



# City of Buellton Planning Department

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HOUSING AND COMMUNITY  
DEVELOPMENT HCD

DEC 17 2007

December 14, 2007

State of California  
Department of Housing and Community Development  
1800 Third Street  
P.O. Box 952050  
Sacramento, CA 94252

RE: City of Buellton, 2007 General Plan Annual Report

Attached for your review and files is the City of Buellton's 2007 General Plan Annual Report. The reporting period is October 1, 2006, to September 20, 2007.

If you have any questions regarding this report, please contact me at (805) 688-7474.

Sincerely,

Marc P. Bierdzinski, AICP  
Planning Director

Encl: 2007 General Plan Annual Report

Cc: Steve Thompson (w/enclosure)  
Office of Planning and Research (w/enclosure)

**WFH Annual Progress Report  
on Implementation of the Housing Element**  
General Plan Report requirement pursuant to  
Section 65400 of the Government Code

Jurisdiction: City of Buellton

Address: 107 W. Highway 246  
P.O. Box 1819  
Buellton, CA 93427

Contact: Marc P. Bierdzinski, AICP      Title: Planning Director

Phone: (805) 688-7474

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Report Period: October 1, 2006 to September 30, 2007

The following information should be included in the report:

**A. Progress in meeting Regional Housing Need**

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

*See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"*

**B. The effectiveness of the housing element in attainment of the community's housing goals and objectives**

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
2. Assess effectiveness of actions and outcomes

*See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"*

**C. Progress toward mitigating governmental constraints identified in the housing element.**

*See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"*

**CITY OF BUELLTON**  
Annual Report on Status of the General Plan and Programs in Support of  
Affordable Housing  
10/1/2006 through 9/30/2007

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**BACKGROUND**

By law, every community in California is required to adopt a General Plan as the policy framework by which to guide future growth and development. At a minimum, each such Plan must contain seven mandatory elements (Land Use, Circulation, Housing, Conservation, Open-Space, Noise and Safety). Once adopted, zoning and development regulations that follow must be consistent with the policies of the General Plan.

Section 65400(b) of the California Government Code requires that an annual report be furnished to the City Council regarding the status of General Plan implementation. Annual reports are due on October 1<sup>st</sup> of each year and must be submitted to the State Office of Planning and Research (“OPR”) and Department of Housing and Community Development (“HCD”) in addition to each local legislative body.

For Buellton, the annual report is also used as barometer in evaluating progress in meeting the City’s fair share of regional housing needs. Specifically, Program 21.a. of the Housing Element requires that the City assess housing performance in connection with the annual report requirement and undertake program adjustments as necessary.

**ANALYSIS**

**General Plan Overview:** In 2004, the City embarked on a comprehensive update of its General Plan. The Plan had not been updated since its initial adoption in 1993 at the time of City incorporation well over 10 years ago. The scope of General Plan update was driven by a comprehensive Baseline Report that was prepared and released for public review in 2004. The Baseline Report itemized goals and programs contained in the 1993 General Plan, provided a detailed assessment of actual accomplishments, and set a course for overhauling relevant Elements of the Plan.<sup>1</sup>

The Housing Element was adopted in 2004 and the Land Use and Circulation Elements were adopted in 2005. The Conservation and Open Space, Economic Development, Noise, Parks and Recreation, Public Facilities and Services, and Safety Elements were adopted in 2007 during this reporting period. The complete Buellton 2025 General Plan is available for review on the City’s website, [www.cityofbuellton.com](http://www.cityofbuellton.com). Electronic copies are also available by contacting the Planning Department at 805-688-7474.

**Housing Element Overview:** The Regional Housing Needs Allocation (“RHNA”) process is part of a statewide mandate to address housing related to future growth in the

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<sup>1</sup> The Baseline Report as well as all other Housing Element and General Plan Update documents are available for review by contacting the Planning Department, (805) 688-7474.

State. The needs assessment process sets numeric targets with the overriding goal of assuring an equitable geographic distribution of needs and responsibilities. The number assigned to the City of Buellton for 2001-2008 is 536, of which roughly 58% is assigned to target income groups. Table 1 reflects the current adjusted requirement, taking into account construction that has occurred since the beginning of the current Housing Element planning cycle.

<b>TABLE 1: RHNA GOALS AND AFFORDABLE HOUSING PRODUCTION</b>					
	<b>Unadjusted Goal</b>	<b>2001-2003 Completed Construction</b>	<b>2004-2007 Completed Construction</b>	<b>2007 New Construction</b>	<b>Adjusted Goal</b>
Very Low	129	-7	7	0	129
Low	91	-7	6	0	92
Moderate	88	0	30	0	58
Above Moderate	228	113	208	1	0
<b>Total</b>	<b>536</b>	<b>99</b>	<b>251</b>	<b>1</b>	<b>279</b>
<b>DEFINITIONS:</b>					
Very Low Income: Households with incomes between 0% and 50% of the areawide median.					
Low Income: Households with incomes between 50% and 80% of the areawide median.					
Moderate Income: Households with incomes between 80% and 120% of the areawide median.					
<b>NOTES:</b>					
1. 2001-2003 Completed Construction figures are derived from the Updated Housing Element, June 10, 2004, Tables 44 and 45.					
2. 2004-2007 Completed and New Construction figures are derived from building permit records for the period between January 1, 2004, through September 30, 2007. See Exhibit "C" attached hereto. New Construction are units in which a building permit has been issued but occupancy has not occurred during the reporting period.					

The updated Housing Element relies upon four basic means by which to address the City's RHNA goals: Second Dwellings, Multifamily Infill, Mixed Use Development, and the Affordable Housing Overlay Zone ("AHOZ"). Of these, the establishment of an AHOZ is viewed as the principal means for accommodating the City's RHNA goals. A detailed description of these programs, as well as those programs which affirmatively further other affordable and fair housing objectives, accompany this report as Exhibit "A."

**Housing Performance Assessment:** Ordinance No. 05-05 was adopted by the City Council on October 13, 2005, and established the AHOZ and the sites to which the AHOZ will initially apply. This timeframe is consistent with the year-end deadline (December 2005) established by HCD in their certification of the updated Housing Element. The City has begun to actively market the AHOZ sites for affordable housing development through e-mails to affordable housing developers and proponents and via an AHOZ brochure to hand out to interested parties.

As a summary, the AHOZ shall: (i) allow "stand alone" residential projects irrespective of the underlying zone designation with a minimum base density of 25 units/acre; (ii) grant a 2:1 density bonus (two market rate units above the base density for each affordable low and very low income unit) up to a maximum combined density of 50%

above the base; (iii) impose an inclusionary requirement, mandating that at least 20% of the base density be affordable to very low, low and moderate income households; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals (a defined and determined below); and (v) institute a bifurcated land use entitlement process that allows for streamlined processing for projects that meet specified criteria.

In August 2006, the City Council approved the first AHOZ project on AHOZ Site V. The project consists of 44 condominium units of which four are affordable to very low income persons and three are affordable to low income persons. A \$85,635 housing in-lieu fee will also be collected. The project is ready to begin construction.

Ordinance No. 06-10 was adopted by the City Council in August 2006. This ordinance implements Housing Element Programs 3, 4, 5, 6, 7, 10, 12, 13, 15, 20, and 22. Exhibit "A" summarizes these programs.

Resolution 06-04 was adopted by the City Council in March 2006. This resolution adopted Standard Conditions of Approval and implements Housing Program 11. The Standard Conditions of Approval assist in removing development constraints by providing conditions upfront instead of at the end of the process. This provides developers with more certainty.

Ordinance No. 07-01 was adopted by the City Council in March 2007. This ordinance reduced the minimum lot size needed for both attached and detached secondary dwelling units to 6,500 square feet and implements Housing Programs 4 and 7 along with Land Use Policies L-21, L-22, and L-29.

A general accounting of progress made in implementing all Housing Element programs is set forth in Exhibit "B."

**Annual Programmatic Calibrations:** Since Ordinance No. 05-05 was adopted in October 2005, one AHOZ project with seven affordable units has been approved. The project also included a housing in-lieu fee of \$85,635. In addition, interest has been shown in developing other AHOZ sites. Based on the interest shown for the AHOZ concept, it appears that it is an effective method for providing affordable housing in the City of Buellton.

Ordinance 06-10 implementing several Housing Element Programs has been in effect for little over a year. However, no projects have been submitted during this reporting period that have taken advantage of these revised standards. The City has formed a Community Development Block Grant Committee to review applications during the next funding cycle. It is too early to evaluate the effects of Ordinance 07-01 regarding the lot sizes for secondary dwelling units. Status of this item will be discussed in the next reporting cycle.

In compliance with State HCD reporting requirements, a general accounting of permits issued and construction completed during the current Housing Element cycle is set forth in Exhibit "C." Two projects that have been completed are worth mentioning. One is Vintage Walk, a commercial/residential mixed use project. Vintage Walk contains 11

market rate condominiums along with six affordable apartments to be managed by the Housing Authority of Santa Barbara County. Four units are for very low income persons and two units are for low income persons. The Housing Authority has begun marketing the units and have received several applications for these units. Preferences are being given for Buellton residents. The second project is Valley Station. Along with 36 market rate single family homes, a commercial/residential component is being constructed with seven affordable housing units (three very low and four low). These units are complete and are occupied. The City has also subsidized one of the low income units so that a very low income tenant could occupy the unit.

In regard to removal of constraints that impede the production of affordable housing, two initiatives were adopted following adoption of Ordinance No. 05-05. Most noteworthy is the implementation of a streamlined permit process that was included as part of establishment of the AHOZ. A companion action is the adoption of a standard set of project conditions that will expedite project approvals (March 2006). In addition, processing under the California Environmental Quality Act ("CEQA") will be simplified and become less costly by using the General Plan Update Environmental Impact Report as the basis for "tiering" future AHOZ projects.

## EXHIBIT "A"

### HOUSING ELEMENT IMPLEMENTING ACTIONS

#### Zoning Ordinance, Affordable Housing Ordinance and Redevelopment Plan Amendments

1. **Affordable Housing Overlay Zone (Housing Element Programs 1 and 2).** Amend the current Zoning Ordinance to: (i) establish an Affordable Housing Overlay Zone ("AHOZ"); (ii) designate Key Development Sites that will initially receive an AHOZ; (iii) institute a variable limit that corresponds to the minimum number of dwellings required to achieve the City's Net RHNA Goals, adjusted annually in connection with annual Housing Element reviews; and (iv) structure an approval process that increases the level of discretionary review according to the intensity and location of proposed development.
2. **Mixed Use Development (Program 3).** Amend the current Zoning Ordinance to: (i) replace the current 100-unit limit for mixed-use projects in the General Commercial CR Zone with a new variable limit, linked City's Net RHNA Goals and adjusted annually in connection with annual Housing Element reviews; (ii) modify current height restrictions, allowing an increase in building heights from 35 to 45 feet on a case-by-case basis considering the variable topographic conditions along Avenue of Flags; (iii) revamp the City's current off-street parking requirements, allowing credit for on-street and shared parking for mixed-use projects; and (iv) revise the current definition of density, granting a preference for units of less than three bedrooms.
3. **Secondary Unit and Multifamily Infill (Program 4).** Amend the current Zoning Ordinance to: (i) reduce minimum lot size requirements for secondary dwellings from 7,000 square feet to 6,500 square feet; (ii) allow infill multifamily dwellings by simple Zoning Clearance; (iii) exempt secondary dwellings from inclusionary housing requirements; (iv) provide a 2:1 density bonus for infill multifamily units up to a maximum increase of 50% above the base density; and (v) allow a reduction in development standards for infill multifamily units by discretionary review as an additional density bonus incentive under the City's current Affordable Housing Ordinance ("AHO").
4. **Development Capacity Preservation (Program 5).** Amend the current Affordable Housing Ordinance to discourage the reduction of residential development capacity or otherwise compensate for diminished potential by: (i) allowing rezoning (from residential to non-residential) and down zoning (reduction in densities) subject to payment of in-lieu fees to the Housing Trust Fund; and (ii) basing the computation of in-lieu fees on an inclusionary requirement of 15%, utilizing the same formulas that are already stipulated in the AHO.
5. **Inclusionary Housing (Programs 6 and 7).** Amend the current Affordable Housing Ordinance to: (i) broaden the existing 15% inclusionary requirement to encompass all property regardless of zoning; (ii) provide a 2:1 density bonus for each affordable low

and very low income unit produced; (iii) update State density bonus provisions to reflect recent statutory changes for moderate income condominiums and provision of child care facilities; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals; (iv) allow inclusionary units to offset replacement housing requirements on a 2:1 basis; and (v) exempt secondary dwellings from inclusionary requirements in exchange for agreement by property owners to affirmatively market secondary units to income qualifying tenants under the Section 8 HAPP.

6. **Land Use Modifications (Program 10).** Amend the current Zoning Ordinance to: (i) include and clarify shared living arrangements as allowed residential uses; (ii) prohibit discrimination on the basis of familial status, disability or other population segment stipulated in Fair Housing statutes; (iii) expressly allow emergency shelters, transitional housing, single room occupancy units, farmworker housing and congregate care facilities as allowed uses in all zone districts subject to Conditional Use Permit; (iv) clarify that the development standards for projects requiring a Conditional Use Permit shall be those development standards of the underlying zone district where the project is located; and (v) implement the provisions of Health & Safety Code Sections 17021.5 and 17021.6 regarding agricultural employee housing.
7. **Special Population and Housing Needs (Programs 12 and 13).** Amend the current Zoning Ordinance and Affordable Housing Ordinance to: (i) exempt special needs housing from inclusionary requirements; (ii) incorporate Fair Employment and Housing Act provisions into each Affordable Housing Agreement governed by the AHO; (iii) give priority to disabled persons (second only to displaced persons) in occupying affordable units governed by the AHO; (iv) institute a new abbreviated variance procedure, expressly designed to accommodate adaptive retrofit requests; and (v) seek grant funds and establish an adaptive retrofit program to underwrite the expense of modifying dwellings to accommodate the needs of persons with disabilities.
8. **Code Enforcement (Program 15).** Amend the current Affordable Housing Ordinance to: (i) institute tenant notice and relocation payments consistent with all of the provisions and requirements of Health & Safety Code sections 50651 through 50659.3; (ii) institute special procedures in regard to abatement of substandard housing conditions; (iii) clarify the definition of hotel and motel uses with respect to duration of occupancy, allow for a reasonable number of long-term visitor stays, provide for a reasonable amortization of existing non-conforming use and make allowances for relocation payments in the event of tenant displacement.
9. **Affirmative Marketing (Programs 8, 20, 21 and 22).** Amend the current Buellton Improvement Project Redevelopment Plan, 5-Year Implementation Plan and Affordable Housing Ordinance to: (i) increase the amount of tax increment “housing set aside” expressly reserved for affordable housing from 20% to 25%; (ii) require proportional expenditure of housing funds relative to Net RHNA goals; (iii) incorporate Affirmative Fair Housing Marketing requirements into all Affordable Housing Agreements; (iv) fully integrate and incorporate of the affordable housing policies and programs set forth in the Housing Element; and (v) impose two-year noticing as part of the Affordable Housing Agreements executed and recorded in connection with covered units.

## EXHIBIT "B"

### HOUSING ELEMENT PROGRAM PERFORMANCE (2004-2006)

	Housing Program	Five-Year Objective	Implementation Time Frame	Status of Implementation	
<b>ADEQUATE HOUSING SITES</b>	1	General Plan Update	Amended General Plan Land Use Element & Zoning Ordinance	2005-2007	Land Use and Circulation Elements adopted in September 2005; remaining Elements adopted in 2007.
	2	Affordable Housing Overlay Zone	Amended General Plan Land Use Element & Zoning Ordinance	2004-2005	Ordinance 05-05 adopted in October 2005.
	3	Mixed Use Development.	Amended General Plan Land Use Element & Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Mixed use density requirements, development standards, and the maximum number of units revised.
	4	Secondary Unit & Multifamily Infill	Amended Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Second unit and infill housing standards revised. Ordinance 07-01 adopted in March 2007. Minimum lot sizes for allowing secondary dwelling units reduced to 6,500 square feet.
	5	Development Capacity Preservation.	Amended Zoning Ordinance	2006	Ordinance 06-10 adopted in August 2006. Development capacity provisions added to zoning ordinance.
<b>AFFORDABLE HOUSING SUPPLY</b>	6	Inclusionary Housing	Amended Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Inclusionary and density bonus provisions modified.
	7	Secondary Dwelling & Infill Inducements	Amended Zoning Ordinance & Financial Assistance Programs	2004-2005; 2005-2006 for Establishment of Financing & Subsidy Programs	Ordinance 06-10 adopted in August 2006. Second unit and infill standards revised. Establishment of Financing & Subsidy Programs will occur in 2007-2008. Ordinance 07-01 adopted in March 2007. Minimum lot sizes for allowing secondary dwelling units reduced to 6,500 square feet.

Housing Program		Five-Year Objective	Implementation Time Frame	Status of Implementation	
<b>AFFORDABLE HOUSING SUPPLY</b>	8	Housing Trust Fund	Capitalization of Housing Trust Funds	Redevelopment Plan and 5-Year Implementation Plan Amendment; 2005 for Fee Studies; Ongoing for Grant Applications & Non-Profit Collaboration	Redevelopment Plan and 5-Year Implementation Plan Amendments were adopted in March and June of 2005, respectively. Balance of activities will commence in 2007-2008.
	9	Public-Private Partnerships	Affordable Housing Projects	Ongoing	City Continues to Confer with Developers and Non-Profit Housing Sponsors on Affordable Housing Opportunities.
<b>HOUSING IMPEDIMENTS</b>	10	Land Use Modifications	Amended Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Land use modifications adopted including special housing types.
	11	Development Constraints	Amended Zoning Ordinance & Modified Development Fees	2005-2006	Standard Conditions of Approval adopted in March 2006. Abbreviated CEQA Evaluation Procedures included with Ordinance 05-05.
	12	Special Needs Housing	Amended Zoning Ordinance	2004-2005 for AHO Amendment; Ongoing for Supporting Services	Ordinance 06-10 adopted in August 2006. Special needs housing provisions added.
	13	Persons with Disabilities	Amended Zoning Ordinance & Adaptive Retrofit Program	2005	Ordinance 06-10 adopted in August 2006. Wording addressing persons with disabilities added.

	Housing Program	Five-Year Objective	Implementation Time Frame	Status of Implementation	
<b>CONSERVATION &amp; REHABILITATION</b>	14	Property Rehabilitation	Amended Zoning Ordinance, Emergency Repairs & Property Rehabilitation	Ongoing for Emergency Mobile Home Repair Program; 2006-2007 for Program Expansion	City Appropriated Funds for Continuation of Mobile Home Repair Program as Part of FY2007-08 Budget.
	15	Code Enforcement	Amended Zoning Ordinance & Residential Motel Amnesty Program	2004-2005 for AHO provisions; 2007 for Amnesty Program	Ordinance 06-10 adopted in August 2006. Wording regarding Code Enforcement procedures added. Residential Motel Amnesty Program will commence in 2008.
	16	Affordable Covenants and Interim Assistance	Development Agreements & Financial Assistance	2004-2005	The City will be available to discuss financing options with affordable housing developers. Redevelopment funds, Home Consortium funds, and CDBG funds are, or will be, available.
	17	Energy Conservation	Increased Energy Awareness	Ongoing	Phase 2 of General Plan Update adopted in 2007 includes goals, policies, and programs relating to energy conservation and awareness.
<b>EQUAL HOUSING OPPORTUNITIES</b>	18	Fair Housing Services	Local Access to Fair Housing Services	2005	Discussions with County on Program Development and Joint Funding will be ongoing.
	19	Information & Referral	Distribution of Information Regarding Equal Access to Housing	2004 for Fair Housing Seminar; 2005 for Mailing & Website; Ongoing for Information Dissemination & Interagency Cooperation	Outreach and Referral is Ongoing. City Co-Sponsored and Participated in Fair Housing Seminar in October 2004.
	20	Affirmative Marketing	Amended Zoning Ordinance	2004	Ordinance 06-10 adopted in August 2006. Affirmative marketing provisions added.
	21	Public Participation & Monitoring	Integrative Policy Development & Performance Review	2004-2005 for Redevelopment Plan Amendments; Ongoing for Noticing & Annual Reports	Redevelopment Plan and 5-Year Implementation Plan Amendments were adopted in March and June of 2005, respectively. Noticing and Annual HCD Reports are Ongoing.
<b>PRESERVATION OF AT RISK UNITS</b>	22	Affordable Housing Monitoring	Amended Zoning Ordinance & Annually Updated "At Risk" Units List	2004-2005 for AHO Amendment; Ongoing for Annual Year-End Reports	Ordinance 06-10 adopted in August 2006. Monitoring provisions added. Noticing and Annual HCD Reports are Ongoing.

**EXHIBIT "C"**  
**HOUSING PRODUCTION (2001-2007)**

Residential Projects (Fully Entitled; Permitted & Under Construction)	No. of Residential Units				
	1/1/01 thru 12/31/04	1/1/05 thru 9/15/05	9/16/05 thru 9/30/06	10/1/06 thru 9/30/07	TOTAL
<b>Golden Meadows</b>					
Permits Issued	20 <1>				20 <1>
Construction Completed	20				20
<b>Burgundy Hills</b>					
Permits Issued	28				28
Construction Completed	28				28
<b>Sycamore Ranch</b>					
Permits Issued	164 (22)				164 (22)
Construction Completed	164 (22)				164 (22)
<b>Meadow Ridge</b>					
Permits Issued	8				8
Construction Completed	8				8
<b>Oak Creek Estates</b>					
Permits Issued	57				57
Construction Completed	57				57
<b>Homes at Ballard Canyon</b>					
Permits Issued	42				42
Construction Completed	42				42
<b>Vintage Walk</b>					
Permits Issued			11 -4 - "2"	0	11 -4 - "2"
Construction Completed			0	11 -4 - "2"	11 -4 - "2"
<b>Valley Station</b>					
Permits Issued			36 -3 - "4"	0	36 -3 - "4"
Construction Completed			0	36 -3 - "4"	36 -3 - "4"
<b>Miscellaneous</b>					
Permits Issued	6 (3) [3]	1 (1)	(1)	1	8 (5) [3]
Construction Completed	6 (3) [3]	1 (1)	(1)	0	7 (5) [3]
<b>Total</b>					
Permits Issued	325 (25) [3]	1 (1)	47 -7- "6" (1)	1	374(27)[3]-7-"6"
Construction Completed	325 (25) [3]	1 (1)	(1)	47 -7- "6"	373(27)[3]-7-"6"
<b>Residential Projects (Partially Entitled; Not Yet Permitted)</b>	<b>No. of Residential Units</b>				
	<b>Very Low Income</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>Above Moderate</b>	
<b>The Village Specific Plan</b>	21	15	13	195	
<b>Juliette Walk (AHOZ)</b>	4	3	0	37	
<b>Country Crossroads</b>	0	0	[17]	0	
<b>Total</b>	25	18	30	232	

**NOTES:**

1. Numbers within parenthesis ( ) denotes second dwellings. These units are counted toward Moderate Income RHNA goals based on survey data obtained in connection with the 2004 Housing Element.
2. Numbers within brackets [ ] denotes multiple family dwellings. These units are counted toward Moderate Income RHNA goals based on housing cost modeling and rent survey data obtained in connection with the 2004 Housing Element.
3. Numbers within arrows < > denotes number of units for which housing fees were paid in-lieu of constructing affordable units on-site as part of the project.
4. Numbers within dashes - - denotes very low income units.
5. Numbers within quotations " " denotes low income units.
6. Income breakdown for The Village Specific Plan and Juliette Walk corresponds to conditions of approval imposed in connection with land use entitlements.

RHA RESOLUTION NO. 0010-07

A RESOLUTION OF THE RIALTO HOUSING AUTHORITY  
APPROVING THE ANNUAL HOUSING REPORT FOR FISCAL  
YEAR 2006/07

WHEREAS, the Rialto Housing Authority was established by the City Council of the City of Rialto on November 4, 2003 to assure that there is an adequate supply of sanitary, safe and affordable housing within the City; and

WHEREAS, the Housing Authority was engaged in a number of projects during Fiscal Year 2006/2007 consistent with said Health and Safety Code Section 34312.3 to assure that there is an adequate supply of sanitary, safe and affordable housing within the City; and

WHEREAS, the Housing Authority is required by Health and Safety Code Section 34328 to file with the City Clerk of the City of Rialto and the State Department of Housing and Community Development a report of Housing Authority activities for the preceding year as listed in Exhibit A attached hereto;

NOW, THEREFORE, the Rialto Housing Authority does hereby find, determine, and resolve as follows:

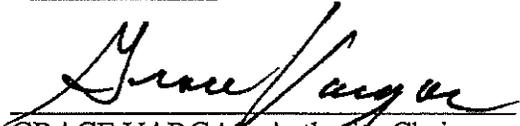
Section 1. Pursuant to the requirements of Section 34328 of the Health and Safety Code, the Housing Authority hereby approves the Annual Report attached hereto as Exhibit A for Fiscal Year 2006/07.

///

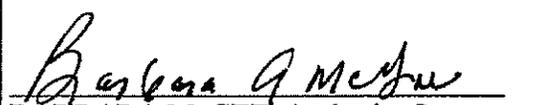
HOUSING POLICY  
DEVELOPMENT, HCD  
DEC 17 2007

1 PASSED APPROVED AND ADOPTED this 2nd day of October, 2007

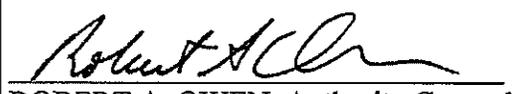
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GRACE VARGAS, Authority Chair

ATTEST:

  
BARBARA McGEE, Authority Secretary

APPROVED AS TO FORM:

  
ROBERT A. OWEN, Authority Counsel

1 STATE OF CALIFORNIA )  
2 COUNTY OF SAN BERNARDINO ) ss  
3 CITY OF RIALTO )

4 I, Barbara McGee, Secretary to the Rialto Housing Authority, do hereby certify that the  
5 foregoing RHA Resolution No. 0010-07 was duly passed and adopted at a regular meeting of the  
6 Rialto Housing Authority held on the 2nd day of October, 2007.

7 Upon motion of Agency Board Member Baca Jr., seconded by Agency Board Member  
8 Hanson, the foregoing RHA Resolution No. 0010-07 was duly passed and adopted.

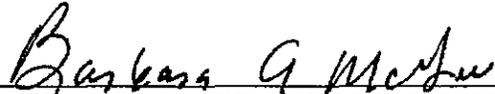
9 Vote on the motion:

10 AYES: Chairperson Vargas, Board Members: Robertson, Hanson, Scott & Baca Jr

11 NOES: None

12 ABSENT: None

13  
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of  
15 Rialto this 8th day of November, 2007.

16  
17   
18 BARBARA MCGEE, AUTHORITY SECRETARY

1 EXHIBIT A

2  
3 RIALTO HOUSING AUTHORITY  
4 ANNUAL HOUSING ACTIVITY REPORT

5 Fiscal Year 2006/07  
6

7 The Housing Authority administers various housing programs that comply with Section 34312.3 for the  
8 benefit of low- and moderate-income households. The following projects and programs were  
9 undertaken during Fiscal Year 2006/07:  
10

11 1. **Willow/Winchester Neighborhood Revitalization Project:** The Authority facilitated  
12 the acquisition and rehabilitation of 160 condominium units in the Willow/Winchester neighborhood  
13 into an affordable family apartment complex. On February 1, 2005, the Housing Authority entered  
14 into an Affordable Housing Agreement with National Community Renaissance (formerly known as  
15 Southern California Housing Development Corporation (SCHDC), and a non-profit housing  
16 developer) to initiate the Project. The Authority acquired 147 of the 160 units and conveyed title to  
17 these units to SCHDC. In September 2006, SCHDC commenced rehabilitation of the entire project.  
18 Currently, about 25 households reside at the complex and are either living in or will be relocating to  
19 their permanent on-site unit. The Project is expected to be completed by July, 2008.

20 Funding in the amount of about \$37 million has been allocated or awarded to the Project. The  
21 Housing Authority is contributing \$15,322,100 which will be paid from redevelopment low/mod  
22 housing funds (\$13,322,100) and California Housing Finance Agency Help Loan funds (\$2,000,000).  
23 These funds were used for acquisition activities. Other funding sources include Multi-Family Housing  
24 Program funds (Proposition 46), Federal and State Tax Credits, and Federal HOME funds.

25 The Authority is currently considering the expansion of the Project to include 42 additional  
26 units immediately westerly of the Project.  
27

28 2. **Section 202 Senior Housing Project:** On November 16, 2005, the Authority entered

1 into an Affordable Housing Agreement with TELACU for the development of a 70 unit senior housing  
2 project using HUD Section 202 Program Funds. The Authority acquired land that was incorporated  
3 into the project and is paying for off-site improvements and certain design upgrades. The total  
4 Authority contribution to this project was \$1,460,000, with funding derived from contributions made  
5 from the Redevelopment Agency's low and moderate income housing fund. Construction commenced  
6 during October 2005 and was completed in December 2006. Currently, all units are occupied by  
7 qualified tenants.

8  
9 **3. Crossroads Mixed Use Downtown Project:** The Rialto Housing Authority and KDF  
10 Communities ("KDF") are negotiating a development consisting of 117 affordable rental housing units  
11 for seniors and 5,200 square feet of street level commercial space on about 1.4 acres situated north of  
12 Rialto Avenue and between Riverside Avenue and Olive Avenue. On June 20, 2006, the Rialto  
13 Housing Authority entered into an Exclusive Right to Negotiate.

14  
15 **4. Housing Strategy Plan** – A citywide housing strategy plan is being prepared to deal  
16 with blighted housing conditions, provide additional affordable housing and implement inclusionary  
17 housing requirements. The plan will include strategies to utilize existing resources and identify other  
18 resources. A consultant was retained to prepare the plan. A number of stakeholder meetings and the  
19 formation of a task force have been conducted to provide information and solutions to Rialto's  
20 housing issues. The plan is expected to be completed in early 2008.

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RDA RESOLUTION NO. 597

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO, CALIFORNIA, MAKING A FINDING THAT THE PLANNING AND ADMINISTRATIVE EXPENSES TO BE FUNDED FROM THE LOW AND MODERATE INCOME HOUSING FUND ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT OR PRESERVATION OF THE COMMUNITY'S SUPPLY OF LOW AND MODERATE INCOME HOUSING**

**WHEREAS**, the Redevelopment Agency of the City of Rialto is authorized by Section 33334.3 of the Health and Safety Code to use a portion of its low and moderate income housing funds to pay for planning and general administrative costs which are directly related to the provision of housing assistance in accordance with Section 33334.2 of the Health and Safety Code; and

**WHEREAS**, the Agency has engaged in a number of projects consistent with said Section 33334.2 to increase, improve, and preserve low-to-moderate income housing and the Agency reasonably expects to continue such activity in accordance with the proposed budget for 2007/08; and

**WHEREAS**, the Agency expects to expend staff time and resources to carry out the projects and programs listed in Exhibit A attached hereto; and

**WHEREAS**, Section 33334.3 requires the Agency to make an annual finding that the planning and administrative expenses are reasonable given the expected level of activity for low and moderate income housing projects;

**NOW, THEREFORE**, the Redevelopment Agency of the City of Rialto does hereby find, determine, and resolve as follows:

**Section 1.** Pursuant to the requirements of Section 33334.2 of the Health and Safety Code, the Agency hereby finds and determines that the reasonable budget allocation of Agency staff

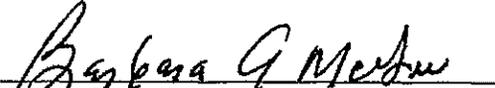
1 expenses directly related to the production, rehabilitation, or preservation of low and moderate income  
2 housing is illustrated in Exhibit B attached hereto.

3  
4 **Section 2.** The Agency asserts that, in the event of substantial changes in project activity, it  
5 will reevaluate the allocations and only assess the low and moderate income housing fund for that  
6 portion of administrative expenses which are reasonably related to the purposes allowable under law.

7  
8 **PASSED APPROVED AND ADOPTED** this 2nd day of October, 2007

9  
10   
11 GRACE VARGAS, Agency Chairperson

12 ATTEST:

13  
14   
15 BARBARA McGEE, Agency Secretary

16  
17 APPROVED AS TO FORM:

18  
19   
20 ROBERT A. OWEN, Agency Counsel

21  
22  
23  
24  
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1 STATE OF CALIFORNIA )  
2 COUNTY OF SAN BERNARDINO ) ss  
3 CITY OF RIALTO )

4 I, Barbara McGee, Secretary to the Redevelopment Agency of the City of Rialto, do hereby  
5 certify that the foregoing RDA Resolution No. 597 was duly passed and adopted at a  
6 regular meeting of the Redevelopment Agency of the City of Rialto held on the 2nd day of  
7 October, 2007.

8 Upon motion of Agency Board Member Baca Jr., seconded by Agency Board Member  
9 Hanson, the foregoing RDA Resolution No. 597 was duly passed and adopted.

10 Vote on the motion:  
11 AYES: Chairperson Vargas, Agency Members: Robertson, Hanson, Scott & Baca Jr.  
12 NOES: None  
13 ABSENT: None

14  
15 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of  
16 Rialto this 8th day of November, 2007.

17  
18   
19 BARBARA MCGEE, AGENCY SECRETARY

1 EXHIBIT A

2 LOW/MOD HOUSING PROJECTS

3 Fiscal Year 2007/08

4  
5 Single Family Housing Rehabilitation Programs -- Oversee implementation of housing  
6 rehabilitation programs, including but not limited to monitoring consultants, meeting with  
7 homeowners and contractors, processing demands for payment and preparing compliance data. The  
8 programs include "Home Sweet Home," Emergency Repair Program, Exterior Beautification, and  
9 Senior Minor Repair Program.

10  
11 Multi-Family Neighborhood Improvement Program -- A joint City/Agency effort, this  
12 program targets low-to-moderate income multi-family areas that are blighted and have crime issues.  
13 Specific actions include instituting property inspections, initiating receivership litigation and/or  
14 creating owner associations. Since March 2006, staff has been working to revitalize the East Jackson  
15 Street apartment neighborhood which consists of a total 113 units.

16  
17 Willow Winchester Neighborhood Revitalization Project -- Acquisition of 160  
18 condominium units in the Willow/Winchester neighborhood and converting the neighborhood into an  
19 affordable family apartment complex. About \$15,322,100 for unit acquisitions, resident relocation,  
20 legal services and consultant services has been paid from Redevelopment Agency Low-Mod funds.  
21 The contribution to the project is from 2005 Series B Bond Proceeds (\$10 million secured by a pledge  
22 of low/mod funds); CalHFA HELP funds (\$2,000,000 secured by a pledge of low/mod funds); and  
23 residual low/mod housing funds (\$3,322,100). Project is expected to be completed during Fiscal Year  
24 2007-08.

25  
26 Vista Cascade and Sierra Point Neighborhood Revitalization Project -- Conduct a  
27 revitalization project of an existing apartment complex at Sierra Point apartments (106 units) and  
28 existing nine (9) four-plex buildings along Cascade Drive and Vista Avenue (36 units). Project may

1 include acquisitions of units, rehabilitate all units, on-site management for the entire area,  
2 consolidation of all parcels, and creation of a gated community.

3  
4 **KDF Crossroads Mixed/Use Senior Housing Project** – Proposed mixed-use project to  
5 include senior rental housing and commercial space. Building proposed to be developed in downtown  
6 Rialto and will include 117 units and about 5,000 of commercial square feet. An Exclusive Right to  
7 Negotiate Agreement was entered into in June 2006.

8  
9 **Affordable Housing Covenant Compliance** -- Monitor 101 restricted low-to-moderate  
10 income mobile home units and 311 restricted very low income, low income and moderate income  
11 rental units. Update enforcement policies.

12  
13 **Housing Element** -- Work in conjunction with City Planning staff to implement the goals and  
14 objectives of the Housing Element, and endeavor to satisfy all housing production and replacement  
15 obligations under redevelopment law.

16  
17 **Housing Strategy Plan** -- Develop a citywide housing strategy plan in dealing with blighted  
18 housing conditions, providing additional affordable housing and implementing inclusionary housing.  
19 Plan will include strategics in utilizing existing resources and identity other resources.

20  
21 **Development of Habitat Homes** – Develop two single-family homes on City owned lots.  
22 Homes will be made available to home buyers who meet the low-income requirements. Habitat will  
23 develop the homes through voluntectrs and donations of materials and funds. Agency will provide a  
24 loan of S362,000 to the project to cover acquisition costs, entitlement fees, and development impact  
25 fees.

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Administration -- Track 20% set-aside tax increment receipts, coordinate outstanding debt funded with low-to-moderate income housing funds, prepare subordination agreements as necessary, annual State Controller's Report and financial statement, and the annual HCD housing report.

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EXHIBIT B

LOW/MOD HOUSING PROJECTS

Fiscal Year 2007/08 Budget

Planning and Administrative Costs	
Staff Costs	\$ 494,110
Legal Services	\$ 88,075
Contract Services	\$ 66,500
Other Expenses	\$ 43,439
RDA Overhead	\$ 475,650
<b>Total</b>	<b>\$1,167,774</b>

Direct Project/Program Costs	
Low Mod Housing Rehab Programs	\$1,337,500
Housing Authority Projects	\$ 190,000
Debt Service - Programs/Projects	\$ 548,123
<b>Total</b>	<b>\$2,075,623</b>

<b>Total Costs</b>	<b>\$3,243,397</b>
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