501
Gilroy, City of	Melissa Durkin, Planning Department	408-846-0252
Larkspur, City of	Jan Vazquez, Planning Director	415-927-5025
Livermore, City of	Eric Uranga, Housing Coordinator	510-373-5210
Marin Housing Authority	Leelee Shapiro (Fairfax Vestpocket Community) Roy Bateman (for all other programs)	415-491-2561 415-499-6268

Morgan Hill, City of	Planning Department	408-779-7248
Mountain View, City of	Michael Percy, Senior Planner	650-903-6452
Novato, City of	Carol Branan, Community Development Department	415-897-4344
Palo Alto, City of	Catherine Siegel, Housing Coordinator	650-329-2108
Petaluma, City of	Bonnie Gaebler, Housing and Block Grant Administrator	707-778-4301
Pittsburg, City of	Community Development Department	510-439-4920
Pleasant Hill, City of	Community Development Department	925-671-5209
Pleasanton, City of	Greg Plucker, Planning Department	925-931-5607
Redwood City, City of	Michael Church, Planning and Redevelopment Director	650-780-7235
Richmond, City of	Planning Department	510-620-6604
San Francisco, City and County of	Catherine Bauman, Planning Department (Better Neighborhoods 2002 initiative) Paul Lord (Van Ness Avenue Area Plan)	415-558-6287 415-558-6311
San Francisco, Mayor's Office of Housing and Community Development	Joe Latorre (Jobs housing linkage program and all other projects)	415-252-3100
San Francisco Redevelopment Agency	Olsen Lee	415-749-2479
San Jose, City of	Lian Loo (Executive Order for green affordable housing)	408-277-4670
San Jose, City of, Department of Housing	Tom Cook (Rincon de los Esteros Redevelopment Project)	408-277-2266
San Leandro, City of	Beth Greene	510-577-3373
San Rafael, City of	Chantry Bell, Planning Department	415-485-3085
Santa Rosa, City of	Wayne Goldberg	707-543-3220
Santa Rosa Housing Authority	Judy Lynch	707-543-3315
Sebastopol, City of	Planning Department	707-823-6167
Sonoma County, Community Development Commission	Mortgage Credit Certificate Program	707-898-1750
South San Francisco, City of	Mike Upston, Senior Planner	650-829-6630
Sunnyvale, City of	Dyane Mattas	408-730-7611
Vacaville, City of	John McDowell (street reductions) Terry Rogers, Office of Housing and Redevelopment (Saratoga Senior Development, The Maples on Acacia Street)	707-449-5140 707-449-5665
Walnut Creek, City of	Housing Coordinator	925-943-5834

Non-Profits and Other Organizations

Organization	Phone	Website
American Baptist Homes of the West (Pleasanton)	925-924-7170	
BRIDGE Housing Corporation (San Francisco)	415-989-1111	www.bridgehousing.com
Burbank Housing Development Corporation (Santa Rosa)	707-526-9782	
The Co-Housing Company (Berkeley)	510-549-9980	
Chinatown Community Development Center (San Francisco)	415-984-1450	www.chinatowncdc.org
East Bay Asian Local Development Corp. (Oakland)	510-287-5353	
Ecumenical Association for Housing (San Rafael)	415-258-1800	www.eah.org
Eden Housing (Hayward)	510-582-1460	www.edenhousing.org
EPA Can Do (East Palo Alto)	650-473-9838	
Habitat for Humanity, East Bay (Oakland)	510-251-6304	
Habitat for Humanity, Peninsula (Menlo Park)	650-324-2266	
Housing Trust of Santa Clara County (Santa Clara)	408-765-9918	www.housingtrustfund.org
Mercy Charities Housing California (San Francisco)	415-487-6825	www.mercyhousing.org
Mercy Housing Santa Cruz (Santa Cruz)	831-471-1914	
Mid-Peninsula Housing Coalition (Redwood City)	650-299-8000	www.midpen-housing.org
Palo Alto Housing Corporation (Palo Alto)	650-321-9709	
Paul Wang & Associates (Berkeley)	510-524-9393	
Pyatok Associates (Oakland)	510-465-7010	
Resources for Community Development (Berkeley)	510-841-4440	
Rubicon Programs Inc. (Richmond)	510-235-1516	www.rubicon.org
Satellite Senior Homes (Berkeley)	510-647-0700	www.sathomes.org
Sentinel Fair Housing (Oakland)	510-836-2687	
Silicon Valley Manufacturing Group (San Jose)	408-501-7851	www.svmg.org
South County Housing (Gilroy)	408-842-9181	www.scounty.com
Spanish Speaking Unity Council (Oakland)	510-535-6900	
Willie Pettus, Architects (Oakland)	510-528-3454	

Other Resources

The Bay Area has a wealth of non-profit organizations and agencies that provide services and information related to housing, including organizations focused specifically on affordable housing issues and special needs groups. Following is a list of some of the key organizations and agencies for obtaining additional information and assistance. This is NOT a comprehensive list. However, it should provide a good starting point for exploring specific issues and opportunities in greater detail.

For a more complete listing of organizations, including non-profit housing developers in the Bay Area, contact the Non-Profit Housing Association of Northern California (see below) and request of a copy of their membership directory, *Opening New Doors*.

Organization	Areas of Service Interest	Website and/or Phone Number
Affordable Housing Network of Santa Clara County (San Jose)	Affordable housing; advocacy	408-265-1554
American Association of Retired Persons (AARP) (Washington, DC)	Senior housing	www.aarp.org 1-800-424-3410
Association of Bay Area Governments (ABAG) (Oakland)	Regional housing needs; projections data; regional planning; sustainability	www.abag.ca.gov 510-464-7900
Association of Bay Area Governments (ABAG) - Financial Services (Oakland)	Affordable housing financing	www.abagbonds.org 510-464-7900
Association of Homeless and Housing Service Providers (Concord)	Homelessness; advocacy (Contra Costa County)	925-827-3598
Bay Area Council (San Francisco)	Economic development; housing; sustainability/smart growth	415-981-6600
California Affordable Housing Law Project (Oakland)	Affordable housing advocacy; information and legal services; State housing law	Email: pubintl@telis.org 510-891-9794; ext. 145
California Association of Homes and Services for the Aging (Sacramento)	Senior housing; supportive housing	www.aging.org
California Center for Land Recycling (San Francisco)	Brownfields development; sustainability	www.cclr.org 415-820-2080
California Community Reinvestment Corporation (Roseville, CA)	Nonprofit multi-bank consortium providing long-term financing for affordable housing	916-781-7642
California Debt Limit Allocation Committee (CDLAC), State Treasurer's Office (Sacramento)	Housing revenue bonds; mortgage revenue bonds; mortgage credit certificates	www.treasurer.ca.gov/cdlac/ cdlac.htm 916-653-3255
California Department of Fair Employment and Housing (Sacramento)	Fair housing laws information and services	www.dfeh.ca.gov 800-233-3212
California Energy Commission (Sacramento)	Energy conservation	www.energy.ca.gov 916-654-4989
California Housing Finance Authority (CHFA) (Sacramento)	Below-market rate loan financing for development of affordable rental housing and assistance to first-time homebuyers	www.chfa.ca.gov 916-322-3991
California Housing Partnership Corporation (CHPC) (San Francisco)	Preservation of assisted housing; technical assistance	Email: chpc@earthlink.net 415-433-6804
California Main Street Program (Sacramento)	Redevelopment; infill; mixed use	www.commerce.ca.gov/ mainstreet 916-322-3536

California Redevelopment Association (CRA) (Sacramento)	Redevelopment	www.ca-redevelopment.org 916-448-8760
California Reinvestment Committee (San Francisco)	Community Reinvestment Act issues	415-864-3980
California Tax Credit Allocation Committee (Sacramento)	Low-income housing tax credit programs	www.treasurer.ca.gov/ CTCAC/Ctcac.htm 916-654-6340
Center for Community Change (San Francisco; Washington, DC)	Technical assistance for community-based groups in low-income areas; Housing Trust Fund Project	www.communitychange.org 415-982-0346
Center for Universal Design (Raleigh, NC)	Housing design for people with disabilities	www.design.ncsu.edu/cud/ 800-647-6777
Community Economics, Inc. (Oakland)	Technical assistance; affordable housing financing	Email: jrubenzahl @communityeconomics.org 510-832-8300
Congress for the New Urbanism (San Francisco)	Community design; sustainability	www.cnu.org 415-495-2255
Corporation for Supportive Housing (New York)	Supportive housing	www.csh.org 212-986-2966 x500
The Development Fund (San Francisco)	Affordable housing financing	415-981-1070
East Bay Housing Organizations (Oakland)	Affordable housing education, advocacy and networking	510-663-3830
Enterprise Social Investment Corporation (Portland, OR)	Affordable housing financing and development	503-223-4050
Fair Housing of Marin (San Rafael)	Fair housing	415-457-5025
Greenbelt Alliance (San Francisco, San Jose, Walnut Creek, Santa Rosa)	Sustainability, land use, growth management, open space preservation	www.greenbelt.org 415-398-3730 (SF)
HomeBase (San Francisco)	Homelessness; education, information, advocacy, technical assistance	415-788-7961
Housing California (Sacramento)	Homelessness; affordable housing; advocacy	www.housingca.com 916-447-0503
Housing & Community Development (HCD), California Department of (Sacramento)	State housing law; Housing Elements; State housing programs and funding sources, HCD Clearinghouse	www.hcd.ca.gov 916-445-4782
HCD Clearinghouse (Sacramento)	Info on affordable housing and community development financing programs (govt., private, and foundation)	www.hcd.ca.gov/clearinghouse 916-323-3175
Housing Rights, Inc. (Berkeley)	Family housing; housing rights for children; shared housing	510-548-8776

Job Accommodation Network (Morgantown, WV)	Employment information and services for people with disabilities	www.janweb.icdi.wvu.edu/ 800-526-7234
Legal Services of Northern California (Sacramento)	State housing law; fair housing; legal issues and services	www.lsn.net 916-551-2150
Local Government Commission (Sacramento)	Sustainability/smart growth; energy conservation; Center for Livable Communities	www.lgc.org 800-290-8202
Local Initiatives Support Corporation (San Francisco)	Technical assistance for community development	www.liscnet.org 415-397-7322
Low Income Housing Fund (San Francisco)	Affordable housing financing and technical assistance	www.lihf.org 415-777-9804
Marin Continuum of Housing and Services (San Rafael)	Homelessness; affordable housing; networking and advocacy	415-455-5246
Marin Housing Council (San Rafael)	Affordable housing information and advocacy	415-258-1800
National Center for Homelessness and Poverty (Washington, DC)	Legal services related to homelessness	www.nlchp.org 202-638-2535
National Low Income Housing Coalition (Washington, DC)	Affordable housing education and advocacy	www.nlihc.org 202-662-1530
National Trust for Historic Preservation (Washington, DC)	Historic preservation	www.nationaltrust.org 800-944-6847
Non-Profit Housing Association of Northern California (San Francisco)	Affordable housing; technical assistance; advocacy; networking; information resources	www.nonprophousing.org 415-989-8160
Northern California Community Loan Fund (San Francisco)	Affordable housing financing	415-392-8215
Pacific Gas and Electric Company	Affordable housing investment; energy conservation	www.pge.com/affordable 415-973-3288
Protection and Advocacy, Inc. (Sacramento; Oakland)	Advocacy group for people with disabilities	www.pai-ca.org 800-776-5746
Rural Community Assistance Corporation (Sacramento)	Farmworker housing; self-help housing	www.rcac.org 916-376-0507
San Francisco Coalition for Low-Income Housing (San Francisco)	Affordable housing education, advocacy throughout Bay Area	415-487-3933
Silicon Valley Manufacturing Group/Santa Clara Housing Action Coalition (San Jose)	Affordable housing advocacy, education	www.svmg.org 408-501-7851
Sonoma County People for Economic Opportunity (Santa Rosa)	Affordable housing, economic development	707-544-6911

Technical Assistance Collaborative, Inc. (Boston, MA)	Technical assistance re: affordable housing for people with disabilities and homeless people	www.tacinc.org 617-742-5657
The Live/Work Institute (Oakland)	Live-work housing	www.live-work.com
Urban Ecology (Oakland)	Smart growth/sustainability	www.urbanecology.org 510-251-6330
Urban Land Institute (Washington, DC)	Urban development; infill; redevelopment; smart growth; land use; affordable housing	www.uli.org 800-321-5011
US Department of Housing and Urban Development (HUD) (San Francisco)	National housing policy and programs; information; technical assistance	www.hud.gov/local/sfc/ 415-436-6550
US Environmental Protection Agency (San Francisco; Washington, DC)	Brownfields Program	www.epa.gov/brownfields/

ABAG OFFICERS AND MANAGEMENT

Association of Bay Area Governments

President

Supervisor William J. "Bill" Carroll, County of Solano

Vice President

Councilmember Gwen Regalia, City of Walnut Creek

Immediate Past President

Councilmember Richard Spees,* City of Oakland

Secretary – Treasurer and Executive Director

Eugene Y. Leong

Legal Counsel

Kenneth K. Moy

Assistant Executive Director

Patricia M. Jones

Association of Bay Area Governments

P.O. Box 2050

Oakland, CA 94604-2050

Telephone: 510-464-7900

Facsimile: 510-464-7970

E-mail: info@abag.ca.gov

*Councilmember Spees replaces Alameda County Supervisor Mary King as Immediate Past President due to Supervisor King's January 2001 retirement.