

THE CITY OF SAN LUIS OBISPO
HOUSING ELEMENT REVIEW

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Introduction

San Luis Obispo is surrounded by natural landmarks that supported the City's thriving tourism industry. As the economy continues to grow, an increasing number of people are interested in moving to San Luis Obispo. Land is quickly being developed into high-cost, low-density residential use. The recent general plan update includes several goals within its Housing Element focused on the future growth of the city.

In order to assist the city in implementing the most effective update, a study is conducted to compare the city's current housing element with the State guideline's and other cities such as Santa Barbara and San Jose. These two cities were chosen because of the similar population, growth characteristic, and issues that the City of San Luis Obispo possessed.

This study hopes to help the city on better utilize their time and resources during the update period and sets forth the City's policies and detailed programs for meeting existing and future housing needs, for preserving and enhancing neighborhoods, and for increasing affordable housing opportunities for extremely low, very-low, low and moderate income persons and households.

1. General Plan

The general plan is a comprehensive, long term plan document that every city and county must prepare and adopt to help guide the future physical development of their community.

Before 1971, the general plan was considered to be an advisory document. Government Code § 65860 then read, “No County or city shall be required to adopt a general plan prior to the adoption of a zoning ordinance.” In 1971, the Government Code was amended to require that a city’s zoning and subdivision approvals must be consistent with a city’s general plan, this requirement is known as the “consistency doctrine” (Barclay, Curtin, & Gray, 2013).

Consistency Law became one of the most important planning laws in California history because it essentially reversed the legal hierarchy of the general plan and the zoning ordinance (Fulton, & Shigley, 2005).

Although consistency doctrine has been in effect since 1971, it was not until 1990 that the California Supreme Court finally decided that general plan was the “constitution for all future development.” Today, California State law requires each city and county to adopt a general plan ‘for the physical development’ of the county or city, and any land outside its boundaries which bears relation to its planning” (§65300).

The key to the validity of a general plan is its legal adequacy. The following statutory requirements are necessary for an adequate general plan:

- A general plan must be “comprehensive” and “long-term.” (Gov’t Code §65300)
- The plan and its elements and parts must comprise “an integrated, internally consistent and compatible statement of policies...” (Gov’t Code §65300.5)

- The plan must address all the elements specified in section 65302, i.e., land use, circulation, housing, conservation, open space, noise, and safety. (Gov't Code §§ 65301, 65302). The degree of specificity and level of detail shall reflect local conditions and circumstances. (Gov't Code § 65301)
- The required elements must meet the criteria, if any, set out in section 65302; for example; the components of the circulation element must correlated to land use element. (Gov't Code §§ 65302(b))

1.1 General Plan Contents

The general plan expresses the community's development goals and embodies public policy relative to the distribution of future land uses, both public and private (Governor's Office of Planning and Research, 2003). The majority of general plan will also include a technical background report, consisting of quantitative information about the city's demographic, housing stock, economic make-up, and other aspects of the communities. This information is used to support the policies that were laid out in the general plan. In 2003, OPR issued a revision of General Plan Guidelines the previous editions, and added:

- Guidance for addressing environmental justice in the general plan.
- Guidance on developing optional water and energy elements.
- Expanded guidance on public participation in the development of the general plan.
- Revised and expanded housing element guidelines.
- Guidance on developing optional water and energy elements.
- Expanded guidance on consolidation of individual general plan elements.
- Suggested reporting formats for the annual general plan progress report.

Generally speaking, the state did not review general plan for compliance with the state law, such as compliance ensured only through litigation (exception is applied to housing element of the general plan). At a minimum, the general plan must cover and address each of the seven elements listed in California Government Code Section 65302, these seven elements are laid out as follows:

- **The land use element**, the most basic part of the plan, which deals with such a matters as population density, building intensity, and the distribution of land uses within a city or county.
- **The circulation element**, which must deal with all major transportation improvement. It serves as an infrastructure plan and also must be specifically “correlated” with the land use element-that is, infrastructure must address the development patterns expected by the land use element.
- **The housing element**, which must assess the need for housing for all income groups and lay out a program to meet those in needs.
- **The conservation element**, which deals with flood control, water and air pollution, and the need to conserve natural resources such as agricultural land and endanger species.
- **The open space element**, which is supposed to provide a plan for the long-term conservation of open space in the community.
- **The noise element**, which must identify noise problems in the community and suggest measures for noise abatement.
- **The safety element**, which must identify seismic, geologic, flood, and wildfire hazards, and establish policies to protect the community.

These seven mandatory elements may be added or subtracted by the legislature in any given time. For example from 1970 to 1984, the state required separate element to deal with scenic highways and seismic safety, but the folded those requirements into other elements (Fulton, & Shigley, 2005). All elements in the general plan have an equal legal status, which means one element is not more superior than another. City or county can add any optional element if they choose to do so. In Southern California for example, where smog is a major issues, having an air quality element is common. This element is also possible partly because the support funds from South Coast Air Quality Management District (Fulton, & Shigley, 2005). Combining two or more elements is possible; a combination such as a land use element with a circulation element is very popular because the distribution of land uses and the construction of roads and transit lines are depend on each other and closely related. All elements of the General Plan (mandatory or optional) must also be consistent and complement with one another, this mean a consistency within elements, area plan, text, and diagram.

There is no specific timetable from the state for updating general plan. A wholesale revision typically occurs about once every 10 to 15 years- usually when the data on which the plan is based become dated, when the growth patterns facing a community have changed, or when the plan is perceived as legally vulnerable. Like a constitution, general plan is truly general. The general plan contains a set of broad policy statements about the goals for future development of the city and usually does not contain specific implementation procedure (Fulton, & Shigley, 2005). However unlike a constitution, a general plan is easier to change. This change is known as General Plan Amendments. These type of amendments are usually designed to

accommodate a particular development project or tweak the plan in some specific way. These type of amendments are permitted four times per year under state law.

In sum, the preparation, adoption, implementation, and maintenance, of the general plan serves to (Governor's Office of Planning and Research, 2003):

- Identify the community's land use, circulation, environmental, economic, and social goals and policies as they relate to land use and development.
- Provide a basis for local government decision-making, including decisions on development approvals and exactions.
- Provide citizens with opportunities to participate in the planning and decision-making processes of their communities.
- Inform citizens, developers, decision-makers, and other cities and counties of the ground rules that guide development within a particular community

2. Housing Element

The first housing element requirements were enacted in 1969 by the legislature with no specific detail regarding the statutory requirements. In 1971, The State Department of Housing and Community Development (HCD) issued informal advisory housing element guidelines, but lacked the detailed requirements. As a result the HCD could not critically review housing elements for compliance. AB 1X (Chapter 1) instructed HCD to adopt housing element guidelines and mandated the department review and comment on local housing elements in 1975. Therefore, in 1977 housing element guidelines called for new housing elements to contain an unprecedented degree of specific detail in their analysis of housing needs, resources, and programs. The 1977 guidelines became the subject of controversy over whether they were

advisory or binding upon cities and counties. In 1980, the Legislature declared HCD guidelines to be advisory, and requiring the city and county to consider the department's findings prior to adopting the element.

As mentioned before, housing element of the general plan is subject to detailed statutory requirements regarding its content and must be updated every five years. This element is also the only element from the general plan that is subject to mandatory reviews by state agency. This shows how important housing subject is on statewide level, as well as the local level.

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of the regional housing need (Governor's Office of Planning and Research, 2003). This law helps insure the availability of housing and interconnection with private sector by helping local government on provide opportunities and eradicate unnecessary constraints that could affect the housing need or demand.

Housing element Government code section

In order to meet the community needs and be deemed complete, any local government must clearly identify and address each of these statutory requirements in their housing element. The following statutory requirements are derived from Article 10.6 of the Government Code, §65583 through §65590 (Governor's Office of Planning and Research, 2003):

- Quantifying projected housing needs. This is accomplished through the regional housing needs allocation (RHNA) process pursuant to §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. 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 groups.

- Review and revise of the housing element. Unlike the other elements of the general plan, state law explicitly requires that the housing element be reviewed and updated as frequently as appropriate, but not less than once every five years (§65588). The “review and revise” evaluation is a three-step process:
 1. 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).
 2. 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.
 3. 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 have been changed to incorporate what has been learned from the results of the previous element.
- Describe how the jurisdiction made a diligent effort to achieve public participation from all economic segments of the community in the development of the housing element.
- Assess housing needs and analyze an inventory of resources and constraints (§§65583(a)(1-8)), including an analysis of population and household characteristics and needs, an inventory of land, analysis of governmental and non-governmental constraints, analysis of special housing

needs, analysis of energy conservation opportunities and an analysis of assisted housing development at-risk of converting to market rate uses.

- Estimate the amount of funds expected to accrue to the Redevelopment Agency Low- and Moderate-Income Housing Fund (LMIHF) over the planning period of the element and describe the planned uses for those funds §65583(c)).
- Establish a housing program that sets forth a five years schedule of actions to achieve the goals and objectives of the element. Programs are to be implemented through the administration of land use and development control; provision of regulatory concessions and incentives; and the utilization of appropriate federal and state financing and subsidy programs; and when available, use of funds in a low and moderate income housing fund of a redevelopment agency (§65583(c)). The housing program must:
 1. Identify adequate sites with appropriate zoning, development standards and public facilities that encourage and facilitate a variety of housing types to accommodate all income levels of the local share of regional housing needs, including multifamily rental, factory built housing, mobile homes, farmworker housing, emergency shelters and transitional housing (§65583(c)(1)).
 2. Assist in development of housing to meet the needs of low- and moderate-income households (§65583(c)(2)).
 3. Address and, where possible, remove governmental constraints on the development, maintenance and improvement of housing. The program shall also remove constraints or provide reasonable accommodation for housing for persons with disabilities (§65583(c)(3)).

4. Conserve and improve the condition of the existing affordable housing stock (§65583(c)(4)).
 5. Promote equal housing opportunities for all persons (§65583(c)(5)).
 6. Preserve for lower income households the multifamily assisted housing developments at risk of conversion to market rate uses (§65583(c)(6)).
- Quantify objectives by income level for the construction, rehabilitation, and conservation of housing (§65583(b)).
 - Demonstrate the means by which consistency will be achieved with the other general plan elements and community goals (§65583(c))
 1. Analyze housing in the Coastal Zone (§65588(c)(d) and §65590(h)(2)).
 - Distribute a copy of the adopted housing 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 (§65589.7).

HOUSING ELEMENT CONTENTS

Review of Previous Element

- ◆ Results
- ◆ Comparison of results vs. planned objectives
- ◆ Implications for new element

Housing Needs Assessment

Existing Needs

- ◆ Overpayment
- ◆ Overcrowding
- ◆ Special housing needs
- ◆ Units at risk of converting to non-low income uses
- ◆ Substandard conditions

Projected Needs

- ◆ Regional housing needs allocation

Resource Inventory

Land Inventory

- ◆ Accommodate regional share by income group
- ◆ Public facilities and services
- ◆ Suitability of lands

Financial Resources

- ◆ RDA & other funds available over the next 5 years
- ◆ Funds available for preservation

Constraints on Housing

Governmental Constraints

- ◆ Land use controls
- ◆ Codes & enforcement
- ◆ On/off-site improvements
- ◆ Fees & exactions
- ◆ Permit procedures
- ◆ Other

Non-governmental Constraints

- ◆ Financing
- ◆ Land costs
- ◆ Construction costs
- ◆ Other

Programs

- ◆ Identify adequate sites
- ◆ Assist development of low- & moderate-income housing
- ◆ Remove or mitigate constraints
- ◆ Conserve & improve existing affordable housing
- ◆ Promote equal housing opportunity
- ◆ Preserve units at risk of conversion from low-income use

Quantified Objectives by Income Group

- ◆ New construction
- ◆ Rehabilitation
- ◆ Conservation of existing affordable units, including preservation of at-risk units

Reviewing and revising the housing element

Per state law requirement, the housing element is the only element of the general plan that needs to be reviewed and updated continuously. This review and update must consider in regard to the following guidelines (Governor's Office of Planning and Research, 2003):

1. Section 65588(a)(2): "Effectiveness of the element"-Review the results of the previous element's goals, objectives, policies, and programs. The result should be quantified where possible, but may be qualitative where necessary.
2. 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 felt short of what was anticipated.
3. 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 have been changed to incorporate what has been learned from the results of the previous element.

Just like other elements, the content of the housing element must be consistent with other elements and goals. Any programs or policies that are introduced on the element should be evaluated to eliminate any potential conflict between elements. Per Government's Code §65588, housing element is updated according to a particular schedule, which is usually on a five years cycle. Because of this shorter cycle (compare to traditional general plan update which is a 15 to 20 years cycle) inconsistencies can arise between the assumptions in housing element and the rest of the general plan. As a result, the preparation of the housing element should accommodate for the difference in planning periods (Governor's Office of Planning and Research, 2003).

Public participation is also required in the preparation or update of the housing element (§65351). A competent public participation process should involve the community members 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. Along with the affective community engagement, the housing element should describe the effort to:

- Include all economic segments of the community in the public participation process.
- Circulate the housing element among housing advocates, organizations serving lower income households and individuals.
- Involve such groups and persons in the development of the element.

Effective way to update housing element

A successful housing element would cover the necessary items to support the development and preservation of the requisite supply of housing, including affordable housing for seniors, families, and workers. A successful housing element also provides a system for local government to adopt and collaborate with land use to create strategies in reducing greenhouse gases in respond to climate change. The following are a few over-arching suggestions for local government in starting their housing element update (California Department of Housing and Community Development, 2012):

- Start with the existing plan. The update can build on what has been effective in the past.
- Immediately engage all critical stakeholders including tenants and homeowners, special needs populations, businesses, and real estate and housing providers and developers to ensure participation of all economic segments of the community.

- While the housing element must address specific State statutory requirements, including the local jurisdictions' fair share of the regional housing need, it is ultimately a local plan and should reflect the vision and priorities of the community.

CHART 1
Review Steps for HCD Standard and Streamlined Update Draft Reviews

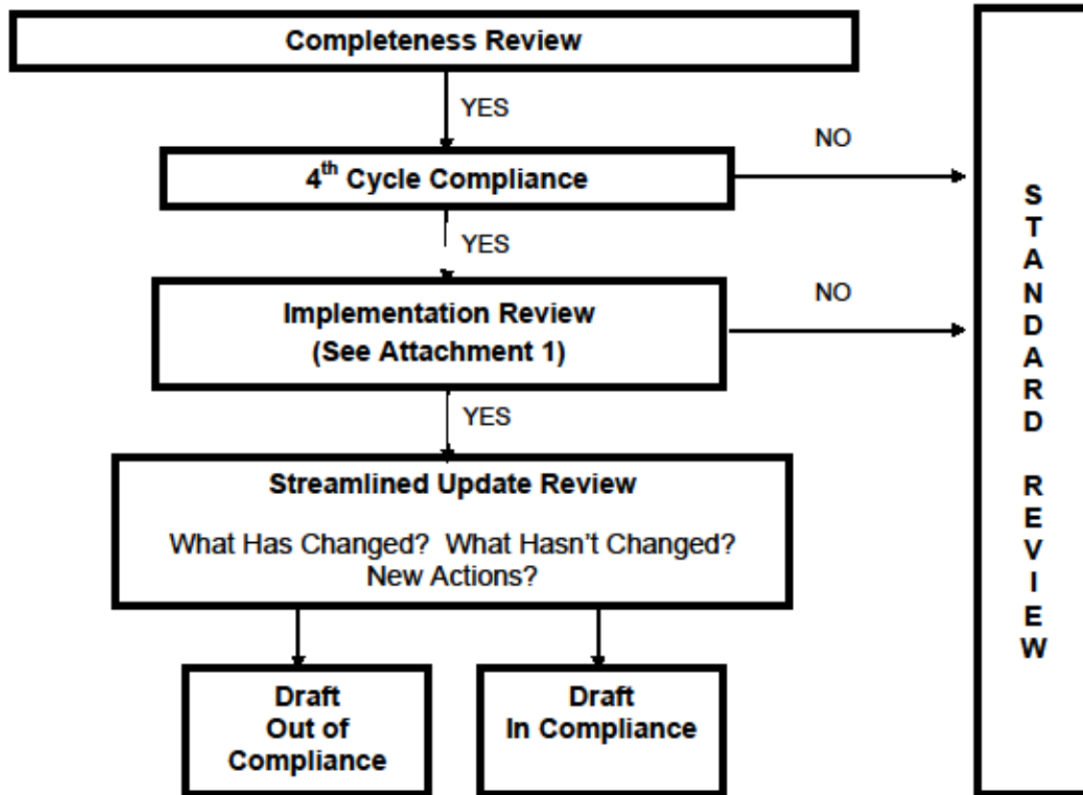


Chart 2. Housing Element review steps

Check list

To help the local government on their completeness, HCD produced Housing Element Completeness Checklist Review. This checklist is created to ensure that the updated element will include all components required by the state housing element law. The checklist also help to reduce subsequent submittals of draft housing elements by providing a guide for local governments to ensure the updated element include all statutory components (California Department of Housing and Community Development, 2012). This check list will also be used by the HCD as an initial completeness review of the draft. This initial completeness review will not check the quality of the document, but merely whether the component was addressed. HCD have two weeks to notify the city if they find the housing element submittal does not include information addressing one or more of the statutory components. The city can resubmit the revision within the seven day of notification for complete review. If revisions are not received, HCD will continue the review and note the missing components. These missing components will then be reviewed at later review of housing element.

Streamline update

Sometime for many local governments, much of the information that is available on the previous update is still good and applicable. As a result, local government can use a streamlined approach both in the preparation of the update as well as in HCD's review. Local government can use a Streamline Update template to show where changes were made in the previously adopted housing element. The eligibility requirements to use the Streamlined Update are:

- A housing element for the previous planning was adopted and found to be in compliance with State housing element law by the Department (Housing Element compliance status for all

jurisdictions is available on the Department's website at

<http://www.hcd.ca.gov/hpd/hrc/plan/he/status.pdf>).

- A complete updated housing element is submitted showing all changes. The changes can be shown through a variety of mechanisms as long as the changes can be identified such as by using strikeout, underline, redline, highlighting or other designation.
- Submittal of a Completeness Checklist (Attachment 2) and Streamlined Update template (Attachment 3).
- Answer Yes (or N/A as appropriate) to all questions in the Implementation Review (Attachment 1).
- Completion of the Streamlined Update template (Attachment 3), making revisions to the housing element, as necessary, to analyze changes in conditions, processes and program implementation actions. If it is determined no changes are necessary to a specific section, the Streamlined Update template must indicate such.

The Streamlined Update does not diminish the jurisdiction of its responsibility to address all statutory requirements of state housing element law, but rather to provide a guide for updating the necessary portions of the housing element. Specifically, the Streamlined Update template option is applicable to the following areas only (California Department of Housing and Community Development, 2012):

- Sites Inventory and Analysis
- Analysis of Governmental and Non-Governmental Constraints
- Housing Needs Assessment, including special needs groups (excluding the quantification and analysis of homeless individuals and families)
- Units At-Risk of Conversion to Market Rate

- General Plan Consistency
- Coastal Zone Housing

Other area such as Review and revise, public participation, programs and quantified objectives and any new statutory requirements since the prior update, including:

- Government Code Section 65584.09 (Unaccommodated Need). See the Department's memo at http://www.hcd.ca.gov/hpd/hrc/plan/he/ab_1233_final_dt.pdf. *
- Government Code Section 65583 (a)(1) and others (Extremely Low Income Households).*
- Government Code Sections GC 65583(a)(4) and others (Emergency Shelters and Transitional and Supportive Housing). See the Department's memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf. *
- Government Code Sections 65583(f), 65588(e) (SB 375 Rezoning and Update Schedule). See the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf.
- Government Code Section 65583.1 (Alternative Adequate Sites). See the Department's memo at http://www.hcd.ca.gov/hpd/hrc/plan/he/alt_adeq_sites082412.pdf
- Government Code Section 65583(e) (Persons with Development Disabilities). See the Department's memo at <http://www.hcd.ca.gov/hpd/NoticeCoverLtrSB812.pdf>.

Before any local government is eligible for Streamline Update, HCD requires jurisdiction to go through an Implementation Review. This review process would help HCD to determine if jurisdiction is eligible for the Streamline Update or not. The Implementation Review is not intended to result in additional analysis or evaluation than already required under housing element law, nor is additional documentation required to complete the Implementation Review (California Department of Housing and Community Development, 2012).

Standard Review

To provide a more efficient review process and reduce the necessary time to update, review, and comment on a housing element, HCD created a tools such as checklist and streamline update that local government can use. If a housing element does not qualify for the Streamlined Update, HCD will review the housing element in its entirety rather than focusing its review on changes (California Department of Housing and Community Development, 2012).

Federal housing

The Department of Housing and Urban Development (HUD) is the Federal agency responsible for national policies and programs that address America's housing needs, improve and develop the Nation's communities, and enforce fair housing laws. HUD was created by President Lyndon B. Johnson to battle war on poverty. HUD was established as a Cabinet Department by the Department of Housing and Urban Development Act on November 9, 1965. There are five core missions that HUD based on, these missions are (Thompson, 2006):

- Increase Home ownership
- Assisting Low-Income Renters
- Improving the Physical, Social, and Economic Health of Cities
- Fighting Discrimination in Housing Markets
- Assisting Homeless Persons with Housing and Support Services

HUD's business is helping to create a decent home and suitable living environment for all Americans, and it has given America's cities a strong national voice at the Cabinet level. HUD's programs includes (U.S. Department of Housing and Urban Development, 2014).

- Mortgage and loan insurance through the Federal Housing Administration
- Community Development Block Grants (CDBG) to help communities with economic development, job opportunities and housing rehabilitation;
- HOME Investment Partnership Act block grants to develop and support affordable housing for low-income residents;
- Rental assistance in the form of Section 8 certificates or vouchers for low-income households;
- Public or subsidized housing for low-income individuals and families;
- Homeless assistance provided through local communities and faith-based and other nonprofit organizations;
- Fair housing public education and enforcement.

As United States recovers from a turbulent period in housing market, HUD created strategic plan that covers goals and implementation for the year of 2010-2015 that could help families in America with their housing crisis. At the end of 2009, the Obama Administration took a comprehensive approach; as a result the economic growth increased at a faster pace in six years, house prices started to rise, homeowner equity is growing and our economy begun to add jobs (U.S. Department of Housing and Urban Development, 2010).

HUD Strategic Plan

Not too long ago, cities were seen as the “problem.” Investment was shifted away from the urban core to single family and large lot homes. Today, cities are growing again and increasingly are seen as part of the solution to our housing challenge and attractive places to live. The distinction between cities and suburbs are blurring, because challenges that were once associated with cities—homelessness, joblessness, and traffic congestion—have become

“suburbanized.” In many ways, our central cities, suburbs, and surrounding rural areas are becoming hubs of production and consumption, generating 90 cents of every dollar in the American economy, and housing more than 80 percent of America’s population (U.S. Department of Housing and Urban Development, 2010). With all these changes, today, we understand the effect that expended development patterns have had on environmental sustainability and on social and economic opportunity (U.S. Department of Housing and Urban Development, 2010).

With that being said, the Department of Housing and Urban Development created a strategic fiscal plan, which includes a reinvigorated mission statement that reflects a renewed focus on people and places, as well as a vision statement that paints a picture of what the Department will be to our residents, our partners, our employees, and the American people as a whole (U.S. Department of Housing and Urban Development, 2010). This plan will also include a set of strategic goals and strategies, and performance measures.

HUD new mission statement is to create “a decent home and suitable living environment for every American family.” With this new mission, HUD will continue to develop and preserve quality, healthy, and affordable homes. HUD would also focus on the physical, social, economic, and environmental sustainability of our communities. Lastly, HUD will undertake this housing and community development mission with an eye toward ensuring choice and opportunity for all people pursuing the promise of a better life. As far as vision, HUD visions are to embrace the myriad views of what the American Dream represents today. It reflects a renewed commitment to ensuring everyone in America can have the opportunities and choices to turn their dreams as individuals into reality (U.S. Department of Housing and Urban Development, 2010).

To Measure Success

To reach the success of the program, HUD created five strategic plan goals.

These are the five goals (U.S. Department of Housing and Urban Development, 2010):

HUD Strategic Plan Goals

Goal 1. Strengthen the Nation's Housing Market to Bolster the Economy and Protect Consumers.

Sub goals:

1A. Stem the foreclosure crisis

1B. Protect and educate consumers when they buy, refinance, or rent a home

1C. Create financially sustainable homeownership opportunities

1D. Establish an accountable and sustainable housing finance system

Goal 2. Meet the Need for Quality Affordable Rental Homes

Sub goals:

2A. End homelessness and substantially reduce the number of families and individuals with
severe housing needs

2B. Expand the supply of affordable rental homes where they are most needed

2C. Preserve the affordability and improve the quality of federally assisted and private unassisted
affordable rental homes

2D. Expand families' choices of affordable rental homes located in a broad range of
communities

Goal 3. Utilize Housing as a Platform for Improving Quality of Life

Sub goals:

- 3A. Utilize HUD assistance to improve educational outcomes and early learning and development
- 3B. Utilize HUD assistance to improve health outcomes
- 3C. Utilize HUD assistance to increase economic security and self sufficiency
- 3D. Utilize HUD assistance to improve housing stability through supportive services for vulnerable populations, including the elderly, people with disabilities, homeless people, and those individuals and families at risk of becoming homeless.
- 3E. Utilize HUD assistance to improve public safety

Goals 4. Build Inclusive and Sustainable Communities Free From Discrimination

Sub goals:

- 4A. Catalyze economic development and job creation, while enhancing and preserving community assets
- 4B. Promote energy-efficient buildings and location efficient communities that are healthy, affordable, and diverse
- 4C. Ensure open, diverse, and equitable communities
- 4D. Facilitate disaster preparedness, recovery, and resiliency
- 4E. Build the capacity of local, state, and regional public and private organizations

Goal 5. Transform the Way HUD Does Business

Sub goals:

- 5A. Build capacity—create a flexible and high-performing learning organization with a motivated, skilled workforce

5B. Focus on results—create an empowered organization that is customer centered, place based, collaborative, and responsive to employee and stakeholder feedback

5C. Bureaucracy busting—create flexible, modern rules and systems that promote responsiveness, openness, and transparency

5D. Culture change—create a healthy, open, flexible work environment that reflects the values of HUD’s mission

To judge the success of these goals, HUD developed measures for each individual goal. Success in housing and community development often cannot be fully measured by one set of measures. Recognizing the issues like homelessness and availability of community opportunities are complex. We have created cross-cutting measures to ensure they are addressed in multiple goals.

Goal 1 measure:

1. Reduce the number of completed foreclosures.
2. Restore FHA’s excess capital reserve ratio to the congressionally mandated 2-percent level by 2014.
3. Reduce the average residential vacancy rate in Neighborhood Stabilization Program (NSP) investment areas.

Goal 2 measure:

1. Reduce the number of households with worst case housing needs.
2. Increase the total number of affordable rental homes constructed and rehabilitated in communities with the greatest unmet needs.
3. Reduce homelessness (cross-cutting measure for Goals 2 and 3).

Goal 3 measures:

1. Increase the number of HUD-assisted households with school-aged children who have access to schools scoring at or above the local average.
2. Provide access to information and opportunities by increasing the proportion of units in HUD public and multifamily housing with an available broadband Internet connection.
3. Improve the health of HUD-assisted residents.
4. Increase the average income of HUD-assisted households.
5. Improve the quality of housing and available community opportunities reported by HUD residents (cross-cutting measure for Goals 2, 3, and 4).

Goal 4 measures:

1. Reduce the share of household income spent on the combined costs of housing and transportation in communities that receive assistance from the Office of Sustainable Housing and Communities.
2. Complete cost-effective energy and green retrofits of 159,000 public, assisted, and other HUD-supported affordable homes by the end of 2011.
3. Increase the proportion of HUD-assisted families in low-poverty and racially diverse communities (cross-cutting measure for Goals 2 and 4).
4. Increase the percentage of Gulf Coast homes in Louisiana, Mississippi, and Texas that have been reoccupied or converted to another viable purpose after being severely impacted by Hurricanes Katrina and Rita in 2005.

Goal 5 measures:

1. Make HUD the “Most Improved Large Agency” in the Best Places to Work in the Federal Government report.
2. Increase the percentage of HUD partners who are “satisfied” or “very satisfied” with the “Timeliness of Decision-Making at HUD.”
3. Increase the percentage of HUD partners who are “satisfied” or “very satisfied” with “Employee’s Knowledge, Skills, and Ability.”
4. Increase the percentage of employees who “agree” or “strongly agree” they are given a real opportunity to improve their skills in their organization.
5. Increase the number of decisions delegated to field offices.
6. Reduce the number of burdensome regulations and reports.
7. Reduce end-to-end hiring time.

With these five goals, HUD is hoping to establish the following objectives:

- Promoting Sustainable Homeownership
 - Assisting 3 million homeowners who are at risk of losing their homes due to foreclosure by the end of FY 2011.
 - Enhancing government’s ability to stabilize the housing market by restoring FHA’s excess capital reserve ratio to the congressionally mandated 2-percent level by FY 2014.
- Improving Outcomes for the Poorest Families
 - Reducing the number of households with worst case housing needs.
 - Increasing the proportion of HUD-assisted families in low-poverty and racially diverse communities.

- Ending Homelessness
 - Reducing the number of homeless families.
 - Reducing the number of chronically homeless individuals.
 - Reducing the number of homeless veterans to 59,000 by June 2012 (jointly with the Department of Veterans Affairs).
- Catalyzing Energy- and Transportation-Efficient Homes
 - Completing cost-effective energy and green retrofits of 159,000 public, assisted, and other HUD-supported affordable homes by the end of FY 2011.
 - Reducing the share of household income spent on the combined costs of housing and transportation in communities that receive assistance from the Office of Sustainable Housing and Communities.
- Revitalizing the Gulf Coast
 - Increasing the percentage of Gulf Coast homes in Louisiana, Mississippi, and Texas that have been reoccupied or converted to another viable purpose after being severely impacted by Hurricanes Katrina and Rita in 2005.
- Transforming HUD
 - Making HUD the “Most Improved Large Agency” in the Best Places to Work in the Federal Government report.
 - Increasing the percentage of HUD partners who are “satisfied” or “very satisfied” with “Timeliness of Decision-Making” as measured in the survey of Partner Satisfaction with HUD’s Performance.

CA State Housing

California HPD is a Division of Housing Policy Development designed to identify California's housing needs and developing policies to satisfy those needs. HPD administers State housing element law, including the review of local general plan housing elements; prepares numerous state plans and reports and conducts research to facilitate housing development and improvement, and provide a wide range of technical assistance to local governments, public and private housing providers, business and industry groups, housing advocates and interested citizens. In addition, HPD prepares and implements the Federal Consolidated Planning and Performance Reporting requirements for HUD, including the Analysis of Impediments to Fair Housing, ensuring California's receive of millions of federal housing and community development dollars.

As is mentioned earlier, one of the main purposes of HPD is to provide a wide range of technical assistance to local governments, public and private housing providers, business and industry groups, housing advocates, and interested citizens. A way to do this was by providing an online technical resource to assist local government in updating housing element entitled “Building Blocks for Effective Housing Element.” This updated guidance is intended to assist local governments and stakeholders with streamlined updates and HCD review for the fifth cycles of the housing element. By providing stakeholders with clarity in the updating process, such as making changes to the housing element available, local governments can better collaborate on key policy issues and save time in the update process (California Department of Housing and Community Development, 2012). While all local governments are still required to complete a housing element update, the Update Guidance is designed to reduce the number and

scope of housing element submittals per jurisdiction, and to focus resources on providing assistance to jurisdictions to ensure compliance and effectively addressing housing needs.

Building Block

In Building Block for Effective Housing Element homepage, local government can find a step by step guide on how to successfully adopt in housing element. This guide breaks down the housing element requirements into six individual sections to help for better understanding. These sections are: getting started, housing need, site inventory/analysis, constrain, program requirements, and other requirements section. As it is very useful to look at and analyze each of these sections, unfortunately this report is only going to cover the constrains portion part of this guide.

Constrain

An excellent housing element must be able to identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities. The analysis should identify the specific standards and processes, and evaluate their impact-- including cumulatively-- on the supply and affordability of housing (California Department of Housing and Community Development, 2014). On top of these, the analysis should control any constrain that potentially can interfere jurisdiction from meeting its housing needs.

Land-use Control

Government Code Section 65583(a) requires “An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels,...including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures...”.

It is important for local government to periodically analyze and ensure their ordinances/policies were designed to maintain and improve the development of housing for all income level. This analysis should describe past or current effort on removing constrain. This analysis should also identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and the affordability of housing, and the type of development such as; multifamily rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing (California Department of Housing and Community Development, 2014). The following is a list of typical development standards which should be identified and analyzed by zoning category (California Department of Housing and Community Development, 2014):

- Density
- Parking requirements (including standards for enclosed or covered and guest spaces)
- Lot coverage
- Height limits
- Lot size requirements

- Unit size requirements
- Floor area ratios
- Setbacks
- Open space requirements
- Growth controls including urban growth boundaries and any moratoria and prohibitions against multifamily housing

(Recent enacted law Chapter 633 of Statutes 2007 (SB 2), transitional housing and supportive housing must be considered a residential use of property, and be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone)

Below is an example table that local government can use in organizing critical information pertaining to housing element requirements.

DEVELOPMENT STANDARDS										
Zone District	Bldg Height	Lot Width	Minimum Yard Setback				Minimum Lot Area (sq. ft.)	Lot Area Per DU (sq. ft.)	Parking Spaces Per DU	Minimum Open Space (sq. ft.)
			Front	Side	Rear	Front				

Table 1. Example of development standards table

Parking

Parking regulation can present a noticeable amount of constrain to the development of housing. Constrains such as additional cost on the development, land availability, additional units, and actual parking demand can prevent the development from happening. Because of this reason, the element should examine whether parking standards impede a developer’s ability to achieve maximum densities, and if there are provisions in place such as density bonuses to

provide parking reductions where less need is demonstrated, particularly for persons with disabilities, the elderly, affordable housing, and infill and transit-oriented development (California Department of Housing and Community Development, 2014). Below is the density bonus ordinances compliance with parking per government code section 65915(p):

1. Upon the request of the developer, no city, county, or city and county shall require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the criteria of subdivision (b), that exceeds the following ratios:
 - Zero to one bedrooms: one onsite parking space.
 - Two to three bedrooms: two onsite parking spaces.
 - Four and more bedrooms: two and one-half parking spaces.
2. If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide "onsite parking" through tandem parking or uncovered parking, but not through on street parking.
3. This subdivision shall apply to a development that meets the requirements of subdivision (b) but only at the request of the applicant. An applicant may request additional parking incentives or concessions beyond those provided in this section, subject to subdivision (d).

Height limit

Besides parking, height limit could also limit a development's ability to achieve maximum build out. As a result, a combination of floor area ratios with any underlying development standards for mixed-use districts and evaluation of the cumulative effect of development standards, such

height limits, are a great way to achieve maximum permitted densities and the cost and supply of housing (California Department of Housing and Community Development, 2014).

Growth control or similar ordinance

Where it's necessary, ordinances or policies which are imposed to limit the amount of residential development should be analyzed and mitigated. The analysis must identify: what impact would it create on supply of housing for all income groups, process impact such as application procedure/requirement, the affordability of housing, and RHNA minimum requirement. The following are types of policies or requirements that should be analyzed:

- Systematic (area-wide) residential down-zoning;
- Urban limit line, growth boundaries, or perimeter greenbelt;
- Annexation restrictions;
- Building permit or other residential development caps;
- Voter approval for up-zoning, rezoning or general plan changes;
- Legislative super-majority for up-zoning, rezoning or general plan changes;
- Systematic changes to local height and FAR regulations; and
- Adequate public facilities ordinances.

Form based code

Utilizing form based code can have many advantages for a city. Advantages such as controllable built environment, architectural diversity, and higher chance of public participation makes Form Based Code a helpful program. Needless to say, jurisdiction that has adopted form

base code should ensure that the code will encourage and facilitates the following residential development:

Realistic Capacity

- Describe the relationship between General Plan land-use designation and the form-based code. In particular, 1) describe where residential development is allowed; 2) how density requirements found within the General Plan are incorporated; and 3) how the zoning designations under the form-based code relate to the land-use designations of the General Plan.
- The element must describe methodology used to estimate a reasonable residential capacity within the planning period. This methodology should describe density assumptions and consider development standards; buildings types, and use requirements.

Certainty for Residential Development

- Describe the type of the form-based code. For example, some codes only apply to specific areas of the jurisdiction, while others completely replace the older versions of the zoning code or are hybrids between the form-based code and older versions of zoning code.
- Describe performance standards or processes required for residential development under the form-base code. For example, the element could describe permitting requirements, decision making standards, and level of review for residential development in zones regulated by form-based codes.
- Describe any competing uses allowed in building types designated for residential use. If there is not some certainty in the development of residential uses on those sites identified in the sites inventory but are encouraged by incentives only, the element should demonstrate development trends and anticipated uses or include additional provisions.

Zoning Standards Appropriate to Facilitate Residential Development:

- Describe and analyze development standards regulating housing. The analysis must include a description of how the code controls form, bulk, building types, performance standards (e.g., ground floor commercial, 30 percent commercial etc), uses, and any related design criteria.

Fees and Exaction

Government Code Section 65583(a) requires “An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels...including...fees and other exactions required of developers, and local processing and permit procedures...”

There are two types of fees or exactions that housing development is typically will face

(⁴California Department of Housing and Community Development, 2014):

- Permit processing fees for planning and zoning; and
- Impact fees or exactions, imposed to defray all or a portion of the public costs related to the development project.

These fees or exactions can increased the cost and negatively affect the affordability of housing. High development fee and planning fee can also affect the property owner’s ability on housing improvements. As a result it is critical for jurisdiction to analyze and estimate the amount of fee will be subject for housing development proposal. For both processing fees and

impact fees, State law specifies procedural and nexus requirements (⁴California Department of Housing and Community Development, 2014):

- Government Code Section 66020 requires that planning and permit processing fees do not exceed the reasonable cost of providing the service, unless approved by the voters; agencies collecting fees must provide project applicants with a statement of amounts and purposes of all fees at the time of fee imposition or project approval.
- Government Code Section 66000 et. seq. (Mitigation Fee Act) sets forth procedural requirements for adopting, and collecting capital facilities fees and exactions, and requires they be supported by a report establishing the relationship between the amount of any capital facilities fee and the use for which it is collected.
- Identify and analyze permit processing and planning fees, and development and impact fees and exactions and how they have been established relative to the above statutory requirements, including any in-lieu fees.
- Identify exactions such as land dedication requirements (e.g., streets, public utility and other right-of-ways, easements, parks, open space, etc.) and other exactions imposed on development
- Describe other sources of public finance used to balance development fees assessed for individual projects. Estimate and analyze total development fees imposed by the city/county by unit type such as typical single family and multifamily development and total cost of fees.
- Include information on how fees are collected, i.e. at the beginning of the approval process, at the time of building permit issuance, or deferred until the project receives certificate of occupancy.

- Identify any policies or efforts to moderate high fee impacts for housing for lower-income households, such as fee waivers, fee deferrals, streamlined fee processing, and consolidated fee schedules.

Topic to be considered

As fee structure varies from one jurisdiction's to other, in the analysis of fees, the jurisdiction could consider the following factors (⁴California Department of Housing and Community Development, 2014):

1. Funding mechanisms for capital improvement plans. If the financing of major capital facilities is reliant predominantly on the collection of developer fees, other mechanisms to finance part of these improvements such as development of special districts, or leveraging federal, State and local programs could be considered.
2. Analyze fee trends. The analysis could examine the amount and rate of cumulative development fees increases over the past five to ten years.
3. Identify the most recent nexus study on which the fees are based. Factors in the analysis could include the date/relevancy of the most recent study, and what fees were examined.
4. Analyze whether the fee structure incentivizes effective use of services and compact development. For example, are there differentials for different locations or sizes of housing units within the jurisdiction?
5. Examine Affordable Housing Development Trends. Determine whether local affordable housing builders are developing within the jurisdiction and whether the amount of fees and exactions are constraining their development decisions or income targeting of affordable housing development.

6. Estimate fees as a portion of overall housing development cost. Should the analysis show that fees are a significant portion of overall development cost; this could indicate that fees are posing a constraint to the development of housing.
7. Comparison with surrounding jurisdictions. Are housing development fees in the community competitive with the fees being assessed by neighboring jurisdictions?

Below is a sample tables that a jurisdiction can used to assist in organizing critical fee and exaction information. The information provided in the tables should be tailored to the jurisdiction and followed by appropriate analysis.

FEE CATEGORY	FEE AMOUNT	
	Single-Family	Multifamily
Planning and Application Fees		
Annexation		
Variance		
Conditional Use Permit		
General Plan Amendment		
Zone Change		
Site Plan Review		
Architectural Review		
Planned Unit Development		
Specific Plan		
Development Agreement		
Other		
SUBDIVISION		
Certificate of Compliance		
Lot Line Adjustment		
Tentative Tract Map		
Final Parcel Map		
Vesting Tentative Map		
Other		
ENVIRONMENTAL		
Initial Environmental Study		
Environmental Impact Report		
Negative Declaration		
Mitigated Negative Declaration		
Other		
IMPACT		
Police		
Fire		
Parks		
Water and Sewer		
Sewer Hook-up		
Solid Waste		
Traffic		
Flood		
School		
Special District		
Habitat		
Other		
TOTAL		
Estimated Proportion of Total Development Cost		

PROPORTION OF FEE IN OVERALL DEVELOPMENT COST FOR A TYPICAL RESIDENTIAL DEVELOPMENT		
Development Cost for a Typical Unit	Single-Family	Multifamily
Total estimated fees per unit		
Typical estimated cost of development per unit		
Estimated proportion of fee cost to overall development cost per unit		

Table 2. Example of fee table

Nexus requirements (⁴California Department of Housing and Community Development, 2014)

Government Code Section 66001(a) of the Mitigation Fee (Act) (Section 66000-66025) requires that any city or county which establishes, imposes, or increases a fee as a condition of development approval do all of the following: (1) identify the purpose of the fee; (2) identify the use to which the fee is to be put; (3) determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; and, (4) determine how there is a reasonable relationship between the need for the public facility and the type of development project upon which the fee is imposed. Government Code Section 66001(b) further requires the locality to determine whether there is a reasonable relationship between the specific amount the fee imposed and the costs of building, expanding, or upgrading public facilities.

The Act also requires jurisdictions to segregate fee revenues from other municipal funds and requires the local agency to make certain enumerated findings with respect to any funds remaining unexpended, whether committed or uncommitted, within five (5) years of the original deposit and every five (5) years thereafter. If the findings are not made as required by the Act, the local agency is mandated to refund the moneys in the fund in accordance with the Act. Under Government Code Section 66014, fees charged for zoning changes, use permits, building permits, and similar processing fees are subject to the same nexus requirements as development fees. Lastly, under Government Code Section 66020, agencies collecting fees must provide project applicants with a statement of the amounts and purposes of all fees at the time of fee imposition or project approval.

Processing and Permit Procedures

Government Code Section 65583(a) requires “An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels,...including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures...”.

Common constrains such as lengthy processing time, unclear permitting procedures, layered review, multiple discretionary review requirements, and costly conditions of approval can significantly reduce the production and improvement of housing. Jurisdiction is required to describe and analyze the procedure, standard and guidelines in order to help mitigate impact cost for new development. Below are the processing and permit procedures that jurisdiction should cover in the element (⁷California Department of Housing and Community Development, 2014):

- Describe and analyze the types of permits, extent of discretionary review including required approval findings, procedures, and processing time required for residential development by zoning district.
- Describe and analyze the total permit and entitlement process for a typical single-family unit, subdivision, and multifamily project. Description should include typical processes required for single-family and multifamily projects and an estimate of total typical time necessary to complete the entitlement process.
- Describe and analyze the permit requirements and process for emergency shelters, transitional housing, supportive housing, single-room occupancy units, and farmworker housing.

- Describe and analyze all permits applicable to residential development, including conditional use permits and additional mechanisms that place conditions and performance standards on development (i.e., community plan implementation zones, hillside overlay zones, environmentally sensitive areas, etc.). For example, if the jurisdiction requires a conditional use permit for multifamily housing in a multifamily zone, the element should analyze this permit procedure as a constraint.
- In the case where discretionary approval from the local legislative bodies is required for permitted uses, the element should describe how the standards of decision-making promote development certainty.
- Describe and analyze other applicable regulations and processes such as design review and planned unit development (PUD) districts.

The element should also describe the time and procedures of PUD, from the plenary review to final approval, and how development standards and allowable densities are determined for PUD zone.

- If the jurisdiction has adopted an inclusionary ordinance, the element must provide an analysis of the ordinance. For example, the element should describe the types of incentives the jurisdiction has or will adopt to encourage and facilitate compliance with inclusionary requirements, what options are available for developers to meet affordability requirements, how the ordinance interacts with density bonus law, the amount of any in-lieu fee, and what finding a developer must make in order to choose to pay the in-lieu fee. If the jurisdiction has established a housing fund to collect any in-lieu fees, the element should describe the total amount available for housing production and any planned uses for the funds.

HOUSING TYPES PERMITTED BY ZONING DISTRICT				
RESIDENTIAL USE	ZONE			
	R-1*	R-2*	R-3*	Mixed-Use*
SF-Detached				
SF-Attached				
2-4 DU				
5+ DU				
Residential Care < 6P				
Residential Care < 6P				
Emergency Shelter				
Single-Room Occupancy				
Manufactured Homes				
Mobile-Homes				
Transitional Housing				
Farmworker Housing				
Supportive Housing				
Farmworker Housing				
2nd Unit				

P=Permitted CUP=Conditional Use * Change zoning designations to match jurisdiction's zoning ordinance as appropriate.

TIMELINES FOR PERMIT PROCEDURES	
Type of Approval or Permit	Typical Processing Time
Ministerial Review	
Conditional Use Permit	
Zone Change	
General Plan Amendment	
Site Plan Review	
Architectural/Design Review	
Tract Maps	
Parcel Maps	
Initial Environmental Study	
Environmental Impact Report	
Other	

Source: Local Building and Planning Departments

TYPICAL PROCESSING PROCEDURES BY PROJECT TYPE				
	Single Family Unit	Subdivision	Multifamily < 20 units	Multifamily < 20 units
List Typical Approval Requirements				
Est. Total Processing Time				

Table 3. Example of procedure and permit table

Code and Enforcement and On Off-Site Improvement Standards

Government Code Section 65583(a) requires “An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels,...including land-use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures...”

The following are subjects in which local government should be discussed in the element regarding code and enforcement (¹California Department of Housing and Community Development, 2014):

- Identify current Uniform Building Code (UBC) adopted and enforced by the jurisdiction.

Describe how the building code is implemented and whether the process optimizes predictability for developers. A code amendment, which specifies expensive materials and/or methods, can pose a significant constraint to housing development or maintenance.

- Identify and analyze any local amendments to the State housing law or UBC.
- Discuss the type and degree of enforcement.
- Describe any efforts to link code enforcement activities to housing rehabilitation programs.
- Describe Compliance with Health and Safety Code 17980(b)(2).

In addition, the element must analyze: street widths, curb, gutter, sidewalk requirements, water and sewer connections, landscaping, circulation improvement requirements, level of service, mitigation efforts and any other on/off-site improvement required by the jurisdiction.

On/off-site Improvement Standard

On/off-site improvement standard established site requirement to support new residential development such as streets, sidewalks, water and sewer, drainage, curbs and gutters, street signs, park dedications, utility easements and landscaping. However, such as requirements can potentially create a barrier to affordable housing. As a result local government should diligently determines away to soften these requirements.

Constraints-Housing for Persons with Disability

Government Code Section 65583(a)(4) requires: “an analysis of potential and actual government constraints upon the maintenance, improvement or development of housing... for persons with disabilities as identified in the analysis pursuant to paragraph (4) of subdivision (a), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting ... the need for housing for persons with disabilities (see Screen 7).

Government Code Section 65583(c)(3) requires the housing element provide a program to “address and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for persons with disabilities. The program shall remove constraints to and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.”

Beside the required analysis for person with disability, the housing element need to analyze the potential constrain on development, improvement, and maintenance of housing for disable individual. This analysis must show efforts in removing any necessary constrains as well as providing accommodation for person with disability through variety of programs.

The analysis of potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities must include, but need not be limited to (California Department of Housing and Community Development, 2014):

Review Zoning and Land-Use Policies and Practices to Ensure:

- Compliance with fair housing laws;
- Provision for group homes over six specifically for the disabled, other than those residential zones covered by State law;
- A broadened definition of family that 1) provides zoning code occupancy standards specific to unrelated adults and, 2) complies with Fair Housing Law;
- Siting or separation requirements for licensed residential care facilities, to determine extent to which the local restrictions effects the development and cost of housing;
- Any minimum distance requirements in the land-use element for the siting of special needs housing developments in relationship to each other do not impact the development and cost of housing for persons with disabilities; and
- Alternate residential parking requirements, including reduction, for persons with disabilities.

Evaluation of the Permit and Processing Procedures for:

- Process to request accessibility retrofits;

- Compliance with all State laws regulating a “by right” designation and/or permit requirement of licensed residential care facilities with fewer than six persons in single-family zones;
- Conditions or use restrictions on licensed residential care facilities with greater than 6 persons or group homes that will be providing services on-site and the extent to which they effect the development or conversion of housing for persons with disabilities; and
- Group home public comment period and the extent to which it differs from other types of residential development.

Review of Building Codes to identify:

- The year of the Uniform Building Code adoption;
- Any amendments that might diminish the ability to accommodate persons with disabilities; and
- Adopted universal design elements that address limited lifting or flexibility (i.e., roll-in showers and grab bars), limited mobility (i.e., push/pull lever faucets, wide swing hinges) and limited vision (i.e., additional stairwell and task lighting).

Review for Reasonable Accommodation Procedure to:

- Identify and analyze whether the locality has an established reasonable accommodation procedure;
- Describe the process for requesting a reasonable accommodation retrofit (i.e. ramp request); and
- Describe the extent to which existing requirements constrain or facilitate the application of an existing or proposed reasonable accommodation procedure (i.e., permit processing, zoning, building codes, accommodating procedures for the approval of licensed residential care

facilities and Fair Housing Amendment Act (FHAA) physical accessibility efforts [i.e., ADA retrofit efforts or other measures that provide flexibility]).

Review for Programs that:

- Address the needs of persons with disabilities and the extent to which the local process for accommodation is different from that for other types of residential development;
- Remove or mitigate identified constraints and address the housing needs of the disabled;
- Ensure information is available on how to request a reasonable accommodation with respect to zoning, permit processing, or building laws; and
- Assist in meeting identified needs. Contact local service providers of special needs groups to assist in the identification and analysis of constraints to the provision of housing for persons with disabilities, including lack of capacity and available resources and unmet needs.

Non-Governmental Constraints

Government Code Section 65583(a)(6) requires “An analysis of potential and actual nongovernmental constraints upon 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.”

In spite of the fact that most nongovernmental constraints are driven by the outside forces, most local government can notably influence these constraints through responsive programs and policies. While the local government can't influence the cost of land, construction cost, and financing ability they still can create an essential preconditions (favorable zoning and

development standards, fast track permit processing, etc.) that encourage and facilitate development of a variety of housing types and affordable levels (⁶California Department of Housing and Community Development). Below are the necessary subjects that must be discussed on the element:

1. Land Costs – Estimate the average cost or the range of costs per acre for single-family and multifamily zoned developable parcels.
2. Construction Costs – Generally estimate typical total construction costs includes materials and labor.
3. Availability of Financing - Consider whether housing financing, including private financing and government assistance programs, 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.

3. Findings and Recommendations

After analyzing San Luis Obispo housing element with the California State guidelines and several different cities, there are several items that The City of San Luis Obispo housing element can improve on. For the most part, San Luis Obispo housing element constrain section has done exceptionally well in addressing all the state standard and even went the extra miles by covering the other potential constrain subjects such as water availability, public service availability, insurance cost, and environmental cost. Even though the City of San Luis Obispo has done an excellent job on its element, there is always room for improvements. Below are the list of findings and recommendations that The City of San Luis Obispo can consider based on the comparison on appendix A.

Land-use control

Finding:

1. The city has closely analyzed the typical development standard that is required by the state, the open space discussions seems to lack or insufficient.
2. Clarity - the flow of information from one analysis to another seems disarray.
3. Out of place information (ex. Under growth control the city also discussed items such as density bonuses, secondary dwelling units, and manufactured and modular housing, mobile homes and mobile home park).

Recommendation:

1. Add open space section into the discussion.
2. Used category and subcategory system when moving from one information to another.
3. Move the out of place information into a more suitable location.

Fee and Exaction

Finding:

1. The need to include information on how fees distribute and collected

Recommendation:

1. Adding information regarding the distribution of the fee (ex. distribution of fees by type using pie chart) and information on when these planning related fees are collected.

Processing and Permit procedures

Finding:

San Luis Obispo Housing Element has satisfied the entire state guideline requirements on processing and permits procedures.

Recommendation:

1. Used table to shows better information on - housing types permitted by zoning district, timeline for permit procedures, typical processing procedures by project type.

Codes and Enforcement and On Off-site Improvement Standards

Findings:

There is a lack of discussion in regard to any efforts that link code enforcement activities to housing rehabilitation programs.

Recommendation:

Adding section in which a link between code enforcements activities and housing rehabilitation program is being discussed.

Constraints-Housing for Persons with Disabilities

Findings:

1. The combination between *Constrain-Housing for Person with Disabilities* and *Code and Enforcement and On Off-site Improvement Standards* can potentially create a confusion for the general public.
2. The city has satisfied all the state guideline requirements.

Recommendation:

1. Separate the two constrains and label each constrains properly.

Other Governmental Constrain

Recommendation:

As topic in energy conservation becoming more significant, The City of San Luis Obispo can potentially include this subject as part of its housing element such as what Santa Barbara has done.

Non-Governmental Constraints

Finding:

The city has satisfied all the state guideline requirements.

Recommendation:

The City can discuss efforts to help reduce construction costs.

Conclusion

The City of San Luis Obispo has satisfied the required elements based on the California Housing Element State Guidelines. Besides minor adjustments, there are not many things the City of San Luis Obispo can do to improve the constraint section of the element. From working in the City and being directly involved with the City's Housing Element update, I've learned that the housing element is a crucial part of the General Plan. These documents guide location, type, distribution, and future land uses throughout the City. The Housing Element has alleviated the issues of lack of affordability, overcrowding, unsafe conditions, and homelessness. In conclusion, the older generation is growing dramatically and the needs for special housing/affordable housing are becoming more desirable. The City must carefully evaluate its constraints, while carefully planning for the health and safety of the community.

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