

# El Paso de Robles



Oak Park Redevelopment, Phase One – Nearing Completion

## Housing Element

July 2014

Public Review Draft

# CITY OF EL PASO DE ROBLES

## HOUSING ELEMENT OF THE GENERAL PLAN

PUBLIC REVIEW DRAFT  
JULY 2014

*Exhibit A of Resolution 14-XXX*

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# HOUSING ELEMENT

## 1.0 Introduction

### 1.1 Purpose

This Housing Element is an update of the 2011 Paso Robles General Plan Housing Element. It addresses the City's housing needs for the five year planning period between June 30, 2014 and June 30, 2019.

Article 10.6 (Housing Elements) of the Planning and Zoning Law of the State of California (State Government Code Section 65580 et seq.) establishes the State's housing policies and identifies the responsibilities of a municipality to facilitate the improvement and development of housing to make adequate provisions for the housing needs of all economic segments of the community.

#### **State Housing Policy:**

- a) *The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.*
- b) *The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.*
- c) *The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.*
- d) *Local and state governments have a responsibility to use their powers to facilitate the improvement and development of housing to meet the needs of residents at all economic levels.*
- e) *The Legislature recognizes that in carrying out this, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and cooperate with other local governments and the state in addressing regional housing needs.*

According to State law, each city and county is to review and update its Housing Element once every five years. The purpose of this periodic review is to prepare:

- a) *An assessment of housing needs, including an inventory of resources and constraints to the meeting of these needs;*
- b) *A statement of community goals, quantified objectives and policies regarding the maintenance, preservation, improvement, and development of housing;*
- c) *A program setting forth a five year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element.*

## **1.2 Schedule for Adoption of Housing Element**

As noted in Section 1.1, this Housing Element addresses the City's housing needs for the five year planning period between June 30, 2014 and June 30, 2019. The City completed a draft Housing Element in May 2014 and submitted it to the State Department of Housing and Community Development (HCD) for review.

*NOTE: the City will submit a draft 2014 Housing Element to HCD for review in July 2014. This section will be updated following receipt of HCD's comments on that Draft.*

## **1.3 Relation to, and Consistency with, Other General Plan Elements**

The Housing Element is closely related to the Land Use, Circulation, Open Space, and Noise Elements. For residential land use, the Land Use Element assigns several designations for single family homes, multi-family housing (apartments and condominiums), and mobile homes. The single and multi-family land use designations have several designations each for different densities (intensities). Decisions on land use type and densities are based on such factors as access to the transportation system, proximity to noise sources (primarily traffic and airport-related), access and proximity to open space, commercial and industrial uses, and topography. Residential land use designations are also assigned in a manner that best matches the City's housing needs, as identified in the Housing Element, with these factors.

In 2003, the General Plan was updated in its entirety, and the Housing Element was consistent with the other General Plan elements. In 2004 and in 2011, the Housing Element was amended in accordance with recommendations made by the State Department of Housing and Community Development (HCD) to bring the element into full conformance with State Housing Element Law. The 2004 and 2011 amendments did not, in turn, create any inconsistencies with other elements of the General Plan.

The 2011 Housing Element Update works with the 2003 General Plan, as amended by several individual Land Use Element Amendments between 2004 and 2014, but does not create any inconsistencies with other elements of the General Plan. As will be shown in Chapter 5, the City presently has more than sufficient designated land use capacity to meet its various housing needs.

## **1.4 Information Sources for the Housing Element Update**

US Census Data from the 2000 and 2010 Decennial Censuses and the 2010-2012 American Community Survey was the primary source of information for this Housing Element update. Additional information was obtained from the State of California Department of Finance, the US Department of Agriculture, California Employment Development Department (EDD), the San Luis Obispo Council of Governments (SLOCOG), and the 2009 Economic Outlook for Paso Robles, and City land use inventory and building permit records through December 31, 2013.

## **1.5 Public Participation**

The Housing Element expresses the community's goals for meeting the housing needs of all economic segments of the community. Under state law, local governments must be diligent in

soliciting participation by all segments of the community in this effort. During preparation of the Housing Element Update, citizen participation was actively encouraged in the following ways:

*Note: This section will be updated prior to adoption of the Housing Element.*

*Following receipt of HCD's comments, the City will prepare a Final Draft of the Housing Element Update that addresses HCD's concerns, schedule hearings before the Planning Commission and City Council, and notify all interested organizations and individuals, giving them sufficient lead time to review and comment on the Final Draft.*

- On May 14, 2014, a letter was mailed and emailed to organizations and individuals known to have an interest in housing matters in the City and in San Luis Obispo County. (A copy of this letter is attached as Appendix B-1.) This letter:
  - Invited the addressees to participate in the Housing Element Update process by reviewing and commenting on the existing element, the Housing Element Status report in the City's 2014 General Plan Status Report, and the public review draft element (to be released in early June 2014);
  - Advised addressees that the Planning Commission and City Council would conduct a joint public workshop on the public review draft element on July 8, 2014, to which the addressees and the public will be invited to attend and be heard;
  - Requested that addressees review the distribution list and advise the City if other organizations or individuals should be invited to participate.
- On June 6, 2014, the addressees for the May 14 Letter were sent a new letter and an email advising them of the availability of the Public Review Draft Housing Element on the City's website and announced that hard copies and CDs of the Draft could be purchased from the City for the costs of reproduction. A copy of this letter and email is included in Appendix B-2.
- On June 9, 2014, the City issued a press release to announce the availability of the Draft 2014 Housing Element Update for review and comment and to invite the public to attend a workshop on the Draft 2014 Housing Element Update on July 8. On June 13, 2014, the Paso Robles Press ran a 1/4 page version of the press release. A copy of this press release is included in Appendix B-3.
- On June 20, 2014, the City published a legal notice of the July 8 workshop in the San Luis Obispo *Tribune*. A copy of this notice is included in Appendix B-4.
- A public workshop before a joint session of the City's Planning Commission and City Council was conducted on July 8, 2014. Prior to the meeting, the City had received written correspondence from three interested parties. Seven members of the public made oral comments on the draft plan. A copy of the draft minutes of that meeting are attached as Appendix B-5. The comments recorded in the minutes were considered in

the preparation of the Revised Public Hearing Draft Housing Element. Appendix B-6. includes a table that contains responses to each of the comments made.

## **1.6 Local Setting**

During the decade between 2000 and 2010, the City's population increased by 23%. Most of the growth in the City over the past 20 years has occurred on the east side of the Salinas River. The presence of steep hills has limited growth to the west of the City. Residential land uses made up the single largest land use category in the City. Existing residential land use designations comprise 4,352 net acres and approximately 39 percent of the total designated net City acreage.

## **1.7 Housing Context**

### **a. Economy**

The 2014 Housing Element Update is being prepared as the Nation slowly recovers from a substantial recession that began in 2007.

The pace of new home construction was robust between 2000 and 2006. During this time, building permits issued for new residential units averaged 416 per year. However, between 2007 and 2013, the annual average number of building permits issued dropped to 56 (although 128 permits were issued in 2013). On April 1, 2014, the City amended the Land Use Element to adopt a new population projection that extended expected build-out from 2025 to 2045, based on an expected slower rate of growth than experienced between 1980 and 2010 and the need to prepare specific plans for most of the developable vacant land. This projection anticipates adding 912 units by December 31, 2019, or an average of 156 units per year. Appendix C shows the number of residential building permits issued between 1990 and 2013.

Between 2000 and 2007, rents and housing prices had risen substantially. According to the 2009 Economic Outlook, the median home price in the City had risen as high as \$444,900 in 2007.

Beginning in 2007, home prices adjusted downward, and in 2010, they appear to be slowly rebounding. DataQuick, a real estate information tracking firm, reported that the median price for homes sold in 2010 was \$301,600 and that, in 2013, the median price of a new home rose to \$358,000.

A major contributing factor to the recent recession was the practice of making subprime adjustable rate loans, many of which resulted in foreclosures. Comparison of numbers of foreclosures reported by RealtyTrac for January 2011, the foreclosure rate was 3.2 per 1,000 homes in San Luis Obispo County, which was relatively low, compared to rates of 8.6 per thousand for San Bernardino County, 7.1 per thousand in Sacramento County, and 8.8 per thousand for Riverside County in the same period. In March 2014, RealtyTrac reported foreclosure rates of 0.5 per 1,000 homes in San Luis Obispo County, compared to rates of 1.9 per thousand for San Bernardino County, 1.4 per thousand in Sacramento County, and 1.9 per thousand for Riverside County.

On the positive side, the City has a diverse portfolio of businesses in different economic sectors: agriculture, manufacturing, tourism, construction, retail, and services. With such a degree of

diversification, it is anticipated that the City will “weather” the economic storm and emerge in a healthy state.

**b. 2006 Economic Strategy**

In 2006, the City adopted an updated Economic Strategy. The City still finds this strategy to be relevant in 2014. Key policies of this strategy that are related to housing include:

- Maintain safe, healthy, and attractive physical environment.
- Establish cohesive, compact, and livable community for individuals and families.
- Encourage community development in live/work, mixed use, and compact, pedestrian-oriented forms to accommodate all income levels and lifestyles.
- Increase labor force residents within City (limits).
- Preserve energy and natural resources.

Since adoption of the Economic Strategy, the City has:

- Initiated preparation of the Uptown/Town Centre Specific Plan, which would create a new vision for continued development and redevelopment of the historic West Side of the City to include: mixed use; increased residential densities; redeveloping Oak Park Public Housing to replace deteriorating housing and add new housing units; increasing walkability and transit options;
- Continued to pursue development of specific plans featuring compact urban design and a mix of residential densities and types for the Chandler Ranch, Olsen Ranch, and Beechwood areas;
- Initiated efforts to protect and manage natural resources to provide a healthy environment and save energy (e.g. addressing greenhouse gases per AB 32, low impact design).

**c. Areas for Housing Growth**

West Side: The area west of the Salinas River is the historic core of the City. This area is essentially fully-urbanized and houses approximately one-third of the City’s population. Opportunities for new housing include: (a) infill, primarily in developing additional units on underdeveloped multi-family zoned properties as there are but a handful of vacant parcels, and (b) mixed use: housing built in conjunction with commercial uses. The Uptown/Town Centre Specific Plan covers most of the area that is developable, and it provides a vision for accommodating additional housing in a manner that conforms to the historic character of the West Side as well as facilitating affordability to lower income households.

As of December 31, 2013, the West Side has a capacity for 1,170 potential new units, divided as follows:

- 941 potential new units in the Uptown/Town Centre Specific Plan Area (since December 31, 2013). Most of these will be infill units on underdeveloped lots or on the same property as commercial buildings as mixed-use. There are only 23 vacant lots in this planning area. During the 20 year period between 1991 and 2010, an average of 9.4 units per year have been added to this area.
- 122 potential new units on vacant lots zoned for single family residential use located outside of the Uptown/Town Centre Specific Plan Area.
- 107 potential new units on underdeveloped lots zoned for multi-family residential use outside of the Uptown/Town Centre Specific Plan Area.

East Side: This area houses almost two-thirds of the City's population. Its development began in the late 1950s and, except for specific plan areas, is quickly approaching build-out. It is dominated by single-family housing tracts, with pockets of multi-family located along Creston Road and adjacent to community and regional scale commercial centers. The great bulk of future residential development, both single family and multi-family, will occur with the Chandler Ranch, Olsen Ranch, and Beechwood Specific Plan areas, which are situated on the eastern and southeastern edges of the City.

As of December 31, 2013, the East Side has a capacity for 3,828 potential new units, divided as follows:

- Chandler Ranch Area Specific Plan: 1,439 potential new units on 837 acres of undeveloped land on the east side of the City, generally north of Linne Road, south of Union Road, and east of Golden Hill Road. The plan will offer a variety of single and multi-family residential housing types and limited amounts of neighborhood commercial. Property owners have indicated a desire to incorporate compact urban design, interconnecting grid street patterns, pedestrian and bicycle trails, and integrated open space. A draft Specific Plan was published in 2005 and a Draft EIR published in 2006. The Draft EIR identified traffic impacts that were considered to be significant, based on standards set in the 2003 Circulation Element. The costs to mitigate the impacts to meet those standards were beyond the capacity of both the City and the property owners in the specific plan areas (CRASP, Olsen Ranch, and Beechwood Area). In 2009, the City initiated an update to the Circulation Element to address new State mandates for "complete streets" and seek alternative traffic mitigations that were not as financially burdensome. Work on the CRASP specific plan was idled while the Circulation Element was being updated. On August 31, 2010, the City Council re-authorized CRASP property owners to prepare a draft specific plan, and grading models, using their own funds. The slow recovery from the economic recession that began in 2007 appears to be the biggest hurdle to resuming preparation of this plan.
- Beechwood Area Specific Plan: 238 acres of agricultural land on the southeast side of the City, south of Meadowlark Road, north of Creston Road, and east of Beechwood Drive. The

General Plan presently designates this area for 674 dwelling units. A draft specific plan had been prepared by the City's consultants in 2007. However, progress on that plan had been hampered by the economic recession and environmental constraints related to the 2003 Circulation Element. On October 29, 2013, the City Council conducted a public workshop to review a conceptual development plan proposed by owners of a majority of the properties in this area. The Council gave direction to guide the owners in the preparation of a specific plan that would offer a variety of single and multi-family residential housing types and limited amounts of neighborhood commercial. The plan will incorporate compact urban design, interconnecting grid street patterns, pedestrian and bicycle trails, and integrated open space.

- **Olsen Ranch Specific Plan:** 254 acres of agricultural land on the southeast side of the City, south of Linne Road, north of Meadowlark Road, and west of Hansen Road. The General Plan presently designates this area for 673 dwelling units. A draft specific plan had been prepared by the City's consultants in 2007. However, progress on that plan had been hampered by the economic recession and environmental constraints related to the 2003 Circulation Element. The property owners have expressed their disapproval of the 2007 draft plan, but have not yet indicated a desire to prepare a plan of their own.
- **Borkey Area Specific Plan:** 216 potential new units, of which 28 would be single family residential on vacant and underdeveloped lots and 188 would be on multi-family zoned parcels along Experimental Station Road, east and west of Buena Vista Drive.
- **Union/46 Specific Plan:** 67 potential new units, of which 18 would be on vacant recorded single family lots and 49 on large (1-6 acre) parcels that may still be subdivided for single family lots.
- **Other Infill:** 759 potential new units, of which 94 would be single-family residential on vacant lots, 440 multi-family units on vacant lots, 197 multi-family units on underdeveloped infill lots, and 28 units on a mixed-use site.

**d. Housing-Related Activities in Progress in 2014**

As the 2014 Housing Element is being prepared for adoption, the City is actively engaged in the following activities:

- **Guiding and supporting the redevelopment of Oak Park Public Housing.** In 2010, the City Council approved an application for a development plan filed by Housing Authority of the City of Paso Robles that proposes to remove the 148 existing aging dwelling units and replace them with 302 new dwelling units. All units will be reserved for occupancy by low, very-low, and extremely low income households. Phase One began construction in 2013, and is scheduled to be complete in mid-2014. It consists of 80 units, of which 41 units will replace existing apartments and 39 will be new inventory. In March 2014, the Housing Authority submitted its 4<sup>th</sup> application for Federal Tax Credits for Phase Two, which consists of 70 units. The City has provided financial support for Phase One in the form a



low interest loan of up to \$1.018 million in General Funds to defer payment of City fees over 30 years. The City has approved a similar loan for Phase Two.

- Preparation of specific plans featuring compact urban design and a mix of residential densities and types for the Chandler Ranch, Olsen Ranch, and Beechwood areas. The City Council has directed that these specific plans incorporate many of the principles used in the Uptown/Town Centre Specific plan that compact, urban design to increase walkability, alternative transportation modes and connectivity, and to preserve and manage the City's natural resources, which collectively will help lower housing and living costs for residents.
- Implementation of the Climate Action Plan, which was adopted in November 2013 Preparation to provide a healthy environment and save energy.

**e. Expected Major Housing Issues and Challenges 2014 - 2019**

- Ensuring that the Chandler Ranch, Olsen Ranch, and Beechwood Area Specific Plans:
  - Incorporate a mix of housing types and densities, consistent with Land Use Element designations, so that housing for all income levels is provided and evenly distributed throughout the City.
  - Incorporate principles used in the Uptown/Town Centre Specific Plan that promote compact, urban design to increase walkability, alternative transportation modes and connectivity, and to preserve and manage the City's natural resources, which collectively will help lower housing and living costs for residents.
- Availability of financial resources, to assist construction of new low and moderate income housing projects, preservation of existing low income housing at risk of being converted to market rate housing, and conservation of housing in need of rehabilitation. In 2011, the State Legislature eliminated Redevelopment. With the elimination of Redevelopment, a major source of supplemental funding for affordable housing, the Redevelopment Low and Moderate Income Housing (LMIH) Fund, has been lost. Much of the affordable (government subsidized) housing in Paso Robles had been assisted with LMIH funds.
- Availability of staff resources to pursue actions. Since 2008, the Planning Division of the Community Development Department has lost three of six positions which, because of decreased City revenues, have not been replaced. In order for any of these positions to be replaced during the period of this Housing Element (by 2019), the City will need to experience continued growth in revenue and a pressing demand for additional staff resources to process development applications.

## 2.0 Housing Goals, Policies, and Action Items

This section describes both the qualitative goals, policies, and action items and the quantified objectives for providing safe, adequate housing for residents in Paso Robles. An assessment of current local housing conditions and needs has been prepared to facilitate the formulation of these qualitative goals, policies, and action items and quantitative objectives. This assessment is contained in Chapters 4 and 5 of this Housing Element.

The responsibility for administering the Housing Element and ensuring that policies are implemented will rest with the Community Development Department. The funding for all programs for which the expense will be staff time will be the annual budget for the Community Development Department. The sources of funding for staff time are the Community Development Block Grant Funds (20% of annual allotments allowed for administrative and capacity building activities) and General Funds. The sources of funding for housing construction, rehabilitation, and/or preservation projects will be noted with those action items as appropriate.

As noted in Chapter 1, in 2011, Redevelopment was eliminated in California. and with it, Low and Moderate Income Housing (LMIH) funds, a major source of supplemental funding for affordable housing, was lost and many of the actions suggested in prior Housing Elements may not be feasible to be accomplished during the period of this Housing Element.

### 2.1 Qualitative Goals, Policies, and Action Items

#### a. Goals

- H-1. Develop a range of housing types, densities, and affordability levels to meet the diverse needs of the community, maintaining a balanced supply of ownership and rental units.
- H-2. Preserve the City's inventory of housing that is affordable to low income households.
- H-3. Preserve the City's neighborhoods in a safe and decent condition and eliminate the causes and spread of blight.
- H-4. Mitigate or remove existing and potential governmental constraints to housing production and affordability.
- H-5. Ensure choice of housing types and locations to all persons regardless of race, creed, age, or sex.
- H-6. Design neighborhoods, subdivisions, sites, and housing units to effectively manage natural resources.

#### b. Policies and Actions

*Goal H-1* Develop a range of housing types, densities, and affordability levels to meet the diverse needs of the community, maintaining a balanced supply of ownership and rental units.

**Policy H-1.1** Provide an adequate number of housing sites to accommodate the City's share of regional housing needs and its special housing needs.

**Policy H-1.2** Promote and expand housing opportunities for all segments of the community, recognizing such factors as income, age, family size, and physical ability. Integrate such housing opportunities in each neighborhood or planning area so as to avoid concentrations of any type of housing in limited areas of the City. NOTE: It is not the intent of this policy that housing projects that are designed for 100 percent occupancy by moderate, low, and very low-income households should be discouraged.

### **Ongoing Actions/Programs**

- 1 Evaluate all proposed amendments to the General Plan's Land Use Map and the Zoning Map for their affect on the City's capacity for meeting its Regional Housing Needs Allocation (RHNA).
- 2 Continue to participate in the countywide Ten Year Plan to End Homelessness with the goal of eliminating duplication of homeless services and concentrating common efforts.
- 3 Maintain a Comprehensive Housing Program with sufficient resources available to administer the various Housing Element programs, CDBG Program, and other sources of housing funds.
- 4 Evaluate all proposed amendments to the General Plan's Land Use Map and the Zoning Map for their affect on the City's policy of integrating diverse housing opportunities in each neighborhood or planning area.
- 5 Require new specific plans for undeveloped areas (Chandler Ranch, Olsen Ranch, Beechwood Area, and any to follow) to provide a balance of housing opportunities (types and densities) for all income groups.
- 6 Work with developers to increase the supply of new housing for all income groups and special needs throughout the City. Examples would include: prioritizing staff time to process permits for units affordable to lower income households; providing technical assistance in applying for government financing (e.g., HOME funds); concessions and incentives, using General Funds to offset City development fees; providing preliminary staff review of development proposals at no cost to developers. The City will continue to work with the Paso Robles Housing Authority to provide financial assistance to complete all phases of the redevelopment of Oak Park Public Housing. The City will consider options for providing financial assistance to Habitat for Humanity for its proposed project at 2811 Vine Street.
- 7 Encourage provision of affordable housing in the vicinity of the Cuesta College North County Campus through the designation of multi-family sites near the campus.
- 8 For those housing units and/or projects for lower income households that are assisted with General Funds for the purpose of offsetting development impact fees, allow for deferral of payment of fees several years beyond occupancy.

### One-Time Actions/Projects

- 9 Adopt an ordinance to implement SB 745 (Statutes of 2013) to amend the Zoning Code's definitions for "Supportive Housing" and "Transitional Housing" and add a definition for "Target Population" to implement this bill. *Target Date: December 31, 2014*
- 10 Concurrent with consideration of approval of specific plans for the Beechwood Area and Olsen Ranch, amend the Land Use Element Map to allow for reduction in numbers of low income units at 20 units/acre in both specific plan areas as follows:
  - a. In the Beechwood Area, reduce the number of dwelling units at 20 units per acre from 200 to 100 and add acreage for Residential Multi-Family, 8 units per acre to accommodate 50 units;
  - b. In the Olsen Ranch, reduce the number of dwelling units at 20 units per acre from 95 to 60.

The objective of this action is to enable a viable mix of housing types for all income groups in these areas as an alternative to relatively high concentrations of low income housing that would be contrary to Policy H-1.2). Such reductions in numbers of land designated for low income households at 20 units/acre is possible because: (a) the combined Regional Housing Needs Allocation for low and very low income units has dropped substantially from 1,094 in 2001 (which were the basis for the original assignments in these specific plan areas) to 200 in 2013 and (b) the City has more than sufficient sites zoned for multi-family residential at 20 units/acre in other locations in the City. *Target Date: Concurrent with consideration of adoption of the Beechwood Area and Olsen Ranch Specific Plans (timing is dependent on private development).*

- 11 Encourage developers of single family dwellings to incorporate "Universal Design" and/or "visitability" improvements to the greatest extent feasible. Include policy statements to this effect in the Chandler Ranch, Olsen Ranch, and Beechwood Area Specific Plans. Provide technical assistance to developers in this area. *Target Date: Fiscal Year 15/16.*

**Goal H-2** *Preserve the City's inventory of housing that is affordable to low income households.*

**Policy H-2.1** Protect subsidized housing designated for occupancy by low and very low-income households from premature conversion to market rate.

**Policy H-2.2** Maintain an inventory of market rate housing that is affordable to low-income households.

### Ongoing Actions/Programs

- 12 As part of the General Plan Annual Report, evaluate the need/urgency to amend the Zoning Code to incorporate regulations for the conversion of rental housing (apartments) to condominiums in order to maintain residential stability, prevent a decline in the supply of rental housing, and to require that affected tenants receive right of first refusal to purchase and/or relocation assistance.
- 13 Provide technical assistance to owners and non-profit housing corporation buyers of existing subsidized low income housing complexes that are at risk of conversion to market rate to

extend subsidy contracts and/or find government financing (e.g., HOME funds) for acquisition and rehabilitation, including the following:

- Monitor complexes that are At-Risk of conversion to market rate.
- Work with Potential Purchasers - Establish contact with public and non-profit agencies interested in purchasing and/or managing units at-risk to inform them of the status of such projects. Where feasible, provide technical assistance and support to these organizations with respect to financing.
- Tenant Education - In the event that conversion of a subsidized complex to market rate becomes likely, the City will work with tenants of at-risk units and provide them with education regarding tenant rights and conversion procedures. The City will also provide tenants in at-risk projects information regarding Section 8 rent subsidies through the Housing Authority, and other affordable housing opportunities in the City.

### **One-Time Actions/Projects**

- 14** Amend the Zoning Code to establish minimum densities for multi-family zoned properties.  
*Target Date: Fiscal Year 15/16.*

**Goal H-3** *Preserve the City's neighborhoods in a safe and decent condition and eliminate the causes and spread of blight.*

**Policy H-3.1** Invest in the redevelopment of neighborhoods with aging and deteriorating housing and infrastructure.

### **Ongoing Actions/Programs**

- 15** Enforce the City's zoning, property maintenance, building, fire, parking and nuisance abatement codes.
- 16** Actively implement the vision for development and redevelopment of the West Side as established in the Uptown/Town Centre Specific Plan. This will include: seeking grants for infrastructure improvements; preparing an appendix to expand the list of acceptable architectural styles; providing technical assistance to developers in understanding and applying the new development standards; and regular monitoring and updating the plan as necessary to ensure that the development standards are effective in promoting affordable housing

### **One-Time Actions/Projects**

- 17** Continue to provide financial assistance to the redevelopment of Oak Park Public Housing, particularly Phase Two (build 70 new units of which 23 will replace deteriorating existing units). The City may use General Funds for this purpose if no other funds are available (e.g. from a future State program to replace Redevelopment housing funds). Additionally, the City should continue to fully support applications for Federal HOME funds for this project. As part of this effort, the City will also give top priority for the housing for extremely low-income households. *Target Date: Fiscal Year 13/14 and subsequent years.*

**Goal H-4** *Mitigate or remove potential governmental constraints to housing production and affordability.*

**Policy H-4.1** Assess each proposed ordinance or policy that would affect housing for its effects on housing cost recognizing that some increases in housing costs might be offset by decreases in other household costs (e.g. energy bills).

**One-Time Actions/Projects**

18 Prepare a report that reviews zoning regulations, standard conditions, and permit processing procedures to identify any provisions which unnecessarily increase the cost of housing. Present this report in conjunction with the Annual Review of the General Plan. *Target Date: February/March 2016.*

**Goal H-5** *Ensure choice of housing types and locations to all persons regardless of race, creed, age, or sex.*

**Policy H-5.1** Promote public awareness of federal, state, and local regulations regarding equal access to housing.

**Ongoing Actions/Programs**

19 Refer residents involved in housing related civil disputes such as landlord/tenant disputes and housing discrimination complaints to the California Rural Legal Assistance (for legal matters) and to the State Department of Fair Employment and Housing (for discrimination).

20 Provide information to the public on various state and federal housing programs and fair housing law. Maintain referral information on the City's web site.

**Goal H-6** *Design neighborhoods, subdivisions, sites, and housing units to effectively manage natural resources.*

**Policy H-6.1** Develop and redevelop neighborhoods and planning areas using compact urban forms that foster connectivity, walkability, alternative transportation modes.

**Policy H-6.2** Investigate programs and methods that reduce energy consumption and effectively manage natural resources (air and water quality, primarily) for application to development of housing.

**Ongoing Actions/Programs**

21 Require new specific plans for undeveloped areas (Chandler Ranch, Olsen Ranch, Beechwood Area, and any to follow) to incorporate land use and circulation patterns that use compact urban forms that foster connectivity, walkability, and alternative transportation modes and to incorporate design principles used in the Uptown/Town Centre Specific Plan for these items as well as other energy-saving and environmental quality protection measures, as appropriate to the topography, vegetation, and location in each specific plan area.

22 Continue development of the Resource Management Plan initiated in 2008 via Resolution 08-061 to implement Economic Strategy policies to foster multi-modal transportation systems,

reduce greenhouse gas emissions, develop Low Impact Development standards, water conservation, vegetation and habitat conservation measures.

## 2.2 Quantified Objectives

### a. New Construction.

The Quantified Objectives below (Table H-1) summarize the expected numbers of dwelling units to be constructed between January 1, 2014 and June 30, 2019.

**Table H-1. Quantified Objectives for New Construction: 01/01/14 - 06/30/19**

Program	Income Group					Total	Note #
	Above Moderate	Moderate	Lower	Very Low	Extremely Low		
West Side Single Family	22	0	0	0	0	22	1
East Side Single Family (Outside of Specific Plan Areas)	30	0	0	0	0	30	1
Chandler Ranch, Olsen Ranch, Beechwood Area Specific Plans	100	0	0	0	0	100	2
West Side Multi-Family	0	62	62	0	0	124	3
Borkey Area Specific Plan (Single potential family units, Tract 2887 and Buena Vista Apartments)	28	179	14	0	0	221	4
Oak Park Public Housing Redevelopment - Phases 1 and 2	0	0	45	90	15	150	5
Second Units	0	0	0	0	0	0	6
<b>Total</b>	<b>180</b>	<b>241</b>	<b>121</b>	<b>90</b>	<b>15</b>	<b>647</b>	

Notes:

Overall: Estimates based on projections stated in Table 1E of the Land Use Element.

1. Estimate considering capacity and economy.
2. Assumes Beechwood Specific Plan is adopted in 2015 or 2016, but that housing development will not commence until 2017 or 2018 and then, the first 100 units will be designed for above-moderate income households. Assumes other specific plans may be adopted during the period of this Housing Element, but construction of homes would occur beyond the period of this Housing Element.
3. Estimate considering capacity and economy. Assumes 50% of projected units will be in condominiums, duplexes, and second units on multi-family zoned lots and will be affordable to moderate income; all others will be affordable to low income.
4. Tract 2887, approved in 2007, has 51 small single family lots and a density of 12 units per acre. Buena Vista Apartments, approved in 2013, proposes 142 apartments at 12 units per acre.
5. Oak Park Redevelopment: Phases One (80 units) and Two (70 units) based on Tax Credit applications
6. 5 second units were built between 2006 and 2008; none have been built since. The City's Zoning Code permits second units, but no projections of anticipated use will be made.

It should be noted that the Quantified Objectives need not equal the City's Regional Housing Need Allocation (RHNA) of 492 units. The RHNA is a requirement for residential capacity (expressed in terms

of potential numbers of dwelling units from land that is appropriately zoned and accessible to utilities) that assumes a need for more capacity than there is actual demand in order to help keep land prices relatively low. The RHNA is discussed in Chapter 5.

**b. Rehabilitation.**

The Quantified Objectives for Rehabilitation (Table H-2 ) shows the expected numbers of dwelling units to be “substantially” rehabilitated between January 1, 2014 and June 30, 2019. “Substantial rehabilitation” is defined as having a valuation of work that is 25 percent or greater of the combined assessed value of the land and improvements. It is assumed that the rate of substantial rehabilitation in the period of the Housing Element (i.e., through June 30, 2019) will be as it was between 2009 and 2013.

**Table H-2. Quantified Objectives for Rehabilitation: 01/01/14 - 06/30/19**

Program	Income Group					Total	Note #
	Upper	Moderate	Lower	Very Low	Extremely Low		
Market	6	5	0	0	0	11	1
Total	6	5	0	0	0	11	

Notes:

1. Units to be substantially rehabilitated under free market conditions between January 1, 2014 and June 30, 2019. Rate assumed to be the same as experienced between 2009 and 2013. Source: Building Division records.

*NOTE: Oak Park replacement units are now tallied in Table H-1 (as part of the 150 units).*

**c. Conservation.**

The Quantified Objectives below (Table H-3) summarize the expected numbers of dwelling units to be conserved between January 1, 2014 and June 30, 2019.

**Table H-3. Quantified Objectives for Conservation: 01/01/14 - 06/30/19**

Program	Income Group					Total	Note #
	Upper	Moderate	Lower	Very Low	Extremely Low		
Action 12	0	0	89	89	0	178	1
Total	0	0	89	89	0	178	

Note:

1. During this Housing Element period, four subsidized apartment complexes (Hacienda del Norte, Riverview Apartments, Creston Gardens Apartments, and Paso Robles Garden Apartments) with a total of 178 low income units will become eligible for prepayment of the loans securing the affordability covenants for these projects. It is assumed that 50% of the units in each complex are affordable to low income households and 50% are affordable to very low income households. The National Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA) requires that, in order for a loan to be prepaid, a finding must be made that there does not exist a need for low income housing in the community. If this finding cannot be made, prepayment may be made subject to granting right of first refusal to purchase the project to public agencies for 12 months and to private nonprofit corporations for 15 months (periods overlap). Because of the severe shortage of affordable housing, the City should oppose the prepayment and assist non-profit housing corporations purchase and rehabilitate the complexes as a back-up measure. This is addressed under Action 12.



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### 3.0 Status and Evaluation of Existing 2011 Housing Element

The 2011 Housing Element was adopted on June 21, 2011. On August 15, 2011, the State Department of Housing and Community Development sent the City a letter finding the Housing Element to be in compliance with State Housing Element Law.

This Chapter of the Housing Element will:

- Summarize new residential construction activity between January 1, 2008 and December 31, 2013;
- Summarize the City's efforts to assist the development of affordable housing, including removing constraints, undertaken through December 31, 2013;
- Report on progress towards implementing the Action Items contained in the 2011 Housing Element.

#### 3.1 Completed New Housing Units: Regional Housing Need and Quantified Objectives

Government Code Section 65583(c)(1)(A) requires that the City's General Plan identify adequate sites which will be made available through appropriate zoning and developments standards and with services and facilities, including water and sewer, to meet the City's housing needs for all income groups, including its share of the Regional Housing Need pursuant to Section 65584.

The Regional Housing Allocation Plan adopted by the San Luis Obispo Council of Governments in August 2008 assigned the City following numbers of dwelling units as its share of the Regional Housing Need to be met during the period January 1, 2008 through June 30, 2014. A new set of numbers were issued for the period January 1, 2014 through June 30, 2019. Those numbers will be discussed in Chapter 5.

**Table H-4: 2008 Regional Housing Needs**

Income Category	Dwelling Units (Target)
Above Moderate	270
Moderate	120
Low	105
Very Low	151
<b>TOTAL</b>	<b>646</b>

The City was not obligated to ensure that the number of dwelling units shown above is built within this time frame, it is only obligated to ensure that there is sufficient land appropriately zoned and served. The Housing Element did, however, establish quantified objectives for building new dwelling units within the same time frame as shown in the table on the following page.

<b>Table H-5: 2011 Quantified Objectives</b>							
<b>Income Group</b>							
<b>Program</b>	<b>Above Moderate</b>	<b>Moderate</b>	<b>Lower</b>	<b>Very Low</b>	<b>Extremely Low</b>	<b>Total</b>	<b>Note #</b>
2008 - 2010 Activity (Appendix D-1)	85	0	26	6	34	151	1
West Side Single Family	10	0	0	0	0	10	2
East Side Single Family (Outside of Specific Plan Areas)	147	0	0	0	0	147	2
Chandler Ranch, Olsen Ranch, Beechwood Area Specific Plans	0	0	0	0	0	0	3
West Side Multi-Family	0	9	6	0	0	15	4
Borkey Area Specific Plan (Tract 2887)	0	38	0	0	0	38	5
Entitled Low Income Family Apartments	0	0	72	63	15	150	6
Second Units	0	0	5	0	0	5	7
<b>Total</b>	<b>242</b>	<b>47</b>	<b>109</b>	<b>69</b>	<b>49</b>	<b>517</b>	

Notes:

- Units constructed (Certificates of Occupancy) between 1/01/08 and 12/31/10.
- Estimate considering capacity and economy.
- Assumes specific plans are adopted in 2012, but that housing development will not commence until 2014, beyond the period of this Housing Element.
- Estimate considering capacity and economy. Condominiums, duplexes, and second units on multi-family zoned lots will be affordable to moderate income; all others will be affordable to low income.
- Tract 2887, approved in 2007, has 51 small single family lots and a density of 12 units per acre.
- (a) Hidden Creek Project at 80 S. River Road (completed in 2011). The Tax Credit Application indicates that, of the 81 units, 53 (including the manager's) would be for lower income households, 20 would be very low income households, and 8 would be extremely low income households. (b) Oak Park Redevelopment (approved in 2010, seeking financing in 2011). The Tax Credit Application for Phase One indicates that, of the 69 units, 19 would be for low income households, 43 would be very low income households, and 7 would be extremely low income households.
- 5 second units were built between 2006 and 2008; it is conservatively expected that this rate will continue for the next 5 years.

Between January 1, 2008 and December 31, 2013, a total of 392 new dwelling units were issued Certificates of Occupancy, and those dwelling units can be divided among the following income groups:

Above Moderate	228
Moderate	15
Lower	81
Very Low	26
<u>Extremely Low</u>	<u>42</u>
<b>Total</b>	<b>392</b>

Details showing the composition of the above new units are attached in Appendix D-1. Together with the “Historic” housing activity reported in the first row of the Quantified Objectives Table, the total numbers of new dwelling units developed between January 1, 2008 and December 31, 2013 are shown in the table below.

**Table H-6: Dwelling Units Constructed 2008 - 2013**

Year	Income Category				Extremely Low	Total
	Above Moderate	Moderate	Lower	Very Low		
2008	44	0	20	6	34	104
2009	21	0	6	0	0	27
2010	20	4	0	0	0	24
2011	38	0	54	20	8	120
2012	56	10	1	0	0	67
2013	49	1	0	0	0	50
<b>Total</b>	<b>228</b>	<b>15</b>	<b>81</b>	<b>26</b>	<b>42</b>	<b>392</b>

**3.2 New Housing Units: Under Construction and Approved**

As of December 31, 2013, there were active building permits for 103 units, which can be classified by income groups as follows:

Above Moderate	20	(single family development)
Moderate	3	(West Side apartments)
Lower	24	(Oak Park Redevelopment, Phase One)
Very Low	48	(Oak Park Redevelopment, Phase One)
<u>Extremely Low</u>	<u>8</u>	<u>(Oak Park Redevelopment, Phase One)</u>
Total	103	

In addition to the above figures, there are hundreds of vacant lots in recorded and tentatively-approved subdivisions. Most of these will be affordable only to above moderate income households.

**3.3 New Housing Units for Lower Income Households: Proposed**

In June 2010, the City Council approved an application to develop 302 apartments for low income families at Oak Park Public Housing (between 28<sup>th</sup> and 34<sup>th</sup> Streets, east of Park Street. 154 of the units will be new; 148 will be replacement units. The project will be developed in 4 or more phases. That application included a request for a density bonus and an extra density bonus. On December 4, 2012, the City Council approved a deferral of City fees up to \$1.018 million for Phase One of this project (80 units). The deferral will be financed via a loan of General Funds with a 33 year term. The applicants received Federal Tax Credits for Phase One in 2012 and commenced construction in early 2013. Construction of Phase One is scheduled for early 2014.

In November 2010, the Redevelopment Agency adopted a resolution reserving LMIH funds to assist Habitat for Humanity build 6 single family homes for very low income households

in the 2800 Block of Vine Street. In April 2011, the City approved a development plan and subdivision map for this project. In 2011, the City Council approved a loan of \$225,000 in CalHome Funds to purchase the site. In 2012 and 2013, Habitat for Humanity met with City staff to explore alternatives such as a revised plan with increased density and deferral of City fees similar to those approved for Oak Park (to replace LMIH funds which are no longer available).

### **3.4 New Housing Units for Lower Income Households: Completed Since January 1, 2011**

In 2011, Certificates of Occupancy were issued 81 apartment units (Hidden Creek Village).

In 2012, Certificates of Occupancy were issued for one caretaker unit above a commercial building.

In 2013, no Certificates of Occupancy were issued for dwelling units that would be affordable to lower income households.

### **3.5 Rehabilitated Units**

Housing rehabilitation presently occurs on a market rate/ unsubsidized basis. Between 1988 and 1995, the City offered CDBG-funded low interest loans to rehabilitate homes and apartments owned or occupied by lower income households. The 2010-2014 Redevelopment Implementation Plan provided that LMIH funds may be used to assist such an activity. However, with the passage of AB 1X 26, LMIH funds were no longer available for such use. Additionally, annual allocations of CDBG funds have not been sufficient to fund such an activity.

### **3.6 Conserved Units**

There are subsidized housing units at risk of conversion to market rate. The 2010-2014 Redevelopment Implementation Plan provided that LMIH funds may be used to assist such an activity. However, with the passage of AB 1X 26, LMIH funds were no longer available for such use. In 2013 and early 2014, the City was notified that Domus Development of Santa Monica is investigating purchasing Paso Robles Gardens Apartments and Peoples' Self-Help Housing Corp. is investigating purchasing Creston Gardens Apartments with the intent of continuing to operate these projects as subsidized housing affordable to lower income households. (Both projects are in the city's inventory of subsidized housing and are described in Appendix G.) City staff has offered technical assistance to both companies.

### **3.7 Removal of Constraints**

On May 3, 2011, the City Council adopted the Uptown/Town Centre Specific Plan, which establishes new vision and development standards for the historic West Side of the City. This specific plan includes zoning regulations that encourage and enable mixed use (residential units in combination with commercial space), a wider range of housing types, and higher residential densities. The Plan also reduced parking standards for multi-family development by elimination the requirement for visitor parking spaces and reduced the amounts of required open space per residential unit.

On December 6, 2011, in compliance with SB 2 (Statutes of 2007), the City Council adopted Ordinance 976 N.S., which provided that emergency homeless shelters could be established in certain zoning districts as “permitted” uses, i.e., without a conditional use permit. Ordinance 976 N.S. also provides that “supportive” and “transitional” housing are permitted uses in all residential zones. A copy of Ordinance 976 N.S. appears in Appendix L.

On January 15, 2013, the City Council adopted Ordinance 988 N.S. to update several sections of the Zoning Code. Included in that ordinance was a provision to reduce the minimum size of community rooms in multi-family residential developments with 32 or more units from 40 square feet per unit to 20 square feet per unit. This will reduce the cost of constructing larger multi-family developments.

During 2013, staff and a City Council Ad Hoc Committee worked on updating the Development Impact Fees in a manner that would pare down the list of public improvements and thereby reduce the amount of fees for residential units. In December 2013, a draft fee update was circulated to several stakeholders. A public hearing will be conducted in early 2014 to consider the proposed fee update.

### **3.8 Progress Toward Implementation of Action Items**

The table on the following pages reports efforts made through December 31, 2013 to implement the Action Items and gives a brief statement about the schedule for future implementation.

The 2011 Housing Element contained three actions that were “postponed” until improved economic times when the City could add staff resources to address these issue. The 2014 Update proposes to eliminate these actions for the following reasons:

- a. Redevelopment Low and Moderate Income Housing Funds are no longer available. Actions 6 and 8 now propose using General Funds to assist Oak Park Redevelopment and Habitat for Humanity.
- b. Most of Paso Robles is situated on rolling topography which has precedence in orienting streets and lots. Additionally, State Law now preempts local zoning codes in allowing placement of solar collectors.
- c. The City’s only transit is a regional bus system with one-hour headways. Most of the City’s inventory of multi-family zoning is located along transit corridors.

**Table H-7: Progress Made in Implementing 2011 Housing Element**

<b>Policy</b>	<b>Action Item/ Brief Description</b>	<b>Schedule</b>	<b>Actions through 12/31/13</b>	<b>Future Scheduling</b>
H-1.1 & H-1.2	1. Evaluate all proposed amendments to the General Plan and Zoning maps for their effect on the City's capacity for meeting its Regional Housing Needs Allocation (RHNA).	Ongoing	The Uptown/Town Centre Specific Plan, adopted in May 2011, increased the supply of housing types that would be affordable at all levels.	Upon review of any applications for general plan amendments
	2. Continue to participate in the countywide Ten Year Plan to End Homelessness.	Ongoing	The City adopted Ordinance 976 N.S. on December 6, 2011 to comply with SB 2's direction to allow establishment of emergency shelters in specified zones without a requirement for a conditional use permit.	As needed
	3. Maintain a Comprehensive Housing Program with sufficient resources available to administer the various Housing Element programs, CDBG Program, and other sources of housing funds.	Ongoing	Although the Housing Programs Manager position is vacant, City staff has continued to administer these programs.	As needed
	4. Evaluate all proposed amendments to the General Plan and Zoning for their effect on the City's policy of integrating diverse housing opportunities in each neighborhood or planning area.	Ongoing	The Uptown/Town Centre Specific Plan, adopted in May 2011, increased the supply of housing types that would be affordable at all levels.	a. With the preparation of the Chandler Ranch, Olsen Ranch/ Beechwood Area specific Plans b. With any other applications for GPAs or Rezones.
	5. Require new specific plans for undeveloped areas (Chandler Ranch, Olsen Ranch, Beechwood Area, and any to follow) to provide a balance of housing types and densities for all income groups.	Ongoing	A substantial amount of staff time was spent in 2013 to work with property owners in these specific plan areas to have these plans, and their appurtenant environmental studies prepared.	Staff efforts will continue in 2014.
	6. Work with developers to increase the supply of new housing for all income groups and special needs throughout the City.	Ongoing	Staff has continued to work with the Paso Robles Housing Authority to assist the redevelopment of Oak Park Public Housing and with Habitat for Humanity to facilitate permit processing and financial assistance for their projects.	Staff efforts will continue in 2014.

**Table H-7: Progress Made in Implementing 2011 Housing Element**

<b>Policy</b>	<b>Action Item/ Brief Description</b>	<b>Schedule</b>	<b>Actions through 12/31/13</b>	<b>Future Scheduling</b>
	7. Encourage provision of affordable housing in the vicinity of the Cuesta College through the designation of multi-family sites near the campus.	Ongoing	On June 4, 2013, the City Council approved a development plan for 142 apartment units on the south side of Experimental Station Road, west of Buena Vista Drive. Building Permits for Phase 1 were applied for in 2013.	Staff will assist review of building permit applications in 2014.
	8. For affordable housing projects that are assisted with LMIH Funds for the purpose of offsetting development impact fees, allow for deferral of payment of fees several years beyond occupancy.	Ongoing	Accomplished for Hidden Creek Village, which was completed in September 2011.  On December 4, 2012, the City Council approved a deferral of City fees for Phase One of the Redevelopment of Oak Park Public Housing with a loan of up to \$1.018 million in General Funds.	Consider use of General Funds for deferral of City Fees for future phases of the Redevelopment of Oak Park Public Housing.
	9. Adopt an ordinance to implement SB 2 to provide that emergency shelters be permitted by right.	December 31, 2011	Completed via adoption of Ordinance 976 N.S. on December 6, 2011.	None: action is completed
	10. Encourage developers of single family dwellings to incorporate “Universal Design” and/or “visitability” improvements to the greatest extent feasible.	Fiscal Year 11/12	None in 2012	May be delayed due to reduced staff resources.
H-2.1 & H-2.2	11. As part of the General Plan Annual Report, evaluate the need to amend the Zoning Code to incorporate regulations for the conversion of rental housing (apartments) to condominiums.	Ongoing	There is no evidence, particularly given the current economic recession, that there is any demand to convert apartments to condominiums.	Re-evaluate in 2014
	12. Provide technical assistance to owners and non-profit housing corporation buyers of existing subsidized low income housing complexes that are at risk of conversion to market rate to extend subsidy contracts and/or find government financing for acquisition and rehabilitation, including the following:  <ul style="list-style-type: none"> <li>• Monitor complexes that are at-risk of conversion to market rate.</li> </ul>	Ongoing	In 2013 (and early 2014) the City learned that two subsidized complexes (Paso Robles Gardens Apartments and Creston Gardens Apartments) are being considered for conversion and that different housing corporations are investigating acquiring them. The City has provided staff support to these proposals.	The City will continue to provide staff support to these proposals.



**Table H-7: Progress Made in Implementing 2011 Housing Element**

<b>Policy</b>	<b>Action Item/ Brief Description</b>	<b>Schedule</b>	<b>Actions through 12/31/13</b>	<b>Future Scheduling</b>
	<ul style="list-style-type: none"> <li>• Work with Potential Purchasers</li> <li>• Tenant Education</li> </ul>			
	13. Amend the Zoning Code to establish minimum densities for multi-family zoned properties	Fiscal Year 11/12	None in 2013	May be delayed due to reduced staff resources.
H-3.1	14. Enforce the City’s zoning, property maintenance, building, fire, parking and nuisance abatement codes.	Ongoing	Enforcement is carried out by the Police and Emergency Services Departments on a complaint basis by several City departments.	As needed
	15. Actively implement the vision for development and redevelopment of the West Side per the Uptown/Town Centre Specific Plan. This will include: seeking grants for infrastructure improvements; preparing an appendix to expand the list of acceptable architectural styles; providing technical assistance to developers in understanding and applying the new development standards; and regular monitoring and updating the plan as necessary to ensure that the development standards are effective in promoting affordable housing.	Ongoing	<p>In 2011, the City applied for and received grants to improve 21<sup>st</sup> Street (as a “green” street) and to develop a neighborhood park in this specific plan area. In 2013, construction of both improvements commenced.</p> <p>City staff continued to work with the Paso Robles Housing Authority to assist the redevelopment of Oak Park Public Housing to facilitate permit processing and financial assistance for their projects.</p> <p>In 2013, the City applied for a grant to improve 12<sup>th</sup> Street (as a “green” street). The City did not receive this grant, but was invited by the State to re-apply in 2014.</p>	Staff efforts will continue in 2014.
	16. Give top priority for use of Redevelopment Low and Moderate Income Housing (LMIH) Funds to the redevelopment of Oak Park Public Housing, and fully support applications for Federal HOME funds for this project. As part of this effort, the City will also give top priority for the housing for extremely low-income households.	Fiscal Year 11/12	In June 2011, the State Legislature passed AB 1X 26, which dissolved all redevelopment agencies in the state.	None: LMIH Funds are no longer available.
H-4.1 & H-4.2	17. Prepare a report that reviews zoning regulations, standard conditions, and permit processing procedures to identify any provisions which unnecessarily increase the cost of housing. Present this report in conjunction with the	February/ March 2013	None in 2013	In Calendar Year 2014

**Table H-7: Progress Made in Implementing 2011 Housing Element**

<b>Policy</b>	<b>Action Item/ Brief Description</b>	<b>Schedule</b>	<b>Actions through 12/31/13</b>	<b>Future Scheduling</b>
	Annual Review of the General Plan.			
H-5.1	18. Refer residents involved in housing related civil disputes such as landlord/tenant disputes and housing discrimination complaints to the California Rural Legal Assistance (for legal matters) and to the State Department of Fair Employment and Housing (for discrimination).	Ongoing	The City maintains such information on its web site. Additionally, staff provides responses to inquiries at the Public Counter, on the phone, and via email.	As needed
	19. Provide information to the public on various state and federal housing programs and fair housing law. Maintain referral information on the City's web site.	Ongoing	The City maintains such information on its web site.	As needed
H-6.1 & H-6.2	20. Require new specific plans for undeveloped areas (Chandler Ranch, Olsen Ranch, Beechwood Area, and any to follow) to incorporate land use and circulation patterns that use compact urban forms that foster connectivity, walkability, and alternative transportation modes and to incorporate design principles used in the Uptown/Town Centre Specific Plan for these items as well as other energy-saving and environmental quality protection measures, as appropriate to the topography, vegetation, and location in each specific plan area.	Ongoing	A substantial amount of staff time was spent in 2013 to work with property owners in these specific plan areas to have these plans, and their appurtenant environmental studies prepared.	Staff efforts will continue in 2014.
	21. Continue development of the Resource Management Plan initiated in 2008 via Resolution 08-061 to implement Economic Strategy policies to foster multi-modal transportation systems, reduce greenhouse gas emissions, and develop Low Impact Development standards, water conservation, vegetation and habitat conservation measures.	Ongoing	In 2013, the City adopted a Climate Action Plan and invested substantial staff time in low impact development regulations.	Staff efforts will continue in 2014.

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## 4.0 Housing Needs Assessment

### 4.1 Population Characteristics

Population growth and other demographic variables are important indicators of the type and number of housing units needed in a community. Population attributes such as age, race/ethnicity, occupation, and level of income combine to influence the type of housing needed as well as the ability of current and future residents to afford housing.

**a. Population Trends.** The 2003 General Plan, as updated through General Plan Amendment 2014-001, projects that residential growth will attain build-out after 2045, well beyond the plan’s horizon year of 2025. Table H-8, below, shows the new population projection; it is the same information provided in Table LU-3B of the Land Use Element.

**Table H-8: Population Projection**

Year	Population <sup>1</sup>	Total Dwelling Units <sup>2</sup>
2010	29,800 <sup>3</sup>	11,652
2012	30,200 <sup>4</sup>	11,711
2015	30,100 <sup>5</sup>	11,917
2020	32,300	12,775
2025	34,400	13,602
2030	37,700	14,933
2035	39,900	15,775
2040	41,900	16,586
2045	42,800	16,924

Notes:

1. All population figures are rounded to the nearest 100. Except for 2010 and 2012, population figures are estimates based on household size and vacancy rate in Section 1 of the Land Use Element.
2. Numbers of dwelling units in 2010 and 2012 are based total numbers of existing units reported on City’s Land Use Inventory;
3. Source: 2010 U.S. Census Bureau
4. Source: 2012 State Department of Finance (DOF) E-5 Report (for January 1, 2012)
5. Population “decrease” caused by application of the General Plan’s assumptions stated in Section 1 of the Land Use Element. The 2012 DOF population estimate reported 2.73 persons per household, which yielded a higher population estimate than projected in 2015.

**b. Age Characteristics.** As people move through different age groups, housing needs, income levels, and preferences typically change. As a result, an evaluation of the age characteristics of a community is important in addressing the housing needs of its residents.

Appendix E-1 contains a comparison of age characteristics of residents in Paso Robles to the County of San Luis Obispo and the State of California based on Census data from 2000 and 2010.

Appendix E-1 shows that between 2000 and 2010, the 65 and over age group for the City and the County remained at 14%, give or take a percent. At the State level, this age group comprised 11.4% of the population. The conclusion is that the City and the County have a large percentage of seniors. With the retirement of the Baby Boomer Generation, which was expected to commence in 2011, the percentage of this age group, and the attendant need for housing that is livable for seniors is expected to rise. Types of housing that there may be an increased

demand for would include smaller single family units (as developed in the early 2000s in the Traditions Neighborhood north of Highway 46 East and west of Buena Vista Drive), senior apartments, residential care facilities, and assisted living facilities.

Appendix E-1 shows that between 2000 and 2010, there was some moderate shifting of percentages in the other age groups. However, given the recent recession and expected length of recovery, it is not expected that age will have a measurable impact on the type and size of housing.

**c. Race and Ethnicity.** The racial and ethnic composition of a community may have implications for housing to the extent that different groups have different household characteristics, income levels, and cultural backgrounds that affect their needs and preferences for housing.

The Hispanic and Latino community makes up the largest minority group in the City and the County. The US Census does not consider “Hispanic/Latino” to be a race, rather it is an “ethnicity”, which refers to a group of people of common culture and language who fall within a group. Thus people called “Hispanic/Latino” still consider their race to be “Black, White, American Indian, etc...” Due to the confusion over this interpretation, many Hispanic respondents choose “some other race”.

Race and Ethnicity statistics from the 2000 and 2010 US Censuses are attached in Appendix E-2. As can be seen from that data, the percentage of population of Hispanic or Latino persons grew from 18% of the City’s population in 2000 to 34.5% in 2010. While the percentages of Hispanic or Latino persons in the City lagged behind those state-wide (26% in 2000 and 37.6 % in 2010), the growth of this group reflected a statewide trend.

As shown in Appendix E-2, in 2010, the average number of persons per household was 2.73 city-wide (over all races and ethnicities), but the average number of persons per Hispanics/Latino household was 3.93. If this ratio remains steady while the percentage of Hispanics and Latinos continues to rise in the City, it could indicate a need for larger dwelling units (i.e., 3 or more bedrooms).

Appendix E-3 shows Income Levels by race for City residents as reported in the 2000 US Census. (Income data from the 2010 Census is not yet available.) There does not appear to be a strong indication of a relationship between race/ethnicity and income. Therefore, an expected growing percentage of Hispanics and Latinos does not, in itself, indicate a need for more housing that is affordable to the lower income groups.

**d. Employment Market.** Employment also has an important impact upon housing needs to the extent that different jobs and income levels determine the type and size of housing a household can afford. According to the State Employment Development Department, in March 2014 a total of 13,400 Paso Robles residents were in the labor force, of which 12,400 were employed and 1,000 (7.3%) were unemployed. According to the 2009-2011 American Community Survey (U.S. Census), there were 6,566 women in the labor force, of which 578 (9.0%) were unemployed.

According to the San Luis Obispo Council of Government's (SLOCOG) 2040 Population, Housing & Employment Forecast, Paso Robles had an estimated 11,800 jobs in 2010, and the 2010 U.S. Census reported 11,426 dwelling units. This yields ~~has~~ a job-housing ratio of 1.03. A job-housing ratio over 1.5 is considered high and may indicate an increasing imbalance between jobs and housing, i.e. new residential construction has not kept up with job creation.

Appendix E-4 shows the economic sectors in which City residents were employed in 2000 and in 2009-2011 according to the US Census. This appendix shows the following shifts in employment sectors in Paso Robles during that period:

- Manufacturing declined from 13% of the workforce to 10%;
- Retail trade increased from 11% to 17%;
- Education, health and social services decreased from 19% to 15%;
- Public administration increased from 8% to 12%.

Most retail jobs are held by low income residents, and an increase in the percentage of residents in that sector could indicate an increased demand for multi-family housing. Decreases in manufacturing and education sectors could also increase demand for multi-family housing.

On the positive side, the City has a diverse portfolio of businesses in different economic sectors: agriculture, manufacturing, tourism, construction, retail, and services. With such a degree of diversification, it is anticipated that the City will "weather" the economic storm and emerge in a healthy state.

## **4.2 Household Characteristics**

Household characteristics, such as type and size, income levels, and the presence of special needs populations, determine the type of housing needed by residents. This section details the various household characteristics affecting housing needs.

**a. Number of Households.** In January 2014, according to the State Department of Finance (DOF), there were an estimated 11,076 households in the City. During the period of this Housing Element, it is estimated that about 980 dwelling units will be added. In 2013, the City amended the Land Use Element of the General Plan to adopt a 5% vacancy rate based on a 30 year average as reported by the U.S. Census Bureau. If the 5% vacancy rate remains constant, the number of households at the end of the period of this Housing Element (June 30, 2019) could be 12,007.

**b. Household Type.** According to the US Census, in 2010, 70.8% of city households were families and 29.2% were non-families (Table H-9). Families are comprised of married couples with or without children and other family types, such as female-headed households with children. Non-family households are defined by the Census as a householder living alone or with nonrelatives only. Householders living alone comprised 22.9% of all households in the city, of which nearly half were age 65 and over. Table H-9 shows that there was some minor shifting of percentages of various household types.

**Table H-9. Paso Robles Household Characteristics by Type 2000-2010**

Household by Type	2000		2010	
	Number	Percent	Number	Percent
Total Households	8,556	100.0	10,833	100.0
Family households (families)	6,042	70.6	7,669	70.8
With own children under 18 years	3,197	37.4	3,719	34.3
Married-couple family	4,569	53.4	5,721	52.8
With own children under 18 years	2,251	26.3	2,588	23.9
Female householder, no husband present	1,072	12.5	1,345	12.4
With own children under 18 years	695	8.1	775	7.2
Non-Family households	2,514	29.4	3,164	29.2
Householder living alone	2,028	23.7	2,486	22.9
Householder 65 years and over	974	11.4	1,192	11.0
Average household size	2.73		2.73	

Sources: U.S. Census: 2000 Summary File 1 and 2010 Profile

**c. Household Size.** Table H-9 shows that the average household size was estimated to have remained steady at 2.73 between 2000 and 2010. The State Department of Finance (E-5 Report) estimated that the average household size on January 1, 2014 was 2.73 persons. As noted under the discussion of “race and ethnicity” on Page H-36, the average household size may increase as the percentage of Hispanic or Latino population increases as projected.

In 2013, the City amended the Land Use Element of the General Plan to adopt an average household size of 2.66 persons based on a 30 year average as reported by the U.S. Census Bureau.

**d. Household Income Targets.** The Regional Housing Needs Plan establishes targets for housing types serving four income categories. The four income category definitions are defined in Title 25 Sections 6926, 6928, 6930 and 6932, of the California Code of Regulations. These income categories are based on definitions established by the U.S. Department of Housing and Urban Development (HUD) and State Health and Safety Code Sections 50079.5, 50093, and 50105.

The City of Paso Robles is located in San Luis Obispo County, which has a median household income of \$77,000 for a 4 person household in 2014. The following lists the categories as defined by State Law.

- **Extremely Low Income (ELI):** 30% or less of the area (County) median household income with adjustments for household size. (Note: The Regional Housing Needs Plan does not yet assign any units to this category, which is defined in Health and Safety Code Section 50106.)
- **Very Low Income (VLI):** 31 - 50% of the area (County) median household income with adjustments for household size.

- Low Income (LI): 51% - 80% of the area median household income with adjustments for household size.
- Moderate Income (M): 81% - 120% of the area median household income with adjustments for household size.
- Above Moderate Income (AM): more than 120% of the median household income, as adjusted for household size.

Table H-10 lists these income limits for San Luis Obispo County for 2014.

**Table H-10. San Luis Obispo County 2014 Income Limits**

Income Group (% of Median Income)	HOUSEHOLD SIZE (# of Persons) and INCOME (\$)							
	1	2	3	4	5	6	7	8
Extremely Low (30%)	15,850	18,100	20,350	22,600	24,450	26,250	28,050	29,850
Very Low (50%)	26,400	30,200	33,950	37,700	40,750	43,750	46,750	49,800
Low (80%)	42,250	48,250	54,300	60,300	65,150	69,950	74,800	79,600
Median (100%)	53,900	61,600	69,300	<b>77,000</b>	83,150	89,300	95,500	101,650
Moderate (120%)	64,700	73,900	83,150	92,400	99,800	107,200	114,600	121,950

Source: California Department of Housing and Community Development

According to the 2010-2012 American Community Survey (US Census), it is estimated that the median income in Paso Robles is 96% of the County median income.

**e. Household Income in Paso Robles.** Appendix E-3 shows the income levels reported by the 2000 Census and by the 2010-2012 American Community Survey. Between 2000 and 2012, the percentage of households in the Extremely Low Income level decreased from 13% to 9% ~~29%~~, while the percentage households in the Above Moderate Income level increased from 36% to 40%. The percentages of the other income levels remained essentially the same during the same 8 year period. Table H-11 compares the Regional Housing Need to the Quantified Objectives and identifies anticipated shortfalls and surpluses; it estimates the number of Extremely Low Income households that would be a part of the Regional Housing Need.

**Table H-11. Projection of Households by Income Group Through 2019**

Income Level	AM	M	LI	VLI	ELI*	Total
Regional Housing Need	205	87	77	70	53	492
Quantified Objectives	180	241	121	90	15	647
Unmet Need	25	-154	-44	-34	38	-155

\* The Regional Housing Need Allocation did not specifically include an assignment of ELI households. The VLI assignment was ~~123~~ 454 households and the ELI portion was calculated based on percentages reported in the 2012 American Community Survey.



As noted on Page H-61 and in Appendix F, VLI and ELI households cannot find affordable housing without government subsidy. Proposed projects that will offer an opportunity to increase the amount of subsidized housing during the period of this Housing Element are discussed under “Assisted Housing Projects” on Page H-61. Based on the 2012 American Community Survey and phone conversations with managers of subsidized housing complexes in 2014, this Housing Element assumes that affordability in subsidized housing developments split affordability 55/45 between Low and Very Low Income households. Table H-11 reflects that assumption in dividing the Regional Housing Need, and except for a total of 15 units to be built in Hidden Creek Village (8 units) and in Phase One of Oak Park Redevelopment (7 units), does not assign any ELI units to the Quantified Objectives. It is noteworthy that several of the subsidized housing complexes listed in Appendix G reserve some units for ELI households as a condition of the Federal subsidy. Based on phone conversations with managers of these complexes conducted in April 2014, it is estimated that there are about 130 units that are affordable to ELI households.

**f. Tenure of Households.** The term, “tenure”, refers to whether housing units are owned or rented. According to the 2010 Census (Profile), 6,412, or 59% of all households in Paso Robles owned their own home and 4,421, or 41% of all households were renters. These are the same ratios of owners to renters reported in the 2000 U.S. Census.

Although the City provided first-time homebuyer assistance to 85 lower income households during the 1990s, most of the increase in the rate of ownership is attributable to a higher rate of construction of single family dwellings. In 2000, single family homes they accounted for 72% of the housing stock. According to the State Department of Finance (E-5 Report), this percentage increased to 78% in 2014.

Since 2004, five sizable multi-family apartment complexes were completed: Peoples’ Self-Help Housing Corp.’s 29 unit Creekside Gardens low income senior apartments and their 68 unit Canyon Creek low income family apartments; Harrod Development’s 80 unit market rate Vista del Rio Apartments; Paso Robles Nonprofit Housing Corp.’s 40 unit Chet Dotter Senior Housing (low income senior apartments); and San Luis Obispo Housing Corp.’s Hidden Creek Village with 81 low income family units. Multi-family development of this scale had not occurred in Paso Robles since 1986.

In addition to the large apartment complexes listed above, since 2010, 9 infill multi-family units have been constructed. These units consist of two duplexes and 5 units on multi-family zoned lots.

In June 2010, the City Council approved a development plan for the redevelopment of Oak Park Public Housing to build 302 new affordable apartments (of which 154 would be additional units and 148 would be replacement units.) Construction of Phase One with 80 units (39 new inventory and 41 replacement) began in 2013 and is scheduled to be complete in mid 2014. On several occasions, the Housing Authority has applied for Federal Tax Credits for Phase Two (69 units). The Tax Credit Program is highly-competitive, and it is not uncommon for filing several applications before attaining an award. The Housing Authority most recently applied for Tax Credits in March 2014 and hopes to be awarded in June 2014.

Table H-12 shows the number of households by income group by tenure in 2012 as reported by the US Census Bureau’s American Community Survey.

**Table H-12: Tenure in 2010 by Income Group**

Income Group	Homeowners	Renters
Extremely Low (ELI)	491 (43%)	648 (57%)
Very Low (VLI)	368 (30%)	872 (70%)
Low (LI)	824 (38%)	1,328 (62%)
Moderate	1,325 (55%)	1,084 (45%)
Above Moderate	3,055 (70%)	1,378 (30%)

Source: American Community Survey 2010-2012

**g. Overpaying for Housing.** State Law (Health and Safety Code Sections 50052.5 and 50053), defines overpayment for lower and very low income households as spending more than 30% of their annual income for housing costs, which includes mortgage or rent, utilities, property insurance, and real estate taxes.

Table H-13 shows the percentages of homeowners and renters by income group overpaid for housing per the 2010-2012 American Community Survey.

**Table H-13: Overpayment in 2012 by Income Group**

Income Group	Percent of Income Spent on Housing	Homeowners (Households)	Renters (Households)
Extremely Low	Total Households	491 (100%)	648 (100%)
	<=30%	144 (29%)	67 (10%)
	>30%	347 (71%)	581 (90%)
Very Low	Total Households	368 (100%)	872 (100%)
	<=30%	181 (49%)	68 (8%)
	>30%	187 (51%)	804 (92%)
Low	Total Households	824 (100%)	1,328 (100%)
	<=30%	336 (41%)	323 (24%)
	>30%	488 (59%)	1,004 (76%)
Moderate	Total Households	1,325 (100%)	1,084 (100%)
	<=30%	672 (51%)	614 (57%)
	>30%	653 (49%)	469 (43%)
Above Moderate	Total Households	3,055 (100%)	1,378 (100%)
	<=30%	2,278 (75%)	1,218 (88%)
	>30%	777 (25%)	160 (12%)

Sources: American Community Survey 2010-2012

Since 2000, rents and housing prices have risen substantially. The percentages of households that are overpaying for housing have increased somewhat. A major contributing factor to the recent recession was the practice of making subprime adjustable rate loans, many of which resulted in foreclosures. Comparison of numbers of foreclosures reported by RealtyTrac for

January 2011, the foreclosure rate was 3.2 per 1,000 homes in San Luis Obispo County, which was relatively low, compared to rates of 8.6 per thousand for San Bernardino County, 7.1 per thousand in Sacramento County, and 8.8 per thousand for Riverside County in the same period. In March 2014, RealtyTrac reported foreclosure rates of 0.5 per 1,000 homes in San Luis Obispo County, compared to rates of 1.9 per thousand for San Bernardino County, 1.4 per thousand in Sacramento County, and 1.9 per thousand for Riverside County.

Generally, overpayment can be reduced via support for construction of new small lot single family, single-family attached, and multi-family units (both assisted and market rate). New construction eases the demand that drives purchase and rental prices up.

**h. Overcrowded Housing.** The U.S. Census Bureau defines “overcrowding” as a situation in which a household has more than 1.01 persons per room (excluding kitchens, halls, closets and bathrooms). Table H-14 (next page) shows overcrowding percentages for 2000 and 2012 for the City, County, and State. The percentage of overcrowded units in the City fell in the 2000s, which reflected a statewide trend in overcrowding. The most effective remedy for overcrowding is to increase the supply of multifamily (rental) housing units.

**Table H-14: Overcrowded Housing in Paso Robles**

	2000				2012			
	Total# du	Total % *	Owner # du	Renter # du	Total # du	Total % *	Owner # du	Renter # du
City	956	11%	261	695	458	4%	76	382
County		6%				4%		
State		15%				8%		

\* % = percent of all occupied dwelling units (du)

Source: US Census 2000; 2010-2012 American Community Survey

According to the 2010-2012 American Community Survey, a total of 458 Paso Robles households lived in overcrowded conditions in 2012, representing approximately 4% of all households. Overcrowding rates vary substantially by income, type, and size of household. Generally, lower-income households and large families experience a disproportionate share of overcrowding.

### 4.3 Special Needs Groups

Certain groups have greater difficulty in finding decent, affordable housing due to their special needs and/or circumstances. Special circumstances may be related to an individual’s employment, income, family needs, household characteristics, or special housing requirements relating to a disability.

State Housing Element law identifies the following special needs groups: senior households, disabled persons, female-headed households, large families, families and persons in need of emergency shelter, and farm workers. Table H-15 summarizes data from the 2000 and 2010 Censuses regarding special needs groups residing in Paso Robles.

**Table H-15: Paso Robles Special Needs Groups**

Special Needs Groups	Source	Persons	Households
Seniors (65 and over)	2010 Census	3,996	2,691
Living Alone	2010 Census	1,192	1,192
With a Disability	2010-2012 ACS	2,592	-
Disability (5 years and older) *	2000 Census	8,319	-
Female-headed Household	2010 Census	-	3,144
With Children	2010 Census	-	1,345
Large Households**	2010 Census	-	1,471
Homeless Persons		Less than 745 ***	-

*Source: 2000 and 2010 Census; 2010-2012 American Community Survey (ACS)*

\* *Disabilities include sensory, physical, mental, and self-care types.*

\*\* *Large households are defined as having five or more members residing in the home.*

\*\*\* *Based on an enumeration of homeless persons conducted in January 2013*

**a. Senior Households.** Senior households typically have special housing needs due to three primary concerns: fixed income, high health care costs, and physical disabilities. According to the 2010 Census, 1,192 persons age 65 years and older were living alone in Paso Robles.

The 2010 Census reported that there were 2,691 senior households. In 2000, 73% of senior households and 27% were renters. (2010 Census data for senior tenure statistics is not yet available for Paso Robles.) Compare this to the overall City population, of which 59% are owners and 41% are renters. Because of physical and/or other limitations, senior homeowners may have difficulty in performing regular home maintenance or repair activities. Elderly women are especially in need of assistance. Because many seniors have fixed or limited income, they may have difficulty making monthly mortgage or rent payments.

Various programs can assist senior needs, including congregate care, supportive services, rental subsidies, shared housing, and housing rehabilitation assistance. For the frail elderly, or those with disabilities, housing with architectural design features that accommodate disabilities can help ensure continued independent living. Senior housing with supportive services can also be provided to allow independent living. According to the State Department of Social Services, there are 13 care facilities in the City, one of which has a pending license. The licensed facilities have a total capacity of 202 beds.

Since 2004, the City has added two low income senior apartments complexes: Creekside Gardens (29 units) and Chet Dotter Senior housing (40 units). In 2008, the City approved zoning applications to build a senior housing complex of 68 market rate apartment units and 57 beds in an assisted living facility at 1450 Golden Hill Road. This project will include both unassisted and assisted living. This approval is still valid through 2016 and is eligible to apply for time extensions through 2022.

Since the majority of undeveloped land in the City is located within the Chandler Ranch, Olsen Ranch, and Beechwood Areas, the specific plans being prepared will offer the best opportunity to develop new housing that is designed to meet seniors' needs.

A method to increase the opportunities for senior-friendly housing is to design homes that allow for occupants to "age in place" without having to move should one or more household members develop physical disabilities. The concept of "Universal Design" strives to promote home design that can be used by all persons, regardless of physical ability. This concept incorporates a broad range of design principles and depth of applications. At the simplest level, is a sub-concept known as "visitability", in which homes would be designed with the following features, which would allow someone of any level of physical ability to visit a home:

- At least one no-step entrance;
- Doors and hallways at least 36 inches wide;
- At least one half-bathroom on the ground floor big enough to accommodate a person in a wheelchair.

To accommodate "aging in place", additional Universal Design features would be needed. These could include:

- Providing at least one room, ideally 12 feet by 12 feet, on the ground floor that could be used as a bedroom;
- Providing a full bathroom on the ground floor, which is designed to accommodate grab bars;
- Providing an "open" floor plan with minimal use of halls;
- Providing open areas under sinks in the kitchen and ground floor bathrooms so that a wheelchair-bound person could use them. Cabinet fronts may be installed, but should be removable.

Several of the above measures are already required by the California Building Code for multi-family units. They are not, however, required for single family dwellings.

There are many other design features that could be considered which would further facilitate "aging in place". The City could encourage builders of single family homes to incorporate such design features. Some cities require certain percentages of new homes to incorporate such features. Incorporation of Universal Design features would increase the supply of housing that would meet the needs of seniors.

**b. Disabled Persons.** Disabled persons have special housing needs because of their fixed income, the lack of accessible and affordable housing, and the higher health costs associated with their disability. The Census Bureau defines four types of disability: Sensory, physical, mental, self-care. Disabilities are defined as mental, physical or health conditions that last over six months. According to the 2010-2012 American Community Survey, a total of 2,928 persons with disabilities over the age 5 reside in Paso Robles, representing approximately 10% of the City's population.

The living arrangements of disabled persons depends on the severity of the disability. Many persons live at home independently or with other family members. To maintain independent living, disabled persons may need assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. Such services may be provided by public or private agencies.

To facilitate housing for persons with disabilities, in 2009, the City adopted a “reasonable accommodation” ordinance (Ordinance 958 N.S.) to remove constraints for housing the disabled. This ordinance:

- Provides an administrative procedure to enable necessary alterations to make a dwelling unit accessible to the disabled should such alterations conflict with existing zoning code regulations for such standards as setbacks, projections into yards (e.g. for wheelchair ramps), and maximum heights for graded slopes and/or retaining walls;
- Clarifies that a variety of group living arrangements with 6 or fewer residents, primarily those for disabled persons, are permitted by right in all residential zoning districts.

This ordinance did not establish any requirements that such housing be separated from another similar facility by a minimum distance.

In 2011, SB 812 became effective. This law requires that the Housing Element include an analysis of the special housing needs of developmentally disabled persons. According to the Tri-Counties Regional Center, there were about 425 families with developmentally-disabled children or adults with developmental disabilities in Paso Robles (actually within the 93446 Zip Code) in 2014.

Supportive Housing: AB 745 (2013) defines supportive housing as “housing with no limit on length of stay, that is occupied by the “target population” and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.” That bill also defines “target population” as “persons with low incomes who have one or more disabilities, including... services provided to the Lanterman Developmental Disabilities Services Act... “

In 2014, there is no supportive housing in the City dedicated specifically to the developmentally disabled. NCI Affiliates, a local business that provides employment opportunities to the developmentally disabled provides supportive services to helps 60 of its clients live in market housing. Transitions Mental Health of San Luis Obispo provides supportive services to families with mental health challenges and has indicated that it hopes to establish supportive housing in Paso Robles.

**c. Female-headed Households.** Female-headed households with children often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, health care, and other supportive services. Because of their relatively lower

incomes and higher living expenses, such households usually have more limited opportunities for finding affordable, decent, and safe housing.

In 2010, Paso Robles had 2,120 female-headed households, of which 775 have children under 18. These households are a particularly vulnerable group because they must balance the needs of their children with work responsibilities. According to the 2000 Census, 23% of all female-headed families and 25.8% of female-headed families with children under 18 in Paso Robles lived in poverty. (2010 Census data for poverty in Paso Robles is not yet available.)

The most effective remedy for this problem is to increase the supply of multifamily (rental) housing units.

**d. Large Households.** Large households are defined as having five or more members residing in the home. These households constitute a special need group, because there is often a limited supply of adequately sized, affordable housing units in a community. In order to save for other basic necessities such as food, clothing and medical care, it is common for lower-income large households to reside in smaller units, which frequently results in overcrowding. Paso Robles has a total of 1,471 large households (13.7% of all households). In 2010, 45% of these large households were owners and 55% were renters. In the same year, 59% of all City households were owners and 41% were renters.

The housing needs of large households are typically met through larger units. In 2010, Paso Robles had 6,412 occupied ownership units and 4,421 occupied rental units (2010 US Census). However, because the majority of these units are single-family homes, which are generally more expensive, overcrowding is more prevalent among large families.

To address overcrowding, communities can provide incentives to facilitate the development of larger apartments with three or more bedrooms for large households. A shortage of large rental units can also be alleviated through the provision of affordable ownership housing opportunities, such as first-time homebuyer programs and self-help housing (e.g. People's Self Help Housing Corp., Habitat for Humanity) to move renters into homeownership. Financial assistance for room additions may also help to relieve overcrowding.

**e. Farmworkers.** Farmworkers are traditionally defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Permanent farm laborers work in fields, orchards, processing plants, or support activities on a generally year-round basis. Workloads are generally very high during harvest season, with labor force being supplemented by seasonal or migrant workers.

The primary labor-intensive agriculture in the area around Paso Robles is wine grape growing. Other agricultural uses in the area such as dry farming for barley and hay tend to be capital (machinery)-intensive.

Farmworkers are generally considered to have special housing needs because of their very limited income and the seasonal nature of their employment. Some of the issues related to

farmworker housing include residency, limited income, overcrowding, and substandard housing conditions.

In 1990, People's Self-Help Housing Corporation, under contract to the County of San Luis Obispo, prepared a report entitled "San Luis Obispo County Farm Worker Housing Needs Study". This report indicated the following:

- That Paso Robles has an established resident farmworker population. These farmworkers live in the City on a year-round basis; many have families. The report stated the Employment Development Department estimates that there were 2,080 farmworkers in the County in 1989 but it did not have an estimated farmworker population figure for the Paso Robles area.
- That rents for the most affordable market rate housing would require half of farmworkers' income. This plus the need to provide first and last months' rent plus a deposit leads to doubling up of households within a single dwelling unit. These dwelling units are scattered in different parts of the City and wherever affordable housing can be found.
- That there are some migrant farmworkers who work the area. However, their numbers are not known. The report indicates that the best locations for housing migrant workers is in the agricultural area in the County (as opposed to within urban areas). The report urged the County to amend its Land Use Element/Land Use Ordinance to facilitate provision of migrant worker housing such as bunkhouses with kitchens, bathrooms and recreation rooms. Since the report, the County has amended its land use regulations to accommodate migrant housing in its Agricultural Land Use Category.

The 1990 Study provided the most detail of the farmworker population, and a similar effort has not been undertaken since. However, some limited data has since become available as noted below.

- In 2000, the US Census reported that there were 527 persons residing in Paso Robles who were in the "employed in the farming, forestry and fishing, and mining" sector. This figure would include farm owners, managers, and skilled laborers as well as non-skilled, "farmworker" laborers.
- In 2007, the US Department of Agriculture's Census of Agriculture reported that there were 9,175 "workers" employed in agriculture in San Luis Obispo County and of these, 4,805 worked less than 150 days. The instructions for that census state that farm labor includes "paid family members, bookkeepers, office workers, maintenance workers, etc."
- The 2008 Economic Forecast Project for Paso Robles estimated that there are 1,008 persons employed in the "agricultural" sector in the "Paso Robles Metro Area" in 2007. These figures would include farm owners, managers, and skilled laborers as well as non-skilled, "farmworker" laborers.
- The US Department of Agriculture's 2012 Census of Agriculture reported that there were 10,669 workers employed in agriculture in San Luis Obispo County and of these,



4,704 were employed 150 days or more and 5,965 were employed for less than 150 days. This census also reported that, county-wide, 2,656 were “migrant workers”.

Agricultural employment data from the 2010 Census is not yet available. From the above, it is estimated that the population of farmworkers in the City might be 700, of which about 330 could be permanent residents and 370 could be migrants.

The best means to address the housing needs of the City’s year-round farmworker population is to facilitate development of new rental housing that is affordable to low and very-low income households, particularly in the RMF-20 land use category.

In 2009, to accommodate the housing needs of seasonal farmworkers, the City adopted an amendment to the Zoning Code (Ordinance 958 N.S.) to comply with the provisions of Sections 17021.5 and 17021.6 of the State’s Health and Safety Code. This code amendment provides for the following:

- That any employee (farmworker) housing providing accommodations for six or fewer employees shall be deemed a single-family structure permitted in an agricultural or residential zoning district and shall not require a conditional use permit;
- That any employee (farmworker) housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed a an “agricultural land use designation” permitted in the AG (Agriculture) and RA (Residential Agriculture) zoning districts and shall not require a conditional use permit

f. **Homeless Persons.** In January 2013, the Homeless Services Oversight Council, an advisory agency to the San Luis Obispo Board of Supervisors tasked with implementing the County’s 10 Year Plan to End Homelessness, conducted a county-wide point-in-time (PIT) count and survey of homeless persons.

Key findings of PIT count and survey and a comparison to HUD’s Homeless Management Information System (HMIS) and other data included the following.

1. A total of 2,186 people were counted as homeless in January 2013. Using a HUD-provided formula, this equates to a total of 3,497 persons estimated to be homeless at some point in time within a one year period. Comparatively, 2,534 unique individuals were served last year according to HMIS data.
2. Compared to 2011 Point-in-Time (PIT) count data, there was a 3% increase in homelessness in 2013 among those who met the HUD definition of homelessness. Annual school data from the County Office of Education also suggests there was an increase – the number of homeless children counted by local schools rose substantially from 2011 to 2013.
3. Of those counted by the PIT count on a single night in 2013, approximately 89% of the population was unsheltered. This is consistent with the 89% who were unsheltered on the night of the 2011 count. It should be noted that HMIS data is not used to estimate the

percentage of the homeless population that is unsheltered, because it does not include those who are not receiving services,

4. A majority of the homeless population resided in San Luis Obispo County prior to becoming homeless. 71% of persons surveyed during the PIT Survey were living in San Luis Obispo County when they became homeless; and 18% were living in other counties in California when they became homeless. HMIS data from 2012 indicates that 54% of those using McKinney-funded services, shelter or housing reported that their most recent permanent residence was located in San Luis Obispo County. This disparity may be a result of differences in the wording of the question in HMIS versus the PIT Survey.
  - In the 2013 PIT Survey, homeless people were asked where they were living most recently when they became homeless, whereas from HMIS, clients were asked to provide the zip code for their last permanent residence (where they had stayed for 90 days or more).
  - HMIS data is also collected over the course of a year, whereas PIT data is a single point-in-time snapshot.
  - PIT data also includes people not receiving services; these people are not included in HMIS data.
5. 70% responded they would want to move into safe, affordable permanent housing if it were available; 16% indicated they were unsure.
6. 49% reported they were experiencing mental illness. This is a significant increase from 2011, when 31% answered yes. The increase appears to be partly due to the way in which the question was asked (as noted above, chronic depression and PTSD were included in 2013, per HUD's standards for disabilities). In 2013, 36% of respondents reported they were experiencing chronic depression and 25% reported they were experiencing PTSD, but only 20% answered "yes" when asked if they were currently experiencing a mental illness.
7. Survey respondents were asked about any incarcerations. 62% reported no incarcerations. 4% reported having spent between 21-50 nights in jail or prison in the last 12 months and 8% reported having spent 51 nights or more in jail or prison. 12% reported having spent 1-5 nights and 13% reported having spent 6-20 nights in jail or prison.
8. 8% were unaccompanied minors or Transitional Aged Youth (aged 18-24 years old) in 2013. The 2011 Count and Survey did not distinguish Transitional Aged Youth from other adults, so it was not possible to provide a count of that population, and no unaccompanied minors were counted.
9. 12% of the adult homeless population surveyed in 2013 reported being veterans, compared to 16% of those surveyed in 2011. HMIS data indicates 7% of individuals served at McKinney-funded programs in 2012 reported being veterans.
10. Only 3% of the persons surveyed in 2013 reported they were currently experiencing domestic violence. This is much lower than indicated by HMIS and other data. According to HMIS, 18% of those receiving services in 2012 had experienced domestic violence. Because the 2013 Point-In-Time survey was administered in public places and was administered by other homeless persons who may have known the interviewee, it is possible that persons experiencing domestic violence may not have felt safe in disclosing that information.

The 2013 PIT count reported that there were 466 homeless persons in the North County. Of these, 73 were sheltered and 393 were unsheltered. Using the ratio indicated by the HUD formula described in key finding #1, above, it is estimated that there may be 745 homeless persons in the North County. (The 2011 homeless enumeration estimated that there were about 771 homeless persons in Paso Robles.)

Facilities and services available to the City's homeless population include the following:

- Since 1996, the Community Action Partnership of San Luis Obispo County (CAPSLO) has operated the Maxine Lewis county-wide shelter with 50 beds (supplemented with 25-35 beds by the Interfaith Coalition) in the City of San Luis Obispo at 750 Orcutt Road. Operating funds for this Shelter have come from federal Community Development Block Grant (CDBG), federal Emergency Solutions Grant (ESG), and General funds provided by the "Urban County" of San Luis Obispo (consisting of the County and those cities, including Paso Robles, which participate in the entitlement CDBG, HOME and ESG programs) and the City of San Luis Obispo. The biggest challenge in operating this shelter is amassing enough operating funds on an annual basis.
- CAPSLO also operates the Prado Road homeless day center in San Luis Obispo, which is generally funded in the same manner as the shelter and faces the same annual challenges in obtaining sufficient operating funds.
- The North County Women's Resource Center operates a domestic violence shelter in Paso Robles. The City has supported this facility with several grants of CDBG funds to rehabilitate the shelter building.
- El Camino Homeless Organization (ECHO), a nonprofit organization based in northern San Luis Obispo County, provides a 50 bed shelter in Atascadero. Since an estimated 20-25% of their clients come from Paso Robles (of which most are families with children), the City has made several grants of CDBG funds to support their annual operating costs.
- Transitional Food and Shelter, a nonprofit organization based in San Luis Obispo County, provides homeless who are incapable of staying in a regular homeless shelter because of illness or disability with motel vouchers or rooms rented in apartments. The City has made several grants of CDBG funds annually to support this program.
- The Second Baptist Church, in partnership with several local churches, provides daily meals, donated clothing, and showers for the homeless. The City has provided grants of CDBG funds to support the costs of equipment (e.g. refrigerators) and materials (food) for this service.

The County of San Luis Obispo, in conjunction with the cities and a large stakeholder group, convened in 2008 to create a plan entitled "Path to a Home: 10 Year Plan to End Homelessness". This 10-Year Plan provides a clear vision of steps necessary to help homeless or at-risk persons arrive to stable housing as productive members of the community. A central goal of this Plan is to assist the county in stabilizing and sustaining critical services to people who are homeless and at-risk by enhancing interagency collaboration and increasing system-wide efficiency in

provision of services and utilization of resources. Four priorities and several implementing strategies based on each priority are incorporated in the 10 Year Plan. Priorities include:

- Priority 1. Facilitating access to affordable housing to put an end to homelessness.
- Priority 2. Stopping homelessness before it starts through prevention and effective intervention.
- Priority 3. Ending and preventing homelessness through integrated, comprehensive, responsive supportive services.
- Priority 4. Coordinating a solid administrative & financial structure to support effective plan implementation.

At its meeting of February 3, 2009, the Paso Robles City Council received a presentation on the “Path to a Home” plan. The Council took action to (1) receive the 10 Year Plan to End Homelessness; (2) Endorse the guiding principles; and (3) designate a City Councilmember for ongoing County-wide collaboration.

In 2007, the State Legislature adopted SB 2, which requires local jurisdictions to take the following actions with regard to homeless persons:

- Estimate the numbers of homeless persons on an annual and seasonal basis;
- Identify one or more zoning districts where emergency shelters are permitted by right (without requiring a conditional use permit);
- The identified zoning districts must have sufficient capacity to accommodate the estimated need;
- Amend its zoning code to implement the above within one year of the adoption of the updated housing element;
- Amend its zoning code to allow “transitional housing” and “supportive housing” by right in residential zoning districts.

SB 2 also provides that emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- The size and location of client exterior and interior onsite waiting and client intake areas.

- The provision of onsite management.
- The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

State law provides the following definitions for “emergency shelter”, “transitional housing” and “supportive housing”:

- “Emergency shelter” means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. (Health and Safety Code Section 50801(e))
- “Transitional housing” and “transitional housing development” means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. (Health and Safety Code Section 50675.2(h))
- “Supportive housing” means housing with no limit on length of stay, that is occupied by the target population as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. (Health and Safety Code Section 50675.14(b))

To comply with SB 2, the City adopted Ordinance 976 N.S. in December 2011. That ordinance accomplished the following.

1. Identified Zones Where Emergency Shelters Would Be Permitted By Right.

To calculate the shelter needs in terms of beds/acre, an accepted factor of 150 beds per acre is assumed. On that basis, one or more shelters with a total of 771 beds would require 5.2 acres of vacant land.

While capacity is primarily measured by large, vacant parcels, it could include commercial/light industrial buildings or properties with minimal improvements (e.g. storage yards) that could be converted to use as a shelter.

Ordinance 976 N.S. provides that emergency shelters are permitted by right in the following areas:

- a. Riverside Corridor (RC) Zone within the Uptown/Town Centre Specific Plan: This zone extends the length of Riverside Avenue through the West Side of the City, between Highway 101 and the Railroad; it also includes Paso Robles Street. Properties in this zone are presently used for service commercial, light industrial, and multi-family residential use.

Riverside Avenue is a collector street. There are presently no fixed local transit routes on this street, but the Uptown/Town Centre Specific Plan proposes that such routes be considered in the future. The Second Baptist Church is located in the geographic middle of this zone. As noted above, this church hosts a program that provides daily meals, donated clothing, and showers for the homeless. Within this zone there are presently 8 vacant parcels ranging in size from 0.2 to 1.7 acres; the total area of all 8 vacant parcels is 5.4 acres. Additionally, within this zone, there are 17 parcels with land uses that have potential for re-use as a shelter. Some parcels are used as contractor's yards or outside storage, some have vacant commercial and industrial buildings, some have occupied industrial buildings. The total area for these 17 lots is 16.2 acres. See Appendix K-5 for a map of this Zone.

- b. Commerce Industrial Park: This area, which is zoned PM for industrial use, is located south and east of Creston and Sherwood Roads, both of which are arterial streets. This area is developed with light industrial buildings that have insignificant levels of industrial-related nuisances such as fumes, dust, noise, etc. and is adjacent to a neighborhood shopping center and a local transit stop. Within this area, there are 6 vacant PM-zoned parcels ranging in size between 1.9 and 3.4 acres. There is also a 5.4 acre parcel of which only 2.4 acres is developed, leaving 3.0 vacant acres. See Appendix K-6 for a map of this Zone.

Within both of the areas described above, there is sufficient capacity to locate emergency shelters with 771 beds.

## 2. Amended the Zoning Code to Address Transitional and Supportive Housing.

Ordinance 976 N.S. defined "transitional housing" and "supportive housing" and provided that these types of housing were permitted uses in all residential zones.

In 2013, AB 745 amended definitions of "supportive housing", "transitional housing", and "target population". In turn, the City will need to amend its Zoning Code to update its definitions to be consistent with AB 745.

## 4.4 Housing Stock Characteristics

This section addresses various housing characteristics and conditions that affect the well-being of Paso Robles residents. Housing factors evaluated include the following: housing stock and growth, tenure and vacancy rates, housing age and condition, housing costs, and affordability.

- a. Housing Growth. According to the State Department of Finance, between 2010 and 2014, the housing stock in Paso Robles increased by 2%, from 11,471 to 11,682 units. As exhibited in Table H-16, this level of growth was greater than countywide growth.

**Table H-16: City and County Housing Growth Trends 2010-2014**

Jurisdiction	2010	2014	2010 - 2014 % Change
Paso Robles	11,426	11,682	<u>2%</u>
S.L.O. County	118,996	119,032	1%

Sources: State Department of Finance: E-5 Reports (2010 and 2014)

**b. Housing Type.** Table H-17 summarizes various characteristics of the housing stock in Paso Robles. With relatively limited housing growth occurring since 2007, the composition of the housing stock in 2013 was essentially the same as in 2010. Single-family homes make up the majority of housing units. Multi-family dwelling units comprise less than one quarter of the housing stock. Mobile homes account for the remaining 4%.

**c. Vacancy Rate.** A measure of the availability of and demand for housing is the vacancy rate. Generally, a vacancy rate of 4-5% is considered “healthy”, allowing persons to move and find housing without undue upward pressure on housing prices because of a lack of supply to meet the need.

**Table H-17: Changes in Housing Stock, City of Paso Robles 2010-2013**

Housing Type	2010		2013	
	No. of Units	% of Total	No. of Units	% of Total
Single-Family	8,844	75%	8,997	75%
Detached	7,924	67%	8,077	67%
Attached	920	8%	920	8%
Multi-Family	2,494	21%	2,577	21%
2-4 Units	1,106	9%	1,108	9%
5+ Units	1,388	12%	1,469	12%
Mobile Homes	417	4%	418	4%
Total Units	11,755	100%	11,992	100%
Homeowner Vacancy Rate	13%		Not Available	
Rental Vacancy Rate	1.7%		±1.6%	

Sources: State Department of Finance: E-5 Reports (2010 and 2014); 2010 US Census; City’s Rental Vacancy Status Survey, February 2014

The 2010 Census showed that the overall vacancy rate in Paso Robles was 5.2%, which was divided among homeowners 1.3%, renters 1.7%, and others (e.g., recreational and other homes) 2.2%. The State Department of Finance (E-5 Report) reported an overall vacancy rate of 5.2% ~~2.67%~~ in 2014.

**d. Housing Age and Condition.** Housing age can be used as an indicator of housing conditions within a community. Like any other tangible asset, housing is subject to gradual deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values and eventually impact the

quality of life in a neighborhood. Consequently, maintaining and improving housing quality is an important goal for the City of Paso Robles.

Table H-18 provides a breakdown of the City’s housing stock by year built. As of 2013, about 50% of the City’s 11,924 housing units are over 30 years old. A general rule in the housing industry is that structures older than 30 years begin to show signs of deterioration and require rehabilitation or replacement. Unless properly maintained, homes older than 50 years usually require major renovations to remain in good working order.

**Table H-18: Paso Robles Age of Housing Stock**

Year Structure Built	# of Units	% of Stock
2010 to 2013	261	2%
2000 to 2009	2,999	25%
1990 to 1999	1,787	15%
1980 to 1989	2,998	25%
1970 to 1979	1,529	13%
1960 to 1969	727	6%
1940 to 1959	1,154	10%
1939 or earlier	469	4%
Total	11,924	

*Source: 2000 Census; City Building Records (Total # of units does not account for demolitions that occur from time to time.)*

In 2009, City staff (building inspector) conducted a “windshield survey” of the exterior conditions of 134 residential properties in several neighborhoods where housing ranged between 30 and 70 years old. The properties were primarily developed with single family residences and duplexes; there was one 10 unit apartment building in the survey. Eight characteristics were evaluated. Table H-19 shows the results of that survey.

**Table H-19: Housing Conditions Survey (2009)**

Characteristic	Number of Properties			
	Good Condition	Fair Condition	Poor Condition	Not Applicable
Foundation	37	97	none	0
Roof	88	45	1	0
Stucco	86	22	none	26
Siding	25	40	1	68
Brickwork	16	7	1	110
Paint	71	97	none	0
Doors	98	34	2	0
Windows	73	57	4	0

The results of the survey indicate that the need for a rehabilitation program is not critical. What is critical, however, is the need to replace the 148 lower income units in Oak Park Public Housing. These units were built in 1941 on about 25 acres of land as Army Housing; they are rapidly deteriorating. In 2009, one unit had to be removed from service as the root damage to



the plumbing system was too severe to be feasibly repaired. In 2010, an additional 5 units had to be removed from service for the same reason. In June 2010, the City Council approved a development plan to build 302 new units at Oak Park: 148 units to replace the existing units and 154 additional units. The Housing Authority of the City of Paso Robles, which owns and operates Oak Park Public Housing, has contracted with the Housing Authority of the County of Monterey. Building permits for 80 units in Phase One were issued in February 2013; these units are scheduled to be completed mid-2014. An application for Federal Tax Credits to build 69 units for Phase Two was filed in March 2014. To assist this project, the City has provided a low interest loan of General Funds to defer payment of up to \$1.018 million for City Fees for Phase One and has approved a second low interest loan of up to \$899,000 to defer payment of City Fees for Phase Two.

**e. Replacement Need.** Appendix D-2 lists the dwelling units lost to demolition or conversion (final inspections) between January 1, 2010 and December 31, 2013 by income group. The table also notes whether or not the lost units had been replaced on site. The net effect on supply of housing is that there were gains of 8 units for above moderate income households, 53 units affordable to low income households, 18 units affordable to very low income households, and 8 units affordable to extremely low income households. Moderate income households, experienced a net loss of 1 unit.

**f. Housing Costs and Affordability.** The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of overpayment and overcrowding.

Table H-20 shows median home prices and the number of homes sold in the City of Paso Robles during the period from 2007 to 2013. Home prices rose steadily during the early 2000s but began to fall in 2007. Beginning in 2007, home prices adjusted downward, and in 2012 they appear to be slowly rebounding.

**Table H-20: Median Home Prices in City of Paso Robles (2007 - 2013)**

	2007 *	2009	2010	2012	2013	
Median Home Price (\$ thousands)	441.0	317.5	301.6	310.0	358.0	
Number of Homes Sold	372	N/A	541	N/A	694	

*Sources: 2008 UCSB Economic Forecast Project estimate for Paso Robles: 2007; DataQuick: 2009, 2010, 2012, and 2013*

Table H-21 shows the ability of 4 person households earning 80 - 120 percent of the 2010 Median Income to purchase housing, assuming that the purchase was financed with a CalHFA FHA First-Time Homebuyers Loan (96.5% first trust deed) and a 3% CHFA CHDAP deferred-payment second trust deed loan.

Together, Tables H-20 and 21 show that only those moderate income households in the 110 - 120% range (in 2014) can afford a median-priced home. In 2004, the City made first-time

homebuyers loans to six low income households under the CalHome Program. At that time, housing prices and qualifying income levels were such that a \$500,000 CalHome Grant only provided six loans. The City has not aggressively pursued additional CalHome Grants as the degree of benefit is not supported by the cost (of grant funds and staff time).

In February 2014, City staff conducted a survey of apartment and house rents—and found the results shown in Table H-22. Supporting details are in Appendices F-1 and F-2.

**Table H-21: Ability to Purchase**

<b>% of 2010 Median Income</b>	<b>Annual Income</b>	<b>Purchase Price *</b>	<b>Cash Required *</b> (For Downpayment and closing costs)
70%	\$53,900	\$196,000 - 201,500	\$9,800 - 15,500
80%	\$61,600	\$224,000 - 230,000	\$10,600 - \$17,500
100%	\$77,000	\$326,000 - \$335,000	\$18,500 - \$23,700
120%	\$92,400	\$379,000 - \$407,000	\$21,000 - \$28,000

Assumptions:

1. First Loan (96.5%) is 30 year fixed rate at 4.5% (rate quoted 04/01/08); 1.5 points loan origination fee.
2. 2nd Loan (3%) is a deferred-payment (30 years) loan at 4.5% (rate quoted 04/01/08)
3. Maximum monthly payment is 30% of income for low income (80%) and 35% for moderate income (90-120%).
4. Property Tax Rate is 1.18%; \$7,000 Home Owner's Exemption deducted from purchase price.
5. Homeowners Insurance Rate is 0.25% of value of house, which is assumed to be 75% of sales price.
6. Private Mortgage Insurance: 0.0096% of purchase price monthly.

\* Lower number (on the right) assumes 2<sup>nd</sup> mortgage loan used for closing costs and higher number assumes 2<sup>nd</sup> mortgage used for lowering the affordability gap (amount on which first trust deed loan is based).

**Table H-22: Rental Affordability**

<b>Rental Type</b>	<b>Monthly Rent Range</b>	<b>Persons per household</b>	<b>Affordability to</b>		
			<b>Lower Income</b>	<b>Very Low Income</b>	<b>Extremely Low Income</b>
Studio apt	\$400 - 800	1 - 2	Yes	Yes	Yes
1 bedroom apt	\$625 - \$1,225	1 - 2	Partially	Partially	No
2 bedroom apt	\$850 - \$1,350	2 - 4	Partially	Partially	No
2 bedroom house	\$1,000 - \$1,700	2 - 5	Partially	Partially	No
3 bedroom house	\$1,200 - \$2,100	3 - 6	Partially	No	No

Source: City Rent Survey, February 2014

Generally, market rate apartments are marginally affordable to low income and very low income households (meaning a portion of the inventory is priced to be affordable to that income group), but, other than studio apartments, are not affordable to extremely low income households. Subsidized housing is needed to provide affordable housing to very low and extremely low income households.

Appendix F-3 assigns affordability levels for new dwelling units. In making these assignments, it is assumed that market rate rentals in second units, duplexes, triplexes, and larger apartment

complexes are affordable to lower income households based on the information shown in Table H-22. In these assignments, the City has conservatively assumed that no ownership housing (single family detached or attached homes) is affordable to lower income households unless they are built by a non-profit housing developer and include financing to make the homes affordable.

**g. Assisted Housing Projects.** Housing projects can obtain financial assistance through government programs that require the housing remain affordable for a specified contract period. There are presently ten apartment complexes that receive assistance (see Appendix G). Presently, four of the complexes: Hacienda del Norte (44 units), Riverview Apartments (48 units), Creston Gardens Apartments, and Paso Robles Gardens (26 units) are eligible for prepayment. City staff has maintained regular contacts with the managers of these apartments and with the USDA Rural Development Offices in Visalia and Salinas. Paso Robles Gardens Apartments is presently (March 2014) in escrow to be acquired by Domus Development, which has applied for Federal Tax Credits to assist purchase and rehabilitation to enable this project to remain affordable. The managers of Creston Gardens Apartments have notified the City that they are presently (April 2014) negotiating with two buyers that wish to continue the complexes' affordability. The manager of Hacienda del Norte reports that they are presently working with HUD to renew their subsidies. The manager of Riverview Apartments reported that the owners are committed to maintaining the affordability of that project.

If, for some reason the contracts are not renewed, the complexes do not convert to market rate immediately. The conditions of government assistance require that the City inform either the US Department of Housing and Urban Development (HUD) or Rural Development whether a need for subsidized housing remains in the community, and if so, the complexes must be first be offered for sale to interested parties. Pursuant to Government Code Section 65863.11, the State maintains a list of "Entities Interested in Participating in California's First Right of Refusal Program" at <http://www.hcd.ca.gov/hpd/hrc/tech/presrv/hpd00-01.xls>. This list includes 4 entities interested in properties in San Luis Obispo County and several entities interested in properties located in any county.

It is worthy to note that City staff has contributed time in recent years to assisting owners of assisted housing to negotiate with lenders such as the U.S. Department of Agriculture to extend their subsidies.

As noted previously, Hidden Creek Village, an 81 unit low income family apartment project was completed in September 2011. Phase One of the Redevelopment of Oak Park Public Housing (80 units) is scheduled to be completed in mid-2014. An application for tax credit financing for Phase Two was submitted in March 2014. The City has provided a low interest loan to defer payment of City fees for Phase One and has approved a similar loan for Phase Two.

## **4.5 Energy Conservation**

Energy conservation has become a more important issue in California. Energy prices have escalated in recent years making consumers and builders more aware of energy costs. In the 1970's standards were adopted in California dealing with energy conservation. Title 24 of the California Administrative Code sets mandatory energy standards for new development and

requires adoption of an “energy budget.” The home building industry is required to comply with these standards which are enforced by the relevant local municipality.

The City has updated its Building Codes to comply with the 2010 and 2013 California Building Code (Title 24), which includes the State’s Green Building Standards (CalGreen). Chapter 4 of these standards prescribes standards for residential buildings and sites that include: drainage, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. These “green” standards are described as being minimal and the State has indicated that additional standards will be developed over time.

Paso Robles has adopted the Building Codes, including CalGreen, and complies with the Title 24 standards and enforces compliance by requiring certified energy calculations for building designs and conducting on-site inspections of energy devices and improvements needed.

The 2006 Economic Strategy included the following policies (bold type) and actions (bulleted items) designed to conserve energy, including:

**Implement development policies to achieve more efficient use of infrastructure.**

- Encourage community development in live/work, mixed use, and compact, pedestrian oriented forms to accommodate all income levels and lifestyles;
- Increase labor force residents in the City (rather than encouraging further sprawl into surrounding County land).

**Develop distinctive design standards and invest in design excellence to:**

- Create streetscapes, pathways, and public spaces of beauty, interest, *and functional benefit to pedestrians;*
- Encourage adaptive reuse of historic buildings;
- Preserve energy and natural resources.

**Increase intensification, supply, and range of housing to attract and accommodate a skilled labor force.**

- Develop and implement form based code and architectural design, “green” building, and historic preservation/reuse standards.
- Prepare and implement target area vision/plans including Downtown Center – Salinas River Corridor Plan, Downtown Expansion Plan, Civic Center Plan, City Park Master Plan...

To implement the above policies and actions, the City has completed the following projects.

- Circulation Element Update: This update was adopted on April 5, 2011. It:
  - Incorporates “complete streets” principles, as directed by AB 1358 (2008) in which streets are designed for use by pedestrians of all ages, bicycles, and transit, as well as autos and trucks.
  - Promotes alternative modes of transportation: pedestrians, bicycles, and transit.
  - Establishes safe routes to school to encourage walking as an alternative to autos.
  - Discontinue using Level of Service (LOS) as standard for vehicular traffic. LOS drove the need for continuous widening of streets and expensive intersection improvements

- that encouraged higher speeds, exhaust emissions, greater use of fuel, and greater amounts of asphalt that consumed petroleum products and generated heat.
- Calls for subdivisions to incorporate grid street patterns.
- Bike Master Plan Update: In December 2009, the City adopted an updated Bike Master Plan, which provides for an extensive system of bikeways throughout the City to provide safer routes to schools, employment centers, and parks, to encourage an alternative mode of transportation that reduces energy and pollution.
  - Uptown/Town Centre Specific Plan: This specific plan encompasses 1,100 acres of urbanized land on the historic West Side of the City, between 1<sup>st</sup> and 38<sup>th</sup> Streets and between the Salinas River and Vine Street. This specific plan will establish a vision for infill development and redevelopment in a manner that incorporates mixed uses, increased residential densities, a variety of housing types (but mostly multi-family residential) improved circulation (primarily bicycle and pedestrian paths and transit). This specific plan was adopted in May 2011. It:
    - Promotes/enables substantially increased use of mixed use.
    - Replaces residential density standards (maximum units per acre) with performance standards (parking, setbacks, open space) that are reduced from the current Zoning Code. If relatively smaller units (e.g. one-bedroom or 800-900 sq ft two bedroom units as opposed to 1,200 sq ft two bedroom units) are built, a combination of factors will allow higher densities than the current Zoning Code would. This leads to a compact urban form that facilitates/raises demand for transit and walking and cycling as an alternative to use of personal vehicles.
    - Encourages use of solar energy to generate electricity and heat water for residential uses.
    - Proposes infrastructure improvements to serve pedestrians and cyclists.
    - Proposes new neighborhood commercial centers to reduce vehicle miles traveled.
  - Climate Action Plan: On November 19, 2013, the City Council adopted a Climate Action Plan to provide a roadmap for reducing greenhouse gas emissions pursuant to AB 32. This plan contains a variety of voluntary and mandatory measures to be taken by the private sector and the City.
  - Low Impact Design: On February 18, 2014 the City Council adopted updated design standards for the City to conform to the Regional Water Quality Control Boards' post-construction stormwater regulations. On July 2, 2013, the City Council adopted Ordinance 991 N.S., which reduced off-street parking requirements (number of spaces and dimensions of spaces and drive aisles) to facilitate addition of low impact design measures.
  - Landscape and Irrigation Ordinance: In 2010, the City adopted an ordinance that limits the amount of turf area and types of irrigation that may be provided in residential and commercial development.

#### **4.6 Regional Housing Needs**

State law requires all regional councils of governments, including the San Luis Obispo Council of Governments (SLOCOG) to determine the projected housing need for its region (Government

Code Section 65580 et. seq.) and determine the portion allocated to each jurisdiction within the SLOCOG region. This is called the Regional Housing Needs Assessment (RHNA) process. SLOCOG approved the Regional Housing Need Plan in April 2013, and the City was assigned an allocation of 492 dwelling units. The distribution of the 492 units among the income groups is discussed in more detail in Chapter 5.

#### **4.7 Other Opportunities to Meet Housing Needs**

Uptown/Town Centre Specific Plan: encompasses 1,100 acres of urbanized land on the historic West Side of the City, between 1<sup>st</sup> and 38<sup>th</sup> Streets and between the Salinas River and Vine Street. This specific plan was adopted in May 2011 and establishes a vision and a form-based zoning code that facilitates infill development and redevelopment in a manner that incorporates mixed uses, increased residential densities, a variety of housing types (but mostly multi-family residential) improved circulation (primarily bicycle and pedestrian paths and transit).

Chandler Ranch Specific Plan: 837 acres of undeveloped land on the east side of the City, generally north of Linne Road, south of Union Road, and east of Golden Hill Road. The General Plan presently designates this area for 1,439 dwelling units. The plan will offer a variety of single and multi-family residential housing types and limited amounts of neighborhood commercial. Property owners have indicated a desire to incorporate compact urban design, interconnecting grid street patterns, pedestrian and bicycle trails, and integrated open space. Draft versions of this plan have been prepared, but not adopted. The challenge appears to be in getting the several property owners to collaborate on a unified vision. In 2009, the City informed land owners in the Chandler Ranch, Olsen Ranch, and Beechwood Areas that they would be responsible for preparing specific plans for their areas as the City lacked financial resources to initiate the plans. One of the major Chandler Ranch land owners attempted to prepare a plan starting in 2011, but ceased progress in 2013. It is not presently known when preparation of this plan may resume.

Beechwood Area Specific Plan: 238 acres of agricultural land on the southeast side of the City, south of Meadowlark Road, north of Creston Road, and east of Beechwood Drive. The General Plan presently designates this area for 674 dwelling units. A draft specific plan had been prepared by the City's consultants in 2007. However, progress on that plan had been hampered by the economic recession and environmental constraints related to the 2003 Circulation Element. In 2013, the owners of a majority of the properties in this area organized to prepare a new specific plan. On October 29, 2013, the City Council conducted a public workshop to review a conceptual development plan. The Council gave direction to guide the owners in the preparation of a specific plan that would offer a variety of single and multi-family residential housing types and limited amounts of neighborhood commercial. The plan will incorporate compact urban design, interconnecting grid street patterns, pedestrian and bicycle trails, and integrated open space. In early 2014, the owners are having environmental studies prepared.

Olsen Ranch Specific Plan: 254 acres of agricultural land on the southeast side of the City, south of Linne Road, north of Meadowlark Road, and west of Hansen Road. The General Plan presently designates this area for 673 dwelling units. A draft specific plan had been prepared by the City's consultants in 2007. However, progress on that plan had been hampered by the economic recession and environmental constraints related to the 2003 Circulation Element. The

property owners have expressed their disapproval of the 2007 draft plan, but have not yet indicated a desire to prepare a plan of their own.

The above three plans will offer a variety of housing types and densities integrated in a compact urban pattern so that all income groups have an opportunity to find affordable housing. This is a concept referred to as “affordable by design” and is an alternative to inclusionary zoning.

#### **4.8 Equal Housing Opportunity**

Federal and State Fair Housing laws make it illegal to discriminate against any person on the basis of race, sex, color, religion, ethnicity, national origin, ancestry, lawful occupation, familial status, disability, or age in the enjoyment of residence, land ownership, tenancy, or any other land use.

Since 1994, all complaints about housing disputes have been referred to the City’s Housing Division (in the Community Development Department). Complaints have been received at the rate of about 5 per year. Almost all complaints center on landlord-tenant disputes or questions about rent control (which the City has not adopted). Persons with landlord-tenant disputes have been referred to the San Luis Obispo office of the California Rural Legal Assistance. In the very few instances that someone has complained about discrimination, they were referred to the State Department of Fair Employment and Housing (Ventura Office: 800-884-1864 or on the web at [www.dfeh.ca.gov](http://www.dfeh.ca.gov)). This information was recently added to the FAQ (frequently asked questions) link on the Housing Division’s page under Community Development Department on the City’s web site ([www.prcity.com](http://www.prcity.com)). A copy of this page is attached as Appendix I.

The “Reasonable Accommodation” Ordinance (No. 958 N.S.) adopted by the City in 2009 furthers this effort by removing constraints to meeting the housing needs of disabled persons.

## **5.0 Identification of Adequate Sites for Future Housing Needs**

Housing Element law (Government Code Section 65583(a)(3)) requires an inventory of “land suitable for residential development”. An important purpose of this inventory is to determine whether a jurisdiction has allocated sufficient land for the development of housing to meet the jurisdiction’s share of the regional housing need, including housing to accommodate the needs of all household income levels. This chapter will also address the matter of providing sites to households with special needs as discussed in Chapter 4 and required by Government Code Section 65583(a)(6).

Government Code Section 65583.2 establishes standards for the inventory of available sites. Subsection (a) defines “land suitable for residential development” as including all of the following:

- (1) Vacant sites zoned for residential use.
- (2) Vacant sites zoned for nonresidential use that allows residential development.
- (3) Residentially zoned sites that are capable of being developed at a higher density.
- (4) Sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for, residential use.

As will be discussed in detail in this Chapter, the City’s housing needs, both those for meeting its share of the Regional Housing Need Allocation (RHNA) and its special housing needs, can be met with vacant sites zoned for residential use. However, via the, Chandler Ranch, Beechwood Area, and the Olsen Ranch Specific Plans, all of which are all in progress in 2014, the City is considering changes in land use designations to increase densities on land already designated for residential use, and expanding opportunities for mixed use development.

Subsection (b) of Government Code Section 65583.2 requires that the inventory of land include all of the following:

- (1) A listing of properties by parcel number or other unique reference.
- (2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.
- (3) For non-vacant sites, a description of the existing use of each property.
- (4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.
- (5) A general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities. This information need not be identified on a site-specific basis.



- (6) Sites identified as available for housing for above-moderate income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.
- (7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction’s general plan for reference purposes only.

The above requirements will be discussed in detail in the following sections of this Chapter.

### 5.1 Regional Housing Targets

Table H-23 shows the Regional Housing Needs Allocation Plan (RHNA) goals for the City as described in the SLOCOG April 2013 RHNA Plan:

**Table H-23. Target Housing Unit Distribution**

Income Category	Dwelling Units (Target)
Above Moderate	205
Moderate	87
Low	77
Very Low	123
<b>TOTAL</b>	<b>492</b>

*Source: SLOCOG, April 2013*

It should be noted that Housing Element law does not require the City to ensure that the numbers of dwelling units identified in the RHNA are built within the planning period. The law does, however, require that the City provide an inventory of land suitably zoned and with available infrastructure and utilities to meet that need. Government Code Section 65583.2(c)(3)(B) specifies that a minimum density of 20 units per acre is necessary to meet the City’s Low and Very Low Income Housing need.

Table H-26 (next page) aggregates the land use categories by the income levels used in the Regional Housing Needs Assessment. It should be noted that these are assumptions for the purpose of estimating housing affordability.

**a. Inventory to Meet Above Moderate Income Needs**

The RHNA assignment for this income category is 205 dwelling units. The City’s inventory of vacant and partially-developed land includes the following:

- 214 units on vacant finished lots (See Appendix J-1)
- 99 units on large parcels capable of lot splits or subdivisions (See Appendix J-1)
- 1,214 units in the Chandler Ranch Area Specific Plan (See Table H-25, below)
- 550 Units in the Beechwood Specific Plan (See Table H-25, below)
- 613 Units in the Olsen Ranch Specific Plan (See Table H-27, below)
- 2,341 Units total

**Table H-24: Land Use Categories by Income Level**

Land Use Category	Density (units/acre)	Income Category
RS	0.33	Above Moderate
RSF-1	1	Above Moderate
RSF-2	2	Above Moderate
RSF-3	3	Above Moderate
RSF-4	4	Above Moderate
RSF-6	6	Moderate
RMF-8	8	Moderate
RMF-9	9	Moderate
RMF-12	12	Moderate
RMF-16	16	Moderate
RMF-20	20	Low (50%) Very Low (50%)
MH	5	Moderate

**Table H-25: Specific Plan Area Residential Capacities by Income Level**

Specific Plan Area	Land Use Category	Density Units/acre	Dwelling Units	Income Category
Chandler Ranch	Mixed Single Family	1-4	1,214	Above Moderate
Chandler Ranch	RSF-6	6	90	Moderate
Chandler Ranch	RMF-9	9	135	Moderate
Olsen Ranch	RSF-3	3	275	Above Moderate
Olsen Ranch	RSF-4	4	338 *	Above Moderate
Olsen Ranch	RMF-20	20	60 *	Low & Very Low
Beechwood Area	RSF-3	3	550 **	Above Moderate
Beechwood Area	RMF-20	20	120 **	Low & Very Low

\* 60% reduction in RMF-20 based on proportionate reduction proposed for Beechwood Area.  
 \*\* 60% reduction in RMF-20 based on conceptual plan submitted 01/17/14 by applicants. Current General Plan provides for 474 units at RSF-3 and 200 units at RMF-20. Proposal is subject to approval of an amendment to the Land Use Element.

Progress on completion of these three specific plans was interrupted in 2008 for three reasons:

1. The draft Environmental Impact Reports (EIR) for these specific plans identified significant traffic impacts that were beyond the financial capacity of property owners and the City to mitigate, given standards set in the Circulation Element. The City initiated an update to the Circulation Element to identify alternative solutions to congestion management, including incorporation of “complete streets” methods mandated by State Law.
2. Property owners in these specific plan areas indicated a desire to revise earlier draft versions of these plans, partly to consider higher residential densities.
3. The economic recession that began in 2007 impacted City’s and property owners’ capacities to fund planning efforts.

An update of the Circulation Element was adopted on April 5, 2011. This update provides the city with a traffic model capable of evaluating impacts associated with both existing General Plan densities and scenarios of higher residential densities.

In 2014, owners of property in these specific plan areas are in various stages of preparing specific plans. In 2012, owners of property in the Beechwood Area Specific Plan applied for a General Plan Amendment to increase the density from 674 units to 1,011 units. They have since revised their proposal to request only 915 units, of which 124 units would be designated for Residential Multi-Family, 20 units per acre. In 2013, the owner of 113 acres in the Borkey Area Specific Plan applied for a General Plan Amendment to redesignate these 113 acres from Agriculture to Residential, Single Family, 4 units per acre in order to add 271 units. In 2014, both of these applications are in process of preparing a specific plan (Beechwood Area) and an amendment to the Borkey Area Specific Plan and the necessary accompanying environmental documents.

The Land Use Element presently designates 10 acres in the Beechwood Specific Plan Area and 4.5 acres in the Olsen Ranch Specific Plan Area for Residential Multi-Family, 20 units per acre (RMF-20). Those acreages were assigned in 2003 when the City's RHNA allocation was 2,266 units, of which 1,094 units were to be designated to accommodate low- and very low-income households. Since the 2008 and 2013 RHNA's greatly reduced the City's allocation for those income groups, the City will consider amendments to the Land Use Element to reduce acreages of RMF-20 in these two specific plan areas as a means of encouraging residential development for moderate income households in these areas so as to provide a mix of income groups. (The Land Use Map does not presently designate any portion of these two specific plan areas for residential densities that are affordable to moderate-income households).

The City has sufficient water and sewer capacity to serve a build-out population of 44,000, which is accommodated by the existing Land Use Element (as adopted in 2003 and amended through 2012). The City is requiring the preparation of water supply evaluations for the pending applications for general plan amendments mentioned in the previous paragraph.

Water and sewer mains are stubbed out to the specific plan areas, but would need to be extended into the areas as they are subdivided. Streets are either stubbed out to these specific plan areas or run along one or more of their boundaries. The update of the Circulation Element identified those off-site street improvements that would need to be made to accommodate the increases in traffic generated by development under the existing General Plan densities.

**b. Inventory to Meet Moderate Income Needs**

The RHNA assignment for this income category is 87 dwelling units. The City's inventory of vacant and partially-developed land includes the following:

- 95 units on vacant finished lots (See Appendix J-2)
- 625 units on partially-developed lots (See Appendix J-2)
- 343 units on large parcels (See Appendix J-1B)
- 278 units on commercially-zoned parcels in the Uptown/Town Centre Specific Plan \*
- 225 units in the Chandler Ranch Area Specific Plan (See Table H-25, above)
- 1,681 Units total

\* The Uptown/Town Centre Specific Plan assumes development of residential units in mixed use projects.

**c. Inventory to Meet Low and Very Low Income Needs**

The RHNA assignments for these income categories are 200 dwelling units: 77 units for low income households and 123 units for very-low income households. As noted above, State Law only considers densities of 20 units per acre as being capable of providing affordable housing for low and very-low income households. Table H-26 shows the inventory of vacant land available to meet this need. An inventory of these properties appears in Appendix J-3; a map of these sites is shown in Appendix K.

**d. Availability of Sewer and Water Service**

Following the adoption of the 2003 General Plan Update, the City updated its Water and Sewer Master Plans. As noted in the 2010 Urban Water Management Plan, with the City’s decision to participate in the (Lake) Nacimiento Water Project (which began in 1992), it will have adequate capacity to serve all properties in its current boundaries at densities/intensities consistent with current land use designations. Water and sewer service will need to be extended into the specific plan areas (Chandler Ranch, Olsen Ranch, and Beechwood) as properties in those areas are subdivided following adoption of the specific plans. New development will need to pay for its fair share of Lake Nacimiento Water as part of development impact fees.

As mandated by SB 1087 (Statutes of 2005), the City has adopted Resolution 09-034, which grants priority for water and sewer connections to housing reserved for lower income household in the unforeseen event that capacity for either utility becomes limited. (A copy of Resolution 09-034 is available at [www.prcity.com/government/citycouncil/resolutions/2009/2009\\_CC\\_RES\\_09-034.pdf](http://www.prcity.com/government/citycouncil/resolutions/2009/2009_CC_RES_09-034.pdf).)

**Table H-26: Inventory for Low and Very-Low Income Households**

Location	APN	Acres	Unit Yield	See Note Below
East side Creston Road, north of Food 4 Less Center (zoned 20 du/ac)	009-571-010	10.0	199	1
Northwest corner of Creston and Rolling Hills Roads (zoned 20 du/ac)	009-641-008, 009, -010, -011, and -022	6.2	126	2
Southeast corner of S. River Road and Serenade Drive (zoned 20 du/ac)	009-815-007	2.8	26	3
Olsen Ranch Specific Plan (General Plan designates at 20 du/ac)	009-795-001 through -006	4.8	60	4
Beechwood Area Specific Plan (General Plan designates at 20 du/ac)	009-863-001 through -013	10.0	120	4
Oak Park Public Housing: between 28 <sup>th</sup> and 34 <sup>th</sup> Sts, Park St and the Railroad	008-042-015, 008-071-013 and -014, 008-081-030	20.0	154	5
<b>Total</b>		<b>52.8</b>	<b>685</b>	
<ol style="list-style-type: none"> <li>1. Site is flat and has no environmental constraints (oaks, stream courses, habitats). Sewer, water, and streets are available. 199 units represents new inventory and does not include an existing single family home that is expected to be replaced.</li> <li>2. Site is flat and has no environmental constraints (oaks, stream courses, habitats). Sewer, water, and streets are available. Five parcels are presently under a single ownership; a development application for 117 dwelling units was filed in 2005, but found to be incomplete. The application has not been refilled. 125 units represents new inventory and does not include an existing single family home that is expected to be replaced.</li> <li>3. About 2/3 of the site is flat and has no environmental constraints (oaks, stream courses, habitats); 1/3 has steep slopes and oaks. Sewer, water, and streets are available. A tentative tract (2654) with a combination of 26 units in townhouse condominiums and apartments was approved in October 2006. This map expires in October 2015, but is eligible for 5 more one-year time extensions.</li> <li>4. See the discussion of status of the Olsen Ranch and Beechwood Area Specific Plans above under “Above Moderate Income Housing”.</li> <li>5. Although the site is only zoned for 12 units per acre, it is owned by the Housing Authority of the City of Paso Robles and residency is limited to lower income households. In 2010, the City approved a development plan for a total of 302 units of which 154 will be new inventory and 148 will be replacement units. Phase I of the development (80 units) is under construction. The applicants applied for Tax Credit Financing for Phase 2 (70 units) in March 2014.</li> </ol>				

**e. Are densities of 20 units per acre attainable?**

The City has not had any multi-family residential development at densities of 20 units per acre since the zoning regulations for multi-family residential were revised in 1995. However, in the mid-late 1980's, three multi-family complexes, with 32, 40, and 72 units, were built on Spring Street, between 30<sup>th</sup> and 36<sup>th</sup> Streets at densities ranging between 25 and 30 units per acre (under previous General Plan and Zoning which allowed densities up to 30 units per acre north of 24<sup>th</sup> Street).

Two development standards that have a substantial effect on density are the Zoning Code's off-street parking and open space requirements. The off-street parking requirements in the 1980s were similar to those presently required. Prior to 1995, the Zoning Code only specified setbacks and maximum lot coverage percentages; usable open space (balconies, patios, playgrounds, and/or passive open space (that could not be occupied with parking, steep slopes, or accessory buildings) were not required. The Zoning Code currently requires 375 sq ft of open space per unit. Private open space (patios and balconies) that meet specified minimum dimensional requirements may take a double credit for area. For example, a 100 sq ft patio qualifies for providing 200 sq ft of the required 375 sq ft per unit. For residences in the Uptown/Town Centre Specific Plan, the requirement to provide on-site visitor parking spaces was eliminated; and open space requirements were substantially reduced overall.

Other factors that greatly affect density are: (1) the size of dwelling unit: larger dwelling units create larger footprints which compete with parking and open space for lot area, and (2) number of stories. The City has never mandated a minimum or maximum unit size or number of bedrooms for multi-family residential. The City has always allowed 3 story construction for multi-family residential zoned for 20 or more units per acre.

The three complexes referenced above had 1 and 2 bedroom units with floor areas ranging between 650 and 870 square feet. All three of those complexes were two stories in height. Had current open space requirements been in place in the 1980s, it is likely that three-story construction might have been necessary to achieve the same 25-30 unit per acre densities. Densities of 20 units per acre, however, would likely be achievable with two-story construction, even under current open space requirements, if the unit sizes are kept to the 700 - 900 sq ft range.

The form-based code in the Uptown/Town Centre Specific Plan provides for parking, setback, and open space standards that are less than those specified in the Zoning Code. It also dispenses with the Zoning Code's density factors for multi-family residential. In this specific plan area, densities will be determined by compliance with the reduced standards for parking, setbacks, and open space. Projects that propose smaller units (e.g. studios, one-bedroom units, and 800-900 sq ft two bedroom units) should be able to attain higher densities.

**f. Opportunities for Additional Inventory Affordable to Low Income Households**

Second Units. In 2003, the City adopted a new second unit ordinance, which allows development of a second unit on all single family-zoned parcels. The ordinance provides that second units must be rentals, the size is limited to 1,200 sq ft, second unit occupants need not be related to the owner or occupant of the primary dwelling (which may itself be a rental unit). Since adoption of the ordinance, five second units have been built.

Infilling of Multi-Family Zoned Lots. The original subdivision of the West Side of the City created 50' x 140' (7,000 sq ft) lots. On such lots, the previous Zoning Code allowed 2 dwelling units to be built in the R-2 Zone and 3 dwelling units in the R-3 Zone. These zones were replaced by the Uptown/Town Centre Specific Plan's T-3 and T-4 Zones, respectively.) The T-3 and T-4 zones allow the opportunity for the development of more units than the R2 and R3 zones did. A great number of these lots were developed with only one dwelling unit and opportunity exists to develop additional units on these lots. These extra units are generally affordable to lower income households. Between 2001 and 2013, 81 such dwelling units (including some in new duplexes) were developed on the West Side.

Mixed Use: The Uptown/Town Centre Specific Plan introduced T-3F, T-4F Zones and allows residential uses in the various commercial zones (TC-1, TC-2, and RC) to much of the West Side of the City. This replaced the former Mixed-Use Overlay Zone on the West Side. On the East Side, a single 1.76 acre parcel on Oak Hill Road between Creekside Gardens and the Highlands Shopping Center allows for residential development up to 20 units per acre.

#### Specific Plans.

See discussion on Page H-59 regarding the Uptown/Town Centre, Chandler Ranch, and Olsen Ranch/Beechwood Area Specific Plans. These plans offer potential to substantially increase the number of dwelling units affordable to the various income groups.

#### Density Bonus

State Law (Government Code Section 65915) mandates that the City provide density bonuses and incentives to residential projects that restrict the occupancy of certain percentages of their units to lower and/or very low income households. Incentives are defined as modifications (reductions) of zoning development standards, mixed use zoning, other regulatory incentives or concessions, additional density bonuses (above the minimums mandated by State law), and financial assistance.

Since 2001, the City has granted density bonuses to five low income housing projects: Los Robles Terrace (40 senior housing units at 2940 Spring Street); Canyon Creek Apartments (68 family units at 401 Oak Hill Road); Chet Dotter (Oak Park) Senior Housing (40 senior housing units at 801 - 28<sup>th</sup> Street); Hidden Creek Village Apartments (81 family units at 80 Cary Street), and the redevelopment of Oak Park Public Housing (302 family units between 28<sup>th</sup> and 34<sup>th</sup> Streets and between Park Street and the Railroad). In all five of these projects, 100% of the units were/are to be restricted to low and very low income households. The first four have been completed; Phase One of the redevelopment of Oak Park Public Housing (80 units) is under construction and due to be completed in early 2014; Phase Two (69 units) is seeking Federal Tax Credit financing in 2014.

#### **g. Conclusion**

The City has ample properly zoned land capacity, with available utilities, to accommodate its share of the Regional Housing Need.

## 5.2 Zoning for a Variety of Housing Types

Government Code Sections 65583(c)(1) and 65583.2(c) require that the Housing Element identify and analyze sites as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

Multifamily Rental Housing. This was essentially discussed above under the “Inventory to Meet Low and Very Low Income Needs” (Page H-65) and “Opportunities for Additional Inventory Affordable to Low Income Households” (Page H-66) sections. Appendix J-1C shows an inventory of vacant and underdeveloped lots zoned for multi-family residential use.

Single-Room Occupancy (SRO) Units. This type of multi-family housing, which is essentially a studio apartment complex, could be developed in Multi-family zones and mixed use zones, particularly within the Uptown/Town Centre Specific Plan Area.

Factory-Built Housing. The City’s Zoning Code permits placement of factory-built housing and mobilehomes on permanent foundations in all single-family zones. Currently, there are about 15 such housing units in various locations on the East Side.

Mobilehomes. The City presently has four mobilehome parks. Three are located on Spring Street, between 28<sup>th</sup> and 34<sup>th</sup> Streets and were developed when Spring Street was Highway 101. These are aging parks in which the units are largely single-wide travel trailers. On the East Side of the City, on the north side of Sherwood Road, at Commerce Way is Quail Run Mobile Home Park, with 310 units on condominium lots. Phase One of this park, with 173 units, was developed in the early 1980s; Phase Two with 137 units, was developed in the early 2000s. Presently, there is no land other than Quail Run designated by the Land Use Element for mobile home parks. In the last 30 years, other than development of Phase Two of Quail Run, the City has not received any inquiries to develop a new mobilehome park.

Housing For Seasonal Agricultural Employees. In 2009, the City adopted a zoning code amendment to allow farmworker housing by right in accordance with Health and Safety Code Sections 17021.5 and 17021.6. The latter section provides that housing for 6 or fewer farmworkers would be similar to any other permitted use in residential zones. With 11,863 dwelling units in the City (as of December 2013), the capacity to meet the anticipated needs of an estimated 370 seasonal farmworkers can easily be met.

Transitional and Supportive Housing. In December 2011, pursuant to SB 2 (Statutes of 2007), the City adopted Ordinance 976 N.S. to amend its Zoning Code to allow transitional and supportive housing by right in residential zones. A copy of Ordinance 976 appears in Appendix I. The capacity to provide transitional and supportive housing would be found in the existing supply of 11,863 dwelling units.

Emergency Shelters. In December 2011, pursuant to SB 2 (Statutes of 2007), the City adopted Ordinance 976 N.S. to amend its Zoning Code to allow emergency shelters by right in two zones that were determined to have sufficient capacity to meet the City’s needs for emergency shelters as identified in Chapter 4. A copy of Ordinance 976 appears in Appendix I.

## 6.0 Housing Constraints and Incentives

### 6.1 Governmental Constraints

In the Introduction to the City's General Plan are two overall City goals that directly affect housing:

Goal 1: In order to enhance Paso Robles' unique small town character and high quality of life, the City Council supports the development and maintenance of a balanced community where the great majority of the population can live, work, and shop.

Goal 4: Strive to ensure that City services and facilities are maintained at current (2003) levels and/or in accordance with adopted standards.

In 1992 and again in 2002, the City Council adopted a "Fiscal Policy" "to assure that the City's finances are managed in a manner that will (1) provide for the delivery of quality services and products cost effectively, (2) provide for an acceptable level of services and products as the community grows, (3) ensure that the City is living within its means, and (4) provide reserves for unbudgeted needs that might arise from time to time."

In order to protect the public health and safety, the State of California regularly adopts and updates its Building Code (Title 24) and requires that cities adopt the same codes.

In order to implement the General Plan goals, the City's Fiscal Policy, and to protect the public health and safety, the City has established a Zoning Code, Subdivision Code, Building Code, and a schedule of fees for development and permit processing. Altogether, these codes and fees can pose constraints to the development of affordable housing.

**a. Zoning Code.** The City's Zoning Code (Chapter 21 of the Municipal Code) establishes zoning districts to implement the Land Use Categories described in the Land Use Element of the General Plan, establish development regulations, and establish the processes for obtaining development permits.

**i. Permitted and Conditional Uses.** The Zoning Code establishes which types of residential uses are permitted in the various zoning districts. Some types of residential uses require approval of a conditional use permit; these include residential care facilities for more than 6 persons, mobile home parks, and more than 2 units per lot in the Office Professional Zone. Appendix L contains a list of housing types permitted in each zoning district.

**ii. Development Standards.** Development standards are contained within the following chapters of the Zoning Code:

- Chapter 21.16E for the R-1 single family zone;
- Chapter 21.16I for the R-2, R-3, R-4, and R-5 multi-family zones;
- Chapter 21.16B for specific plan areas;
- Chapter 21.22 for off-street parking regulations.



Appendix N contains a table that summarizes the development standards and their affect on affordability of housing. The paragraphs below discuss those standards that impact affordability.

**(a) Parking Requirements.** Appendix M lists the City’s parking requirements for both single and multi-family residential zones. It notes that the parking space requirements for one-bedroom and studio units and for visitor parking in multi-family residential zones do affect affordability. The effect is minor, however, and is primarily related to cost for asphalt and base material for the additional spaces. On the other hand, reduction of the amount of paved surface in a development would reduce rainwater runoff, allow increased opportunities for groundwater recharge, and would improve water quality.

The Uptown/Town Centre Specific Plan, which designates all residential property within its boundaries for multi-family use, reduces the parking space requirement for one-bedroom and studio units from 1.5 spaces per unit to 1.0 space per unit and eliminates the requirement for visitor parking spaces. These new requirements are consistent with the parking requirements in the State’s Density Bonus Law (Government Code Section 65915). This will offer an opportunity to assess the viability of making similar changes to parking requirements for properties located outside of this specific plan area.

In 2013, Chapter 21.22 of the Zoning Code was amended to provide that, for mixed uses (commercial and residential on the same property) the combined parking requirements may be reduced by 33 percent. This provision facilitates development of mixed use housing.

**(b) Open Space Requirements for Multi-Family Residential Development.** Chapter 21.16I of the Zoning Code presently requires each multi-family residential unit to provide 375 sq ft of usable open space on site. Private open space (patios and balconies) that meet prescribed dimensional standards qualify for double credit. For example, a 100 sq ft patio satisfies the requirement for 200 of the 375 sq ft. Shared (non-private) open space is deemed usable if it has a slope of 10 percent or less. The open space requirement provides a valuable residential asset, but can exert pressure to reduce achievable density. Such pressure can be relieved, however, if housing developers plan to build smaller units. This was discussed in Chapter 5 under the section entitled “Are densities of 20 units per acre attainable?”

The Uptown/Town Centre Specific Plan provides for reduced open space requirements for most multi-family buildings. As with parking requirements, this may offer an opportunity to assess the viability of making similar changes to open space requirements for properties located outside of this specific plan area.

**(c) Storage Space for Multi-Family Residential Development.** Section 21.16I.185.C of the Zoning Code requires that each dwelling unit in a multi-family development provide a separate, enclosed, lockable storage space at least 250 cubic feet in area. This space may be located in a carport allocated to such unit (if a garage is provided to a dwelling unit, the storage requirement is deemed to be met), attached to such unit, but accessible only from the exterior, or elsewhere in the development (e.g., in a storage building). Two subsidized low income projects: Chet Dotter Senior Housing and Hidden Creek Village requested (and were granted) relief from this requirement in the form of lesser cubic feet as “incentives” in conjunction with the density bonuses they sought. The City may wish to reconsider reducing this code requirement to facilitate affordability of multi-family housing.

**(d) Grading Limitations.** Section 21.16E.140 provides that mass grading and pad grading is not permitted on single family zoned properties with an average slope of 10 percent or greater. In such areas, raised wall foundations and retaining walls, which add to the cost of housing, are required. The multi-family regulations (Section 21.16I.100) refer to Section 21.16E.140, but also provide that the Planning Commission may waive compliance, subject to approval of a development plan application, if it can be demonstrated that compliance would prevent a reasonable type of development from occurring. The Uptown/Town Centre Specific Plan also makes this reference. It should be noted, however, that the City has an ample supply of land designated for single family use that has average slopes less than 10% and that almost all vacant multi-family designated land has average slopes less than 10%.

**(e) Other Development Standards for Multi-Family Residential Development.** The Zoning Code includes development standards such as height limits and setbacks, which impose physical limits on the amount of development on multi-family zoned lots. However, none of these have proven to be a constraint to achievement of allowable density. The City permits three-story construction in zones that allow 12 or more units per acre. Setbacks for multi-family land use categories and zoning districts are less than those required for single family development. Additionally, the Zoning Code (Section 21.16I.140) allows for the Planning Commission to modify development standards with a development plan application if strict adherence can be demonstrated to be infeasible for any reasonable type of development and subject to a finding that the modified standards would not create a physical hazard or negative visual impact.

The Uptown/Town Centre Specific Plan provides mixed-use zones (T-3F and T-4F) in which commercial and residential uses may be developed on the same property. This plan also allows for more residential use in commercial zones than the City's Zoning Code does. This plan also provides incentives for increased density in residential zones (over current Zoning Code density limits) provided that smaller dwelling units become a part of the mix.

**(f) Architectural/Design Guidelines for Multi-Family Housing.** Section 21.16I.210 prescribes general architectural requirements for multi-family housing. This section addresses roofing and siding materials, architectural articulation, and provides that the Planning Commission *may* limit the numbers of dwelling units in a building to 4 or 8 if doing so would enhance the safety of the neighborhood. (Note: This is not a density control.) This section also provides that the City may adopt design guidelines for multi-family residential and may require that development plans and site plans conform to such guidelines. In 2005, the City Council adopted Multi-Family Residential Design Guidelines, which are attached in Appendix O.

Section 5.3.3 of the Uptown/Town Centre Specific Plan prescribes architectural guidelines for property located within that planning area, which would supersede the guidelines in Appendix O. The guidelines in this section are generally comparable to those in Appendix O. They do, however, require that housing be designed to conform to a range of architectural styles.

In the drafting of the design guidelines discussed above, the City has taken care to ensure that they do not require expensive materials or treatments or limit density. For example, asphalt shingle roofs, stucco and concrete lap siding are permitted. These guidelines address items such as entry and window orientation, location of parking, basic articulation, avoidance of large blank masses, and the like.

**(g) Development Standards for Second Units.** Paso Robles adopted its “Second Unit Ordinance” in 2003 which allows for the construction of second units in single family residential zoning districts. This ordinance was updated in 2005 to implement changes to Government Code Section 65915 mandated by SB 1818 (2004) and SB 435 (2005). The ordinance sets standards for second unit size, lot coverage, height, setback, and separation from other buildings, parking, and architectural design.

**(h) Specific Plans.** The City has adopted three specific plans: Union/46, Borkey Area, and the Uptown/Town Centre Specific Plan. State law provides that specific plans may adopt development regulations that supplement or supersede zoning regulations. As noted in Appendix M, there are no development regulations in either of the Union/46 or Borkey Area Specific Plans that affect housing affordability.

The Uptown/Town Centre Specific Plan adopted a “form-based” zoning code that mostly supersedes the City’s Zoning Code for properties located within the specific plan area. For the most part, the regulations in the Uptown/Town Centre Specific Plan are beneficial to housing affordability. In the residential zones (T-3N, T-3F, T-4N, and T-4F), density is not regulated by a formula that prescribes a maximum number of units per acre, but rather by such performance standards such as: allowed building types, setbacks, open space, and parking requirements. This specific plan would allow greater densities than would the regular City Zoning Code if the mix of units includes smaller units such as 1 bedroom and studio units, which have lesser parking and open space requirements. Additionally, the off-street parking requirements for housing in this specific plan were reduced from the City’s Zoning Code to match those prescribed by Government Code Section 65915 for density bonuses. Specifically, the parking requirements in this area do not include visitor parking spaces, and studio and one-bedroom units are only required to provide one off-street parking space (where the Zoning Code would require 1.5 spaces).

The Uptown/Town Centre Specific Plan also allows for a greater amount of housing in mixed use and commercial zones than the does the regular City Zoning Code.

iii. **Permit Processing Procedures.** The City of Paso Robles development permitting process includes three levels of review as discussed below. Table H-27 shows typical processing times for the three types of review, once an application has been determined to be complete. Government Code Section 65943 requires that the City determine whether or not an application is complete within 30 days of its submittal. It is not uncommon for the City to take 30 days for applications that require discretionary review. The reason for this is that such applications are commonly complex and staff resources are limited. For items that require semi-discretionary and staff review, the amount of time needed to determine if an application is complete is commonly 1-2 weeks.

**(a) Discretionary review by the Planning Commission at a public hearing:** Applications for subdivision (tract and parcel) maps, development plans (e.g., residential development with 5 or more units per lot), conditional use permits, and variances require that findings be made at a public hearing. The Findings required by various sections of the Zoning Code and by the State’s Subdivision Map Act are listed in Appendix O. The Planning Commission meets twice monthly. Prior to a Planning Commission meeting, such applications

are reviewed by the Development Review Committee (DRC), which is a standing subcommittee of the Planning Commission. The DRC meets weekly. The DRC may suggest revisions to proposed project design, which applicants may or may not elect to undertake prior to having the Planning Commission review their plans. The City has found that having the DRC pre-review discretionary applications tends to expedite their processing. The Planning Commission often tasks the DRC with reviewing detailed plans for building elevations, landscaping, and signage after approval of a discretionary application, but prior to issuance of a building permit (as a condition of approval). This secondary use of the DRC reduces up-front costs associated with providing detailed drawings earlier in the process. Applicants can receive conceptual approval on major site-plan and grading issues before incurring expense for details.

**(b) Semi-discretionary review by the Development Review Committee (DRC):** Applications for site plans (generally development that is categorically exempt from review under the California Environmental Quality Act - CEQA) including multi-family housing with 4 or fewer units may be approved by the DRC, which does not impose conditions of approval, but may direct applicants to revise the design of a development to be compatible with neighboring properties or to conform with the design guidelines discussed above. Membership of the DRC is comprised of 3 Planning Commissioners. DRC meetings are conducted weekly and are open to the public.

**(c) Ministerial review by City Staff:** City staff has been authorized to approve plot plans for individual single family homes, including those on hillside lots. City staff may also approve lot line adjustments.

Time spent processing development permits present a cost to developers (e.g., land holding costs and construction loan interest) that is ultimately passed onto buyers and renters and can impact the affordability of housing. To reduce the amount of time necessary to process development permits, the City has taken, and continues to implement the following measures:

- The City encourages development projects that require multiple applications (e.g. tract map and development plan) and the review of their environmental documents (required under CEQA) to be processed simultaneously.
- The City complies with the State Permit Streamlining Act (Government Code Sections 65920 et seq) and Subdivision Map Act (Government Code Sections 66410 et seq), which mandate that the City take action to approve, conditionally approve, or deny a development application within prescribed time periods (depending upon the environmental review status of an application) following receipt of a complete application.
- The City strives to process complete applications for discretionary applications within 90 days of receipt of a complete application. (Single family tracts and multi-family complexes are processed in the same time frame. The City does not have any overlay zones that have increased level of permit processing review.) However, the actual speed of processing a complete application depends upon the scale of a development application (e.g. acres, number of dwelling units, complexity of environmental issues, etc.).

**Table H-27: Planning Permit Process**

Residential Types	Applications	Level of Review	Typical Processing Time <sup>1</sup>	Findings <sup>2</sup>
Single Family, 4 or fewer units	Site Plan if in Hillside Development Overlay Zone	Semi-Discretionary (DRC)	2-4 weeks	Not Required
	Plot Plan outside of Hillside Development Overlay Zone	Ministerial (City Staff)	1-2 weeks	Not Required
Single Family, 5 or more units	Development Plan (PD) - if in PD Overlay Zone, Subdivision (Tentative Tract) Map	Discretionary <sup>3</sup> (Planning Commission)	3-6 months if no EIR <sup>4</sup> is required.	Section 21.23B.050 for PD; Gov't. Code Section 66474 for Subdivisions
Multi-Family, 4 or fewer units	Site Plan	Semi-Discretionary <sup>3</sup> (DRC)	2-4 weeks	Not Required
Multi-Family, 5 or more units	Development Plan (PD)	Discretionary <sup>3</sup> (Planning Commission)	3-6 months if no EIR <sup>4</sup> is required	Section 21.23B.050 for PD
Res. Care Facility - 6 or fewer	None	None	None	None
Res. Care Facility - 6 or more	Conditional Use Permit (CUP)	Discretionary <sup>3</sup> (Planning Commission)	3-6 months if no EIR <sup>4</sup> is required	Not Required
Emergency Shelter	Site Plan	Semi-Discretionary <sup>3</sup> (DRC)	2-4 weeks	Not Required
Manufactured Homes (1 per lot)	Same as single family			
Mobile Homes	If one per R-1 Lot, Plot Plan	Ministerial (City Staff)	1-2 weeks	Not Required
	If mobile home park, CUP and PD	Discretionary (Planning Commission)	3-6 months if no EIR* is required	Section 21.23.250 for CUP; Section 21.23B.050 for PD
Transitional and Supportive Housing	None for occupancy of existing buildings, otherwise same process as for single and multi-family housing.	None for occupancy of existing buildings	None for occupancy of existing buildings	
Farmworker Housing	<i>State Permit for Employee Housing per Health and Safety Code Sections 17021.5 and 17021.6 Required. No City permit required.</i>			
Second unit	Plot Plan	Ministerial (City Staff)	1-2 weeks	Not Required
<ol style="list-style-type: none"> <li>1. Measured from date of finding that an application is complete. See Government Code Section 65943.</li> <li>2. All findings are listed in Appendix O.</li> <li>3. Discretionary to design only, not to land use.</li> <li>4. EIR = Environmental Impact Report</li> </ol>				

- Complete applications for DRC review are typically reviewed and presented in a 2-3 week time period; staff level ministerial review is completed within a week.
- To assist developers file complete applications, the City of Paso Robles has amended its Zoning Code to provide detailed and clear residential zoning development standards. (This was done in the mid-1990's for multi-family development standards to reduce ambiguity and uncertainty.) It should be noted that the City's development standards do not mandate expensive materials (e.g. tile roofs) or complex site arrangements.
- The City has also prepared detailed application requirement handouts for all types of development applications.
- The City encourages developers to meet informally with City staff to pre-view applications in order to identify design, environmental, neighborhood compatibility, and general plan conformance issues before finalizing plans. The City does not charge for its pre-application review services.
- The Uptown/Town Centre Specific Plan includes detailed architectural guidelines to help explain the City's expectations for design. It is expected that these guidelines will help developers prepare better submittals and thereby reduce the amount of time in the permitting process.

**b. Building Codes and Enforcement.** The Building Division oversees the plan check and inspection process for all construction requiring a Building Permit. These activities are necessary to protect the safety of the public but serve as a constraint to housing affordability because of the additional time that is necessary for permit application review and field inspections.

Enforcement of violations of the Building Code in existing residential buildings is conducted on a complaint basis.

The City has adopted several amendments to the International Building Code (IBC). The only amendment or codes as stated in the California Building Code (CBC) that would appreciably affect the affordability of housing would be a requirement that all new buildings, including residential, 5,000 square feet or more in area must have fire sprinklers. Generally, this requirement would affect multi-family housing with 4 or more units. Although this requirement would increase the cost of multi-family housing, it would protect lives and limit any fire damage that might occur, preventing the loss of units from the City's inventory.

On, January 2, 2014 the State's Green Building Standards (CalGreen), Part 11 of the California Building Code (Title 24) became effective. Chapter 4 of these standards prescribes standards for residential buildings and sites that include: planning & design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. These "green" standards are described as being minimal and the State has indicated that additional standards will be developed over time.

Conservative estimates of the up-front cost of constructing a single family house under the State's Green Standards are \$2,000 per single family home and less for a multi-family unit. Many sources

argue that the lifetime savings for operating costs (e.g., heating, cooling, water) will more than offset the up-front increase.

**c. Fees and Exactions.**

**i. Planning Permit Processing Fees.** The City collects various fees to cover the cost of processing development permits at the City. The fees generally include planning and zoning review. Examples of these fees for typical residential projects are shown in Table H-28. The fees are necessary for the City to fund the staff and resources required for adequate permit application review. Most fees are charged on a time and materials basis; however, plot plan review of individual single family units is charged a flat fee. Applicants must deposit the estimated or fixed amount of fees prior to approval of their plans. Therefore, the financial risk is a constraint on the development of housing.

**ii. Building Permit and Plan Check Fees:** The City collects building permit fees to recover the costs of issuing permits, conducting plan checks, funding state-mandated programs (e.g. Strong Motion Instrumentation Program [SMIP]), and maintaining building permit records. These fees must be paid prior to issuance of a building permit, and the City requires that a deposit be made at the time that building permit applications are submitted. Table H-29 shows Building Permit and Plan check fees for typical projects.

**Table H-28: Planning Permit Processing Fees**

Type of Development	# of units	Total Fee Paid	Fee per Unit	Fee Basis
Single Family Subdivision: (Tract 2593)	55 lots	\$2,275	\$41	Time and Materials
Single Family: individual plot plan review	1	\$20	\$20	Flat Fee
Multi-Family Development (Arjun Apts. PD 12-005)	142	\$17,300	\$122	Time and Materials
Multi-Family Development: 4 units and under	1-4	\$50	\$12.50-\$50	Flat Fee

*Source: City of Paso Robles; fees in effect as of June 2008*

**Table H-29: Building Permit Fees**

Type of Fee	1,800 sf single family dwelling with 400 sq ft attached garage *	Multi-family dwelling **
Building Permit	\$4,828	\$1,280
Building Plan Check	\$1,010	\$ 450
SMIP	\$ 26	\$ 9
State Stds Dev't (SB 1473)	\$ 11	\$ 4
Planning/Engineering Review	\$ 317	\$ 103
<b>Total</b>	<b>\$6,192</b>	<b>\$1,937</b>

\* City of Paso Robles; fees in effect as of July 2014.

\*\* Based on fees for triplex(3 units) paid 2013.

**iii. Water and Sewer Connection Fees:** The City collects fees to recover its costs for providing water and wastewater (sewer) services. These fees are collected at time of building permit issuance as that is the point that the impact to these systems is realized. The current fee schedule was adopted in March 2009 and became effective January 1, 2010. The fee schedule provides for annual increases in water and sewer connection fees through 2014.

**Table H-30: Water and Sewer Connection Fees**

Type of Fee	1,800 sf single family dwelling	Multi-family dwelling per unit	Time of Fee Collection
Water Connection & Meter *	\$23,719	\$13,083	Prior to BPI **
Sewer Connection	\$ 8,700	\$ 7,800	Prior to BPI
Total	\$32,419	\$20,883	

Source: City of Paso Robles; fees in effect as of January 2014

\* Since January 1, 2010, water connection fees are charged by the meter. For single family residential, the fee assumes 1 inch meter. For multi-family residential, which typically uses one meter to serve several units, the water connection fees will be a function of design and the meter preferences of the developer. The \$13,083 per unit estimate appearing above was prepared by taking the fee for a 1-inch meter (\$39,250) and dividing it by 3, for a triplex project.

\*\* BPI = Building Permit Issuance

**iv. Development Impact Fees:** In 2002, the City adopted an updated “Fiscal Policy” that calls for the City to (1) provide for the delivery of quality services and products cost effectively, (2) provide for an acceptable level of services and products as the community grows, (3) ensure that the City is living within its means, and (4) provide reserves for unbudgeted needs that might arise from time to time. To implement this policy, the City collects development impact fees to recover its costs for constructing infrastructure (bridges, traffic signals, storm drain systems, public buildings, park development etc.). The payment of these fees occurs at the time that the impact is realized. Since impacts to the circulation system occur upon occupancy of a dwelling unit, those impact fees must be paid prior to issuance of a Certificate of Occupancy. Postponing payment of fees until issuance of a Certificate of Occupancy helps mitigate the constraint to affordable housing that would occur if payment of the fees was due upon issuance of a building permit. In 2014, the City Council re-evaluated which public facilities were still necessary and adjusted the Development Impact Fee Schedule accordingly. Some facilities were “de-listed” and impact fees were lowered.

**Table H-31: Development Impact Fees**

Type of Fee	Single family dwelling unit	Multi-family dwelling per unit	Time of Fee Collection
Development Impact Fee	\$20,337 *	\$16,564 *	Prior to C of O **
<b>Specific Plan Fees ***</b>			
Union/46 Specific Plan	\$5,857	\$5,857	Prior to C of O
Borkey Area Specific Plan	\$1,742	\$1,742	Prior to C of O

Source: City of Paso Robles; fees in effect as of July 1, 2014

\* Those applicants for residential building permits for West Side homes that file complete applications no later than September 1, 2014 may pay Development Impact Fees of \$15,437 per single family unit and \$13,174 per multi-family unit (Resolution 14-035).

\*\* C of O = Certificate of Occupancy

\*\*\* These fees are collected on a per unit basis for dwelling units located within the two existing specific plan areas.

**v. School Fees:** The Paso Robles Joint Union School District collects school fees for the purpose of building new classrooms as authorized by State Law. As of April 2014, these fees are \$2.63 per square foot of habitable space (garages are excluded from the fee calculation.)

**vi. Land Dedication for Streets:** The Municipal Code requires that any dedication necessary to provide the full right-of-way for a local street, or for an arterial or collector street as



indicated in the Circulation General Plan, must be made as a condition of development. Since the developable area of residential property is reduced in order to accommodate rights-of-way, requirements to dedicate are considered to be a constraint to affordable housing.

**vii. Land Dedication and Development Standards for Water Quality and Drainage Control:** To implement General Plan policies, drainage law, environmental impact mitigation, and direction from the as condition of approval of discretionary applications, the City regularly requires dedication of land for detention basins to ensure that runoff water leaving a site does not impact downstream properties. In recent years, the Regional Water Quality Control Board, which issues a Stormwater Discharge Permit to the City, has begun requiring the City to implement “low impact design” (LID) measures to ensure that runoff maintains minimum water quality standards. Such measures will increase the cost of housing. However, the necessary measures vary from site to site and with the nature and scale of proposed development, and the City does not yet have a clear indication of the average cost of compliance on a per unit basis.

**viii. Land Dedication for Open Space:** To implement General Plan policies restricting development from oak woodlands and slopes of 35% or greater, as condition of approval of discretionary applications, the City may require dedication of land for passive open space. The City recovers the nominal cost of maintaining detention basins and hillside/woodland open space via annexation of the dedicated land into its Landscaping and Lighting District. Those properties benefiting from the dedicated land are assessed an annual maintenance fee in proportion to their benefit, which adds to the cost of housing.

**ix. Landscaping and Lighting District (LLD):** When annexed to the Landscape and Lighting District, maintenance of parkways, streetscapes and street lights adjacent to new land developments is provided through a property tax assessment on those properties within the development. Annexation to the District ensures that public streetscapes are maintained for the benefit of the community as a whole without fiscal impact.

All new residential development is required annexed to the Landscape and Lighting District unless, at the discretion of the Planning Commission, the applicant can demonstrate that a home owners’ association, or other private entity can be relied upon to ensure that maintenance of public streetscapes, adjacent to and within the development, is comprehensive and perpetual.

Fiscal impacts to the cost of housing include district formation expenses and bi-yearly property taxes.

**x. Community Facilities Districts:** The 2003 General Plan (Land Use Element) calls for the City to recover the costs of providing City services to the Chandler Ranch Area, Olsen Ranch, and Beechwood Area Specific Plans, and any other new development in areas to be annexed (after 2003). To accomplish this, the City will be creating a community facilities (Mello-Roos) district in which new development will be assessed for its share of the costs associated with providing City services. Such assessment will add to the cost of housing in these areas.

**d. On- and Off-Site Improvement Requirements.** In order to provide a safe and suitable environment for residential development, the City requires that certain public improvements be made. Each dwelling unit must connect to the City’s water and sewer systems; project sites must properly capture and discharge runoff water into detention basins and/or storm drain systems; street

improvements (curb, gutter, sidewalk, street lights, paving) must be installed in streets bordering sites, and in the case of single family detached subdivisions, in interior streets. Additionally, landscaping and irrigation systems must be installed within parkways of public streets. If a development borders a noise source such as an arterial street, a sound attenuation wall (usually a 6 foot high masonry wall) must be installed.

Multi-family development and some types of single family development (usually clustered development) may use private drives instead of full City streets, which reduces the cost of public improvements. Table H-33 shows the bonding estimate for improvement costs for 3 residential developments: one that was approved in 2005 (Tract 2654, which is still active); one that was developed in 2006 (Tract 2593); and one under construction in completed in 2013 and 2014 (Oak Park Public Housing). (Owing to the national recession, there has not been any subdivision activity since 2007.)

**Table H-32: Cost of Public Improvements**

Development Project	Description	Actual Costs * or Bonding Estimate	Cost per Unit
Navajo Ave and Red Cloud Rd (Tract 2593)	55 lot single family residential subdivision	*\$1,244,338	\$22,624
Oak Park Phase I	80 low income housing apartment units	\$1,703,038	\$21,288
Serenade Villas (Cameron Financial- Tract 2654)	25 townhouse condominiums	\$400,000	\$16,000
Total	160 units	\$3,347,376	\$20,921

**e. Constraints on Housing for Disabled Persons:** The City implements the California Building Code (Title 24) and its regulations governing disabled access. Presently this code does not mandate that new single family units be accessible to the disabled. The code does require that privately-funded multi-family housing with 3 or more units be “adaptable” for disabled access and that certain percentages of the units in publicly-funded multi-family housing be made to be accessible. At most, applications for retrofitting a dwelling unit to become accessible may require issuance of a building permit, depending upon the actual work to be done. (If load-bearing walls, electrical, mechanical, plumbing systems, and retaining walls and/or decks/ramps 30 inches or more above grade are not involved, a permit may not be required.)

It is possible that certain measures to provide disabled access may conflict with zoning regulations (e.g. ramps that encroach into setbacks). To preclude such conflicts, the City amended the Zoning Code in 2009 to provide a means by which development standards might be modified either by staff (Plot Plan Review) or by the Development Review Committee (Site Plan Review) where no other means exist to make a dwelling accessible to a disabled person. This code amendment also defines “group care homes” as homes with 6 or fewer residents that have special needs and provides that such homes are permitted by right in all residential zoning districts.

According to the California Department of Social Services, as of February 2013, the City has one large (130 bed) residential care facility for the elderly (Creston Village), eleven residential care facilities for the elderly located in single family homes with 6 or fewer beds, and 2 adult care

residential facilities located in single family homes with 6 or fewer beds. Additionally, Los Robles Terrace, a 40 unit subsidized complex accepts the disabled as well as the elderly.

Presently, the City's Zoning Code provides that state-licensed group care homes with 6 or fewer residents are permitted in all residential zones. Residential care facilities with more than 6 residents may be located in the R-2, R-3, R-4, R-5, T3-N, T-3F, T-4N, T-4F, TC-1, or TC-2 Zones subject to approval of a conditional use permit prior to their establishment.

**f. Efforts to Remove Barriers.** The following changes to land use regulations have removed or lessened the governmental constraints to developing housing:

- The Permit Streamlining Act (State Code Section 65920) requires public agencies, including cities to follow standardized time limits and procedures for specified types of land use decisions. Certain zoning districts and permit types allow for deviations from the designated zoning regulations.
- The multi-family zoning regulations were revised in 2000 so that the City's expectations are more clearly set-forth, thereby eliminating uncertainty on the part of developers and the decision making bodies (Design Review Commission, Planning Commission, and City Council) and shortening the amount of time to process development applications for multi-family housing. Revisions to the multi-family zoning regulations also included the incorporation of flexible standards so that Planned Development (PD) overlay zoning was not necessary to achieve innovative design.
- The second unit ordinance has been updated to:
  - a) allow non-seniors and non-relatives of the primary unit residents to live in second units;
  - b) increase the maximum allowable floor area; and
  - c) allow second units to be detached from the primary unit.
- A density bonus ordinance has been adopted allowing for increased density in projects that provide affordable housing. This ordinance was updated in 2006.
- Revisions to the single family zoning regulations allow for more flexibility in design, particularly in decreasing the front yard setback.
- Adopted a reasonable accommodation ordinance in 2009 to (a) provide a means to modify zoning standards in order to provide fair access to housing for persons with disabilities, and (b) provide that "Group Care Homes", residential care facilities for six or fewer residents that are licensed or supervised by any federal, state, or local agency and which provide housing and nonmedical care for children, elderly persons, or physically and mentally handicapped persons in a family-like environment, are uses permitted by right in all residential zones.
- Adopted an emergency shelter ordinance (No. 976 N.S.) in 2011 to allow emergency shelters "by right" in the Riverside Corridor (RC) zoning district, and the Planned Industrial (PM) zoning district along Sherwood and Linne Roads and Commerce Way.

Additionally, the City has employed the following measures to offset housing costs.

- Using Redevelopment LMIH funds (prior to 2011, when the State terminated Redevelopment Agencies) to offset some of the cost of development impact fees for subsidized (lower income) housing projects.
- Using standardized conditions to streamline the development review process.
- Using a pre-application review process to facilitate streamlining of the development review process.
- Using Community Development Block Grant (CDBG) funds to provide infrastructure, removing one obstacle to providing affordable housing.
- Maintaining active working relationships with local private organizations that provide affordable housing such as, Peoples Self-Help Housing, the Housing Authority for the City of Paso Robles, the Housing Authority for the City of San Luis Obispo, Habitat for Humanity, and the Paso Robles Non-Profit Housing Corporation.
- The City has waived its portion of the tax credit application fees for Canyon Creek Apartments and the Redevelopment of Oak Park Public Housing (subsidized/lower income projects) and has supported tax credit applications for low-income housing.
- Adopted the Uptown/Town Centre Specific Plan, which provides development standards that increase opportunities for housing affordability.

## **6.2 Non-Governmental Constraints**

**a. Availability of Financing.** The availability of financing affects a person's ability to purchase and/or improve an existing home. The Home Mortgage Disclosure Act (HMDA) requires lending institution to disclose information on the disposition of loan applications by various demographic characteristics. This information can be obtained for cities and counties.

**b. Land Costs.** Land costs vary depending on several considerations. Cost considerations include the cost of the land per square foot determined by the current market as well as the intended use, the number of proposed units or density of development permitted on the site. The location of the site in relation to amenities such as sewer service also affects the cost of land. City Staff obtained sales price information for 7 vacant, finished (street improvements installed) single family lots and 5 vacant multi-family zoned parcels (October 2013) and found that the average land price per 0.54 acre single family lot was \$156,285 and the average land price per multi-family unit was \$64,500.

**c. Development Costs.** Construction costs can vary widely depending on the environmental conditions and scale of development at the site. Based on the proforma prepared for the March 2014 Tax Credit Application for Phase Two of the Redevelopment for Oak Park, the average cost of a good quality of construction for multifamily apartment style housing would be an average of \$130 per square foot (this assumes a prevailing wage rate).

**d. Prevailing Wages.** State and federal law require that any affordable housing project that is assisted with government funds (e.g., CDBG, HOME, LMIH, and other federal and state funds) be constructed using prevailing wages per wage determinations adopted by the State Department of Industrial Relations and/or Federal Department of Labor. Prevailing wages typically add 25 - 30% to the cost of construction.

### **6.3 Appropriateness of Goals, Objectives, and Policies**

The review of the 2011 Housing Element in Chapter 3 of this Element concluded that the City of Paso Robles is making progress in its provision of housing opportunities for all of its residents. The City will offset some of the burden from increasing cost of housing in Paso Robles by providing funding programs, density bonuses, and incentives to developers of low to moderate income housing. The Housing Element policies also encourage the development of student housing near the Cuesta College North County Campus and mixed use projects that will offer a range of housing types. The Housing Element goals, objective, and policies have been adopted as a result of reviewing the 2011 Housing Element and the current housing context and are appropriate for the City in providing a wide range of housing types and costs.

## **7.0 Resources for Providing Affordable Housing**

### **7.1 Redevelopment Low and Moderate Income Housing (LMIH) Funds**

In June 2011, the State Legislature enacted AB 1X 26, which dissolved redevelopment agencies statewide. Prior to this action, the City had used Redevelopment Low and Moderate Income Housing (LMIH) Funds, which amounted to 20 percent of all property tax increment collected by the City's Redevelopment Agency (Agency), to assist development of affordable housing for low and very-low income households for the projects and programs noted below.

Since adoption of the Redevelopment Plan in 1987, LMIH funds have been used for the following projects and programs:

- **Housing Rehabilitation Loans.** Between 1988 and 1991, the Redevelopment Agency provided \$49,300 in LMIH Funds to supplement 1988 CDBG funds for housing rehabilitation. LMIH funds were used to construct street improvements (curbs, gutters and sidewalks) that City Codes required to be installed as a condition of issuance of a building permit for rehabilitation. One low-income homeowner and 6 very low-income homeowners were assisted with zero percent interest, deferred payment loans, due in 15 years or on transfer of property.
- **Los Robles Terrace.** In 1991, the Redevelopment Agency granted \$119,730 of LMIH Funds to assist the development of Los Robles Terrace, a 40-unit apartment complex for low- and very low-income elderly and physically disabled persons, which was primarily funded by a combination of Federal Section 202 funds from HUD and a CDBG Grant. LMIH funds paid for the complex's share of City development impact fees.
- **George Stephan Center.** In 1994, \$73,800 in LMIH funds were used to install modular units to comprise an interior recreation/activity center at Oak Park Public Housing, which consists of 148 low- and very low-income apartment units, located between 28th and 34th Streets, east of Park Street.
- **Disaster Assistance Loan.** In 1995, a loan of \$10,000 in LMIH funds was made to a low-income homeowner to supplement federal disaster assistance funds to repair damage to the owner's home from a mudslide caused by heavy rains.
- **Habitat for Humanity.** In 1998, the Agency granted \$35,000 in LMIH funds to pay for the City's development impact and building permit fees for three single-family homes to be constructed by Habitat for Humanity at 2947, 2949, and 2951 Vine Street for low-income families. HOME Funds from the County were also provided to assist this project. Construction of the first home was commenced in 1999; the third home was completed in 2002.
- **First-Time Homebuyers Assistance.** In 2000, \$25,000 in LMIH funds were used as a match for \$100,000 in Federal HOME funds for providing deferred-payment second mortgage loans to low income first-time homebuyers. In 2001 and 2002, a total of \$15,600 in LMIH

funds were approved for use to defray the costs of loan administrative fees for first-time homebuyers loans under the CalHome Program.

- **Canyon Creek Apartments.** In 2001 and 2005, the Redevelopment Agency approved grants totaling \$559,000 in LMIH funds to assist Peoples' Self-Help Housing Corp. develop 68 apartment units on the southwest corner of Nicklaus Drive and Oak Hill Road. The County has approved a grant of \$550,000 in HOME funds to this project.
- **Creekside Gardens Apartments.** In 2001 and in 2002, the Redevelopment Agency approved grants totaling \$635,000 in LMIH funds to assist Peoples' Self-Help Housing Corp. develop 29 senior apartments on the northwest corner of Nicklaus Drive and Oak Hill Road. In 2001 and 2003, the County approved loans totaling \$750,000 in HOME funds to this project.
- **Chet Dotter (Oak) Park Senior Apartments.** In 2001, 2002, and 2005, the Redevelopment Agency approved grants and loans totaling \$1,745,000 to assist the development of a 40 unit senior apartment complex at 801 - 28th Street. This project was initiated with an Economic Development Initiative Grant of about \$498,900 from the federal government (via HUD) and further assisted with a loan of \$1,325,000 in HOME funds from the County.
- **Hidden Creek Village.** In 2011, construction was completed on an 81 unit low income family apartment project at 80 Cary Street (formerly addressed as 80 S. River Road). This project was assisted with a loan of \$1,000,000 to defer payments of City Development Impact Fees and a grant of \$400,000 in HOME funds from the County.

## **7.2 Deferral of City Fees**

With the termination of the Redevelopment Agency, the City has approved low-interest loans of General Funds in the amounts of \$1.018 million and \$889,000 to the Paso Robles Housing Authority to defer payment of City Fees for Phases One and Two of the Redevelopment of Oak Park Public Housing.

## **7.3 HOME and Emergency Shelter Grant Funds**

The City of Paso Robles does not directly receive federal funds under the federal Home Investment Partnership (HOME) and Emergency Shelter Grant (ESG) Programs. Those funds are allocated to the County of San Luis Obispo, which has agreed with other participating cities in the county to cooperate in the allocation of these funds.

100 percent of HOME and ESG funds must be used to benefit low-income persons. HOME funds may be used to construct or rehabilitate housing, acquire property for housing, construct street improvements adjacent to low income housing, purchase affordability covenants (under which rents would be limited to the amount that low income persons can afford), provide first-time homebuyer second mortgage loans, provide rental subsidies and other related uses. ESG funds may be used to construct and operate emergency shelters for homeless persons; they may also be used to purchase motels rooms for the homeless.

Federal regulations governing the HOME program requires that recipients provide a 25% match. Redevelopment Low and Moderate Income Housing (LMIH) funds may be used as a match. The value of “sweat equity” and welfare property tax exemptions may also be used as a match.

Five of the projects listed above were assisted with HOME funds in the amounts noted. Additionally, the County has used a portion of the urban county’s annual allotments of HOME funds for first-time homebuyers deferred payment loans, some of which have purchased homes in the City. Indirectly, the City benefited from HOME funds used by the County for consultant services to prepare loan documents prepared for the County’s HOME-funded First-Time Homebuyers Loan Program. The City basically used the County’s loan documents in the City’s CDBG-funded First-Time Homebuyers Loan Program.

ESG funds have been spent to support the operation of the homeless shelter and homeless day center in San Luis Obispo, facilities that serve the homeless needs of the entire county. ESG funds have also been used to support the operations of women’s shelters in San Luis Obispo and in Atascadero.

#### **7.4 Community Development Block Grant (CDBG) Funds**

The City of Paso Robles currently annually receives about \$300,000 in CDBG funds.

CDBG funds may be used for the following housing-related activities:

- Acquisition of property for housing restricted to low income persons;
- Construction of street improvements for housing that is restricted to low income persons;
- Rehabilitation of Construction of street improvements for housing that is owned by or in which rental is restricted to low income persons;
- First-time homebuyer assistance loans for low-income persons.

Federal Regulations provide that CDBG funds may not be used for the following housing-related activities:

- Payment of development impact fees for buildings;
- Construction costs for new housing. (That is the purpose of HOME funds.)

The City has used CDBG funds for the following housing activities:

- Housing Rehabilitation Loans: In 1988 and in 1991, the City received grants of \$500,000 from the State’s Small Cities CDBG Program for the purpose of making low interest housing rehabilitation loans to benefit low income persons. As a result of these two grants, a total of 77 dwelling units were rehabilitated.
- Senior Housing Project: In 1991, the City received a grant of \$499,000 from the State’s Small Cities CDBG Program for the purpose of assisting Peoples’ Self-Help housing Corp. acquire the land for Los Robles Terrace, a 40 unit low income senior housing project.



- First Time Homebuyers Loans I. In 1995, \$140,000 in CDBG funds were loaned to Peoples' Self-Help Housing Corp. to acquire land to develop the 71 lot Spring Meadows self-help subdivision in Paso Robles. In 1997, the \$140,000 was reconveyed to 13 low or very low income households, as deferred-payment first-time homebuyers second trust deed loans. The City also granted a total of \$20,000 in CDBG funds to 40 of the homebuyers to defray the cost of increases in building permit fees that became effective after the project had begun.
- First Time Homebuyers Loans II. In 1997 and 1998, \$229,700 in CDBG funds were used to provide deferred-payment first-time homebuyers second trust deed loans to 14 low income households.
- North County Women's Shelter Rehabilitation: Since 2000, the City has made 4 grants totaling \$48,000 in CDBG funds to rehabilitate the new women's shelter in Paso Robles.
- Oak Park Public Housing Improvements: In 1995, \$45,000 in CDBG funds were used to construct improvements to the George Stephan Recreation Center and construct a basketball court. In 2000, \$277,000 in CDBG funds were used to construct street improvements (curb, gutter, sidewalk, paving, street lights) along the Park Street frontage (about 2,000 linear feet) of Oak Park Public Housing and to complete unimproved frontages of private properties in the neighborhood, across Park Street from Oak Park Public Housing and on 28<sup>th</sup> Street between Park and Spring Streets.

## 7.5 CalHome Program

In 2001, the City received a grant of \$500,000 from the State of California under the CalHome Program, with which the City made "silent second" (deferred payment) mortgage loans to six low income first time homebuyers. When the grant application was filed in 2001, housing prices were relatively low enough that the \$500,000 was expected to yield about 25 loans. However, the original lending conditions imposed by the State were too restrictive to be feasible until they were revised in 2003. At that point, housing prices had risen significantly, and it became necessary for second mortgage loan amounts to be as high as \$90,000 to work for low income households.

The City made 6 first-time homebuyer loans with the CalHome Funds. Three of the loans have been repaid, and the "re-use" fund is proposed to be used to loaned to Habitat for Humanity to purchase land at 2811 Vine Street to build 5 homes for very low income households. The loan will be reconveyed incrementally to each of the 5 homebuyers, upon completion of construction, as deferred-payment second mortgage loans.

## 7.6 Other Sources

a. Homeownership: The following sources of assistance have been available to low income first-time homebuyers desiring to purchase a home in Paso Robles. More detailed information is available at the websites indicated for each program.

- CalHome Loan Program: In 2001, the City received a grant of \$500,000 from the State's CalHome Program for the purpose of making deferred-payment, second trust deed,

first-time homebuyers loans to low income households. Between December 2003 and June 2004, the City made 6 loans with this grant. ([www.hcd.ca.gov/fa/calhome](http://www.hcd.ca.gov/fa/calhome))

- CalHFA Affordable Housing Partnership Program: The City participates in this program in which first-time homebuyers who obtain deferred-payment, second trust deed loans from the City (CalHome or CDBG-funded) or its Redevelopment Agency (LMIH-funded) are eligible for a CalHFA primary home loan with an interest rate that is below CalHFA's standard rate. ([www.calhfa.ca.gov](http://www.calhfa.ca.gov))
- Mortgage Credit Certificates (MCC): This federal program provides income tax credits to first-time homebuyers. This program is administered by the Housing Authority for the City of San Luis Obispo (HASLO) on a county-wide basis. The number of MCC's annually available in San Luis Obispo County is very limited. ([www.haslo.org](http://www.haslo.org))
- California Housing Assistance Program: This state program offered through the California Housing Finance Agency (CalHFA) provides 3% deferred-payment, second trust deed loans in conjunction with 97% CalHFA first trust deed loans to low and moderate income buyers 100% financing. ([www.calhfa.ca.gov](http://www.calhfa.ca.gov))
- Building Equity and Growth in Neighborhoods (BEGIN): State grants to local public agencies that adopt measures to encourage affordable housing. Grant funds must be used for downpayment assistance for low and moderate income homebuyers. ([www.hcd.ca.gov/fa/begin](http://www.hcd.ca.gov/fa/begin))
- Extra Credit Teacher Program: State deferred-payment, second trust deed loans with forgivable interest in conjunction with lower interest rate CalHFA first loans to assist eligible teachers to buy homes. Loan amounts are the greater of \$15,000 or 3% of the purchase price. ([www.calhfa.ca.gov](http://www.calhfa.ca.gov))
- Affordable Housing Program (AHP). Grants from the Federal Home Loan Bank of San Francisco to assist affordable rental and ownership housing projects. ([www.fhlbsf.com/community/grant/ahp.aspx](http://www.fhlbsf.com/community/grant/ahp.aspx))
- Individual Development and Empowerment Account (IDEA) Program. Matching down payment assistance grants for low income first-time homebuyers from the Federal Home Loan Bank of San Francisco. ([www.fhlbsf.com/community/grant/idea.aspx](http://www.fhlbsf.com/community/grant/idea.aspx))
- Workforce Initiative Subsidy for Homeownership (WISH) Program. Matching down payment assistance grants for low income first-time homebuyers from the Federal Home Loan Bank of San Francisco. ([www.fhlbsf.com/community/grant/wish.aspx](http://www.fhlbsf.com/community/grant/wish.aspx))
- USDA Rural Development Section 502 Direct Loans. Long-term subsidized loans for low income home buyers. ([www.rurdev.usda.gov/HAD-Direct\\_Housing\\_Loans.html](http://www.rurdev.usda.gov/HAD-Direct_Housing_Loans.html))
- USDA Rural Development Section 502 Guaranteed Loans. Long-term market rate loans for low and moderate income home buyers. ([www.rurdev.usda.gov/HAD-Guaranteed\\_Housing\\_Loans.html](http://www.rurdev.usda.gov/HAD-Guaranteed_Housing_Loans.html))

- CalVet Home Loans. Long-term below market rate loans for low eligible home buyers from the California Department of Veterans Affairs. ([www.cdva.ca.gov/HomeLoans/BestValue.aspx](http://www.cdva.ca.gov/HomeLoans/BestValue.aspx))

**b. Rental Assistance:**

- Section 8: Vouchers for federal Section 8 rental assistance is available through the Housing Authority for the City of San Luis Obispo (HASLO). The waiting list for Section 8 was last opened on October 27, 2006, but quickly filled up and was closed on November 11, 2006. In October 2013 HASLO reported that they still have an active list and do not have a projected date for re-opening the waiting list.
- Assisted Housing: There are presently ten rental housing complexes in the City in which occupancy is limited to low or very low income households and rents are subsidized either through site-based Section 8 or USDA assistance. These are described in Appendix G.

**c. Housing Development and Rehabilitation:** The following sources of financing are among those available to private (mostly nonprofit) developers of affordable housing. More detailed information is available at the websites indicated for each program.

- HUD Section 202: Federal forgivable loans to non-profit developers of supportive housing for the elderly. Funds may be used for site acquisition, rehabilitation, and for new construction. ([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/grants/section202ptl](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section202ptl))
- HUD Section 203(k): Federal long-term, low interest loans at fixed rate to finance acquisition and rehabilitation of single family homes. Funds may be used for site acquisition, rehabilitation, relocation of units, and for refinancing existing indebtedness. ([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/203k/203kmenu](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/203k/203kmenu))
- HUD Section 221(d)(3) and (4): Mortgage insurance to finance rental or cooperative multifamily housing for moderate-income households, including projects designated for the elderly. ([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/progdesc/rentcoophs221d3n4eld202.cfm](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/rentcoophs221d3n4eld202.cfm))

- HUD Section 811: Federal grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities. Funds may be used for site acquisition, rehabilitation, new construction, and rental assistance.  
([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/progdesc/disab811](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/disab811))
- U.S. Department of Agriculture (USDA), Rural Development Service's Section 514 Farm Labor Housing Program: Federal below market-rate loans for farmworker rental housing. Funds may be used for site acquisition, rehabilitation, and for new construction. ([www.rurdev.usda.gov/rhs/mfh/dev\\_splash.htm](http://www.rurdev.usda.gov/rhs/mfh/dev_splash.htm))
- U.S. Department of Agriculture (USDA), Rural Development Service's Section 515 Rural Rental Housing Program: Federal below market-rate loans for low and very low income rental housing. Funds may be used for site acquisition, rehabilitation, and for new construction. ([www.rurdev.usda.gov/rhs/mfh/dev\\_splash.htm](http://www.rurdev.usda.gov/rhs/mfh/dev_splash.htm))
- CalHome: State grants to local governments and non-profit agencies for owner-occupied rehabilitation programs and new home development projects. This program includes financing the acquisition, rehabilitation, and replacement of manufactured homes. ([www.hcd.ca.gov/fa/calhome](http://www.hcd.ca.gov/fa/calhome))
- CalHFA Rental Housing Programs: State below market rate financing offered to builders and developers of multi-family and elderly rental housing. Tax exempt bonds provide below-market mortgages. Funds may be used for site acquisition, rehabilitation, and for new construction. ([www.calhfa.ca.gov](http://www.calhfa.ca.gov))
- Self-Help Builder Assistance Program (SHBAP): State lower interest rate CalHFA loans to owner-builders who participate in self-help housing projects sponsored by non-profit housing developers. Funds may be used for site acquisition, site development, new construction, and homebuyer assistance. ([www.calhfa.ca.gov](http://www.calhfa.ca.gov))
- Multi-Family Housing Program (MHP): Stated deferred-payment loans for the new construction, rehabilitation and preservation of rental housing. Within this program, funds are allocated to general rental housing, supportive housing for the disabled, and student housing. ([www.hcd.ca.gov/fa/mhp](http://www.hcd.ca.gov/fa/mhp))
- Multi-Family Housing Program (MHP) Supportive Housing Allocation: MHP loans for supportive housing for special needs populations. ([www.hcd.ca.gov/fa/mhp](http://www.hcd.ca.gov/fa/mhp))
- Multi-Family Housing Program (MHP) Homeless Youth Allocation: MHP loans for housing that serves homeless youth. ([www.hcd.ca.gov/fa/mhp](http://www.hcd.ca.gov/fa/mhp))
- Emergency Housing and Assistance Program (EHAP): State grants to local government agencies and nonprofit corporations that shelter the homeless on an emergency or transitional basis and provide support services. Each county receives a formula grant allocation. Funds may be used for providing direct client housing, including facility

operations and administration, residential rent assistance, leasing or renting rooms for provision of temporary shelter, capital development activities of up to \$20,000 per site, and administration of the award (limited to 5 percent). ([www.hcd.ca.gov/fa/ehap](http://www.hcd.ca.gov/fa/ehap))

- Emergency Housing Assistance Program Capital Development (EHAP-CD) : State forgivable 3% loans (5-10 years) to local government agencies and nonprofit corporations that shelter the homeless on an emergency or transitional basis and provide support services. Each county receives a formula grant allocation. The purpose of the loans includes the repair or development of emergency shelters and transitional housing facilities for the homeless (no operating subsidy). Funds may be used for acquiring, constructing, converting, expanding or rehabilitating emergency shelter or transitional housing sites, major equipment purchase, and administration of the award (limited to 5 percent). ([www.hcd.ca.gov/fa/ehapcd](http://www.hcd.ca.gov/fa/ehapcd))
- Joe Serna Jr. Farmworker Housing Grant Program (JSJFWHG): State grants and loans to local governments and nonprofit housing developers for the acquisition, development and financing of ownership and rental housing for farmworkers. Within this program, funds are allocated to general housing development, migrant housing, and housing with related health services. ([www.hcd.ca.gov/fa/fwhg](http://www.hcd.ca.gov/fa/fwhg))
- Federal and State Tax Credits: Both the Federal and State governments offer income tax credits for the purpose of financing affordable housing. Tax Credits are awarded on several dates each year by the California Tax Credit Allocation Committee. ([www.treasurer.ca.gov/CTCAC/](http://www.treasurer.ca.gov/CTCAC/))
- Federal Home Loan Bank (FHLB) Affordable Housing Program: Provides competitive grants and subsidized loans to create affordable rental and homeownership opportunities. ([www.fhlbsf.com/ci/grant/ahp/](http://www.fhlbsf.com/ci/grant/ahp/))
- San Luis Obispo County Housing Trust Fund: This nonprofit organization has built a local trust fund using federal, state, and private loans and grants to make short term (up to 5 year) bridge loans to assist affordable housing projects throughout the County. While most of their funds are used to assist housing for low-, very low-, and extremely low income households, some of the funds in their portfolio may be used to assist moderate and “workforce” housing for households earning 80 to 160 percent of the Area (County) Median Income. ([www.sloctf.org](http://www.sloctf.org))
- Access to Housing and Economic Assistance for Development (AHEAD) Program: Recoverable grants from the Federal Home Loan Bank of San Francisco to support housing projects during the conception and early stages of development. ([www.fhlbsf.com/community/grant/ahead.aspx](http://www.fhlbsf.com/community/grant/ahead.aspx))
- USDA Rural Development Section 504 Housing Repair and Rehabilitation Program: Loans and grants to repair and rehabilitate the homes of low income families and seniors. ([www.rurdev.usda.gov/rd/pubs/pa1662.htm](http://www.rurdev.usda.gov/rd/pubs/pa1662.htm))

- USDA Rural Development Section 533 Housing Preservation Grant (HPG) Program: Grants to nonprofit and government agencies to fund housing rehabilitation programs for low income households. ([www.rurdev.usda.gov/HAD-HPG\\_Grants.html](http://www.rurdev.usda.gov/HAD-HPG_Grants.html))
- Homeownership Preservation Advance (HPA) Program: Funds from the Federal Home Loan Bank of San Francisco to restructure or refinance mortgage loans for eligible low- and moderate-income homeowners who are at risk of foreclosure. ([www.fhlbsf.com/community/credit/hpa-profile.aspx](http://www.fhlbsf.com/community/credit/hpa-profile.aspx))
- Community Investment Program (CIP): Funds from the Federal Home Loan Bank of San Francisco to finance first-time homebuyer programs, to create and maintain affordable housing, and to support other community economic development activities. ([www.fhlbsf.com/community/credit/cip-profile.aspx](http://www.fhlbsf.com/community/credit/cip-profile.aspx))
- Weatherization Assistance Program: Grants from the California Department of Community Services and Development to improve the energy efficiency of homes occupied by low income households to reduce their heating and cooling costs. ([www.csd.ca.gov/Services/ResidentialEnergyEfficiencyServices.aspx](http://www.csd.ca.gov/Services/ResidentialEnergyEfficiencyServices.aspx))
- Low-Income Home Energy Assistance Program (LIHEAP): Grants from the California Department of Community Services & Development to assist low income households with their energy bills and offset heating and/or cooling energy costs. ([www.csd.ca.gov/Services/HelpPayingUtilityBills.aspx](http://www.csd.ca.gov/Services/HelpPayingUtilityBills.aspx))
- Mobilehome Park Resident Ownership Program (MPROP): Loans from the California Department of Housing and Community Development for the purchase of mobile home parks by local governments, nonprofit corporations or the park residents. ([www.hcd.ca.gov/fa/mprop/](http://www.hcd.ca.gov/fa/mprop/))
- California Self-Help Housing Program (CSHHP): Grants from the California Department of Housing and Community Development for the administrative costs of self-help or owner-builder housing projects. ([www.hcd.ca.gov/fa/cshhp/](http://www.hcd.ca.gov/fa/cshhp/))
- Predevelopment Loan Program (PDLP): Short-term loans from the California Department of Housing and Community Development for the construction, rehabilitation, conversion or preservation of affordable housing projects. ([www.hcd.ca.gov/fa/pdlp/](http://www.hcd.ca.gov/fa/pdlp/))

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