OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT 3

REGIONAL HOUSING NEEDS ALLOCATION

State law (California Government Code Section 65584) requires that each city and county plan to accommodate its share of the region's housing construction needs, called the Regional Housing Needs Allocation (RHNA). The RHNA is intended to promote an increase in the housing supply and mix of housing types, infill development, socioeconomic equity, and efficient development patterns; protect environmental and agriculture resources; and improve jobs/housing relationships.

The California Department of Housing and Community Development (HCD) is responsible for projecting the housing needs for each of the state's regional governing bodies, or councils of governments. This demand represents the number of additional units needed to accommodate the anticipated growth in the number of households within each region. State law provides for councils of governments to prepare regional housing allocation plans that assign a share of a region's housing construction need to each city and county.

In Fresno County, the Fresno Council of Governments (Fresno COG) is the entity authorized under State law to develop a methodology to distribute the future housing needs to the jurisdictions within the region. The jurisdictions and Fresno COG collaborated to determine how the regional need would be distributed among the jurisdictions. On July 31, 2014, Fresno COG adopted its final Regional Housing Needs Allocation Plan for the January 1, 2013, through December 31, 2023, RHNA projection period. As required by State law, the Plan divides the allocation of projected housing demand into four income categories:

- very low-income – up to 50 percent of the median area income;
- low-income – 51 to 80 percent of the median area income;
- moderate-income – 81 to 120 percent of the median area income; and
- above moderate-income – more than 120 percent of the median area income.

Adjusting the allocation by income category allows for a balanced distribution of lower-income households between jurisdictions. Based on the requirements of AB 2634 (Statutes of 2006), each jurisdiction must also address the projected needs of extremely low-income households, defined as households earning less than 30 percent of the median income. The projected extremely low-income need can be assumed as 50 percent of total need for the very low-income households. Table 3-1 shows the Regional Housing Needs Allocation for all jurisdictions in Fresno County, adjusted to include the projected needs for extremely low-income households.

State law also requires all jurisdictions in Fresno County, including the County of Fresno, to demonstrate that they have or will make available adequate sites with appropriate zoning and development standards to accommodate the RHNA. The following section discusses the assumptions for this analysis and Section 2 of Appendix 2 shows how each jurisdiction will meet this requirement through units built or under construction, planned or approved projects, and vacant and underutilized sites.

Table 3-1 2013-2023 Regional Housing Needs Allocation by Jurisdiction

Jurisdiction	Housing Units by Income Level					Total Housing Units
	Extremely Low	Very Low[1]	Low	Moderate	Above Moderate	
Clovis	1,160	1,161	1,145	1,018	1,844	6,328
Coalinga	75	75	115	123	201	589
Firebaugh	64	64	169	204	211	712
Fowler	61	62	83	75	243	524
Fresno	2,833	2,833	3,289	3,571	11,039	23,565
Huron	43	44	107	106	124	424
Kerman	119	119	211	202	258	909
Kingsburg	56	57	70	60	131	374
Mendota	40	40	56	77	341	554
Orange Cove	55	56	86	105	367	669
Parlier	55	55	82	77	319	588
Reedley	196	197	204	161	553	1,311
San Joaquin	51	52	36	35	204	378
Sanger	156	156	175	163	568	1,218
Selma	70	70	115	69	281	605
Unincorporated County	230	230	527	589	1,146	2,722
Total County	**5,264**	**5,271**	**6,470**	**6,635**	**17,830**	**41,470**

[1]Adjusted to include extremely low-income units

Source: Fresno COG Regional Housing Needs Allocation Plan, July 31, 2014.

AB 1233 RHNA "CARRY OVER" ANALYSIS

Assembly Bill (AB) 1233, passed in 2005, amended State Housing Element law (Government Code Section 65584.09) to promote the effective and timely implementation of local housing elements. This bill applies to jurisdictions that included programs in their previous housing elements to rezone sites as a means of meeting their previous RHNA, as well as jurisdictions who failed to adopt a State-certified housing element in the previous housing element cycle. Key provisions of Government Code Section 65584.09 state that where a local government failed to identify or make adequate sites available in the prior planning period, the jurisdiction must zone or rezone adequate sites to address the unaccommodated housing need within the first year of the new planning period. In addition to demonstrating adequate sites for the new planning period, the updated housing element must identify the unaccommodated housing need from the previous planning period.

Some of the jurisdictions in Fresno County that did not adopt housing elements for the previous planning period or adopted a housing element and had a rezone program are affected by AB 1233. These jurisdictions must identify their unaccommodated housing need from the January 1, 2006, through June 30, 2013 RHNA projection period. Section 2 of Appendix 2 contains the RHNA Carryover analysis for these jurisdictions.

The methodology used to calculate the unaccommodated need starts with the 2006-2013 RHNA and subtracts:

- The number of units approved or constructed (by income category) since the beginning of the previous RHNA projection period start date (i.e., January 1, 2006);
- The number of units that could be accommodated on any appropriately zoned sites available during the previous RHNA projection period;
- The number of units accommodated on sites that have been rezoned for residential development pursuant to the site identification programs in the element adopted for the previous planning period (if applicable); and
- The number of units accommodated on sites rezoned for residential development independent of the sites rezoned in conjunction with the element's site identification programs as described above.

If this analysis reveals an unaccommodated need (in any income category) from the 2006-2013 RHNA, the jurisdiction must adopt a program to rezone sites within the first year of the new planning period to meet the housing need pursuant to Government Code 65584.09 and 65583(c)(1).

AVAILABILITY OF LAND AND SERVICES

The State law governing the preparation of housing elements emphasizes the importance of an adequate land supply by requiring that each housing element contain "an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites" (Government Code Section 65583(a)(3)).

Units Built or Under Construction and Planned or Approved Projects

Since the RHNA projection period starts on January 1, 2013, the number of units built since that date or under construction, planned, or approved after that date can be counted toward meeting a jurisdiction's RHNA. Section 2 of Appendix 2 includes a table for each jurisdiction of all units built since January 1, 2013 or under construction as of December 2014. Section 2 of Appendix 2 also includes an inventory for each jurisdiction of all residential projects that are planned or approved and scheduled to be built by the end of the current RHNA projection period (December 31, 2023). For each of these projects, there is a table showing the name of the development, number of units by income category, the description of affordable units, and the current status of the project.

Table 3-2 compares the units built, under construction, or approved within the participating jurisdictions to the 2013-2023 RHNA. In total 2,764 units have been built or are under construction within the participating jurisdictions and there are 4,225 approved units that are expected to be built within the RHNA projection period. This leaves a remaining need for 9,535 units to be accommodated on vacant or underutilized land within the participating jurisdictions. The specific number of units to be accommodated by vacant and underutilized sites in each jurisdiction is addressed in Appendix 2.

Table 3-2 Units Built, Under Construction, or Approved Within 2013-2023 RHNA Period

	Extremely Low and Very Low	Low	Moderate	Above Moderate	Total
2013-2023 RHNA for Participating Jurisdictions	4,630	2,926	2,755	6,213	**16,524**
Units Built or Under Construction	120	155	67	2421	2,764
Units in Approved Projects	147	480	535	3,061	4,225
Remaining RHNA	**4,363**	**2,291**	**2,153**	**731**	**9,535**

Vacant and Underutilized Land Inventory

The residential land inventory is required "to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels" (Government Code Section 65583.2(a)). The phrase "land suitable for residential development" includes vacant and underutilized sites zoned for residential use as well as vacant and underutilized sites zoned for nonresidential use that allow residential development. All parcels (or portions of parcels) in the vacant and underutilized sites inventory were reviewed by local staff and the Consultants to confirm vacancy status, ownership, adequacy of public utilities and services, possible environmental constraints (e.g., flood zones and steep slopes), and other possible constraints to development feasibility.

Affordability and Density

To identify sites that can accommodate a local government's share of the RHNA for lower-income households, housing elements must include an analysis that demonstrates the appropriate density to encourage and facilitate the development of housing for lower-income households. The statute (Government Code Section 65583.2(c)(3)) provides two options for demonstrating appropriate densities:

- Provide a detailed market-based analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower-income households.
- Use the "default density standards" that are "deemed appropriate" in State law to accommodate housing for lower-income households given the type of the jurisdiction. With the exception of the City of Fresno, all jurisdictions in Fresno County are considered "suburban jurisdictions" with a default density standard of 20 units per acre. HCD is required to accept sites that allow for zoning at this density as appropriate for accommodating a jurisdiction's share of the regional housing need for lower-income households.

Density is a critical factor in the development of affordable housing. In theory, maintaining low densities typically increases the cost of land per unit and increases the amount of subsidy needed to ensure affordability while higher density development can lower per-unit land cost and facilitate construction in an economy scale.

The majority of jurisdictions in the Multi-Jurisdictional Housing Element have land use policies and zoning provisions that allow for residential development up to or exceeding 20 units per acre. However, development trends in the region have demonstrated that the default density of 20 units per acre is not necessary to support affordable housing construction, particularly within smaller cities and in the unincorporated areas of the County. In some cities, such as Selma, Parlier, and Reedley, some single family developments are affordable. Specifically, Valley View Village in Selma offers affordable rental housing for lower-income households and Parlier offers affordable ownership housing for lower income first-time homebuyers in two single-family tracts.

To demonstrate that a density of 15 units per acre can encourage the development of housing affordable to lower income households, a three part analysis was prepared based on market demand, financial feasibility, and project experience within the zone(s).

Market Demand

Market rents for apartments are near the upper range of affordable costs for lower income households. One-bedroom rents generally range from $600 to $800 with an average rent of $700, near the upper income range for a lower income household. Also, a two-bedroom average rent is $829, near the range for a lower income household. While the built densities and age or amenities of apartments for these figures are unknown, market rents, without financial subsidies, are not disproportionate with lower income affordability ranges; indicating that densities around 15 units per acre can facilitate affordability for lower income households.

Table 3-3 Affordable Rent to Market Rent Comparison

Bedroom Type	Affordability for Lower Income Household	Market Rent Range	Market Average Rent
1-Bedroom	$606	$600-$800	$700
2-Bedroom	$719	$695-$1,100	$829
3-Bedroom	$759	$650-$2,000	$1,157

Land prices in Fresno County generally are much less expensive than other parts of California such as the coastal region. Based on a sampling of residential land sales in 2015, per acre prices were found to generally range between $160,000 and $240,000 per acre (see Table 4-3). Based on information provided by multifamily developers, recent land prices were consistent with this range.

Financial Feasibility

Given the availability and affordability of land in the Fresno County region, densities of 15 units per acre encourage the development of housing affordable to lower income households. This assumption is further supported by conversations with non-profit developers. Based on conversations with several developers of housing affordable to lower income households, the availability of land, sizeable parcels (e.g. an acre or more) and subsequent economies of scale and construction costs for garden style apartments are contributing factors to the cost effectiveness of 15 units per acre.

This cost effectiveness of 15 units per acre, in simple terms can be expressed in terms of land costs per unit at various densities. For example, the following table uses a land price of $240,000 per acre. Based on a typical total development cost of approximately $230,000 per unit, the table shows a less than significant difference between lower densities (e.g., 15 units per acre) and higher densities such as 20 units per acre. Specifically, land costs per unit at 20 units per acre are $12,000 per unit and represent 5.2 percent of total development. Similarly at 15 units per acre, land costs are estimated at $16,000 per unit, which represents about 7 percent of total development costs. Given land costs at 15 units per acre are similar to 20 units per acre and 20 units per acre is deemed appropriate to accommodate housing for lower income households (Government Code Section 65583.2(c), a density of 15 units per acre is also appropriate for housing affordable to lower income households.

Table 3-4 Costs per Unit

Units per Acre	Land Costs per Unit	Percent of Total Development Costs
15 units per acre	$16,000	7.0%
18 units per acre	$13,300	5.8%
20 units per acre	$12,000	5.2%

Assumptions: Average land price of $240,000 per acre and total development costs of $230,000 per unit.

Information based on Project Experience

Several affordable housing developers were contacted to provide input on their experience in Fresno County. Both Self-Help Housing and Habitat for Humanity focus on single-family products that are low density developments. The Fresno County Housing Authority, which funds and develops affordable housing throughout the County, was also contacted. According to the Housing Authority, typically the decision regarding the location of a specific affordable housing development is based primarily on where properties are available for sale. The Housing Authority does not specifically seek sites that are zoned for high density residential. In fact, higher density development often results in higher development costs due to the price of land and the construction type. Most affordable housing projects funded or developed by the Housing Authority are within the range of 12 to 18 units per acre. Occasionally, higher density affordable housing projects are built, more as a response to the preference of specific funding programs, than as a result warranted by financial feasibility.

As part of the Housing Element update, 71 affordable housing projects throughout the region were reviewed. Of the 71 projects, 45 projects (63 percent) were developed at a density of 15 units per acre or less. Overall, the average density of development among these 71 projects was 15.6 units per acre with a median density of 13.8 units per acre. When five "outlier" projects with densities over 30 units per acre were excluded from the analysis, the average density was only 14.1 units per acre for the remaining projects, with a median density of 13.1 units per acre. Table 3-7 provides a listing of affordable projects, along with the density and number of units for each project.

Based on this analysis, jurisdictions in this Housing Element have the option to use a density threshold of 15 units per acre for compiling the inventory of sites feasible for facilitating lower income housing.

Residential Development in Non-Residential Zones

Several of the participating jurisdictions include sites in the sites inventories that are zoned non-residential but allow residential uses. These jurisdictions have adopted general plans and zoning ordinances that allow for the flexibility to develop residential and mixed-use projects in these zones. While there are not a lot of recent examples of mixed-use and multifamily housing development to demonstrate project feasibility, many jurisdictions are seeing increased interest from developers.

In Kingsburg, the Housing Authority built a 46-unit affordable senior housing project with 2,400 square feet of commercial in the Central Commercial zone district. The project has a density of over 30 units per acre. In Reedley, Trailside Terrace, a 55-unit affordable multifamily project with 3,000 square feet of commercial space, has been approved on a 1.76-acre parcel in the Commercial Service zone district. The project has a density of over 31 units per acre. Both of these projects were built at more than the maximum allowed densities. In Fowler, developers have inquired about building residential as part of a mixed-use two-story pharmacy building in the downtown form based code area. There have also been discussions of a senior housing component on the 16-acre Adventist Health Campus, which is zoned C-2, as well as discussions about a residential mixed-use project on a 15.6 acre parcel zoned C-2. When residential is included as part of mixed-use projects, it is typically the predominant use and the residential portion is able to achieve (or exceed with a density bonus) the maximum residential densities.

There is generally an abundant supply of commercial land in the participating communities, as well as a growing interest in revitalizing downtown areas by encouraging mixed-use and directing residential development to commercial areas. Several jurisdictions have recently adopted general plans that have expanded mixed-use designations. Other jurisdictions (Fowler and Kingsburg) have recently adopted form based codes. That offer flexible development standards and incentives for including residential uses as part of mixed-use projects.

Commercial land generally costs more than residential land; however, in the Fresno County region commercial land costs are generally low and still do not constitute a substantial portion of total development costs for residential use. Based on a survey of land for sale on loopnet.com in the participating jurisdictions, the average listing price per acre of commercial land was $335,000. Using the same analysis above, based on the average listing price of $335,000, land costs per unit in commercial zones only constitute between 7.28 and 9.71 percent of total development costs, depending on the density.

Table 3-5 Non-Residential Land Costs per Unit

Units per Acre	Land Costs per Unit	Percent of Total Development Costs
15 units per acre	$22,333	9.71%
18 units per acre	$18,611	8.09%
20 units per acre	$16,750	7.28%

Assumptions: Average land price of $335,000 per acre and total development costs of $230,000 per unit.

Also, there has not been significant commercial development in the nonresidential areas included in the sites inventory in recent years. Development of individual commercial properties can be costly and often cannot offer updated configurations and features. Furthermore, the sites inventory, for most participating jurisdictions, includes only vacant sites. However, many existing commercial properties were developed decades ago and can no longer accommodate modern uses. Consolidation of individual commercial properties (vacant and underutilized) and introduction of a residential component can enhance the financial feasibility of a commercial development, especially retail uses that require a stable clientele. When underutilized properties are considered, the capacity for additional residential units can easily be doubled.

Estimating Development Potential

While the maximum allowed residential density was used to determine the inventoried income categories, realistic unit densities were used as the inventoried density. The inventoried density, which is used to calculate how many units each site can count towards the RHNA, reflects the typically built densities in each land use designation. Maximum allowable densities may not always be achievable in many jurisdictions due to various factors including environmental constraints and lack of infrastructure. The inventoried densities reflect these constraints. Assumptions for inventoried densities are described for each jurisdiction in Appendix 2.

Summary of Capacity to Accommodate the RHNA

Table 3-6 summarizes the total RHNA for all participating jurisdictions compared to the capacity on vacant and underutilized sites of participating jurisdictions. At the regional level, the participating jurisdictions have a surplus for all income categories. The statistics provided below do not account for units built or under construction, planned or approved projects, or Fifth Cycle rezone/prezone programs.

Table 3-6 Units Built, Under Construction, or Approved Within 2013-2023 RHNA Period

<table>
<tr><th></th><th>Extremely Low and Very Low[1]</th><th>Low</th><th>Moderate</th><th>Above Moderate</th><th>Total</th></tr>
<tr><td>2013-2023 RHNA for Participating Jurisdictions</td><td>**4,630**</td><td>**2,926**</td><td>**2,755**</td><td>**6,213**</td><td>**16,524**</td></tr>
<tr><td>Vacant and Underutilized Capacity</td><td colspan="2">12,573</td><td>8,480</td><td>12,299</td><td>33,352</td></tr>
<tr><td>**Surplus**</td><td colspan="2">**5,017**</td><td>**5,725**</td><td>**6,086**</td><td>**16,828**</td></tr>
</table>

Table 3-7 Average Densities for Existing Affordable Developments

Jurisdiction	Name	Address	Gross Acres	Gross Density	# of Units	# of Affordable Units	Status
Clovis	Cottonwood Grove	732 N. Clovis Ave	11.63	12.9	150	30	Occupied
	Coventry Cove	190 N. Coventry	12.14	11.5	140	28	Occupied
	Hotchkiss Terrace	51 Barstow Ave	2.35	31.5	74	74	Occupied
	Roseview Terrace	101 Barstow Ave	2.00	29.5	59	59	Occupied
	Sierra Ridge	100 Fowler Ave	12.57	14.3	180	37	Occupied
	Silver Ridge	88 N. Dewitt Ave	10.72	9.3	100	100	Occupied
	The Willows	865 W. Gettysburg	5.20	14.8	77	77	Occupied
	Lexington	1300 Minnewawa	6.58	19.8	130	130	Occupied
Coalinga	Warthan Place Apartments		5.22	15.5	81	68	Approved
	Coalinga Senior Housing Project		1.28	31.2	40	39	Approved
	Pleasant Valley Pines	141 S 3rd St Apt 127	3.40	15.3	52	44	Occupied
	West Hills	500 Pacific St	4.05	16.0	65	65	Occupied
	Westwood I	301 W Polk St	5.12	19.9	102	88	Occupied
	Tara Glenn Apartments	550 E. Glenn Avenue	6.36	12.6	80	79	Occupied
	Ridgeview Apartment	400 W. Forest Ave.	4.79	8.8	42	8	Occupied
Sanger	Sanger Crossing		4.40	18.4	81	80	Approved
	Elderberry at Bethel	2505 Fifth Street	5.86	12.6	74	73	Occupied
	Unity Estates Apartments	1410 J Street	7.18	12.3	88	84	Occupied
Kerman	Kerman Sunset Apartments	430 S. Sixth Street	1.14	31.6	36	35	Occupied
	Vintage Apartments	14380 West California	7.99	12.5	100	100	Occupied
	Kearney Palms Senior Apartments	14608 W. Kearney Street	6.08	13.3	81	80	Occupied
	Kearney Palms, Phase II	14606 W. Kearney Blvd.	1.09	18.3	20	20	Occupied
	Kerman Garden Apts.	166 S. Madera Ave	7.10	13.1	93	89	Occupied
	Kerman Acre Apartments (Granada Commons)	14570 W California Ave	1.01	14.9	15	15	Occupied

Jurisdiction	Name	Address	Gross Acres	Gross Density	# of Units	# of Affordable Units	Status
	Kearney Palms Senior Apartments, Phase III	14644 W. Kearney Blvd	2.10	21.0	44	43	Occupied
	Hacienda Heights	15880 W. Gateway	5.44	12.7	69	68	Occupied
Parlier	Parlier Plaza Apartments/Garden Valley Homes II	640 Zediker Ave	3.04	29.0	88	86	Occupied
	Parlier Garden Apartments	1105 Tulare Street	3.74	11.0	41	41	Occupied
	Salandini Villa Apartments	13785 East Manning Ave	8.55	17.3	148	146	Occupied
	Parlier Family Apartment	13600 E Parlier Ave	3.54	17.5	62	61	Occupied
	Tuolumne Village Apartments	13850 Tuolumne St	5.78	18.3	106	104	Occupied
	Bella Vista Apartments	8500 Bella Vista Ave	2.34	20.1	47	46	Occupied
	Avila Apartments	805 Avila St, Parlier, CA 93646	3.88	8.8	34	33	Occupied
	Avila Apartments II	Under construction	2.30	10.4	24	23	Approved
	Orchard Farm Labor Housing	295 S Newmark Ave	2.41	16.6	40	40	Occupied
	Parlier Plaza Apartments/Garden Valley Homes II	640 Zediker Ave	3.04	29.0	88	86	Occupied
	Parlier Garden Apartments	1105 Tulare Street	3.74	11.0	41	41	Occupied
	Salandini Villa Apartments	13785 East Manning Ave	8.55	17.3	148	146	Occupied
	Parlier Family Apartment	13600 E Parlier Ave	3.54	17.5	62	61	Occupied
	Tuolumne Village Apartments	13850 Tuolumne St	5.78	18.3	106	104	Occupied
	Bella Vista Apartments	8500 Bella Vista Ave	2.34	20.1	47	46	Occupied
	Avila Apartments	805 Avila St, Parlier, CA 93646	3.88	8.8	34	33	Occupied
	Avila Apartments II	Under construction	2.30	10.4	24	23	Approved
	Orchard Farm Labor Housing	295 S Newmark Ave	2.41	16.6	40	40	Occupied
Reedley	Kings River Commons	2020 E. Dinuba Avenue	4.19	14.3	60	60	Approved

Jurisdiction	Name	Address	Gross Acres	Gross Density	# of Units	# of Affordable Units	Status
	Kings River Village		37.98	9.0	341	80	Approved
	Trailside Terrace		2.00	27.6	55	55	Approved
	Mountain View Apartments	128 S. Haney Avenue	4.41	8.6	38	38	Occupied
	Springfield Manor Apartments	1463 E. Springfield Avenue	4.26	9.4	40	40	Occupied
	Riverland Apartments	990 East Springfield Avenue	5.03	15.1	76	76	Occupied
	Reedley Elderly	172 South East	0.95	24.2	23	23	Occupied
Mendota	Mendota Village Apartments	1100 Second Street	3.09	14.2	44	44	Occupied
	The Village at Mendota	647 Perez Avenue	6.22	13.0	81	80	Occupied
	Casa de Rosa Apartments	654 Lozano Street	7.95	10.2	81	80	Occupied
	La Amistad at Mendota	300 Rios Street	5.40	15.0	81	80	Occupied
	Lozano Vista Family Apartments	800 Garcia Street	5.85	13.8	81	80	Occupied
	Mendota Gardens Apartments	202 I Street	5.76	10.4	60	59	Occupied
	Mendota Portfolio (Site A)	570 Derrick Avenue	2.57	31.5	81	79	Occupied
Huron	Tierra Del Vista Apartments	16530 Palmer Avenue	6.98	7.7	54	54	Occupied
	Silver Birch Apts.	16800 Fifth Street	3.26	10.7	35	34	Occupied
	Porvenir Estates	36850 Lassen Avenue	2.71	14.8	40	39	Occupied
	Porvenir Estates II	16901 Tornado Ave	2.90	13.8	40	39	Occupied
	Palmer Heights Apartments	35820 South Lassen Avenue	5.65	10.8	61	60	Occupied
	Alicante Apartments	36400 Giffen Drive	6.74	12.0	81	80	Occupied
	Huron Plaza	16525 South 11th Street	4.87	13.1	64	63	Occupied
	Huron Portfolio	16201 Palmer Avenue	7.15	10.6	76	74	Occupied
	Conquistador Villa Apartments	16201 Palmer Ave	4.24	9.0	38	20	Occupied
Fresno County	Biola Village	4955 North 7th Ave.	4.84	9.1	44	44	Occupied
	Villa Del Rey	5622 South Oak Lane Ave.	5.27	9.1	48	48	Occupied
Selma	Valley View Village	Single-family homes	8.50	8.0	68	68	Occupied

Jurisdiction	Name	Address	Gross Acres	Gross Density	# of Units	# of Affordable Units	Status
Kingsburg	Marion Apartments	1600 Marion Street	1.38	33.3	46	45	Approved
Average Density				**15.6**			
Median Density				**13.8**			

Source: All participating jurisdictions (2015)

ADEQUACY OF PUBLIC FACILITIES

One major constraint to new housing development is the availability and adequacy of infrastructure, including water and wastewater infrastructure. The unincorporated areas of the county are particularly constrained by a lack of infrastructure. The County of Fresno generally does not provide water and sewer in existing unincorporated communities. These services are provided by independent community services districts. Most of the existing community services districts do not have excess capacity and would require significant expansion to accommodate any additional growth. For this reason, most new growth is directed to urban areas where infrastructure systems are more developed.

However, many of the cities also face infrastructure constraints. Water and sewer infrastructure needs to be extended into new growth areas before development can occur, and existing infrastructure systems will require upgrades. Jurisdictions rely on development impact fees to cover the cost of infrastructure improvements as they grow. These costs are added to the cost of new housing units, impacting affordability.

Water supply is one of the most critical issues for Fresno County. Jurisdictions in the county rely on a combination of ground water and surface water. While projects in the county are served by independent wells or community facilities districts, cities typically have independent water sources either from a third party or a municipally-operated system. During drought years or other mandated reductions for environmental purposes, total water supply can fluctuate from year to year. In rural areas, ground water levels are dropping causing domestic wells to dry up.

Jurisdictions in Fresno County have and will continue to pursue grant funding to improve infrastructure availability and reliability. Furthermore, the jurisdictions may adopt, or work with local water providers to adopt, policies to grant priority for water and sewer service to proposed developments that include housing units affordable to lower-income households.

FINANCIAL AND ADMINISTRATIVE RESOURCES

Funding Programs for Affordable Housing

As the need in California for affordable homes has become more acute, the State has reduced its direct funding for affordable housing dramatically. State Housing Bonds funded by Propositions 1C and 46 are exhausted, meaning the elimination of tens of millions of dollars in investment to provide homes to low- and moderate-income households in Fresno County. The elimination of Redevelopment funds led to a loss of more than $9.8 million annually in local investment in the production and preservation of affordable homes in Fresno County.

Exacerbating the State cuts is the simultaneous disinvestment in affordable housing by the Federal government. Cuts to HOME Investment Partnership Program (HOME) funds and Community Development Block Grants (CDBG) have resulted in the loss of another $3.8 million in annual funding. Table 3-8 highlights the loss of State and Federal funding for affordable homes in the participating jurisdictions in Fresno County since 2008. There has been a 64 percent decrease in State and Federal funding for affordable housing in the participating jurisdictions in Fresno County between 2008 and 2013.

Table 3-8 Changes to Major Affordable Housing Funding Sources in Fresno County

Funding Sources	FY 2007-2008	FY 2012-2013	Percent Change
State Housing Bonds Prop. 46 and Prop. 1C*	$329,950	$0	-100%
Federal CDBG Funds	$4,075,741	$2,993,766	-27%
Federal HOME Funds	$1578,630	$838,680	-47%
Total	**$5,984,321**	**$2,155,086**	**-64%**

Source: Fresno County, 2015

While funding for affordable housing has been significantly reduced, there are still several Federal, State, and local funding programs that can be used to assist with rehabilitation, new construction, infrastructure, mortgage assistance, and special needs housing. These possible funding sources include, but are not limited to, the following programs:

- **Drought Housing Rental Subsidies Program (SB104).** This program aims to provide rental subsidies "to persons rendered homeless or at risk of becoming homeless due to unemployment, underemployment, or other economic hardship or losses resulting from the drought." In June 2014, HCD asked qualified local government agencies and nonprofit organizations to submit a Statement of Qualifications to administer $10 million of State rental assistance funds.
- **Affordable Housing Program.** Provides, through a competitive application process, grants or subsidized interest rates on advances to member banks to finance affordable housing initiatives.
- **Affordable Housing and Sustainable Communities (AHSC) Program.** Administered by the California Strategic Growth Council, and implemented by the Department of Housing and Community Development, the AHSC Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions.
- **Mortgage Credit Certificate (MCC).** The MCC Tax Credit is a federal credit which can reduce potential federal income tax liability, creating additional net spendable income which borrowers may use toward their monthly mortgage payment. This MCC Tax Credit program may enable first-time homebuyers to convert a portion of their annual mortgage interest into a direct dollar for dollar tax credit on their U.S. individual income tax returns.

- **CalPLUS Conventional Loan Program.** This is a first mortgage loan insured through private mortgage insurance on the conventional market. The interest rate on the CalPLUS Conventional loan is fixed throughout the 30-year term. The CalPLUS Conventional loan is combined with a CalHFA Zero Interest Program (ZIP), which is a deferred-payment junior loan of three percent of the first mortgage loan amount, for down payment assistance.
- **CalHFA Conventional Program.** This is a first mortgage loan insured through private mortgage insurance on the conventional market. The interest rate on the CalHFA Conventional is fixed throughout the 30-year term.
- **Cal HOME Program.** Provides mortgage assistance loans to low- and very low-income households.
- **California Self-Help Housing Program.** Provides assistance to low- and moderate-income households to construct and rehabilitate their homes using their own labor.
- **Community Development Block Grant Program.** Provides funds for many housing activities including acquisition, relocation, demolition and clearance activities, rehabilitation, utility connection, and refinancing.
- **Emergency Solutions Grants Program.** Provides grants to supportive social services that provide services to eligible recipients.
- **Home Investment Partnerships Program.** Provides funds for housing-related programs and new construction activities. Also provides funds for Community Housing Development Organizations for predevelopment or new construction activities.
- **Housing Choice (Section 8) Voucher Program.** Provides local housing authorities with Federal funds from HUD. Families use the voucher by paying the difference between the rent charged and the amount subsidized by the program. To cover the cost of the program, HUD provides funds to allow Public Housing Authorities (PHAs) to make housing assistance payments on behalf of the families. HUD also pays the PHA a fee for the costs of administering the program. When additional funds become available to assist new families, HUD invites PHAs to submit applications for funds for additional housing vouchers. Applications are then reviewed and funds awarded to the selected PHAs on a competitive basis. HUD monitors PHA administration of the program to ensure program rules are properly followed.
- **Housing Related Parks Program (HRP).** Provides grant funding for the creation of new park and recreation facilities or improvement of existing park and recreation facilities as a financial incentive for constructing new affordable housing units.
- **Low Income Housing Tax Credit Program.** Provides 4 percent or 9 percent Federal tax credit to owners of low-income rental housing projects. The Low-Income Housing Tax Credit (LIHTC) is the federal government's primary program for encouraging the investment of private equity in the development of affordable rental housing for low-income households.

- **Veteran Housing and Homeless Prevention Program (VHHP).** Veteran's Bond Act of 2008 authorized $900 million in general obligation bonds to help veterans purchase single family homes, farms, and mobile homes through the CalVet Home Loan Program. HCD, CalHFA, and CalVet are collaborating in developing and administering this program.
- **National Housing Trust Fund.** Starting in 2016, the Federal government will issue an estimated $30 million to the California Department of Housing and Community Development to administer the National Housing Trust Fund. The program will provide communities with funds to build, preserve, and rehabilitate affordable rental housing for extremely low- and very low-income households.

Local Housing Programs

The majority of local housing programs are funded by two major sources: CDBG and HOME funds.

The County of Fresno receives CDBG funding of approximately $3,000,000 annually. The funds are divided among the County and the six partner cities (Kerman, Kingsburg, Mendota, Reedley, Sanger, and Selma) through a Joint Powers Agreement. The funds can be used for the replacement of substandard housing, rehabilitation of lower income owner-occupied and rental-occupied housing units, and other programs that assist households with incomes at or below 80 percent of median income.

The County of Fresno also receives a HOME allocation of less than $1,000,000 annually. These funds may be used for rehabilitation, acquisition, and/or new construction of affordable housing, including down payment assistance. The County works with the partner cities as well as with non-profit groups that request HOME funds for particular projects to be completed within one of the partner cities or an unincorporated area. In addition to assisting the partner cities and non-profit organizations, individuals who reside in one of these cities and the unincorporated areas can request HOME funds for rehabilitation, reconstruction, or a down payment to purchase a home.

County Housing Programs

The County of Fresno is an entitlement jurisdiction and receives CDBG and HOME funds from the Federal government. The County operates the following programs on behalf of Kerman, Kingsburg, Mendota, Reedley, Sanger, Selma, and the Unincorporated County.

First Time Homebuyer Assistance Program (HAP)

The First Time Homebuyer Assistance Program (HAP) offers no-interest loans of up to 20 percent of a home's sale price to income-qualifying first-time home buyers. The buyer must contribute at least 1.5 percent of the sale price and must purchase the house as their primary residence.

Housing Assistance Rehabilitation Program (HARP)

This program provides no-interest loans to income-qualifying households for moderate to substantial home reconstruction/rehabilitation projects. Code deficiencies, as well as owner-requested non-luxury improvements, are addressed. HARP loans are funded by various federal and state agencies and are specifically designed to assist low-income families make such improvements.

Rental Rehabilitation Program (RRP)

This program offers zero-interest loans to repair rentals in unincorporated areas and participating cities. Loans cover the entire cost of rehabilitation and are repaid over 20 years. The project must also meet the following guidelines:

- The project must have a positive monthly cash flow, including the County RRP loan;
- Code deficiencies must be corrected; and
- Tenants must have incomes at 60 percent of median if the project is located in a participating city or 80 percent if located in an unincorporated area.

Other City Housing Programs

With the exception of Fresno County, Clovis, and Fresno, jurisdictions can apply to the State for CDBG and HOME funds. Most cities use these funds for housing rehabilitation and first-time homebuyer programs.

The City of Clovis provides loans of up to $40,000 to low-income homeowners to complete health and safety repairs on owner-occupied single family homes. Clovis also provides grants up to $2,000 to low-income seniors (60 years and older) who own and occupy a mobile home in one of the mobile home parks in Clovis to address visible health and safety problems. The grant can be used for weatherization or roof, heating, plumbing, electrical, and structural repairs. Clovis also provides low-interest, deferred, 30-year loans to low-income first-time homebuyers to help subsidize the cost of purchasing homes.

The City of Coalinga recently received HOME and CDBG funds to reinstate the City’s Down Payment Assistance Program and Housing Rehabilitation Programs, which had been operated by the Redevelopment Agency. The programs are administered by Self-Help Enterprises.

San Joaquin and Parlier also use CDBG funds for housing rehabilitation programs.

Administrative Capacity

Beyond local city and county staff that administer housing programs, there are a number of agencies and organizations that are also important in the overall delivery system of housing services in the region, including new construction, acquisition and rehabilitation, and preservation of affordable housing.

Fresno Housing Authority

The Fresno Housing Authority provides affordable housing to over 50,000 residents throughout Fresno County either through Housing Choice Vouchers (HCV) or in Housing Authority-owned complexes. Specifically, the HCV program is assisting 12,000 households. As of October 2015, there are 42,587 residents outside the City of Fresno on the waitlist for Housing Choice Vouchers. Applicants are randomly selected through a lottery system.

Table 3-9 shows the subsidized rental units owned and/or managed by the Fresno Housing Authority throughout the county.

Table 3-9 Fresno Housing Authority Properties

Community/ Apartment Complex	Location	Number of Units
Biola		
Biola Apartments	4955 North 7th Avenue	12
Del Rey		
Del Rey Apartments	5662 South Oak Lane Avenue	30
Firebaugh		
Cardella Courts	419 P Street	32
Firebaugh Family Apartments	1501 Clyde Fannon Road	34
Firebaugh Elderly	1662 Thomas Conboy Avenue	30
Maldonado Plaza	1779 Thomas Conboy Avenue	64
Mendoza Terrace	1613 Mendoza Drive	50
Mendoza Terrace II	1661 Allardt Drive	40
Fowler		
Magill Terrace	401 East Nelson Street	20
Fresno		
Brierwood	4402 West Avalon Avenue	74
Cedar Courts	4430 East Hamilton Avenue	119
Cedar Courts II	4430 East Hamilton Avenue	30
Dayton Square	3050 East Dayton Avenue	66
DeSoto Gardens	640 East California Avenue	40
DeSoto Gardens II	640 East California Avenue	28
El Cortez Apartments	4949 North Gearhart Avenue	48
Emergency Housing	4041 Plaza Drive West	30
Fairview Heights Terrace	2195 South Maud	74
Garland Gardens	3726 North Pleasant Avenue	50
Inyo Terrace	510 South Peach Avenue	44
Marcelli Terrace	4887 North Barcus Avenue	24
Mariposa Meadows	1011 West Atchison Avenue	40
Monte Vista Terrace	North 1st Street and East Tyler Avenue	44

Table 3-9 Fresno Housing Authority Properties

Community/ Apartment Complex	Location	Number of Units
Pacific Gardens	5161 East Kings Canyon Road	56
Parc Grove Commons South	Clinton Avenue and Fresno Street	215
Pinedale Apartments	145 West Pinedale Avenue	50
Renaissance at Alta Monte	205 North Blackstone Avenue	30
Renaissance at Santa Clara*	503 G Street, 512 F Street, 1555 Santa Clara Street	69
Renaissance at Trinity	524 South Trinity Street	21
Sequoia Courts	154 E. Dunn Avenue	60
Sequoia Courts Terrace	549 S. Thorne Avenue	76
Sierra Plaza	838 Tulare Street	70
Sierra Pointe**	1233 West Atchison Avenue	53
Sierra Terrace	937 Klette Avenue	72
Viking Village	4250 North Chestnut Avenue	40
Villa del Mar	3950 North Del Mar Avenue	48
Woodside Apartments	3212 East Ashcroft Avenue	76
Yosemite Village	709 West California Avenue	69
Huron		
Cazares Terrace	36487 O Street	24
Cazares Terrace II	36333 Mouren Street	20
Huron Apartments	19125 Myrtle Avenue	20
Parkside Apartments	36200 North Giffen Avenue	50
Kerman		
Granada Commons	14570 California Avenue	16
Helsem Terrace	938 South 9th Street	40
Kearney Palms Senior Apartments	14608 W. Kearney Street	80
Kearney Palms Phase II	14606 W. Kearney Blvd.	20
Laton		
Laton Apartments	6701 East Latonia Street	20
Mendota		
Mendota Apartments	778 Quince Street	60
Mendota Farm Labor Housing	241 Tuft Street	60
Rios Terrace	424 Derrick Avenue	24
Rios Terrace II	111 Straw Street	40
Orange Cove		
Citrus Gardens	201 Citrus Avenue and 452 10th Street	30
Kuffel Terrace	791 I Street	20
Kuffel Terrace Annex	1040 8th Street	40
Mountain View Apartments	1270 South Avenue	30
Parlier		
Oak Grove	595 Bigger Street	50

Table 3-9 Fresno Housing Authority Properties

Community/ Apartment Complex	Location	Number of Units
Orchard Apartments	295 South Newmark Avenue	40
Parlier Migrant Center	8800 South Academy Avenue	130
Reedley		
Sunset Terrace	629 East Springfield Avenue	20
Sunset Terrace II	806 Lingo Avenue	20
Kings River Commons	2020 E. Dinuba Ave.	60
Sanger		
Elderberry at Bethel	2505 5th Street	74
Memorial Village	302 K Street	35
Wedgewood Commons	2415 5th Street	64
San Joaquin		
San Joaquin Apartments	8610 South Pine Avenue	20
Taylor Terrace	8410 5th Street	28
Selma		
Shockley Terrace	1445 Peach Street	25
TOTAL		**2,906**

Source: Fresno Housing Authority, 2015.

Notes:
* Including one manager's unit
** Single family homes

Non-Profit Housing Providers

There are numerous non-profits that are active in constructing, managing, and preserving affordable housing in the region. According to Affordable Housing Online, there are 12,706 units of affordable housing in 157 properties throughout the county, including those operated by the Housing Authority described above. More than half of these affordable units are in the City of Fresno, however, every city and several unincorporated communities also contain affordable housing units. Within the smaller cities and unincorporated areas, one of the more active nonprofit housing providers has been Self-Help Enterprises. Self-Help Enterprises focuses on providing self-help housing, sewer and water development, housing rehabilitation, multifamily housing, and homebuyer programs in the San Joaquin Valley of California. They currently provide assistance to the City of Coalinga to oversee their housing rehabilitation and down payment assistance programs.

OPPORTUNITIES FOR ENERGY CONSERVATION

State law requires an analysis of the opportunities for energy conservation in residential development. Energy efficiency has direct application to affordable housing since higher energy bills result in less money available for rent or mortgage payments. High energy costs have particularly detrimental effects on low-income households that do not have enough income or cash reserved to absorb cost increases and many times must choose between basic needs such as shelter, food, and energy.

California Building Code, Title 24

California Title 24 regulations require higher energy efficiency standards for residential and non-residential buildings. The building code provides a great deal of flexibility for individual builders to achieve a minimum "energy budget" through the use of various performance standards. These requirements apply to all new residential construction, as well as all remodeling and rehabilitation construction.

Utility Programs

Pacific Gas and Electric Company (PG&E), which provides electricity service in Fresno County, provides a variety of energy conservation services for residents as well as a wealth of financial and energy-related assistance programs for low-income customers:

- **The Balanced Payment Plan (BPP)**. Designed to eliminate big swings in customer monthly payments by averaging energy costs over the year.
- **CARE (California Alternate Rates for Energy).** PG&E provides a 20 percent discount on monthly energy bills for low-income households.
- **Energy Partners Program.** The Energy Works Program provides qualified low-income tenants free weatherization measures and energy-efficient appliances to reduce gas and electricity usage.
- **Energy Efficiency for Multifamily Properties.** The Energy Efficiency for Multifamily Properties program is available to owners and managers of multifamily residential dwellings. The program encourages energy efficiency by providing rebates for the installation of certain energy-saving products such as high-efficiency appliances, compact fluorescent light bulbs, attic and wall insulation, and efficient heating and cooling systems.
- **The Family Electric Rate Assistance (FERA) Program.** PG&E provides a rate reduction program for low-income households of three or more people.
- **REACH (Relief for Energy Assistance through Community Help).** The REACH program is sponsored by PG&E and administered through the Salvation Army. PG&E customers can enroll to give monthly donations to the REACH program. Through the REACH program, qualified low-income customers who have experienced unforeseen hardships that prohibit them from paying their utility bills may receive an energy credit up to $200.

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