

**City of Porterville
Annual Progress Report on
Implementation of the Housing Element
March 31, 2009**

**HOUSING POLICY
DEVELOPMENT, HCD
APR 01 2009**

Jurisdiction: City of Porterville

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Report Period: January 2008 to December 2008

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued: **88**
2. Describe the affordability, by income level of new units including the number of deed restricted affordable housing units:

Very Low	0
Low	0
Moderate	47
Above Moderate	41
Deed Restricted Units	0

3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

A.2 Preservation of Affordable Rental Housing

Staff continues to monitor at-risk projects annually and communicates with the property owners and managers regarding the status of the project. Currently, there are none in danger of converting to market-rate rents. Staff also works closely with the Housing Authority of Tulare County on the Section 8 program and monitors changes in the program.

Due to health and safety concerns, it became necessary in 2006-2007 to close the Porterville Hotel, the Single Room Occupancy Project on Main Street. Feasibility studies and discussions are continuing with the owner and the California Department of Housing and Community Development to determine the best course of action in order to replace the affordable units removed from the market.

- B. Goal: To provide adequate residential sites through appropriate land use designation and zoning to accommodate the City's share of regional housing need.**

B.1 Vacant and Underutilized Sites Inventory

Staff keeps an undated inventory of sites available and last year adopted the new General Plan which identified additional areas. The General Plan update was an extensive public participatory process with several public meetings held and newsletters published. Additionally, an advisory committee met regularly to focus on the issues involved and developed recommendations to the City Council that were incorporated into the new General Plan.

Staff has also been working on identifying infill and mixed use sites and has actively been pursuing funding specifically for infill housing development. The affordable housing developer that the City has been working with for the partial replacement units for the Porterville Hotel received a \$2.3 million award of funds in the first round of the Infill Infrastructure Grant Program. The project known as Villa Siena is within the Porterville Redevelopment Project Area Number 1.

B.2 Annexation

The two annexations identified in the Housing Element have been completed. Upon completion of the Gibbons/Indiana annexation, the Sierra Meadows subdivision was approved and in 04/05 thirty (30) homes in the moderate to above moderate income category

In 2005, the City was awarded a \$1,000,000 HOME grant for a 64 unit multifamily development that also was awarded low income tax credits. Sequoia Village at River's Edge is located on an infill site in the Redevelopment Area adjacent to the Tule River and the Union Pacific railroad tracks. The construction of the complex was completed in December 2007 and was immediately fully occupied. A Payment In Lieu of Property Taxes Agreement was executed with the developer and a Redevelopment Regulatory Agreement with affordability covenants on the 63 units was recorded.

As mentioned above, the City is in the process of working with another developer on a 70 unit multi-family project, Villa Siena, to be located on one of the remaining vacant parcels within the Redevelopment Area. This parcel is located much closer to the Central Business District than Sequoia Village at River's Edge. As mentioned above, the complex will hopefully provide a considerable percentage of the one bedroom units needed to replace the units lost at the Porterville Hotel.

Goal C: To expand the City's low-and moderate-income housing opportunities.

C.1 Home Buyer Assistance

First Time Low Income Home Buyer Program (FTHB): In fiscal year 07/08, nineteen (19) low income households were assisted with silent second mortgages to purchase their first homes. The City utilized HOME grant funds, HOME program income, CalHome program income, and Redevelopment low and moderate income housing funds to assist these households.

During the year, the City completed the expenditure of the 2005 \$500,000 CalHome grant and is nearing the completion of the 2006 \$600,000 HOME grant for FTHB. A new 2008 HOME grant has been awarded for the continuation of the successful FTHB program

Affordable Ownership Housing Development: Several of the homes in the Casas Buena Vista subdivision were re-sold to new First Time Low Income Homebuyers. The Casas Buena Vista Subdivision was developed under a Disposition and Development Agreement (DDA) between the Porterville Redevelopment Agency and Casas Buena Vista Housing Group, LLC. The HELP loan from CalHFA that was utilized for acquisition and construction financing was paid back in full after the final accounting and profit

information that the case has been settled and PHFA is reviewing their options to be able to once again provide this financing program in participating communities.

C.5 Section 8 Rental Assistance

The City continues to cooperate and coordinate with the Housing Authority of Tulare County on the Section 8 program. In 2008, six hundred and two (602) households were assisted with Section 8 vouchers and certificates which accounted for nearly \$3 million dollars in the Porterville area. Staff also works cooperatively with the housing authority staff on their home buyer education classes that are targeted to Section 8 and other public housing participants in order to transition them into homeownership and consequently open up the public housing to more households on the waiting list.

C.6 Local, State, and Federal Funding

The City continues to leverage resources with local, state, and federal funds. Staff works closely with developers on Low Income Housing Tax Credit projects as evidenced by the completed construction of the Sequoia Village at River's Edge, a 64 unit apartment complex in the Redevelopment Project Area. Villa Siena was also awarded a reservation of tax credits that past year, but unfortunately, due to the state of the economy, they were forced to return the reservation since they couldn't sell them for the price needed to make it viable. This project also has received an award of Infrastructure Infill Grant funds, a Joe Serna Farmworker Housing grant, and a USDA loan. The Redevelopment Agency has stepped in to assist with land acquisition which is keeping the project alive in order to reapply for tax credits. Unfortunately, the City applied for, but was denied a 2008 HOME project grant for Villa Siena. The City also applied for a \$500,000 CalHome grant, but did not receive an award of funds. However, the City was awarded an \$800,000 2008 HOME grant for the continuation of the First Time Homebuyer Program and Housing Rehabilitation Program. The City is also utilizing HOME program income for the production of affordable housing. The City also anticipates receiving approximately \$700,000 in Neighborhood Stabilization Funds to assist in purchasing foreclosed properties. Staff is constantly working on identifying projects for future rounds of funding.

Staff has been in discussion with other surrounding cities regarding the fair housing issues and in the Spring of 2008 sponsored a Housing Opportunity Fair and Foreclosure Workshop at the Heritage Community Center. This event brought together lenders, realtors, builders, legal assistance groups, and other agencies to provide useful housing information, including fair housing issues, to the public.

Goal F: To reduce governmental constraints to the development, improvement, and preservation of housing, particularly to housing affordable to lower and moderate income households.

F.1 Zoning Ordinance Revisions

In 2007, the City Council adopted a Zoning Ordinance Amendment to address the following issues identified in the Housing Element: the definition of “Family”, the Residential Agricultural (R-A) Zone, and density bonus law. As discussed above, emergency shelters, transitional housing, and ADA requirements will be addressed in the complete update of the Zoning Ordinance that is currently in progress after the adoption of the updated General Plan.

Goal G: To ensure Adequate Services to Infrastructure and Housing.

G.1 Infrastructure Improvements

Staff continues to evaluate projects and resources available to determine the possibility of providing leverage for infrastructure improvements that facilitate the development of affordable housing. This is part of the negotiation with the proposed seventy (70) unit multi-family project which received an allocation of the new Infill Infrastructure Grant Program funds. Staff will be reviewing additional projects and areas for possible application for future Infill Infrastructure Grant Funds and continue to look for any other funding sources for these improvements.

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

As stated in detail above, many of the constraints have been mitigated by amendment to the Zoning Ordinance.