



CITY OF ATASCADERO

HOUSING POLICY
DEVELOPMENT, HCD
SEP 19 2007

September 14, 2007

Cathy Creswell
Deputy Director
Department of Housing and Community Development
Housing Policy Division
1800 Third Street, Room 430
Sacramento, California 95814

Subject: City of Atascadero Annual Housing Report for 2006

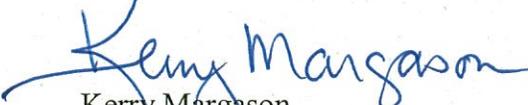
Dear Ms. Creswell:

Enclosed for your review is the City of Atascadero's Annual Housing Report for the Calendar Year 2006. Section 65400 of the Government Code requires that each jurisdiction provide an Annual Report to the Office of Planning and Research and the Department of Housing and Community Development on the status and progress in meeting its share of regional housing needs.

The City of Atascadero has a variety of programs to meet the needs of Atascadero residents and is making great strides in meeting the goals and policies of the City Housing Element.

If you need further information, please contact me at (805) 470-3442.

Sincerely,


Kerry Margason
Contract Associate Planner

Enclosure – Annual Housing Report 2006

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City of Atascadero



Annual Housing Report
Calendar Year 2006

August 2007

CITY OF ATASCADERO

CITY COUNCIL

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COMMUNITY DEVELOPMENT DEPARTMENT

Warren Frace, Director
Steve McHarris, Deputy Director
Kerry Margason, Contract Planner

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INTRODUCTION

The past few years have been an exciting time for the City of Atascadero's housing programs. The update of the City's General Plan and Housing Element began a period of both commercial and residential growth in the City. The City Council implemented many policies and actions to promote a variety of housing products and provide affordable housing for our workforce. These actions include:

- Updating the General Plan and Housing Element in 2002
- Adoption of an "Inclusionary Housing" Program in 2003
- Adoption of a "Mixed Use" Program in 2004
- Adoption of a Second Residential Unit ordinance in 2004
- Adoption of a Second Unit Amnesty policy in 2004
- Adoption of Equity Sharing Program for moderate income units 2005
- Authorization to Begin Process for Inclusionary Housing Ordinance 2005
- Authorization to Begin Process for Condominium Conversion Ord. 2005

All of these actions contribute to Atascadero's housing programs and enable the City to move forward in implementation of the City Council adopted Housing Element. The years 2001 through late 2005 continued to show growth. With the start of 2006, the City began to see a slowing of growth in the housing market.

The purpose of this report is to:

- Comply with Section 65400 of the Government Code; and,
- Provide the City Council with a summary of the progress made towards reaching the goals of the Housing Element for the year 2006; and,
- Acknowledge the goals which continue to need the attention of the City Council in order to fully implement the Housing Element.

This report is formatted to meet the recommendations of the State Department of Housing and Community Development. The Housing Element goals and policies are listed in Section 1, followed by a brief description of the City's current housing programs and accomplishments in Section 2. Section 3 describes the progress achieved in meeting the Regional Housing Needs Allocation, reducing Governmental Constraints on development and a brief discussion of other housing accomplishments. Section 4 is a summary of the City's achievements and Staff recommended housing program priorities for 2007.

SECTION 1

GOALS AND POLICIES

HOUSING ELEMENT GOALS AND POLICIES

GOAL HOS 1: PROMOTE DIVERSE AND HIGH QUALITY HOUSING OPPORTUNITIES TO MEET THE NEEDS OF ALL SEGMENTS OF THE COMMUNITY

Policy 1.1: Encourage steady production of new housing, including mixed-use projects in commercial land use areas, to meet the needs of all household types in the City.

Policy 1.2: Encourage a variety of high quality housing types in multi-family areas.

GOAL HOS 2: INCREASE HOME OWNERSHIP OPPORTUNITIES

Policy 2.1: Promote development and construction of new housing units for ownership, especially by low and moderate income families.

Policy 2.2: Promote and encourage availability of new housing units to first time homebuyers.

GOAL HOS 3: ENSURE THAT AN ADEQUATE AMOUNT OF RENTAL HOUSING EXISTS

Policy 3.1: Ensure that the proportion of low and moderate rental housing is not significantly reduced.

Policy 3.2: Prioritize construction of additional assisted housing units.

GOAL HOS 4: PROTECT AND CONSERVE THE EXISTING HOUSING STOCK AND NEIGHBORHOODS

Policy 4.1: Encourage conservation and preservation of neighborhoods and sound housing, including places and buildings of historical and architectural significance.

Policy 4.2: Encourage conservation and preservation of houses that have historical and architectural significance.

Policy 4.3: Encourage attractive architecture and site landscaping that respect terrain and native trees.

Policy 4.4: Protect housing affordability where it currently exists.

GOAL HOS 5: ENCOURAGE ENERGY CONSERVATION MEASURES IN NEW AND EXISTING HOMES

Policy 5.1: Continue to make residents aware of available energy saving techniques and public utility rebates.

Policy 5.2: Encourage solar and other innovative energy designs when consistent with State and local ordinances.

GOAL HOS 6: IMPROVE HOUSING OPPORTUNITIES AND LIVING CONDITIONS FOR PEOPLE WITH LOW AND MODERATE INCOMES AND THOSE WITH SPECIAL NEEDS

Policy 6.1: Ensure that all persons regardless of race, religion, age, sex, marital status, ancestry, national origin, or color have equal access to sound and affordable housing.

Policy 6.2: Encourage lending institutions to provide loans for projects for special needs groups, including one-parent households.

Policy 6.3: Encourage multi-family projects that provide affordable housing.

Policy 6.4: Encourage the development of multi-bedroom units for families.

Policy 6.5: Ensure that persons with disabilities have adequate access to housing.

GOAL HOS 7: EXPAND HOUSING ASSISTANCE EFFORTS

Policy 7.1: Support rental assistance programs.

GOAL HOS 8: DECREASE NON-GOVERNMENTAL CONSTRAINTS ON HOUSING PRODUCTION

Policy 8.1: Encourage interplay between lending institutions, the real estate and development community and the City to better understand and address non-governmental constraints and facilitate production of affordable housing.

Policy 8.2: Help lower development costs where feasible, especially for low and moderate income housing units.

GOAL HOS 9: DECREASE GOVERNMENTAL CONSTRAINTS ON HOUSING PRODUCTION

Policy 9.1: Review projects in as timely a manner as possible, while maintaining adequate public involvement and fulfilling the appropriate requirements of State and local laws.

GOAL HOS 10: ENSURE AN ADEQUATE SUPPLY OF LAND FOR NEW HOUSING PRODUCTION

Policy 10.1: Encourage infill and intensification in areas suitable for housing within the USL.

Policy 10.2: Consider revising the Zoning Ordinance to allow mixed use projects outside the downtown area.

The Housing Element includes Quantified Objectives, as shown in Table 1 below, and as defined by the City Council, to aid in tracking the progress of meeting the stated goals and objectives.

Table 1: Annual Quantified Objectives, 2001-2008

Program	Objective	Income Level			
		Very Low	Low	Moderate	Total
New Construction					
1.1 (2)	Downtown mixed use	1	8		9
1.1 (3)	Small lot single-family			10	10
1.1 (4)	PD in SFR-X Zone			12	12
1.1 (5)	Specific Plans for large projects		5		5
1.1 (7)	Mobile and group homes	3			3
1.1 (8)	Support Apartment Construction	2	6	16	24
2.1 (1)	Density bonus	1	4		5
2.1 (2)	PD-7 for small lot sub'ds.		5	12	17
2.2 (1)	Mort. Credit Cert. pgm.	2			2
2.2 (2)	Inclusionary ordinance	3			3
3.1 (3)	Second units in SFR-Y	3			3
3.1 (4)	Mixed-use projects	3	4		7
3.2 (1)	Pub./private partnerships	3			3
6.4 (2)	Large family units	3			3
Conservation					
3.1 (2)	Non-profit involvement	2			2
Rehabilitation					
4.1 (3)	Federal grant programs	14			14
4.2 (3)	RDA funds	6			6
4.4 (1)	No net loss of aff. units				0
Total Planned / Year		46	32	50	128
Total Required / Year		46	32	46	124

SECTION 2

DESCRIPTION OF HOUSING PROGRAMS AND PROGRAM ACCOMPLISHMENTS

Redevelopment Set Aside Housing Fund Program: The City Council established a Community Redevelopment Agency and adopted a Redevelopment Plan (Plan) in July 1999. A revision to the Redevelopment Plan in May 2003 clarified and refined the Agency's voting requirements. Some of the objectives of the Plan are to revitalize the downtown area, improve/correct existing infrastructure deficiencies, and expand and/or improve the community's housing stock in the redevelopment area.

Program Accomplishments (Ongoing Program): As shown in Table 2 – Redevelopment Housing Funds Received below, the City has received approximately \$1,729,590 in Low/Moderate Housing Set Aside funds. To date, \$67,269 has been received in interest income and \$46,829 has been spent on administration and Housing Trust costs. This leaves a balance in the fund of \$1,750,030 as of June 30, 2006. In fiscal year 2006/2007, \$142,290 of these funds were spent on the San Luis Obispo Non-Profit Housing Corporation's nineteen (19) unit senior housing project, located on El Camino Real. An additional \$370,000 was earmarked for a 4-unit Habitat for Humanity Project on Traffic Way. Staff, in conjunction with the Housing Committee, will be outlining programs for the Redevelopment Board of Directors' review to best determine how to use the funds to implement the Redevelopment Plan.

Table 2 - Redevelopment Housing Funds Received

YEAR	Funds Accrued In Housing Set Aside Program	Interest Earned	Monies Spent	Fund Balance
1999-2000	-			
2000-2001	\$70,367			\$70,367
2001-2002	\$153,110			\$153,110
2002-2003	\$190,577			\$190,577
2003-2004	\$265,447			\$265,447
2004-2005	\$418,531			\$418,531
2005-2006	\$631,558	\$67,269	\$46,829	\$651,998
TOTAL TO DATE	\$1,729,590	\$67,269	\$46,829	\$1,750,030

Inclusionary Housing Program: In June of 2003, the City Council adopted an "Inclusionary Housing" Program that required all development projects needing a

"legislative" approval to deed restrict 20% of the proposed residential units for affordable housing. The required 20% is to be distributed as 20% Very Low, 37% Low and 43% Moderate in multi-family and commercial mixed use zoning districts and 100% Moderate in single family residential zoning districts. Projects proposing ten (10) units or less may, at the developer's option and with City Council approval, pay in-lieu fees at 5.0% of the construction valuation for each residential unit or fractional unit in the project. Projects proposing eleven (11) or more residential units must have City Council approval to use the in-lieu fee option. Deed restrictions are for a period of 30 years. The program also requires that the affordable units be of comparable quality and dispersed throughout the project.

Program Accomplishments (Ongoing Program): In 2003 and 2004, the City processed several entitlement projects that required inclusionary housing or in-lieu fees. Many of these projects are still in the process of recording final maps and applying for building permits.

In 2003, deed restrictions were obtained for three (3) units, all at the moderate income level. Building permits were completed for three moderate deed restricted units in 2003 (two of the moderate units from 2003 and one moderate unit that began construction in 2002).

In late 2005, the City Council adopted a revised inclusionary housing policy program. This new program is an equity sharing program for single family moderate income level units that provides for more flexibility when a purchaser might need to sell the unit. In addition to the equity-sharing provision, the City holds a silent second on the unit which does not have to be repaid until the unit sells.

In 2005, there were 27 moderate level deed restricted units under the original inclusionary program. In early 2006, that number grew to approximately 40 based on the Developer Agreements that were required at the time of final map recordation. Implementation of the new inclusionary program started immediately and all Zone Change requests approved in 2006 were subject to the new program. In addition, two large projects that were approved prior to 2006, realized the value of the new inclusionary program, and all units in these projects have been sold under the parameters of the new inclusionary program [The Colony at Apple Valley and Las Lomas (Woodridge)].

Approximately 20 units were completed and sold in early 2006. Exhibit A, attached to this report, shows the location of the units and provides a tabulation of the type of deed restriction obtained. Exhibit A locates both projects which have been approved, but are still in the final map and/or building permit stages and projects which have completed the construction process. Many of the units listed in Exhibit A will not come on line until 2006/2007 or later.

As of June 30, 2006, the City had collected in-lieu fees in the amount of \$361,760 and issued \$2,115,046 in affordable housing program loans. The fund has received \$5,427 in interest and spent \$15,500 on legal services needed to implement the Affordable

Housing Loan Program. This leaves \$2,115,046 in loans receivable and \$351,687 in available funds as of June 30th, 2006. In June 2007, a moderate level deed restricted unit was purchased by the City, using \$322,904 of the available funds.

Table 3 – In-lieu Housing Funds

YEAR	In-lieu Housing Funds	Affordable Housing Loan Program Funds
2003-2004	\$ -	\$ -
2004-2005	82,818	-
2005-2006	278,942	2,115,046
2006-2007		
TOTAL TO DATE	\$ 361,760	\$ 2,115,046

Beginning in 2007 it is anticipated that the City Council will budget a portion of the in-lieu fees for consulting services to develop goals and recommendations for allocation of the Inclusionary In-lieu fees and the Redevelopment Set-Aside program monies.

This housing program contributes to the implementation of Housing Element Goals 2, 6 and 8.

Mixed Use Policy: Provisions for mixed use residential/commercial development were added to the General Plan during the update process in 2002. In April 2004, the City Council adopted a mixed use application processing policy. This policy allows for Vertical Mixed Use through a Zone Change/Planned Development application and Horizontal Mixed Use through a General Plan Amendment.

Program Accomplishments (Ongoing Program): The City processed its first mixed use entitlement in 2004 as a General Plan Amendment for a horizontal mixed use project. The project allowed for a commercial use on a main thoroughfare, with a duplex unit behind the store (K-Jons). Since that time, the City has processed approximately 6 additional mixed use projects, resulting in 467 units.

The Principal Avenue project consists of 45 residential units (36 market rate; 4 moderate; 3 low and 2 very low) in conjunction with commercial development. The project was approved in 2004, but to date, the project developers have not submitted for building permits and it currently appears that the project site is for sale.

In September of 2004, the City approved its largest mixed use project – The Dove Creek Development with 279 residential units. This project will contribute 20-very low income units to the inclusionary program. Construction is under way and the first units were sold in early 2007.

The Colony Square project was approved in August of 2005. Demolition has commenced and building permits are ready to issue. This project proposes 67 market rate residential units.

In October 2005, the West Front project was approved. This project includes 32 residential units with 1-very low, 2-low and 3-moderate inclusionary units. The commercial aspect of the project includes a motel which is currently under construction.

This housing program contributes to the implementation of Housing Element Goals 1, 2, and 10.

Second Residential Unit Ordinance: On July 27, 2004, the City Council adopted a "Secondary Residential Units and Accessory Structures" Ordinance, that became effective August 27, 2004. Previous to this ordinance, second units were only allowed in the Single Family, One Acre Minimum Zoning District, when the property was verified to be one acre net. The new ordinance allows for second units in all residential zoning districts, subject to development standards regulating square footage, parking and wastewater requirements.

Program Accomplishments (Ongoing Program): Under the new ordinance, twenty-four (24) secondary residential units have been completed. In accordance with State guidelines, these second units are incorporated into Table 6, as "Low" income units.

This housing program contributes to the implementation of Housing Element Goals 3, 4, 6, 9 and 10.

Second Unit Amnesty Program: In addition to the Second Unit Ordinance, the City Council adopted a Second Unit Amnesty Policy that provides for registration of second units and guesthouses that were constructed or converted without entitlement or construction permits. The Amnesty Program, slated to run from September 1, 2004 until September 1, 2006, has been extended to September 2008.

Program Accomplishments (Ends September 1, 2006): Since the implementation of the Second Unit Amnesty Program on September 1, 2004, the City has completed nine (9) permits for non-permitted second units.

This housing program contributes to the implementation of Housing Element Goal 4.

Section 8 Housing Voucher Program: This is a state funded program, administered by the Housing Authority of San Luis Obispo (HASLO). Income qualified households may have a portion of their residential rental costs subsidized by the program.

Program Accomplishments (Ongoing Program): This program is administered by the Housing Authority of San Luis Obispo (HASLO). HASLO has administered the program

since the mid-1970s. As of June 1, 2007, HASLO has 264 units (15%) within the City of Atascadero under Voucher contract out of a total of 1,754 units County-wide.

This housing program contributes to the implementation of Housing Element Goal 3.

Cooperation with Other Agencies: This is a flexible, informal policy that allows the City to work with public and/or non-profit agencies in the procurement and/or construction of various affordable housing products to meet the needs of multi-family, single-family and senior households.

Program Accomplishments (Ongoing Program): In 2004, the City worked with the Economic Opportunity Commission (EOC) processing an entitlement permit that allows for a 32-bed overnight shelter in its Residential Suburban zoning district. While the Planning Commission and the City Council approved the project, EOC experienced difficulties in finding grant monies. The approved Conditional Use Permit has expired and EOC is currently looking for a site more favorable for financing.

Housing Authority of the City of San Luis Obispo (HASLO) processed entitlement permits for a 19-unit senior housing project. The conditional use permit was approved in December 2003. The City contributed redevelopment monies to the project in order to reduce costs and construction was completed in April 2007. The entire project is deed restricted to require that the units be rented for no more than 60% of the median County income level, qualifying the units as "lower" income.

Habitat for Humanity for San Luis Obispo identified a project site at 5440 Traffic Way and has been working with the City's Redevelopment Agency and Community Development Department to secure financing and process entitlement permits for a four (4) unit project. This is an ongoing project which should be presented to the Planning Commission and the City Council in the summer of 2007.

In addition to specific projects, the City works closely with HASLO for certification of eligible households for deed restricted units, and exploring ways and means to promote and provide affordable housing within the City.

The City also holds a commissioner's seat on San Luis Obispo Housing Trust Fund's Commission.

This housing program contributes to the implementation of Housing Element Goals 1, 3, 6 and 7.

CDBG Funding: Community Development Block Grant (CDBG) funding is provided by the Federal Government to communities to benefit low and moderate income groups, address slums or blight and/or meet a particularly urgent community development need.

Program Accomplishments (Ongoing Program): In keeping with the goals (and requirements) of the CBDG program, the City uses these funds to support and assist youth, housing, health, and code enforcement programs, in addition to urban renewal projects.

As shown in Table 4 – CBDG Funds Disbursement, approximately 7% of the CBDG funds for 2006 were awarded to various housing programs, including the El Camino Homeless Organization (ECHO). This organization provides overnight shelter to homeless individuals and works with the Economic Opportunity Commission (EOC) of San Luis Obispo County to provide ongoing services designed to help individuals into permanent housing situations.

Table 4 – CBDG Funds Disbursement

Program Category	2003		2004		2005		2006	
	Award	Percent	Award	Percent	Award	Percent	Award	Percent
Americans with Disabilities Act	\$22,000	9%	\$67,679	30%	\$228,492	40%	\$0	0%
Youth Services	\$49,100	22%	\$7,000	3%	\$14,000	2%	\$9,735	3%
Health Services	\$6,000	3%	\$2,000	1%	\$8,000	1%	\$26,000	9%
Housing Services	\$17,900	8%	\$27,345	12%	\$29,240	5%	\$18,000	7%
*Redevelopment/Economic Development	\$5,500	2%	\$26,500	12%	\$198,965	35%	\$134,525	51%
Code Enforcement	\$85,000	37%	\$50,000	22%	\$50,000	9%	\$50,000	19%
Administration	\$42,174	19%	\$45,131	20%	\$45,138	8%	\$27,209	10%
**TOTALS	\$227,674	100%	\$225,655	100%	\$573,833	100%	\$265,469	100%

*Literacy Council grants are included in the economic development funds

**Code Enforcement grants include substandard housing enforcement funds

There has been some delay between the allocation of funds and the actual spending of those funds, resulting in the need to reallocate funds.

This housing program contributes to the implementation of Housing Element Goal 6.

Density Bonus: The City provides a density bonus program that allows for a 35% increase over the base density when deed restricted affordable housing is provided in a project. In addition to the 35% increase, an additional 15% increase may be awarded for a project that provides exceptional architectural design.

Program Accomplishments (Ongoing Program): Over the course of the last few years, several projects have been through the entitlement process which included density bonuses. The City allows for an additional 10% density increase over the State requirement of 25% when inclusionary housing is included in a project. Multi-family

projects with exceptional architectural design may receive an additional 15% density increase, for a potential 50% increase over base density.

Table 5 – Density Bonus Projects shows the projects which have received bonus densities in the last few years. With the slow down in the housing market over the last year, the City did not have the opportunity to award any density bonus units for 2006.

Table 5 – Density Bonus Projects

Project	Zoning*	Base Density	25% State Bonus	35% Bonus / Inclusionary Housing	15% Bonus for Excp. Arch Quality	Total Units	Date Approved
North Ferrocarril (ZCH 2002-0029)	RS	12	4			16	10/08/02
Apple Colony (ZCH 2002-0035)	RSF-X	56	14			70	08/12/03
Woodridge (ZCH 2003-0041)	RSF-X	247		22	9	278	09/23/03
Southside Villas Apts (CUP 2003-0095)	RMF-16	64		22		86	10/07/03
El Camino Senior Hotel (CUP 2003-0119)	CR	14		5		19	12/02/03
The Colony 2 PD 17 (ZCH 2003-0063)	RSF-X	28			3	31	05/11/04
Dove Creek PD-12 (ZCH 2003-0049)	Mixed	200		70	9	279	08/17/04
Oak Grove PD 17 (ZCH 2004-0082)	RSF-X	21	3			24	09/28/04
7685 Navajoa (CUP 2005-0151)	RMF-10	3		1		4	06/21/05
4705 El Camino Real (GPA 2005-0016)	RMF-16	27		9	4	40	01/17/06
TOTALS		672	21	129	25	847	

* Zoning Designations

RS = Residential Suburban; RSF-X = Residential Single Family, .5 acre minimum; Mixed = Residential and Commercial Use; RMF-16 = Residential Multi-family, 16 units per acre; CR = Commercial Retail

This housing program contributes to the implementation of Housing Element Goals 1, 2, 6 and 8.

Historical Preservation: Historical preservation was a noted concern of the Atascadero community during the general plan update process. To address this concern, the City Council adopted a historical preservation goal in the housing element. In conjunction with infill development in some of Atascadero's older neighbors, the City Council applied an historical overlay district on five (5) of the remaining Colony houses through 2005. In 2006, the historical colony house on Ridgeway Court was added to this inventory.

Program Accomplishments (Ongoing Program): The recently updated General Plan Housing Element includes a goal to protect and conserve the existing housing stock and neighborhoods. Conservation and preservation of neighborhoods and sound housing, including places and buildings of historical and architectural significance is a major policy of this goal. The City of Atascadero was subdivided by E.G. Lewis in the early 1900's and marketed as a "utopian farming community." Several of the original lots were sold and developed with "colony" homes which still exist today. Preservation of these homes, where feasible, is important for maintaining a connection to the original principles upon which Atascadero was built.

This housing program contributes to the implementation of Housing Element Goal 4.

Energy Conservation: This program strives to inform residents of available energy saving techniques and alternative and/or innovative energy designs.

Program Accomplishments (Ongoing Program): The City uses public information brochures and other materials to inform residents of energy saving techniques and allows for the construction of solar and wind generated facilities.

In 2006, the Building Department completed seven (7) permits for construction of solar-powered energy systems for homes and businesses and three (3) solar permits for swimming pools.

Green Build/Recycle Program: The Building Department has started disseminating information about the recycling of construction "waste." This program came online in 2006 and consists of public education and reference materials in support of a "construction waste handler."

SECTION 3

PROGRESS TOWARDS
REGIONAL HOUSING NEEDS ALLOCATION,
REDUCTION OF GOVERNMENTAL CONSTRAINTS
AND
OTHER ACCOMPLISHMENTS

Progress Towards the Regional Housing Needs Plan Allocation:

The City of Atascadero recently adopted an updated housing element in June 2002. The updated element was completed prior to the final calculations on the Regional Housing Needs Plans (RHNP) by the San Luis Obispo Council of Governments (SLOCOG). The final RHNP (adopted in January 2003) is shown in Table 6, below, as the "Target" for the various income levels. The "Actual" column shows the number of residential building permits completed for the various income groups. The table includes the timeframe for meeting the RHNP, in order to show the City's overall progress. The "Actual" column is based on completed building permits.

TABLE 6 – City of Atascadero's Share of the RHNP
(Based on "finalized" Building Permits for 1/1/06-12/31/06)

SINGLE FAMILY UNITS BY INCOME CATEGORY										
YEAR	VERY LOW		LOW**		MODERATE***		ABOVE MODERATE		TOTALS	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2001	46	0	34	5	41	0	61	94	182	99
2002	45	0	34	4	41	91	61	177	181	272
2003	46	0	33	6	40	3	60	132	179	141
2004	45	0	33	1	40	2	60	131	178	134
2005	46	0	33	26	40	34	61	61	180	121
2006	46	0	34	27	40	78	60	125	180	230
2007	46	0	34	0	40	0	61	0	181	0
2008 (6 Mnths)	25	0	19	0	22	0	33	0	98	0
TOTAL	345	0	254	69	304	208	456	720	1,359	997

* The Low category includes all apartments, second residential units and guest houses.

** The moderate category includes all non-deed restricted multi-family units and manufactured homes.

The year 2004 was approximately half way through the RHNP time period. As of December 31, 2004, Atascadero has met approximately 46% of its housing allocation, and has met or exceeded the requirement for above moderate or market rate housing. Currently the City has met approximately 68% of the requirement for moderate housing, and 27% for low housing. Several projects which received entitlement in 2004 include provisions for approximately 58 very low units. In late 2006, an approved project which would have provided 32 very low units was withdrawn. The City now expects that only approximately 26 very low units might be built by the end of the RHNP time period.

Overall, the City has met approximately 73% of the total RHNP as of December 31, 2006.

Reduction of Governmental Constraints: Over the past few years, the City of Atascadero has implemented several new programs and policies to reduce governmental constraints on housing production. While these programs and policies are difficult to quantify, the feedback from developers and others in the housing production community is generally favorable. The new programs and policies include:

- Improved tracking process for permits under review with public access over the internet
- Weekly inter-departmental plan check review meeting
- Completion of a four (4) prong permit streamlining program
- One stop permit center
- On line permit center with public information
- Target dates for plan check reviews
- Intake meetings to insure that complete applications are submitted
- Housing Committee to research and make recommendations to the City Council on potential housing programs
- Second Unit Ordinance
- Second Unit Amnesty program

These programs contribute specifically to the implementation of Housing Element Goal 9 and generally to Goals 3, 4, 6, and 10.

Other Achievements: In conjunction with residential development, 152 entitlement permits were submitted for processing in 2006 and four housing projects were approved. The approved entitlement permits resulted in approval for construction of approximately 51 new dwelling units for the City. This is down from the 144 units that received entitlement in 2005.

The Building Department also continued to see activity on permits issued as a result of the San Simeon Earthquake. Approximately fourteen permits were completed 2007.

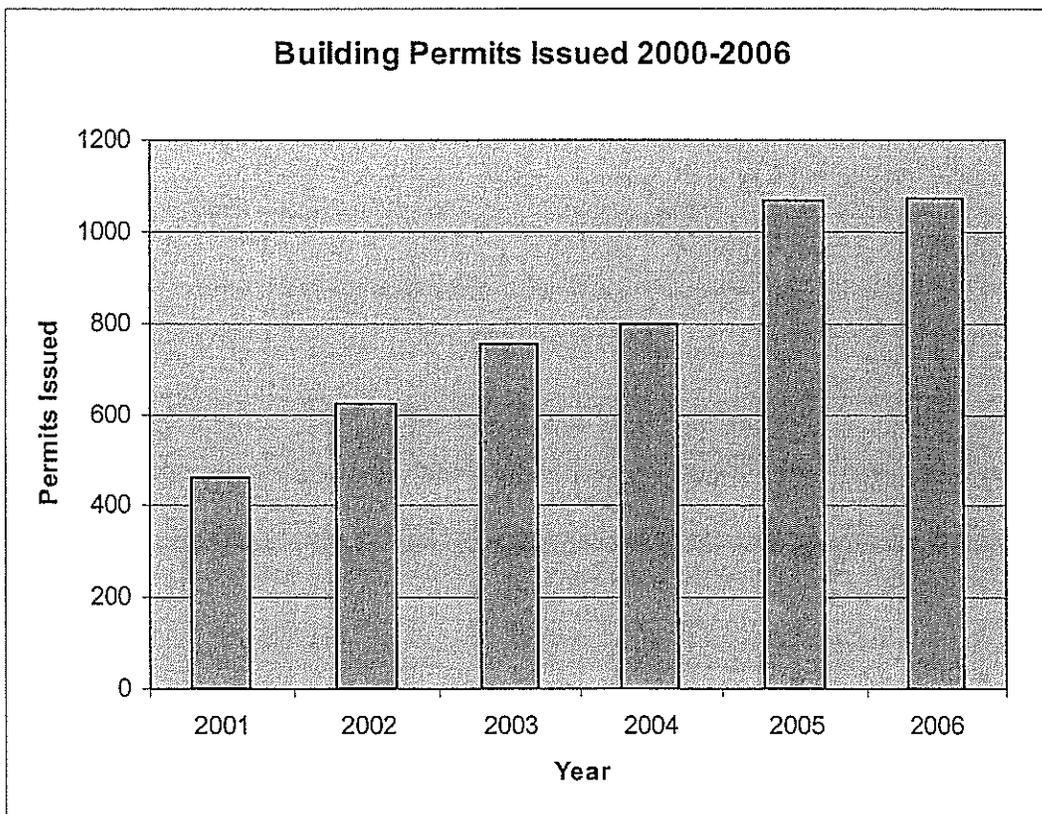
SECTION 4

SUMMARY AND
RECOMMENDED HOUSING PRIORITIES FOR 2005

SUMMARY: The City has enacted several programs and approved entitlement permits for several projects that contribute to the implementation of all of the Housing Element goals.

As seen in Figure 1, below, over the past five years, Atascadero has seen a significant increase in development activity involving both large and small projects. Building permits issued increased 43% from 2000 to 2004 and held steady for 2005. This activity has provided opportunities for implementation of housing programs designed to meet the requirements of the Housing Element goals. In addition, this activity has given the City a greater diversity in its housing products, from apartments to new subdivisions.

Figure 1 – Issued Building Permits 2000-2006



The year 2004 was approximately halfway through the time period for meeting the requirements of the Regional Needs Housing Allocation and for implementation of the current Housing Element, which is required to be updated in 2009. To date, the City has met 73% of its Regional Housing Allocation (RHA) and if all the projects which currently have entitlement are built, the City can expect to meet and exceed 100% of the overall RHA.

Table 7 – Percentage of Quantified Objectives Met, shows how the City is meeting the goals of the Housing Element by income level. The Quantified Objectives was officially adopted in June of 2002. Consequently, many of the target numbers for 2001 and 2002 were not met. In 2003, substantial progress was made in reaching the target numbers, which carried forward throughout 2005 and 2006. Programs 2.2 (1), 4.1 (3), 4.2 (3), and 4.4 (1) are the only programs where progress appears to be very slow. Staff is recommending that the City Council establish these programs as a priority for 2007.

The following table, Table 7 – Percentage of Quantified Objectives Met shows how the City is doing overall in meeting the quantified objectives. Additional detail can be found in Table 7 which shows the actual breakout of each of the programs' categories.

TABLE 7 – Percentage of Quantified Objectives Met

Program	Description	Target 2001-2006	Actual 2001-2006	Percent Accomplished
1.1 (2)	Downtown Mixed Use	36	5	14%
1.1 (3)	Small Lot Single Family	40	8	20%
1.1 (4)	PD in SFR-X Zone (PD-17)	48	118	245%
1.1 (5)	Specific Plan for Large Projects	20	279	1,395%
1.1 (7)	Mobile and Group Homes	12	32	266%
1.1 (8)	Support Apartment Construction	96	105	109%
2.1 (1)	Density Bonus	20	139	695%
2.1 (2)	PD-7 for Small Lot Subdivision	68	37	54%
2.2 (1)	Mortgage Credit Cert. Program	8	0	0%
2.2 (2)	Inclusionary Ordinance	12	200	1,666%
3.1 (3)	Second Units in SFR-Y	12	9	75%
3.1 (4)	Mixed Use Projects	28	323	1,154%
3.2 (1)	Public/Private Partnerships	12	25	208%
6.4 (2)	Large Family Units	12	4	33%
3.1 (2)	Non-profit Involvement	8	19	236%
4.1 (3)	Federal Grant Program	56	0	0%
4.2 (3)	RDA Funds	6	0	0%
4.4 (1)	No Net Loss of Affordable Units	0	0	0%

Based on the objectives that have been met and those that are still outstanding, a “road map” can be designed to help focus the attention of the City Council, over the next five years, to fully implement the Housing Element.

Recommended Housing Priorities for 2007: Again, referring to Table 7 above, it is apparent that several identified programs in the Housing Element still need to be implemented. These programs include the Mortgage Credit Certification Program, Federal Grant Program, RDA Funds and No Net Loss of Affordable Units.

Community Development Staff is recommending the City Council establish the following housing program priorities for the year 2007:

1. Five year update of the General Plan Housing Element
2. Certification of the 2002 Housing Element Update of the General Plan.
3. Establishment of the Mortgage Credit Certification Program.
4. Approval of an Inclusionary Housing Ordinance
5. Approval of a Condominium/Mobile Home Conversion Ordinance
6. Research of housing entities that will purchase units which are near the expiration date of their affordable deed restriction
7. Identification and evaluation of housing programs, within the Redevelopment Plan area, that could be funded with Redevelopment Agency monies
8. Update the Density Bonus Ordinance to reflect State law changes effective January 1, 2005