

CITY OF FRESNO

HOUSING ELEMENT UPDATE 2015-2023



Housing and Community Development Commission
Study Session
January 27, 2016

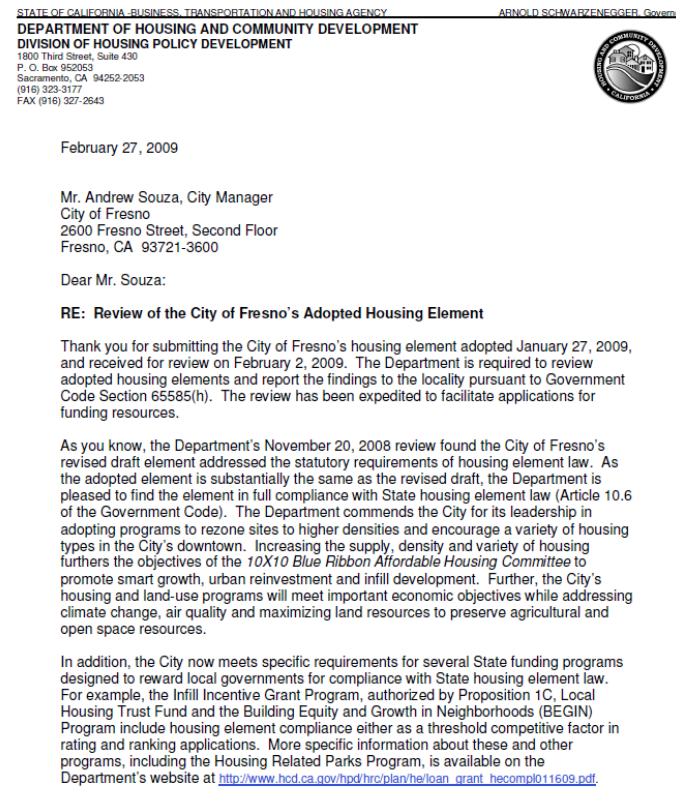
Goals for Study Session

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



Housing Element Facts

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



Why Update the Housing Element

Periodic updates required by State law

- 2015-2023 update due December 31, 2015 (plus 120-day grace period)
- If adopted on time, Housing Element valid for eight years
If late: 4-year cycle penalty



Why Update the Housing Element

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



Housing Element Update Process

Public Input



Phase

1

Community Meetings to Receive Input

Fall 2015



Evaluate Any New Constraints and Update Land Inventory and Resources

Fall 2015



Revise Housing Policies and Programs and Prepare Draft Housing Element

Fall/Winter 2015

Phase

2

CEQA Review

Early 2016



HCD Review

Early January – Early March 2016 (60 days)



Public Adoption Hearings

March/April 2016

Public Input



Housing Element Content

Constraints to Housing Development

- Governmental
- Market
- Environmental

Resources and Sites Inventory

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

**Housing
Plan
2015-2023**

Needs Assessment

- Demographic Trends
- Housing Market Trends
- Special Needs Groups

Progress toward Implementing Previous Housing Element

Affordable Housing Issues

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



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

State Income Thresholds

Affordable housing = 30% of household income

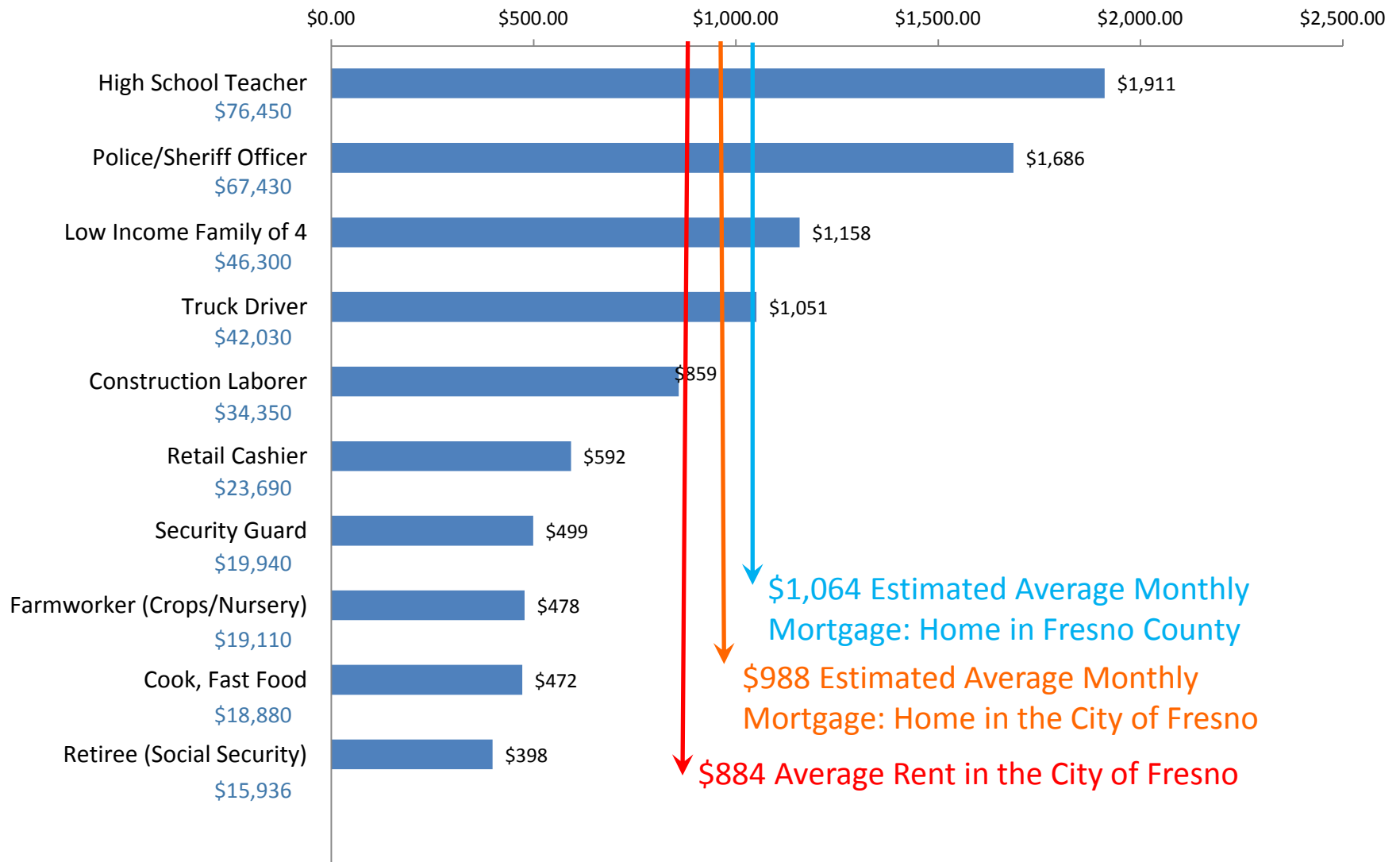
| Income Level | 1-Person | 2-Person | 3-Person | 4-Person | 5 Person |
|------------------------------|----------|----------|----------|----------|----------|
| Extremely Low (0-30% AMI) | \$12,150 | \$15,930 | \$20,090 | \$24,250 | \$28,410 |
| Very Low (31-50% AMI) | \$20,300 | \$23,200 | \$26,100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

AMI = Area Median Income

Fresno County AMI = \$ 57,900

Source: CA HCD, 2015

Affordable Housing Cost

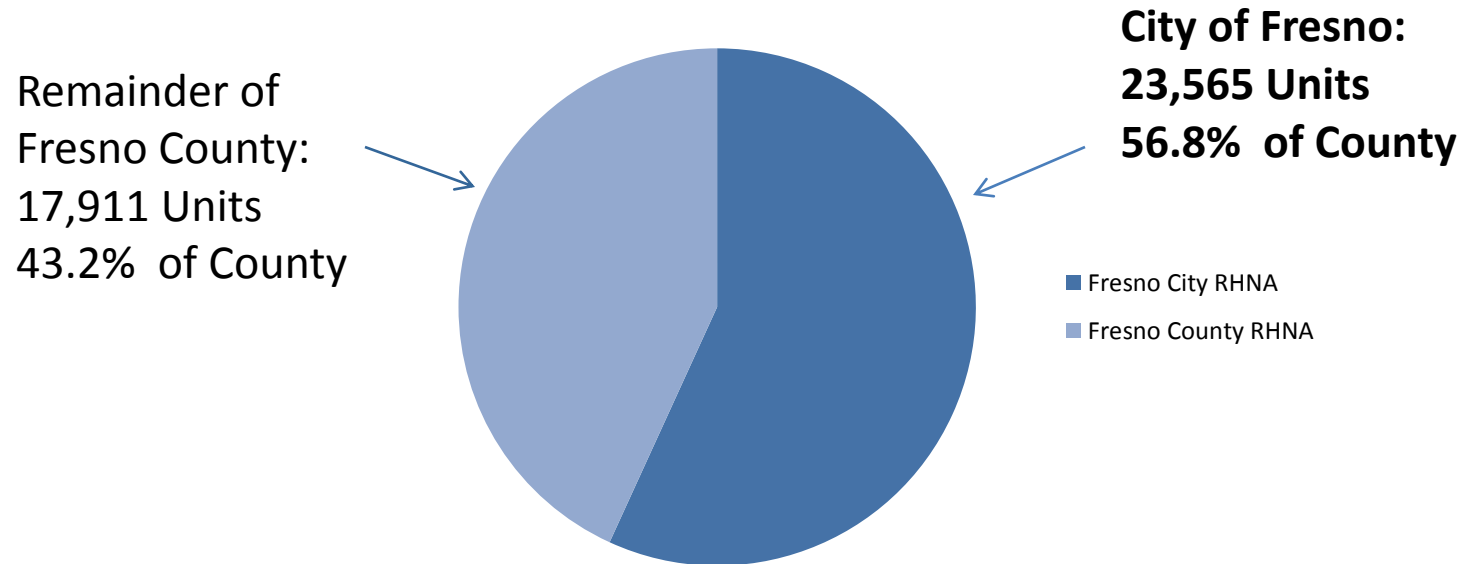


Other Housing Needs

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



Regional Housing Needs Allocation (RHNA)



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

Regional Housing Needs Allocation

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

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

RHNA

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

- NOT a construction obligation

Affordability of units based on AB 2348

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

Achieving the RHNA

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

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

City of Fresno
Housing Element

Adequacy of Sites to Meet the RHNA

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

Table 3-5: Comparison of Sites Inventory and RHNA

| Unit Capacity | Income Category | | | | Total |
|---------------------------------------|--------------------|-------|----------|----------------|--------|
| | Extremely/Very Low | Low | Moderate | Above Moderate | |
| Vacant Residential Sites | 7,796 | --- | 4,843 | 7,961 | 20,600 |
| Vacant BRT Sites | 1,371 | --- | 51 | 17 | 1,439 |
| Cap and Trade Sites | 547 | 32 | 80 | --- | 659 |
| Total Site Inventory Capacity | 9,714 | 32 | 4,974 | 7,978 | 22,698 |
| Remaining 2014 RHNA (after credits) | 5,386 | 3,022 | 3,033 | 4,787 | 16,227 |
| Redistributed Surplus/Shortfall (+/-) | +1,339 | --- | +1,941 | +3,191 | +6,471 |

Previous RHNA Obligations

The City's previous Housing Element (2008-2013) committed to rezoning 500 acres of land to permit by right residential development at a density of up to 20 units/acre and 200 acres to permit by right residential development at a density of up to 38 units/acre. The capacity of these rezoned sites far exceeded the capacity needed to meet the 2007 RHNA. After a comprehensive update to the General Plan (Fresno General Plan, adopted in 2014), the City drafted a new Development Code and Zoning Map to establish residential densities of up to 46 units/acre in three Downtown districts, the Multi-Family High Density district, and the Regional Mixed-Use district, consistent with the Fresno General Plan. Densities in the Multi-Family Urban Neighborhood district and in the Corridor/Center Mixed-Use district were increased up to 30 units/acre. The Development Code update resulted in significantly increased potential development capacity. As a result, the City's vacant residential land inventory has a capacity in excess of 22,600 units in the appropriate income categories, exceeding both the City's 2008 and current RHNA commitments.

Environmental Constraints

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

Land for Housing

3-12

November 2015

Progress Towards the RHNA

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

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

Site Affordability

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



Sites Inventory

- Vacant Sites located throughout the City
 - 97% of sites
- Cap and Trade Sites (Greenhouse Gas Reduction Fund, or “Cap and Trade Fund”)
 - 3% of sites
 - Supports infill and compact development
 - Extra points for projects in long range planning documents (e.g., Housing Element sites inventory)
 - Fancher Multifamily (240 units)
 - Fancher Senior Housing (200 units)
 - Blackstone/McKinley project (90 units)
 - South Fulton Project (50 units)
 - Hotel Fresno (79 units)

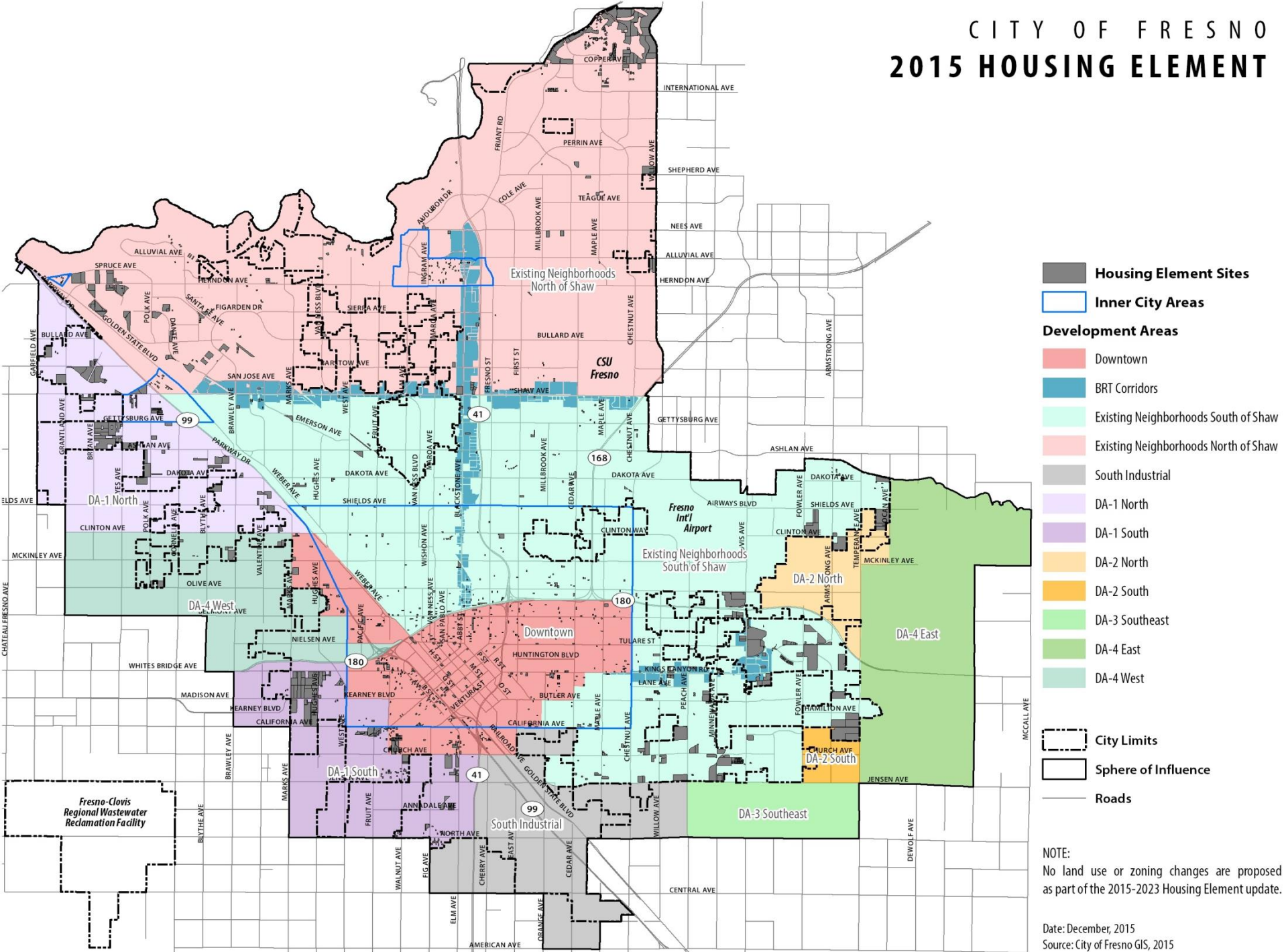
Achieving the RHNA

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

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

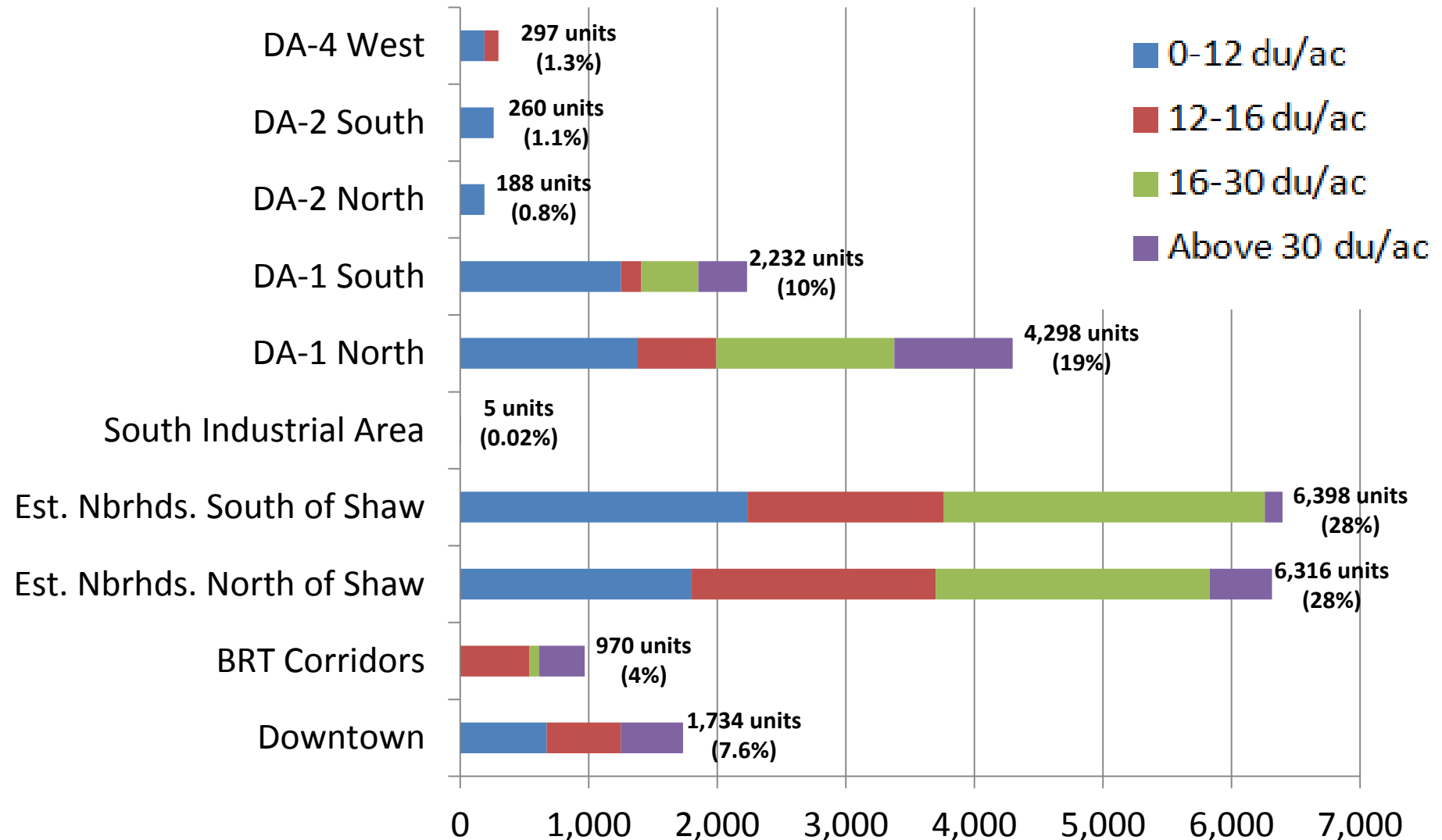
CITY OF FRESNO

2015 HOUSING ELEMENT



RHNA Capacity by Development Area

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



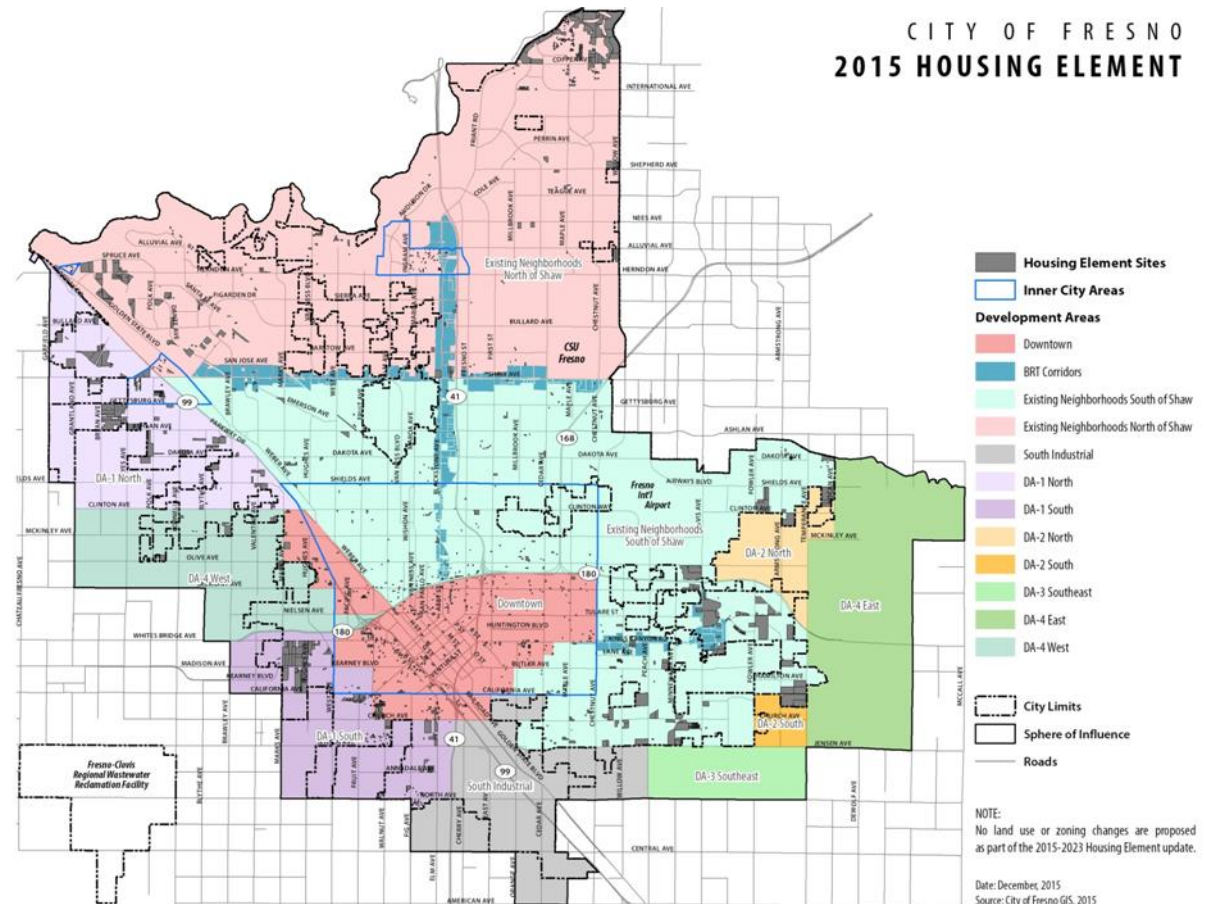
Housing Programs

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

Housing Programs

Adequate Sites to Accommodate a Range of Housing

- Program 1: Adequate Sites



Housing Programs

Assist in the Development of Housing

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

Housing Programs

Removal of Governmental Constraints to Housing

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

Housing Programs

**Conserve/
Improve
Fresno's
Housing**

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

Housing Programs

Equal Housing Opportunity

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



Next Steps

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

Additional Housing Element Workshops

- **Disability Advisory Commission**, January 19, 10:00 am
- **Housing and Community Development Commission**, January 27, 5:00 pm
- **Planning Commission** February 3, 6:00 pm

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