

KINGS COUNTY PLANNING COMMISSION STAFF REPORT

Update to the Kings County Housing Element August 3, 2009

Overview

State law requires Housing Elements to be updated periodically to reflect changing housing needs and conditions. The Kings County Housing Element was last updated in 2003 and now must be updated for the 2009-2014 planning period. With the support of the Kings County Association of Governments, the County and the cities of Avenal, Corcoran, Hanford and Lemoore are cooperatively preparing a joint Housing Element update.

The Housing Element is a state-mandated element of the General Plan and is comprised of the following major components:

- Analysis of population, household and employment trends, the characteristics of the housing stock, and a summary of the present and projected housing needs (Chapter 2);
- Evaluation of resources and opportunities that will further the development and preservation of housing (Chapter 3);
- Review of potential constraints to meeting identified housing needs (Chapter 4);
- Housing Plan to address housing needs, including housing goals, policies and programs (Chapter 5);
- Evaluation of each jurisdiction's housing accomplishments during the previous planning period (Appendix A);
- Inventory of potential sites for residential development (Appendix B); and
- Summary of public involvement activities during the Housing Element update process (Appendix C).

State law requires that the Draft Housing Element be submitted to the California Department of Housing and Community Development (HCD) for 60-day review, and that cities and counties consider the comments of HCD prior to adoption of the Housing Element. Staff recommends that the Planning Commission review the Draft Housing Element, receive comment, provide direction to staff as appropriate, and recommend that the Board of Supervisors authorize staff to transmit the Draft Housing Element to HCD for review.

For a complete copy of the Draft Housing Element Update it can be viewed either at the Kings County Community Development Agency office or online at <http://www.conexusplanning.com/kingsco.html>

Public Review

Public participation is an important part of the Housing Element update process. State law requires that jurisdictions provide an opportunity for involvement of all economic segments of the community, including those with special needs, in the development of housing policies and programs.

Prior to preparation of the Draft Housing Element, five public study sessions were held throughout the county to provide opportunities for all interested parties to learn about the Housing Element update process. These meetings are summarized in Appendix C of the Housing Element, and included the following:

Date	Meeting
2/26/2009	Avenal study session
2/2/2009	Corcoran study session
3/10/2009	Hanford study session
3/17/2009	Lemoore study session
3/12/2009	Kings County study session

Six public meetings are being held throughout the county during August 2009 to review the Draft Housing Element prior to its submittal to the California Department of Housing and Community Development. After receiving HCD’s comments, a proposed final Housing Element will be prepared and another round of public hearing will be held in each jurisdiction.

Since the Housing Element is revised periodically, this update represents a fine-tuning process rather than a wholesale overhaul. Many of the City’s efforts have been successful and should be continued during the next six years. Appendix A includes a detailed review of current policies and programs intended to identify which components are working well and which should be revised to reflect changed circumstances or take advantage of new opportunities or lessons learned over the past few years.

Key Issues

While the 2009 Housing Element represents a “fine tuning” and update of the previous Housing Element, there are some significant changes that are the result of changes in state law or in response to recent updates to the regional growth forecast. The most significant of these proposed changes are summarized below:

- **Regional Housing Needs Allocation (RHNA)**

The Regional Housing Needs Allocation (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction for the 7½-year period from January 2007 through June 2014. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans. The new RHNA was prepared by the Kings County Association of Governments (KCAG) in 2008. The future need for housing is determined primarily by the forecasted growth in households in a community. The housing need for new households is then adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. The sum of

these factors – household growth, vacancy need, and replacement need — determines the construction need for a community. Total housing need was then distributed among four income categories on the basis of the county’s income distribution. The RHNA was prepared through a collaborative process that included senior staff from KCAG and each of the five jurisdictions, and is described in Chapter 2 of the Housing Element. The housing growth allocations for Kings County and the four cities are as follows:

Kings County Regional Housing Needs, 2007-2014

Jurisdiction	Very Low*	Low	Moderate	Above Mod	Total
Avenal	80	126	214	291	771
Corcoran	80	160	295	370	905
Hanford	1,446	1,015	938	2,359	5,758
Lemoore	748	534	502	1,237	3,021
Unincorporated	137	193	316	448	1,094
Kings County total	2,491	2,028	2,265	4,705	11,489

*Includes the Extremely-Low Category. 50% of VL units are assumed to be extremely-low per state law
 Source: KCAG 2008

The income categories used in the Housing Element are linked to county (or “areawide”) median income (“AMI”) and are defined in state law as shown in the table below. Many state housing requirements and programs are based on “lower-income” guidelines, which consists of the extremely-low-, very-low- and low-income categories taken together. For example, in all jurisdictions within Kings County “lower-income” means a household with a total income of no more than \$44,650 per year, adjusted for family size. It is important to recognize that “low-income housing” means an apartment that rents for up to \$1,116 per month (including utilities), or a house with a sales price up to about \$180,000. As discussed in Chapter 2 of the Housing Element, most apartments in Kings County have rents within the low-income range while most new homes are priced within the moderate-income range (\$180,000 - \$275,000).

Income Categories and Affordable Housing Costs

2009 County Median Income = \$55,800	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$16,750	\$419	\$70,000
Very Low (31-50%)	\$27,900	\$698	\$115,000
Low (51-80%)	\$44,650	\$1,116	\$180,000
Moderate (81-120%)	\$66,950	\$1,674	\$275,000
Above moderate (120%+)	\$66,950+	\$1,674+	\$275,000+

Assumptions:

- Based on a family of 4
- 30% of gross income for rent or PITI
- 10% down payment, 5.5% interest, 1.25% taxes and insurance

Source: Cal. HCD; Conexus

Cities and counties must demonstrate that their land use plans and regulations provide realistic opportunities for development commensurate with the type and amount of housing identified in the RHNA during the new planning period. This is accomplished through a parcel-level analysis of vacant sites and “underutilized” sites with a potential for additional residential development or redevelopment (see Chapter 3 and Appendix B of the Draft Housing Element). State law provides strict guidance regarding how jurisdictions estimate development potential, with the two most important factors being zoning (especially allowable density and development standards) and the affordability level of recent housing developments.

It is also important to note that the RHNA is a *planning target*, *not a development quota*. While state law requires cities to demonstrate that their land use plans and regulations could accommodate the type and amount of housing identified in the RHNA, the law does not require that sites identified in the Housing Element as suitable for affordable housing be developed for that purpose. The law recognizes that cities and counties do not build housing, and development depends on many factors including property owner desires, interested builders, available financing, and prevailing market forces.

To determine whether each jurisdiction has adequate sites with realistic capacity for development commensurate with the RHNA, an analysis of vacant and underutilized parcels was conducted. The analysis included a review of recent development trends and a thorough review of potential development sites. The most significant aspect of this analysis deals with the capacity for new lower-income units. Since all newer apartments built in Kings County in recent years have rents within the lower-income range, all parcels zoned for multi-family development are considered “suitable sites” for lower-income housing.

When the County’s land inventory of potential housing sites was compared to its RHNA obligation, it was determined that there are sufficient sites to accommodate the County’s RHNA in all income categories (Housing Element Table 3-7).

In summary:

- The RHNA identifies each jurisdiction’s fair share of the region’s housing needs
- The RHNA is a planning target, not a development quota
- Jurisdictions must demonstrate adequate sites with appropriate zoning and development standards to accommodate the level of development identified in the RHNA
- The County has sufficient vacant land with appropriate zoning for new residential development in all income categories to meet the RHNA obligation

While demonstrating an adequate inventory of potential residential development sites commensurate with the RHNA is one of the most noteworthy issue related to the Housing Element, the Draft Element also proposes several other new policies and programs in response to changes in state law or local circumstances.

- **Emergency Shelters, Transitional and Supportive Housing**

An **emergency shelter** is a facility that provides shelter to homeless families and/or individuals on a limited short-term basis, typically six months or less. Senate Bill (SB) 2 of 2007 strengthened the planning requirements for emergency shelters. SB 2 requires that shelters be allowed “by-right” (i.e., without a conditional use permit or other discretionary approval) in at least one zoning district. The County Zoning Code complies with SB 2 regarding emergency shelters since shelters are a permitted use in the RM and PF zones subject to ministerial site plan review.

SB 2 also requires that **transitional and supportive housing** be treated as a residential use that is subject only to the same requirements and procedures as other residential uses of the same type in the same zone. In accordance with SB 2, the Housing Plan (Chapter 5) includes Program 5.9 to amend the Municipal Code regulations regarding transitional and supportive housing.

- **Housing for Persons with Special Needs**

State law requires that cities periodically review their zoning regulations, development standards and procedures to ensure that they do not pose undue constraints on the provision and use of housing by persons with disabilities or other special needs. The analysis indicated that some provisions of the Zoning Code may conflict with state law or constrain special needs housing. Therefore, Program 5.12 is included in the Housing Element to amend the Code in the following areas to remove constraints and facilitate the provision of housing for persons and families with special needs:

- Large community care facilities serving more than 6 persons will be identified as a conditional use in the RR, R and RM zones; and
- A reasonable accommodation ordinance establishing administrative procedures for reviewing and approving modifications to land use and building regulations that are reasonably necessary to ensure accessibility and use by persons with disabilities.

- **Density Bonus**

Program 5.5 includes a commitment to amend the Zoning Ordinance in conformance with current state density bonus standards in *Government Code* §65915, et seq.

- **Farmworker Housing**

The state Employee Housing Act (§17021.5 and §17021.6 of the Health and Safety Code) regulates farm worker housing and generally requires that facilities with no more than 36 beds or 12 units be treated as an agricultural land use that is not required to obtain any conditional use permit or other approval that is not required of other agricultural uses in the same zone. Program 5.11 includes a commitment to amend the Zoning Code in conformance with state law.

All other policies and programs contained in Chapter 5 represent a continuation of activities contained in the previous Housing Element with minor updates.

Next Steps

The Draft Housing Element will be presented to the Board of Supervisors on August 11. The Board will be asked to review the Draft Housing Element, receive comment from the public, and direct staff to

submit the Draft Housing Element to the California Department of Housing and Community Development (HCD) for comment.

Upon the completion of its review, HCD will issue its findings in a letter notifying the County either that the element is in “substantial compliance” or detailing the specific areas where, in HCD’s opinion, revisions are necessary in order to comply with state law. An HCD letter indicating substantial compliance is referred to as “certification.” Certification is important for several reasons:

- maintain eligibility for certain grant funds,
- ensure the legal adequacy of the General Plan,
- preserve local control of land use decisions,
- avoid a RHNA “carryover” to the next planning period, and
- avoid a shortened 4-year Housing Element planning cycle (under recently adopted SB 375).

ENVIRONMENTAL REVIEW

At this stage of the Housing Element adoption process, staff is only presenting the Draft Housing Element to the Planning Commission for review, comment, and direction to submit the draft to HCD. During the time that the Draft Housing Element is being reviewed by HCD (approximately 60 days), it is customary and appropriate for the environmental documentation to be prepared and noticed as required by the California Environmental Quality Act (CEQA). In this way, when the final Housing Element returns to the Planning Commission and Board for adoption, the environmental documentation will be completed and ready for action at the same time.

RECOMMENDATION

Review the Draft Housing Element, receive comment, and recommend to the Board of Supervisors that the Draft Housing Element be submitted to the California Department of Housing and Community Development for comment.

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