



City of Adelanto
CALIFORNIA

February 15, 1995

Department of Housing
and Community Development
State of California
1800 Third Street
P.O. Box 952053
Sacramento, CA 94252-2053

Re: Affordable Housing/Low and Moderate

Gentlemen:

Enclosed are our 1995 findings and our FY 1994-95 Report on Housing Needs in Adelanto. This Report is being provided to your office pursuant to Section 33334.2(b) of the Health and Safety Code and Section 65400(b) of the Government Code.

Very truly yours,

Patricia A. Chamberlaine
City Manager
Executive Director/RDA

PAC:tp
Enclosure

cc: R. Zaiden Corrado, Esq. w/attachments
Michael Wagner w/attachments

RECEIVED

FEB 23 1995

DIV. OF HOUSING
POLICY DEVELOPMENT HCD

RESOLUTION NO. ARDA 95-01

A RESOLUTION OF THE ADELANTO REDEVELOPMENT AGENCY AKA
ADELANTO IMPROVEMENT AGENCY MAKING FINDINGS WITH RESPECT
TO THE NEED IN THE CITY OF ADELANTO FOR LOW AND MODERATE
INCOME HOUSING AND HOUSING FOR VERY LOW INCOME HOUSEHOLDS,
AND DETERMINING THAT SUCH FINDINGS ARE CONSISTENT WITH
THE HOUSING ELEMENT OF THE 1994 GENERAL PLAN UPDATE
OF THE CITY OF ADELANTO

WHEREAS, the Adelanto Improvement Agency (the "Agency") desires to undertake certain activities necessary for the execution of the Adelanto Improvement Project (the "Project") under the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) and pursuant to the Improvement Plan for the Project; and

WHEREAS, the Improvement Plan was adopted on May 31, 1983 by Ordinance No. 170 of the City Council of the City of Adelanto, amending the Redevelopment Plan for Redevelopment Project 80-1, adopted on February 24, 1981 by Ordinance No. 155 of the City Council of the City of Adelanto; and

WHEREAS, the Agency has reviewed and considered a report on the community's supply of housing for low and moderate income households, and very low income households; and

WHEREAS, the Agency has reviewed and considered the Housing Element of the Adelanto 1994 General Plan Update, including the community's share of the regional housing needs of very low income households and persons and families of low or moderate income; and

WHEREAS, the Planning Commission of the City of Adelanto has prepared and submitted an annual report for fiscal year 1994-95 to the City Council of the City of Adelanto on implementation of the Housing Element of the Adelanto 1994 General Plan Update, as required by subdivision (b) of Section 65400 of the Government Code; and

NOW, THEREFORE, THE ADELANTO IMPROVEMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Based upon the Report on Housing Needs of the City of Adelanto for Fiscal Year 1994-1995, attached hereto and incorporated herein by this reference, the Agency hereby finds that there is no present need in the City of Adelanto to improve, increase or preserve the supply of low and moderate income housing, including housing for very low income households in a manner which would benefit the Project Area for the Adelanto Improvement Plan.

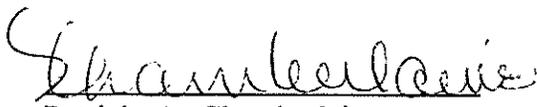
Section 2. The Agency hereby determines that the finding contained in Section 1 is consistent with the Housing Element of the Adelanto 1994 General Plan Update, including Adelanto's share of the regional housing needs of very low income households and persons and families of low or moderate income, and with the 1994-95 annual report to the City Council on implementation of the General Plan, including the Housing Element, prepared pursuant to Government Code Section 65400(b).

Section 3. Based on the foregoing finding and determination, the Agency will not use any portion of the taxes allocated to the Agency pursuant to Health and Safety Code Section 33670 for the 1994-95 fiscal year to increase, improve or preserve the supply of housing for very low income households or persons and families of low or moderate income.

Section 4. The Executive Director of the Agency, not later than 10 days from the date of adoption of this resolution, shall send to the California Department of Housing and Community Development a copy of this resolution, including the factual information supporting the Agency's findings set forth above.

PASSED, APPROVED AND ADOPTED by the Redevelopment Agency of the City of Adelanto this 14th day of February, 1995.


Mary I. Scarpa, Vice Chairman


Patricia A. Chamberlaine
Executive Secretary

Resolution ARDA No. 95-01
Page Three

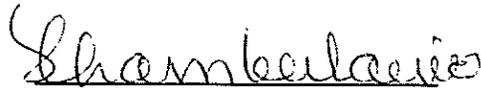
I, HEREBY CERTIFY, that the foregoing Resolution was duly passed and adopted by the Adelanto Improvement Agency at a regular meeting thereof, held on the 14th day of February, 1995, by the following vote, to-wit:

AYES: Commissioners Scott, Smith, Thornburg, and Vice Chairman Scarpa

NOES: None

ABSENT: Chairman Crommie

IN WITNESS WHEREOF, I hereunto set my hand and affix the official seal of the City of Adelanto, on the 14th day of February, 1995.


Secretary

(SEAL)



City of Adelanto
CALIFORNIA

I, HEREBY CERTIFY that the document to which this certificate is attached is a full, true, and correct copy of the original record maintained in my office.

February 16, 1995

Sharon Gray
CITY CLERK
CITY OF ADELANTO

ADELANTO IMPROVEMENT AGENCY

Report on Housing Needs

of the

City of Adelanto

Fiscal Years

1994-95

REPORT ON HOUSING NEEDS OF THE CITY OF ADELANTO

ADELANTO IMPROVEMENT AGENCY

Fiscal Year 1994-95

1.0 INTRODUCTION

2.0 HOUSING NEEDS

2.1 General

2.2 Future Housing Need

2.2.1 Legislative Framework

2.2.2 Adelanto's Share of Future Regional Housing Needs, 1983-1988

2.2.3 Adelanto 1985 Housing Element

2.2.4 Adelanto's Share of Future Regional Housing Needs, 1989-1994

2.2.5 Adelanto 1994 Housing Element

2.3 Implementation of Housing Element

2.3.1 Housing Production 1983-1987

2.3.2 Housing Production 1988-1994

2.3.3 Housing Incentives - 1985 Housing Element

2.3.4 Housing Incentives - 1994 Housing Element

2.4 Housing Costs

3.0 FACTORS DEMONSTRATING ADEQUATE HOUSING SUPPLY

4.0 CONSISTENCY WITH ANNUAL REPORT REQUIRED BY GOVERNMENT CODE SECTION 65400(b)

**REPORT ON HOUSING NEEDS OF THE CITY OF ADELANTO
ADELANTO IMPROVEMENT AGENCY
Fiscal Year 1994-95**

1.0 INTRODUCTION

The purpose of this report is to provide the Agency with information pertinent to making a finding for fiscal year 1994-95 that there is no need to increase, improve or preserve Adelanto's supply of housing for low and moderate income households and very low income households. The determination of need must be consistent with the Housing Element of the General Plan of the City of Adelanto, and with the annual report to the City Council required by subdivision (b) of Section 65400 of the Government Code. The annual report covers progress of the City in implementation of its General Plan, including the Housing Element.

Section 2.0 of this Agency report summarizes the information about the City's housing needs as presented in the Housing Element and other data relevant to determining the City's Housing Element. Section 3.0 provides information on the factors which demonstrate the adequate supply of housing. Section 4.0 summarizes the information contained in the annual report to the City Council about the City's progress toward implementing the General Plan, including the Housing Element.

This Report on Housing Needs has relied upon the following documents and incorporates haec verba the following documents: the Redevelopment Plan of the Redevelopment Agency of the City of Adelanto; the 1985 General Plan of the City of Adelanto; the 1985 Housing Element, the 1994 General Plan Update of the City of Adelanto; and the State approved Housing Element of the 1994 General Plan Update.

2.0 HOUSING NEEDS

2.1 GENERAL

Information contained in the Housing Element of the General Plan of the City of Adelanto and supplemental data support a conclusion that Adelanto has ample low and moderate income housing, and very low income housing, available to residents of the community, and that Adelanto is providing more than its fair share of the regional housing need. For purposes of this report, the City's share of regional housing needs means future housing need as determined by the Southern California Association of Governments ("SCAG").

2.2 FUTURE HOUSING NEED

2.2.1 Legislative Framework

The California legislature directs the California Department of Housing and Community Development to prepare an assessment of statewide housing needs, and to apportion the responsibility for the provision of housing by region.¹ Generally, the apportionment of responsibility among the jurisdictions within each region is determined by an association of governments. Under this scheme, Adelanto's regional share has been determined by SCAG. Each jurisdiction is authorized, subject to the consent of the California Department of Housing and Community Development, to modify the SCAG determination in preparing the housing element of its General Plan.

2.2.2 Adelanto's Share of Future Regional Housing Needs, 1983-1988.

In preparing the Housing Element of the 1985 General Plan, the City of Adelanto accepted SCAG's determination of its share of the regional housing need, as set forth in the 1983 SCAG Regional Housing Assessment Model (RHAM). During the targeted period, as determined by SCAG, Adelanto's goal is a total of 115 added dwelling units, distributed as follows:

Very low income (0-50% of median income)	25 units
Low income (51-80% of median income)	46 units
Moderate income (81-120% of median income)	21 units
Upper income (121% of median income and above)	23 units

The RHAM forecasts an increase in the number of Adelanto households for the period 1983-1988 from 1087 to 1255, an increase of 168 households. However, the total need for new housing is less than the forecast increase in the number of households because of the large number of vacant dwelling units found in Adelanto during preparation of the RHAM.

2.2.3 Adelanto 1985 Housing Element.

Adelanto began in 1981 a program to attract housing developers. The program, described in the Housing Element, included streamlining of approvals for new construction, cost sharing with developers of water main expansion, and an active promotional program.² The effectiveness of the program is evidenced by the number of building permits issued beginning in 1981, as shown in Table 1.

2.2.4 Adelanto's Share of Future Regional Housing Needs, 1983-1988

In 1988, SCAG determined future housing needs for each jurisdiction within the region for the period ending in July 1, 1994, which were published in the Regional Housing

Needs Assessment ("RHNA").³ The RHNA, by extrapolation from the 1980 census and based on information supplied by the California Department of Finance, establishes as a baseline a household count of 1978. SCAG projected 2,827 households by July 1, 1994. (SCAG's 1988 household count for Adelanto is probably too low, first because it is well below the number of households suggested by housing production figures illustrated in Table 1 below and second because Table 1 does not cover housing in existence before 1981). Six hundred fifty three new households were forecast.

For the period ending July 1, 1994, as determined by SCAG, Adelanto's share of regional housing needs is a total of 679 added dwelling units, distributed as follows:

Very low income (0-50% of median income)	109 units
Low income (51-80% of median income)	202 units
Moderate income (81-120% of median income)	176 units
Upper income (121% of median income and above)	192 units

The 1988 RHNA used a new methodology in determining how much credit should be given for vacant dwelling units. Communities with unusually high vacancy rates were considered "vacation" areas, with the "vacant" units considered as second homes. These communities are presumed to have no vacant units available for new households. Accordingly, Adelanto's total housing need was increased by 26, on the theory that available vacant dwelling units are necessary to assure market efficiency. Since the vacant dwelling units in Adelanto are generally not second homes, Adelanto was probably eligible to reduce by at least 26 dwelling units the total number of additional dwelling units required by 1994.

2.2.5 Adelanto 1994 Housing Element

For the period from January 1989 through July 1994, SCAG determined that Adelanto's share of regional housing need was 679 units. From 1989 through 1993, Adelanto has added 1,338 new dwelling units, all single family units, almost twice its share of the regional housing need as determined by SCAG.

According to Page IV-26 of the Housing Element of the 1994 General Plan Update, which was found to be in compliance by the State of California, Department of Housing and Community Development with Article 10.6 of the Government Code on May 4, 1994, the Housing Need from 1993-1996 within the City of Adelanto is as follows:

Very low income	0 units
Low income	0 units
Moderate income	0 units
Upper income	167 units

TABLE 1 4

CITY OF ADELANTO - HOUSING PRODUCTION

1981-1994

<u>Year</u>	<u>Total</u>	<u>Single Family</u>	<u>Multifamily</u>	<u>Mobile</u>
1981	76	12	38	26
1982	201	27	145	29
1983	427	28	350	49
1984	243	38	145	60
1985	256	55	187	14
1986	682	205	463	14
1987	19	12	0	7
1988	129	36	80	13
1989	48	42	0	6
1990	121	121	0	0
1991	483	483	0	0
1992	963	963	0	0
1993	551	541	0	10
1994	407	407	0	0
TOTAL	4406	2970	1408	228

2.3 IMPLEMENTATION OF HOUSING ELEMENT

2.3.1 Housing Production 1983-1987

Table 1 demonstrates the effectiveness of Adelanto's housing strategy. For the five year period from 1983 to the end of 1987, SCAG determined that Adelanto's share of regional housing need was 115 new dwelling units. During the period building permits were issued for 1627 new dwelling units, more than 14 times the need determined SCAG. Of these new dwelling units, there were 329 single family homes, 1145 multi-family units and 144 mobile homes.

2.3.2 Housing Production 1988-1994.

Progress toward implementation of the 1995 goals is also illustrated by Table 1, compiled from records of the building department of the City of Adelanto, as reported annually to the City Council. For the five year period from 1989 through 1994, Adelanto added 2,525 new single family homes.

2.3.3 Housing Incentives - 1985 Housing Element

Incentives to developers to build housing in Adelanto beginning in 1981 are described in the 1985 Housing Element, pages 25-28. Initially, housing cost were a concern, and efforts were directed toward multifamily housing, to meet the needs of the rental market created by George Air Force Base. By 1985, the City redirected its efforts:

"The City of Adelanto's aim is to now to attempt to provide for the middle-income ranges in order to provide a more balanced community, maintain a high degree of neighborhood quality, and create stability as brought by home ownership."⁵

2.3.4 Housing Incentives - 1994 Housing Element

The purposes of the 1994 Housing Element are to identify local housing problems and the potential programs to meet housing needs for all economic segments of the community. Provision of adequate housing is a goal of State housing policy with which local jurisdictions must comply. The 1994 Housing Element Update builds upon the foundation provided by the previous 1985 Housing Element, including the following programs:

CONSTRUCTION

Rental Ownership Scattered Site (5 Units)

This program will encourage renters to purchase affordable housing scattered throughout the City. With interest rates at a 20 year low and housing prices as low as \$68,000 the City will encourage renters to purchase existing available new single family homes located in the City. As additional CDBG Funds become available, as a result of population growth, they may be used, if necessary to supplement this program. Because the ownership limitation is \$35,000-\$40,000 for Very Low Incomes the program will probably encourage the purchase of existing mobile homes in the City. The City will also investigate the availability of Federal HOME funds through the County of San Bernardino.

Responsible Agency: City of Adelanto

City Role: Encourage Ownership, Investigate Supplemental Down Payment Assistance

Financing Source: Future CDBG, HOME

Time Frame: 1994-1996

Multi Family Units (10 Units)

This program will provide 10 units of multi family housing within the City. Two units will be Low Income and 8 units will be Very Low Income. Existing multi family land uses in the City are developed on approximately 125 acres. Vacant, water and sewer served (within 1/2 mile) properties outside the 65 CNEL Zoned for multi family development total over 1,000 acres. Very Low Income rentals for a two person family are \$360 per month or less and \$576 for Low Income households. At this level local developers can develop market rate rental housing to meet the needs of this program. Because of the existing high vacancy rate the market may not support this program at this time. To assist public assistance relievers the City will request additional Section 8 Certificates from the County of San Bernardino.

Responsible Agency: City of Adelanto

City Role: Encourage Developers, Continue Existing Zoning, Request Additional Section 8 Certificates

Financing Source: Market Rate Financing, Section 8

Time Frame: 1994-1996

Density Bonus Program (30 Units)

This program will provide 30 units of rental housing within the City. Five units are expected to be Low Income and 25 units should be Very Low Income. This program will consist of allowing and encouraging developers to construct high density projects currently permitted by the Zoning Code. The current Zoning Code permits up to 16 units per net residential acre which is substantially higher than other areas in the region.

Responsible Agency: City of Adelanto

City Role: Inform Developers at Counter

Financing Source: Market Rate Financing

Time Frame: 1994-1996

First Time Homebuyers (30 Units)

This program will assist 30 renters to become homeowners within the City. The City will work with relocates and developers to provide down payment assistance to five units of Low Income and 25 units of very Low Income. This program will consist of relocation of renters from within the 65 CNEL Noise Contour of the major airport that is to be developed adjacent to the City of Adelanto. State and Federal Relocation Guidelines will be followed.

Responsible Agency: Airport Authority (to be formed), City of Adelanto

City Role: Negotiate Funding, Relocation Assistance Program

Financing Source: FAA, Airport Authority, Landing Fees
Time Frame: 1995-1996

Affordable Housing Market Rate (50 Units)

This program will provide 50 units of ownership housing within the City. All fifty units will be Low Income. This program will consist of encouraging developers to construct affordable housing including single family homes, modular housing and trailer parks. Approximately 1,000 acres of appropriately zoned vacant land with available water and sewer service are available for multi-family developments. Over 9,500 single family units have been tentatively approved of which 50 percent will be in the price range of Low Income households.

Responsible Agency: City of Adelanto
City Role: Inform Developers at Counter of Demand
Financing Source: Market Financing
Time Frame: 1994-1996

REHABILITATION

Loans, Grants, Community Cleanup (115 Units)

This program will assist 115 units of rental and ownership housing within the City. Thirty five units will be Low Income and 80 units will be Very Low Income. This program will consist of City sponsored, with support from other community groups, for clean up and painting of units throughout the City. As the population of the City grows the CDBG entitlement will also grow and these funds will be used to supplement and support the program. Senior citizen and handicapped households will be given high priority. The City is also investigating the possibility of purchasing distressed apartments and rehabilitating them for Low and Very Low Income households. Redevelopment funds would be used for acquisition and rehabilitation. Other funds from the County Housing Authority and the availability of Mortgage Revenue Bonds will also be investigated.

Responsible Agency: City of Adelanto
City Role: Organize Paint and Clean-up Day, Acquire Multi family Property
Financing Source: Citizen Participation, CDBG, Redevelopment, County
Housing, Mortgage Revenue Bonds
Time Frame: 1994-1996

Code Enforcement (43 Units)

This program will rehabilitate 43 units of rental and ownership housing within the City. This continuing program is administered by the Assistant Redevelopment Director and

consists of proceedings to enforce the Municipal Code of the City. This program usually involves absentee landowners who have neglected their properties.

Responsible Agency: City of Adelanto

City Role: Notify Owners of Action

Financing Source: General Fund for Administration, Owner Financing for
Rehabilitation

Time Frame: 1993-1996

CONSERVATION

Weatherization Program (30 Units)

The City will pursue the use of energy conservation measures in Very Low, Low and Moderate Income households through a "weatherization" program. The City will encourage the utility companies that provide these types of programs.

Responsible Agency: City of Adelanto, Utility Companies

City Role: Encourage Utility Companies

Financing Source: Special Utility Funding Programs, County Winterization
Programs

Time Frame: 1994-1996

EDUCATION

Public Information Program

The City will provide a public information program to residents of the housing programs described above through a variety of distribution methods including public discussion at City Council meetings, public hearings on the Housing Element and General Plan Update, press releases to the local newspapers and biannual inserts in the water billings informing owners and renters of the housing programs that are available. Information on the housing programs will also be available to residents at the public counter at City Hall and from City Planning Staff.

Responsible Agency: City of Adelanto

City Role: Meetings, Public Counter

Financing Source: General Fund

Time Frame: 1993-1996

Fair Housing Program

The City will make available to the public at the Information Counter in City Hall copies of the Fair Housing (HUD 1260 - FHEO) flyers. Copies of this brochure will also be made available at the library, community center, police station and the fire stations.

Once per year notice of the Fair Housing information will be included in the City water billings. Fair Housing Month is April.

Responsible Agency: City of Adelanto

City Role: Distribute Fair Housing Brochures in Public Places, Water Bill Insert

Financing Source: General Fund

Time Frame: 1994-1996

2.4 HOUSING COSTS

Regional housing goals address not only the volume of new housing, but the distribution of housing types in terms of affordability. Census data obtained from the 1990 Census provides information about income levels and housing costs.

Household income limits for a four person family in San Bernardino County, determined by the California Department of Housing and Community Development for 1990 are as follows:

<u>Income Level</u>	<u>Annual Income</u>	<u>Monthly Income</u>	<u>30% of Monthly</u>
Very low (0-50% of median)	\$ 16,900	\$1,408	\$ 422
Low (51-80% of median)	27,050	2,254	676
Moderate (81-120% of median)	40,550	3,379	1,014
Median	33,800	2,817	845

The standard established by the United States Department of Housing and Urban Development (HUD) and adopted by SCAG is that lower income households (very low and low income) can afford to pay 30% of household income for housing. (The 30% limit does not apply to households whose income exceeds 80% of median). Thus in 1990 a very low income family of four could spend as much as \$422 per month for rental housing. The 1990 census established that median rent in Adelanto is \$370 per month. (Median rent for San Bernardino County is \$489 per month).

For home ownership, the standard established by HUD is that lower income households can afford to pay 2.5 times annual income to own a dwelling unit. According to the 1990 Census, median home value in Adelanto is \$70,400 (\$129,200 for San Bernardino County). HUD has established and SCAG had adopted the standard that lower income households can afford to pay 2.5 times annual income to own a dwelling unit. Using that criterion, a lower income household could afford to pay a maximum of \$67,600, below the median home value for Adelanto, but not so much lower that home ownership is entirely out of reach for lower income households. (If

\$70,400 is the median home value, then half the homes in Adelanto are valued at less than that amount and half are valued at more).

In 1991 affordable housing costs in San Bernardino County for a family of four for Very Low Income was \$18,000 with affordable rentals at \$450 per month and affordable housing at \$45,000. Low Income is \$28,800, with affordable rentals at \$720 per month and affordable ownership housing at \$72,000. (1994 General Plan Update, Housing Element, Page IV-37).

Without question housing costs in Adelanto are far below the median for San Bernardino County, and probably the most affordable in the region.

3.0 FACTORS DEMONSTRATING ADEQUATE HOUSING SUPPLY

Housing, particularly the development of single family homes, has and will continue to respond to the demand being experienced in the region. It is believed that with the development of the airport at George Air Force Base, as well as the continued development of the industrial districts, within Adelanto continued growth in both the creation of jobs and new houses will occur.

Approximately 4,606 housing units exist in Adelanto at the end of 1994. In 1980, there were 988 housing units. There are approximately 120,000 existing housing units in the High Desert. Approximately 35% of the existing housing units are single family dwellings. Most of the development approved in the City over the past 5 years has been single-family units. This reflects the transition from a "Base" town to a normal suburban community.

The 1994 General Plan Update will effect existing housing in both quality and quantity. The Low and Moderate Income Housing that is provided by the City is a major beneficial impact of the proposed project.

As indicated in the population growth discussion above, the City anticipates it will receive approximately 20% of the growth of the High Desert. The proposed General Plan Update will accommodate over 59,000 housing units at buildout, of which, approximately 33% (19,400) are projected to be constructed by 2014. The vast majority of new housing will be medium to low density with medium high to high density comprising about 13% of the total, reflecting the market demand for single family homes and the availability of land.

Because of the availability and current surplus of generally affordable housing, the City does attract Low and Very Low Income persons from throughout the County, especially from the San Bernardino area. Approximately 25 percent or 725 households are on public assistance. According to the 1990 Census and the SCAG Draft Housing Element (1993) the total number of vacant units was 346 and the number of vacant

rental units in Adelanto was 182 units. With the closure of George Air Force Base in December 1992 the number of renters has substantially decreased and the vacancy rate of units is estimated by the State Department of Finance to have increased from 11 percent in 1990 to 12.4 percent in 1993 with the total vacant units at 537. The availability of this rental housing with rents as low as \$250 per month more than meets the existing and future needs of the City for housing. The affordable rental payments and housing cost ownership are calculated in Table IV-21 of the Housing Element in the 1994 General Plan Update. Owners overpaying for housing (more than 30 percent of monthly income) according to SCAG was 49 Very Low Income owners (\$16,650 per year in 1989) and 47 Low Income owners (\$26,600 per year in 1989). Renters are almost ten times the number of owners with 815 Very Low Income renters overpaying for housing and 163 Low Income renters. The 1990 Census indicates that 873 households are overpaying (more than 30 percent) of which 668 households are paying more than 35 percent.

As previously stated, it is projected that approximately 52,000 residents will live in Adelanto by 2014 in 19,400 units with 59,000 units at buildout of the General Plan Update. This projection is dependent on the availability of additional water to the City. Current water resources will only accommodate a population of 25,000.

In determining whether there is a need for low and moderate income housing and very low income housing in the City of Adelanto which would prevent the agency from making such a finding, several additional factors should be considered:

(A) SCAG has acknowledged that Adelanto is "impacted" with lower income households. That is, the ratio of lower income households to total households in Adelanto (44.5%) is higher than the average for the county (38%). In fact, it is the highest of any community, not just in San Bernardino County, but in the entire region subject to the jurisdiction of SCAG (37%).

(B) The December 1992 closure of George Air Force Base has resulted in diminished need for affordable housing to the extent that lower income personnel assigned to the base and housed in Adelanto have departed or are expected to depart.

(C) The city is not aware of the existence of a homeless population which would indicate a lack of affordable housing. A small facility, not fully utilized is available for temporarily homeless persons.

(D) The City of Adelanto through programs of the County of San Bernardino offers subsidy programs which have provided subsidies to a number of lower income residents, reducing costs. Records are not provided by County but a number of households are known to have received such assistance. Flyers are continuously distributed by the City making these residents aware of the programs.

(E) Housing from the former air force base, if it becomes available, will add to the number of dwelling units affordable to lower income households in the area. These units are now vacant as the result of the base closure and under single management, reduced operating and maintenance costs could be passed on to low income families. This would be especially beneficial to single parents, low income, who experience high cost in child care. While the base may or may not be in the jurisdiction of the City of Adelanto, it is immediately adjacent to the City of Adelanto and has an impact on the housing of the immediate area.

(F) There are no known "second homes" in Adelanto; vacant units are generally surplus housing, available for immediate occupancy. The vacancy factor is the result of the very rapid growth of housing stock which resulted from incentives provided by the City commencing in 1981, as described in the 1985 and 1994 Housing Elements.

(G) Though few new multi-family units or mobile homes have been added since 1988, the supply of the single family dwellings continues to grow. The rapid increase in the number of single family dwelling units implements both the 1985 and the 1994 Housing Element, which determined that there was ample housing affordable to lower income housing, and an unmet need to increase the supply of single family units.

(H) The Adelanto municipal code allows single family dwellings with a minimum of 900 square feet, which enables developers with a minimum of 900 square feet, to provide housing at lower cost than other communities which require a minimum of 1200-1300 square feet. Adelanto authorizes the siting of mobile homes on city residential lots, as well as, in mobile home parks, mobile home subdivisions and has numerous sites available as potential future mobile home sites.

(I) A governmental constraint which the City was not able to eliminate or modify was the restriction on residential development in the flight path of George Air Force Base. Although the base closed in December 1992, economic development consultants recommend that the land be used as a major airport. Under the circumstances, the constraint on residential development in the noise-impacted zone remains.

(J) The City of Adelanto Zoning Code permits "granny flats", affordable second units in R-1 zoning.

4.0 CONSISTENCY WITH ANNUAL REPORT REQUIRED BY GOVERNMENT CODE SECTION 65400(b)

The annual report required by Government Code Section 65400(b) is attached as Exhibit A. The report informs the City Council of the City's progress in implementing

the 1985 General Plan, the 1994 General Plan Update, including the respective Housing Elements. In preparing this report, the Agency considered 1990 Census data, information provided by the building department, the 1983 RHAM, the 1988 RHAM, and the information contained in the report to the City Council on implementation of the 1985 General Plan, the 1994 General Plan Update including the respective Housing Element.

-
- 1 Article 10.6, commencing with Government Code Section 65580
 - 2 Housing Element, Page 26
 - 3 Regional Housing Needs Assessment, Revised December 1988
 - 4 Annual reports of Building Department to City Council.
 - 5 Housing Element, Page 25

**CITY OF ADELANTO
REPORT ON STATUS OF GENERAL PLAN
AS OF JANUARY 1995**

1.0 INTRODUCTION

This is the annual report prepared for the City of Adelanto, pursuant to Government Code Section 65400(b) and Health and Safety Code Section 33334.2(a) (1) (B).

2.0 1985 GENERAL PLAN

The General Plan of the City of Adelanto was prepared in May 1985 and adopted by the City Council of the City of Adelanto. This report evaluates the status of the General Plan and the progress of the city in implementation of the General Plan and in meeting its share of regional housing needs determined pursuant to Government Code Section 65584. This report also addresses local efforts to remove governmental constraints to the maintenance, improvement and development of housing pursuant to paragraph (3) of Government Code Section 65583.

3.0 1994 GENERAL PLAN

The 1994 General Plan Update was approved by the City of Adelanto on November 8, 1994 and is only beginning to be implemented.

4.0 PROGRESS OF THE CITY IN IMPLEMENTING THE 1985 GENERAL PLAN

The implementation of the 1985 General Plan has been satisfactory.

4.1. LAND USE The 1985 program provides for preparation of an advisory land use map, identifying general land use designations. The map has been prepared and is a part of the land use element. The land use program also provides for review and amendment of City ordinances relating to land use and development for consistency with General Plan goals and policies. Substantial progress has been made toward fulfillment of this goal.

4.2. CIRCULATION The circulation program calls for preparation of a map which identifies all major transportation routes necessary to serve the current and projected future transportation needs of the City. The map was prepared and incorporated in the 1985 General Plan as Figure 11, page 4-17. The map has been revised as needed. A

new revision will be included in the revision to the General Plan now in preparation. The circulation element also calls for the review of new land developments for adequate access and road improvements, and to assure compliance with highway design standards. The program also called for development of a community airport, and a master plan for that facility.

4.3 OPEN SPACE AND CONSERVATION The open space and circulation program includes a map which designates open space and conservation areas (Figure 12, page 4-18). The map designates public parks, floodplains, scenic mountain areas, utility easements, and flood management facilities. As contemplated by the General Plan, land development projects have been reviewed for consistency with the Open Space and Conversation Element. In fulfillment the program of acquiring portions of the land within the open space system, the City intends to acquire acreage that comes available acquired and is currently negotiating to acquire several miles of flood channel easements in cooperation with the Department of Water and Power, Los Angeles.

4.4 NOISE The program for mitigation of noise includes the review of each new development for noise generating characteristics. The study entitled Air Installation Compatible Use Zone has served as guide; noise sensitive uses have been prohibited within the zone, and uses consistent with the zone have been permitted. The zoning ordinance has been revised to incorporate noise generation standards for specific land uses. New developments have been required to incorporate mitigation measures in compliance with California Administrative Code, Title 25, Noise Insulation Standards.

4.5. SAFETY The program planned to implement the Safety element included preparation of a Master Flood Control Plan, and installation of a comprehensive flood control system. The master plan has been completed, and the planned flood control system facilities have been installed. The program also called for review of new projects to assure consistency with the master flood control plan, and incorporation of flood control improvements. Fire response times and seismic hazards were also to be considered in approving new projects. Finally, aircraft accident potential zones were to be established, and low density uses encouraged within such zones. Each of these programs has been consistently implemented.

4.6. PUBLIC SERVICES AND FACILITIES This element of the 1985 Plan is discretionary. The programs listed include preparation of a master water and sewer facilities plan to include the incorporated city and its Sphere of Influence. The plan has been completed, and implementation is proceeding through review of new land development projects for consistency with the plan. Each new project must incorporate facilities as required to achieve consistency. The City's planning has been undertaken in coordination with other affected agencies. A new police station with up-to-date communications systems has been completed, as well as a new stadium and public meeting facility.

4.7 HOUSING ELEMENT The housing program contemplated by the 1985 Housing Element includes actions in support of Housing Availability and Production (page 74), with particular emphasis on encouraging planned residential developments. Implementation of the program has resulted in approval of a range of housing, including planned residential developments, apartment complexes, single family housing, and mobile homes. The housing program also called for encouraging the division of large lots into smaller parcels, to promote more intensive use of under-utilized land; as planned, large lots have been subdivided.

In addition, the housing program has included (1) support of housing affordability through providing housing finance assistance, rental assistance, and rehabilitation loans and grants; (2) development of assisted rental housing for elderly and handicapped persons; (3) issuance by the redevelopment agency of tax exempt mortgage revenue bonds to provide below-market rate long-term financing; (4) participation with San Bernardino County in implementation of the Section 8 Housing Assistance Payments program; (5) implementation of a public information program to acquaint all economic segments of the community with the availability of housing finance and rental assistance programs; (6) provision of information and technical assistance to encourage maintenance of sound existing housing; (7) priority funding for rehabilitation of existing housing to assure accessibility for disabled persons.

5.0 PROGRESS OF THE CITY IN IMPLEMENTING THE 1994 GENERAL PLAN

The implementation of the 1994 General Plan although just beginning, has been satisfactory.

5.1 LAND USE The Land Use Element is perhaps the single most important element of the General Plan, and the accompanying Land Use Map provides the framework around which the other elements are constructed. The Land Use Element indicates the location and extent of development in the City, and areas subject to development constraints. The element contains standards for population density and development intensity. The Land Use goals are intended to provide long-range guidelines toward which the City will proceed through the normal course of day-to-day planning, decision-making and administrative action. The supporting objectives will help to define the course of action the City will take in implementing these goals, and will provide a basis for policy decisions. Implementation of this Element is just beginning.

5.2 HOUSING ELEMENT The purposes of the Housing Element are to identify local housing problems and the necessary mitigation measures to meet housing needs for all economic segments of the community. Provision of adequate housing is a goal of state housing policy with which local jurisdictions must comply. The Housing Element update builds upon the foundation provided by the existing 1985 Housing

Element, including the following programs: The Element was approved by the State on May 4, 1994. The City is beginning to implement the housing programs listed below.

CONSTRUCTION

Rental Ownership Scattered Site (5 Units)

This program will encourage renters to purchase affordable housing scattered throughout the City. With interest rates at a 20 year low and housing prices as low as \$68,000 the City will encourage renters to purchase existing available new single family homes located in the City. As additional CDBG Funds become available, as a result of population growth, they may be used, if necessary to supplement this program. Because the ownership limitation is \$35,000-\$40,000 for Very Low Incomes the program will probably encourage the purchase of existing mobile homes in the City. The City will also investigate the availability of Federal HOME funds through the County of San Bernardino.

Multi Family Units (10 Units)

This program will provide 10 units of multi family housing within the City. Two units will be Low Income and 8 units will be Very Low Income. Existing multi family land uses in the City are developed on approximately 125 acres. Vacant, water and sewer served (within 1/2 mile) properties outside the 65 CNEL Zoned for multi family development total over 1,000 acres. Very Low Income rentals for a two person family are \$360 per month or less and \$576 for Low Income households. At this level local developers can develop market rate rental housing to meet the needs of this program. Because of the existing high vacancy rate the market may not support this program at this time. To assist public assistance relievers the City will request additional Section 8 Certificates from the County of San Bernardino.

Density Bonus Program (30 Units)

This program will provide 30 units of rental housing within the City. Five units are expected to be Low Income and 25 units should be Very Low Income. This program will consist of allowing and encouraging developers to construct high density projects currently permitted by the Zoning Code. The current Zoning Code permits up to 16 units per net residential acre which is substantially higher than other areas in the region.

First Time Homebuyers (30 Units)

This program will assist 30 renters to become homeowners within the City. The City will work with relocates and developers to provide down payment assistance to five units of Low Income and 25 units of very Low Income. This program will consist of

relocation of renters from within the 65 CNEL Noise Contour of the major airport that is to be developed adjacent to the City of Adelanto. State and Federal Relocation Guidelines will be followed.

Affordable Housing Market Rate (50 Units)

This program will provide 50 units of ownership housing within the City. All fifty units will be Low Income. This program will consist of encouraging developers to construct affordable housing including single family homes, modular housing and trailer parks. Approximately 1,000 acres of appropriately zoned vacant land with available water and sewer service are available for multi-family developments. Over 9,500 single family units have been tentatively approved of which 50 percent will be in the price range of Low Income households.

REHABILITATION

Loans, Grants, Community Cleanup (115 Units)

This program will assist 115 units of rental and ownership housing within the City. Thirty five units will be Low Income and 80 units will be Very Low Income. This program will consist of City sponsored, with support from other community groups, for clean up and painting of units throughout the City. As the population of the City grows the CDBG entitlement will also grow and these funds will be used to supplement and support the program. Senior citizen and handicapped households will be given high priority. The City is also investigating the possibility of purchasing distressed apartments and rehabilitating them for Low and Very Low Income households. Redevelopment funds would be used for acquisition and rehabilitation. Other funds from the County Housing Authority and the availability of Mortgage Revenue Bonds will also be investigated.

Code Enforcement (43 Units)

This program will rehabilitate 43 units of rental and ownership housing within the City. This continuing program is administered by the Assistant Redevelopment Director and consists of proceedings to enforce the Municipal Code of the City. This program usually involves absentee landowners who have neglected their properties.

CONSERVATION

Weatherization Program (30 Units)

The City will pursue the use of energy conservation measures in Very Low, Low and Moderate Income households through a "weatherization" program. The City will encourage the utility companies that provide these types of programs.

EDUCATION

Public Information Program

The City will provide a public information program to residents of the housing programs described above through a variety of distribution methods including public discussion at City Council meetings, public hearings on the Housing Element and General Plan Update, press releases to the local newspapers and biannual inserts in the water billings informing owners and renters of the housing programs that are available. Information on the housing programs will also be available to residents at the public counter at City Hall and from City Planning Staff.

Fair Housing Program

The City will make available to the public at the Information Counter in City Hall copies of the Fair Housing (HUD 1260 - FHEO) flyers. Copies of this brochure will also be made available at the library, community center, police station and the fire stations. Once per year notice of the Fair Housing information will be included in the City water billings. Fair Housing Month is April.

5.3 CIRCULATION ELEMENT The Circulation Element has been designed to insure internal consistency with the proposed Land Use Element, and allows for the integration of traffic information into the formal General Plan Update and adoption process. In addition, it integrates regional policies required under the Congestion Management Program (CMP).

5.4 PARKS AND RECREATION ELEMENT The Parks and Recreation Element identifies open space areas in the City, including existing parks, utility easements, and open space reserved for public recreation. This element also includes standards for existing and new parks and for landscaping and other improvements in new developments.

5.5 CONSERVATION/OPEN SPACE ELEMENT The Conservation/Open Space Element addresses a wide-range of issues that relate to the conservation, preservation, or management of natural resources and open space areas in the City. The Conservation/Open Space Element identifies goals and policies that are consistent with regional programs dealing with air pollution and solid waste management, and open spaces.

5.6 NOISE ELEMENT The Noise Element describes the existing and future noise environments, based on existing and projected traffic and land use patterns, and establishes policies and standards aimed at reducing noise levels and/or mitigating the effects of noise.

5.7 SAFETY ELEMENT The Safety Element addresses local safety and health issues, including the identification of those areas within the City that will be subject to seismic hazards, fire, flooding and other potential risks and hazards. The Safety Element focuses on policies that will be effective in reducing the damaging effects of those hazards that cannot be controlled, and policies to mitigate the occurrence of hazards, where this is possible. Finally, the Safety Element establishes goals, policies, implementation programs, and standards that will be effective in reducing the potential loss of life, injury, and property damage in the event of a major disaster.

5.8 PUBLIC FACILITIES ELEMENT An inventory and analysis of existing infrastructure and constraints to development was conducted, including but not limited to sewer, water, drainage, schools and public facilities. Long- and short-range Capital Improvement Programs are recommended that will be necessary to serve development within the area. The potential sources of funding, both private and public, is also included in this Element.

5.9 COMMUNITY DESIGN ELEMENT The goal of the Community Design Element of the General Plan is to establish a set of policies as to the appearance of the City of Adelanto both now and in the future. These policies are intended to relate the physical elements of the community in a way that produces an overall environment that is visually pleasing, as well as efficient and functional.

6.0. PROGRESS OF THE CITY IN MEETING ITS SHARE OF REGIONAL HOUSING NEEDS

6.1 Legislative Framework

The California legislature directs the California Department of Housing and Community Development to prepare an assessment of statewide housing needs, and to apportion the responsibility for the provision of housing by region. Generally, the apportionment of responsibility among the jurisdictions within each region is determined by an association of governments. Under this scheme, Adelanto's regional share has been determined by SCAG. Each jurisdiction is authorized, subject to the consent of the California Department of Housing and Community Development, to modify the SCAG determination in preparing the housing element of its General Plan.

6.2 Adelanto's Share of Future Regional Housing Needs, 1983-1988.

In preparing the Housing Element of the 1985 General Plan, the City of Adelanto accepted SCAG's determination of its share of the regional housing need, as set forth in the 1983 SCAG Regional Housing Assessment Model (RHAM). During the targeted

period, as determined by SCAG, Adelanto's goal is a total of 115 added dwelling units, distributed as follows:

Very low income (0-50% of median income)	25 units
Low income (51-80% of median income)	46 units
Moderate income (81-120% of median income)	21 units
Upper income (121% of median income and above)	23 units

The RHAM forecasts an increase in the number of Adelanto households for the period 1983-1988 from 1087 to 1255, an increase of 168 households. However, the total need for new housing is less than the forecast increase in the number of households because of the large number of vacant dwelling units found in Adelanto during preparation of the RHAM.

6.3 Adelanto 1985 Housing Element.

Adelanto began in 1981 a program to attract housing developers. The program, described in the Housing Element, included streamlining of approvals for new construction, cost sharing with developers of water main expansion, and an active promotional program. The effectiveness of the program is evidenced by the number of building permits issued beginning in 1981, as shown in Table 1.

6.4 Adelanto's Share of Future Regional Housing Needs, 1983-1988

In 1988, SCAG determined future housing needs for each jurisdiction within the region for the period ending in July 1, 1994, which were published in the Regional Housing Needs Assessment ("RHNA"). The RHNA, by extrapolation from the 1980 census and based on information supplied by the California Department of Finance, establishes as a baseline a household count of 1978. SCAG projected 2,827 households by July 1, 1994. (SCAG's 1988 household count for Adelanto is probably too low, first because it is well below the number of households suggested by housing production figures illustrated in Table 1 below and second because Table 1 does not cover housing in existence before 1981). Six hundred fifty three new households were forecast.

For the period ending July 1, 1994, as determined by SCAG, Adelanto's share of regional housing needs is a total of 679 added dwelling units, distributed as follows:

Very low income (0-50% of median income)	109 units
Low income (51-80% of median income)	202 units
Moderate income (81-120% of median income)	176 units
Upper income (121% of median income and above)	192 units

The 1988 RHNA used a new methodology in determining how much credit should be given for vacant dwelling units. Communities with unusually high vacancy rates were

considered "vacation" areas, with the "vacant" units considered as second homes. These communities are presumed to have no vacant units available for new households. Accordingly, Adelanto's total housing need was increased by 26, on the theory that available vacant dwelling units are necessary to assure market efficiency. Since the vacant dwelling units in Adelanto are generally not second homes, Adelanto was probably eligible to reduce by at least 26 dwelling units the total number of additional dwelling units required by 1994.

6.5 Adelanto 1994 Housing Element

For the period from January 1989 through July 1994, SCAG determined that Adelanto's share of regional housing need was 679 units. From 1989 through 1993, Adelanto has added 1,338 new dwelling units, all single family units, almost twice its share of the regional housing need as determined by SCAG.

According to Page IV-26 of the Housing Element of the 1994 General Plan Update, which was found to be in compliance by the State of California, Department of Housing and Community Development with Article 10.6 of the Government Code on May 4, 1994, the Housing Need from 1993-1996 within the City of Adelanto is as follows:

Very low income	0 units
Low income	0 units
Moderate income	0 units
Upper income	167 units

TABLE 1

CITY OF ADELANTO - HOUSING PRODUCTION

1981-1994

<u>Year</u>	<u>Total</u>	<u>Single Family</u>	<u>Multifamily</u>	<u>Mobile</u>
1981	76	12	38	26
1982	201	27	145	29
1983	427	28	350	49
1984	243	38	145	60
1985	256	55	187	14
1986	682	205	463	14
1987	19	12	0	7
1988	129	36	80	13
1989	48	42	0	6
1990	121	121	0	0

1991	483	483	0	0
1992	963	963	0	0
1993	551	541	0	10
1994	407	407	0	0
TOTAL	4406	2970	1408	228

7.0 LOCAL EFFORTS TO REMOVE GOVERNMENTAL CONSTRAINTS TO THE MAINTENANCE, IMPROVEMENT AND DEVELOPMENT OF HOUSING

7.1 1985 General Plan

The 1985 General Plan, consistent with air corridor rules, established for George Air Force Base, did not permit housing to be constructed in areas which would be impacted by airport noise. The result is that a substantial portion of the city's land area is not available for residential development. Nevertheless, a substantial portion of the City has been designated for residential uses, at a range of densities from very low density to high density multifamily. The City has, as noted in the 1985 General Plan, worked aggressively to remove substandard housing and make the previously developed land available for decent safe and sanitary housing. The 1985 plan specifically called for the subdividing of large parcels of land into smaller parcels to permit increased density of development.

7.2 1994 General Plan Update

In addition, City requirements for installation of sewers, storm drains and flood control facilities, with a portion of the cost paid by the City, has kept the cost of development low, and the success of the City in removing governmental constraints is more than adequately demonstrated by the substantial rate of increase in the number of households.

Local housing elements, according to State law, must contain an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels.

The potential and actual constraints included and required in the scope of analysis are listed below:

- Fees and other exactions
- Processing and Permit Procedures
- Building Codes and enforcement
- Land Use Controls (e.g. Land Use Element, Zoning Code)
- Site Improvements

- Availability of Financing
- Price of land and cost of construction

The State law does not imply that the above factors actually constraints in all cities. Article 10.6, however, requires a descriptive analysis of these factors to determine if any of them act as constraints to the maintenance, improvement, or development of housing in a local community.

All of the items listed above concern local regulatory factors. Besides these factors, there are some aspects of State and Federal Programs which do constrain the actions which can be feasibly implemented by local governments. Consequently, potential or actual governmental constraints include not only local, but also State and Federal governmental constraints, including Article 34 of the California Constitution which requires a public referendum on some affordable housing developments. Chapters 208 and 218 of the Statutes of 1991 created additional exemptions to Article 34 for Low Rent Housing Projects.

7.2.1 Fees

A summary of some of the City's fees is provided below. The fees discussed include plan checks and building permits. The fees are typical of those charged throughout the region and are not considered a constraint because approximately 50 percent of all housing constructed is affordable.

Building Permit and Plan Checking Fees:

· \$100,000 building valuation	\$639.50/building permit
· \$150,000 building valuation	\$814.50/building permit
· \$190,000 building valuation	\$954.50/building permit

Plan Checking Fee: For excavation and fill on the same site, the fee shall be based on the volume of the excavation or fill, whichever is greater. Before accepting a set of plans and specifications for checking, the Director of Building and Safety shall collect a plan-checking fee. Separate permits and fees shall apply to retaining walls or major drainage structures as indicated in the Miscellaneous Fee Schedule. There shall be no separate charges for standard terrace drains and similar facilities. The amount of the plan-checking fee for grading plans shall be as set forth in the schedule shown on Page IV-33 of the 1994 Housing Element. The plan-checking fee for a grading permit authorizing additional work to that under a valid permit shall be the difference between such fee paid for the original permit and the fee shown for the entire project. (City of Adelanto).

7.2.2 Processing and Permit Procedures

When residential projects are initiated in the City, specific approvals are required which involve permits and inspections. Table IV-20 of the Housing Element indicates the most common housing applications and attendant permit processing times. The processing times are "fast track" in relation to other cities in the area and are not considered a constraint.

The City of Adelanto has adopted the Uniform Building Code (UBC which establishes the minimum standards for new construction. While the City may impose more stringent standards, it cannot adopt any which are below those of the UBC. No standards have been adopted above the minimum standards of the UBC.

7.2.3 Other Factors

Factors which can also be obstacles to retaining low-cost in housing and preventing deterioration include:

- a. Zoning/Subdivision Ordinances - Adelanto's adopted land use policies provide for a wide variety of residential zones, each with adequate amount of available land for development. The City does permit second units on R-I zoned property to allow for affordable separate but complete living accommodations. The Zoning Code is not a constraint to development.
- b. Development Fees - The State of California recently adopted legislation that permits school districts to levy "school impact fees" on new development. The legislation permits school districts to charge a maximum of \$1.58 per square foot for new residential development and \$.26 per square foot for commercial and industrial development.
- c. Infrastructure/Public Services Constraints - The availability and cost of infrastructure and services can enable or restrict residential development. In portions of Adelanto, water and sewer lines do not currently exist. The City has used the Assessment District process to extend these services at the lowest possible cost. Typical assessment within 660 feet are \$2,272 per acre for sewer and \$4,390 per acre for water. These lines are extended as the need arises. Growth into outlying areas may also be restricted due to a lack of fire or police services. Infrastructure is not a constraint.
- d. Building Code Enforcement - The City does conduct moderate levels of Code Enforcement to demolish dilapidate units and to rehabilitate existing units. Much of this program is focused on absentee landlords. The demolished units are more than replaced (conserved) by new affordable units that are constructed.

(47 demolished from 1985-1992 versus 1,350 developed from 1985-1992 i.e. 50% of total new units are affordable). This is not a constraint.

- e. Tax Disincentives - Federal and State Income Taxes, particularly depreciation write-offs, often encourage the deterioration of property. Deterioration keeps rents low, but conditions are not always safe, decent or sanitary.
- f. Property Taxes, and the Passage of Proposition 13 - Together they have limited the financial capabilities of local government to provide new infrastructure improvements to support needed housing growth. The costs of providing infrastructure for new developments must increasingly be borne by private developers who pass these costs on to the consumer in the form of higher housing costs.
- g. Air Installation Compatible Use Zone (AICUZ) - The 1972 and subsequent, 1979 and 1983 AICUZ Studies created by George Air Force Base/Department of Defense coupled with the State mandated acceptance of the 65 CNEL Noise Contour restricted a major portion of the City of Adelanto from normal housing development patterns. With the closure of George AFB in 1992 and the development of a future major new airport the 65 CNEL Noise Contours from the Final EIS on the Reuse of George AFB, Figure 4.4-16, Page 4-169, International Airport Alternative (1998) indicates that approximately 300 acres of residential development will be impacted. Most of the 65 CNEL will be located in the Industrial District located south of Air Base Road.
- h. Airport Land Use Commission (San Bernardino County Mountain Desert Planning Agency) - State mandated adoption of the Interim Mountain/Desert Land Use Plan requires approval of all discretionary development plans one mile outside the 65 CNEL, production aspect of the State mandated S.B. 884, the Permit Streamlining Act. All processing time savings created by the Streamlining Act are totally negated or are measurably increased by required recognition of the 65 CNEL Noise Contour created by a military installation. This constraint will be reduced with the future use of GAFB.

7.2.4 Non-Governmental or Market Constraints

Market constraints include such factors as the price of land, cost of construction, and financing. Although land in Southern California is not particularly scarce, it is expensive because demand is high. Adelanto, however, has a substantial amount of relatively low cost land which could be developed, and these land values are reflected in the price of a home. Housing units in Adelanto cost about 30% to 50% less than the average cost for comparable housing units in Los Angeles or Orange Counties, and 14% less than the average cost in San Bernardino County as a whole. Higher prices in

surrounding areas will continue to encourage residential development in Adelanto. Especially low and moderate income development.

House costs as a constraint on affordability must be examined in light of the rental and ownership costs within the means of various economic segments. State law identifies four economic segments:

- Very Low Income
- Low Income
- Moderate Income
- High Income

The annual income limits of these four groups are further defined by the U.S. Department of Housing and Urban Development in reference to the median income for San Bernardino County and household size. In 1991 the median income for all households in the County is estimated to be \$36,000.

Affordable housing costs for 1991 are estimated in Table IV-21 of the Housing Element. The affordable housing costs are computed on a basis of 30% of monthly income. The affordable ownership costs, or purchase price of a home, are calculated on the basis of the rule of thumb of 2.5 x the annual household income. These affordable housing costs then can be compared to the prevailing costs in Adelanto.

7.2.5 Land Prices

Land costs are a major contributor to overall housing production prices. There are a vast number of residentially zoned vacant parcels of significant size available for development within the City of Adelanto. Land costs, in comparison to other area communities, are less expensive in Adelanto. As noted in prior Inco Homes advertisements, the same home (American Traditions) costs \$20,000 less in the City of Adelanto than in the City of Palmdale. Low land prices are not a constraint in Adelanto.

7.2.6 Construction Costs

Construction costs include the materials and labor necessary to build the structure. These costs will vary widely depending on the quality features (e.g., size, roofing, carpeting, etc.) which are incorporated in the structure. Because of these factors, it is difficult to establish an absolute measure of construction costs.

Trends in single-family construction costs are available for the period of January 1969 to October 1987. During this period, the single family home construction costs have increased nearly three-fold. A home that costs \$30,000 in 1969 in San Bernardino County would now cost \$85,000. These cost trends, which are monitored by the Marshall and Swift Company, and published quarterly by the Real Estate Council of

Southern California, are issued with respect to a one-story three-bedroom, two bath, wood frame, single-family residence with an attached two car garage. The prototypical single-family residence is 1,370 square foot in size with an attached garage of 400 square feet.

Apartment construction cost trends are available for the period between January 1976 and October 1987. During this time span, the apartment construction costs have more than doubled. An apartment building which in 1976 cost \$250,000 to construct would now cost \$510,000. The prototypical apartment building for the construction cost trends consists of 28 one and two bedrooms, laundry room and small lobby. The structure is of average quality and the costs do not include elevator or garages or site improvements. The costs to construct in Adelanto are typical for the region and are not considered a constraint.

7.2.7 Availability of Financing

The City of Adelanto, like all other cities, is limited in its ability to provide housing programs based upon the availability of funding from outside sources. Federal and State programs which have flourished in the past are subject to annual fluctuations based upon decisions which are beyond the City's control. Adelanto cannot commit to continued availability of such programs based upon Federal and State funding. Furthermore, State initiatives which limit City revenues have been subject to substantial changes in recent years. Recently, the State has been diverting Redevelopment and City funds to education accounts. This has an adverse impact on housing and jobs. The State should mitigate this impact to development in the City. As tax revenues to the City are diminished, so too is the City's ability to offer housing programs.