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HOUSING ELEMENT
APPENDIX A

State Housing Element Law

GOVERNMENT CODE SECTION 65580-65589.8

65580. The Legislature finds and declares as follows:

(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 the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

65581. It is the intent of the Legislature in enacting this article:

(a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.

(b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.

(c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.

(d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

65582. As used in this article:

(a) "Community," "locality," "local government," or "jurisdiction" means a city, city and county, or county.

(b) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

(c) "Department" means the Department of Housing and Community Development.

(d) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

(e) "Low- and moderate-income households" means persons and families of low or moderate incomes as defined by Section 50093 of the Health and Safety Code.

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584.

(5) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(6) An analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

(7) An analysis of opportunities for energy conservation with respect to residential development.

(8) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project by project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program which sets 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 through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a Low and Moderate Income Housing Fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) (A) Identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities, including sewage collection and treatment, domestic water supply, and septic tanks and wells, 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, emergency shelters, and transitional housing in order to meet the community's housing goals as identified in subdivision (b). Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low and low-income households. Where the inventory of sites pursuant to

paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low and very low income households.

(B) For purposes of this paragraph, the phrase "use by right" shall mean the use does not require a conditional use permit, except when the proposed project is a mixed-use project involving both commercial or industrial uses and residential uses. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(C) The requirements of this subdivision regarding identification of sites for farmworker housing shall apply commencing with the next revision of housing elements required by Section 65588 following the enactment of this subparagraph.

(2) Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

(6) (A) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (8) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(B) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(d) The analysis and program for preserving assisted housing developments required by the amendments to this section enacted by the Statutes of 1989 shall be adopted as an amendment to the housing element by July 1, 1992.

(e) Failure of the department to review and report its findings pursuant to Section 65585 to the local government between July 1, 1992, and the next periodic review and revision required by Section 65588, concerning the housing element amendment required by the amendments to this section by the Statutes of 1989, shall not be used as a basis for allocation or denial of any housing assistance administered pursuant to Part 2 (commencing with Section 50400) of Division 31 of the Health and Safety Code.

65583.1. (a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for consistency with state law, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to

a more intense land use category and increasing the density allowed within one or more categories. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(c) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 if the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

(C) Demonstrate that the units meet the requirements of paragraph (2).

(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

(i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been cited and found by the local code enforcement agency or a court to be unfit for human habitation and vacated or subject to being vacated because of the existence for not less than 120 days of four of the

conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

(ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal or state law or regulation, except that if the period is less than 20 years, only one unit shall be credited as an identified adequate site for every three units rehabilitated pursuant to this section, and no credit shall be allowed for a unit required to remain affordable for less than 10 years.

(iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

(B) Units that are located in a multifamily rental housing complex of 16 or more units, are converted with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

(i) The unit is made available at a cost affordable to low- or very low income households.

(ii) At the time the unit is identified for acquisition, the unit is not available at a cost affordable to low- or very low income households.

(iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) The acquisition price is not greater than 120 percent of the median price for housing units in the city or county.

(vi) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low or very low income for not less than 30 years.

(C) Units that will be preserved at affordable housing costs to persons or families of low or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

(i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to and reserved for occupancy by persons of the same or lower income group as the current occupants for a period of at least 40 years.

(ii) The unit is multifamily rental housing that receives governmental assistance under any of the following state and federal programs: Section 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 17151(d)(3) and (5)); Section 236 of the National Housing Act (12 U.S.C. Sec. 1715z-1); Section 202 of the Housing Act of 1959 (12 U.S.C. Sec. 1701q); for rent supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. Sec. 1701s); under Section 515 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485); and any new construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance, under Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Sec. 1437f); any state and local multifamily revenue bond programs; local redevelopment programs; the federal Community Development Block Grant Program; and other local housing assistance programs or units that were used to

qualify for a density bonus pursuant to Section 65916.

(iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low or very low income.

(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any such housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

(4) For purposes of this subdivision, "committed assistance" means that the city or county enters into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. "Committed assistance" does not include tenant-based rental assistance.

(5) For purposes of this subdivision, "net increase" includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

(6) For purposes of this subdivision, "the time the unit is identified" means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

(7) On July 1 of the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next

planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

65584. (a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.

The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households. Based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, and in consultation with each council of governments, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the department shall ensure that this determination is consistent with the statewide housing need. The department may revise the determination of the council of governments if necessary to obtain this consistency. The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588. The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the allocation of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need. The councils of governments shall provide each city and county with the department's information. The council of governments shall provide a subregion with its share of the regional housing need, and delegate responsibility for providing allocations to cities and a county or counties in the subregion to a subregional entity if this responsibility is requested by a county and all cities in the county, a joint powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, or the governing body of a subregional agency established by the council of governments, in accordance with an agreement entered into between the council of governments and the subregional entity that sets forth the process, timing, and other terms and conditions of that

delegation of responsibility.

(b) For areas with no council of governments, the department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution of regional housing needs in subdivision (a). If the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas.

(c) (1) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation.

(2) Within 60 days after the time period for the revision by the city or county, the council of governments or the department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.

(A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determination within 30 days.

(B) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(C) The date of the hearing shall be at least 30 days from the date of the notification.

(D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

(3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share which was originally determined by the council of governments or the department.

(4) The determination of the council of governments or the department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(5) The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

(B) The transfer of shares shall only occur between a county and cities within that county.

(C) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval

of the proposed reduction, taking into consideration the criteria of subdivision (a).

(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

(d) (1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county that directly limits, by number, the building permits that may be issued for residential construction, or limits for a set period of time the number of buildable lots that may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(2) Paragraph (1) does not apply to any city or county that imposes a moratorium on residential construction for a specified period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt findings that specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

(e) Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision (c) by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(g) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

65584.3. (a) A city that is incorporated to promote commerce and industry, that is located in the County of Los Angeles, and that has no residentially zoned land within its boundaries on January 1, 1992, may elect to adopt a housing element that makes no provision for new housing or the share of regional housing needs as determined pursuant to Section 65584 for the current and subsequent revisions of the housing element pursuant to Section 65588, for the period of time that 20 percent of all tax increment revenue accruing from all redevelopment projects, and required to be set aside for low- and moderate-income housing pursuant to Section 33334.2 of the Health and Safety Code, is annually transferred to the Housing Authority of the County of Los Angeles.

(b) (1) The amount of tax increment to be transferred each year pursuant to subdivision (a) shall be determined at the end of each fiscal year, commencing with the 1992-93 fiscal year. This amount shall be transferred within 30 days of the agency receiving each installment of its allocation of tax increment moneys, commencing in 1993.

(2) On or before December 31, 1992, the agency shall make an additional payment to the Housing Authority of the County of Los Angeles that eliminates any indebtedness to the low- and moderate-income housing fund pursuant to Section 33334.3. This amount shall be reduced by any amount actually expended by the redevelopment agency for principal or interest payments on agency

bonds issued prior to the effective date of the act that adds this section, when that portion of the agency's tax increment revenue representing the low- and moderate-income housing set-aside funds was lawfully pledged as security for the bonds, and only to the extent that other tax increment revenue in excess of the 20-percent low- and moderate-income set-aside funds is insufficient in that fiscal year to meet in full the principal and interest payments.

(c) The Department of Housing and Community Development shall annually review the calculation and determination of the amount transferred pursuant to subdivisions (a) and (b). The department may conduct an audit of these funds if and when the Director of Housing and Community Development deems an audit appropriate.

(d) The amount transferred pursuant to subdivisions (a) and (b) shall fulfill the obligation of that city's redevelopment agency to provide for housing for low- and moderate-income families and individuals pursuant to Sections 33334.2 to 33334.16, inclusive, of the Health and Safety Code. The use of these funds for low- and moderate-income families in the region of the Southern California Association of Governments within which the city is located shall be deemed to be of benefit to the city's redevelopment project areas.

(e) (1) The amount transferred pursuant to subdivisions (a) and (b) to the Housing Authority of the County of Los Angeles shall be expended to provide housing and assistance, including, but not limited to, that specified in subdivision (e) of Section 33334.2 of the Health and Safety Code for low-and moderate-income families and individuals, in the region of the Southern California Association of Governments within which the city is located.

(2) Funds expended pursuant to this subdivision shall be expended in accordance with all of the following:

(A) The funds shall be expended for the construction of low- and moderate-income housing located no further than 15 miles from the nearest boundary line of the City of Industry.

(B) The low- and moderate-income housing constructed pursuant to this subdivision shall be in addition to any other housing required by the housing element of the general plan of the jurisdiction in which the low- and moderate-income housing is constructed.

(C) Funds may be encumbered by the Housing Authority of the County of Los Angeles for the purposes of this subdivision only after the authority has prepared a written plan for the expenditure of funds to be transferred to the authority pursuant to this subdivision and has filed a copy of this expenditure plan with the Department of Housing and Community Development.

(f) A city that meets the conditions specified in subdivision (d) shall continue to have responsibility for preparing a housing element pursuant to Section 65583 only to the extent to which the assessment of housing needs, statement of goals and objectives, and the five-year schedule of actions relate to the city's plan to maintain, preserve, and improve the housing that exists in the city on the effective date of the act which adds this section.

(g) This section shall not become operative unless and until a parcel of land, to be dedicated for the construction of a high school, is transferred pursuant to a written agreement between the City of Industry and the Pomona Unified School District, and a copy of this agreement is filed with the County Clerk of the County of Los Angeles.

65584.5. (a) A city or county may transfer a percentage of its share of the regional housing needs to another city or county, if all of the following requirements are met:

(1) Both the receiving city or county and the transferring city or county comply with all of the conditions specified in subdivision (b).

(2) The council of governments or the department reviews the

findings made pursuant to paragraph (2) of subdivision (c).

(3) The transfer does not occur more than once in a five-year housing element interval pursuant to subdivision (b) of Section 65588.

(4) The procedures specified in subdivision (c) are met.

(b) (1) Except as provided in paragraph (5) of subdivision (c) of Section 65584, a city or county transferring a share of its regional housing needs shall first have met, in the current or previous housing element cycle, at least 15 percent of its existing share of the region's affordable housing needs, as defined in Section 65584, in the very low and lower income category of income groups defined in Section 50052.5 of the Health and Safety Code if it proposes to transfer not more than 15 percent. In no event, however, shall the city or county transfer more than 500 dwelling units in a housing element cycle.

(2) A city or county shall transfer its regional housing needs in the same proportion by income group as the jurisdiction has met its regional housing needs.

(3) The transfer shall be only between jurisdictions that are contiguously situated or between a receiving city or county that is within 10 miles of the territory of the community of the donor city or county. If both the donor community and receiving community are counties, the donor county shall be adjacent to, in the same council of governments region as, and in the same housing market as, the receiving county. The sites on which any transferred housing units will be constructed shall be in the receiving city or county, and within the same housing market area as the jurisdiction of the donor city or county.

(4) The transferring and receiving city or county shall have adopted, and shall be implementing, a housing element in substantial compliance with Section 65583.

(5) The transferring city or county and the receiving city or county shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(c) (1) The donor city or county and the receiving city or county shall, at least 45 days prior to the transfer, hold a public hearing, after providing notice pursuant to Section 6062, to solicit public comments on the draft contract, including its terms, conditions, and determinations.

(2) The transferring and the receiving city or county shall do all of the following:

(A) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need pursuant to the terms of the agreement will not cause or exacerbate racial, ethnic, or economic segregation and will not create a detrimental financial impact upon the receiving city or county.

(B) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need will result in the construction of a greater number of similar type dwelling units than if the transfer does not occur.

(3) (A) The transferring city or county and the receiving city or county shall enter into an agreement to transfer units eligible under subdivision (b). A copy of this agreement shall be sent to the council of governments and the department to be kept on file for public examination.

(B) The agreement shall include a plan and schedule for timely construction of dwelling units, including, in addition to site identification, identification of and timeframes for applying for sufficient subsidy or mortgage financing if the units need a subsidy or mortgage financing, and a finding that sufficient services and public facilities will be provided.

(4) At least 60 days prior to the transfer, the receiving city or county planning agency and the transferring city or county planning agency shall submit to the department a draft amendment to reflect the identified transferred units. A transferring agency may reduce

its housing needs only to the extent that it had not previously reduced its housing needs pursuant to paragraph (2) of subdivision (b) of Section 65583. A county planning agency that has its share of the regional housing need reduced pursuant to paragraph (5) of subdivision (c) of Section 65584 shall comply with this section. A receiving city or county shall, in addition to any other provisions of the article, identify in its housing element sufficient sites to meet its initial low- and moderate-income housing needs and sufficient sites to meet all transferred housing needs.

(5) The department shall review the draft amendment and report its written findings to the planning agency within 45 days of its receipt.

(6) The department's review shall follow the same procedure, requirements, and responsibilities of Sections 65583, 65585, 65587, and 65589.3. The court shall consider any written findings submitted by the department.

(d) No transfer made pursuant to this section shall affect the plans for a development that have been submitted to a city or county for approval 45 days prior to the adoption of the amendment to the housing element.

(e) No transfer made pursuant to this section shall be counted toward any ordinance or policy of a locality that specifically limits the number of units that may be constructed.

(f) The Attorney General or any other interested person shall have authority to enforce the terms of the agreement and the provisions of this section.

(g) For a period of five years after the transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer contract, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements in place for these units.

(h) (1) At least 60 days prior to the proposed transfer, the donor city or county shall submit the proposed agreement to the council of governments, or to the department if there is no council of governments that serves the city or county, for review. The governing board of the council or the director shall determine whether there is substantial evidence to support the terms, conditions, and determinations of the agreement and whether the agreement complies with the substantive and procedural requirements of this section. If the council or the director finds that there is substantial evidence to support the terms, conditions, and determinations of the agreement, and that the agreement complies with the substantive and procedural requirements of this section, the participating jurisdictions may proceed with the agreement. If the governing board or the director finds that there is not substantial evidence to support the terms, conditions, and findings of the agreement, or that the agreement does not comply with the substantive and procedural requirements of this section, the board or the director may make recommendations for revising or terminating the agreement. The participating jurisdictions shall then include those revisions, if any, or terminate the agreement.

(2) The council or the director may convene a committee to advise the council or the director in conducting this review. The donor city or county and the receiving community shall pay the council's or the department's costs associated with the committee. Neither the donor city or county, nor the receiving city or county, may expend moneys in its Low and Moderate Income Housing Fund of its redevelopment agency for costs associated with the committee.

(3) Membership of the committee appointed pursuant to paragraph (2) shall include all of the following:

(A) One representative appointed by the director.

(B) One representative appointed by the donor agency.

(C) One representative appointed by the receiving community.

(D) Two low- and moderate-income housing advocates, appointed by

the director, who represent those persons in that region.

(i) (1) The receiving city or county shall construct the housing units within three years of the date that the transfer contract is entered into pursuant to this section. This requirement shall be met by documenting that a building permit has been issued and all fees have been paid.

(2) Any portion of a regional share allocation that is transferred to another jurisdiction, and that is not constructed within the three-year deadline set forth in paragraph (1), shall be reallocated by the council of governments to the transferring city or county, and the transferring city or county shall modify its zoning ordinance, if necessary, and amend its housing element to reflect the reallocated units.

(3) If, at the end of the five-year housing element planning period, any portion of a regional share allocation that is transferred to another jurisdiction is not yet constructed, the council of governments shall add the unbuilt units to the normal regional fair share allocation and reallocate that amount to either of the following:

(A) The receiving city, if the three-year deadline for construction has not yet occurred; or

(B) The transferring city, if the three-year deadline for construction has occurred.

(4) If the transferred units are not constructed within three years, the nonperforming jurisdictions participating in the transfer of regional share allocations shall be precluded from transferring their regional shares, pursuant to this section, for the planning period of the next periodic update of the housing element.

(j) On or after January 1, 2000, no transferring city or county shall enter into an agreement pursuant to this section unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

(k) If Article XXXIV of the California Constitution is applicable, the receiving city or county shall certify that it has sufficient authority under Article XXXIV of the California Constitution to allow development of units transferred pursuant to this section.

(l) The receiving city or county shall not, within three years of the date of the transfer agreement entered into pursuant to this section, or until transferred units are constructed, whichever is longer, enter into a contract to transfer units outside the territorial jurisdiction of the agency pursuant to this section.

(m) Communities that have transferred a portion of their share of the regional housing need to another city or county pursuant to this section shall comply with all other provisions of law for purposes of meeting the remaining regional housing need not transferred, including compliance with the provisions of Section 65589.5.

(n) As used in this section, "housing market area" means the area determined by a council of governments or the department pursuant to Section 65584, and based upon market demand for housing, employment opportunities, the availability of suitable sites and public facilities, and commuting patterns.

(o) This section shall not be construed to interfere with the right of counties to transfer shares of regional housing needs pursuant to paragraph (5) of subdivision (c) of Section 65584.

65584.6. (a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

(1) An agreement has been executed between the county and the

receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

(A) A plan and schedule for timely construction of dwelling units.

(B) Site identification by street address for the units to be developed.

(C) A statement either that the sites upon which the units will be developed were identified in the receiving city's housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

(D) The number and percentage of the county's lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

(2) The council of governments that assigned the county's share receives and approves each proposed agreement to meet a portion of the county's fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

(3) The city or cities in which the units are developed agree not to count the units towards their share of the region's affordable housing need.

(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings:

(A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section.

(B) If needed, additional subsidy or financing for the construction of the units is available.

(C) The receiving city or cities have housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type,

location, and affordability requirements.

(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income households allocated to the city pursuant to Section 65584.

(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

(e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

65585. (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department. The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with the requirements of this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with the requirements of this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with the requirements of this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with the requirements of this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

65585.1. (a) The San Diego Association of Governments (SANDAG), if it approves a resolution agreeing to participate in the self-certification process, and in consultation with the cities and county within its jurisdiction, its housing element advisory committee, and the department, shall work with a qualified consultant to determine the maximum number of housing units that can be constructed, acquired, rehabilitated, and preserved as defined in paragraph (11) of subdivision (e) of Section 33334.2 of the Health and Safety Code, and the maximum number of units or households that can be provided with rental or ownership assistance, by each jurisdiction during the third and fourth housing element cycles to meet the existing and future housing needs for low and very low income households as defined in Sections 50079.5, 50093, and 50105 of the Health and Safety Code, and extremely low income households. The methodology for determining the maximum number of housing units that can be provided shall include a recognition of financial resources and regulatory measures that local jurisdictions can use to provide additional affordable lower income housing. This process is intended to identify the available resources that can be used to determine the maximum number of housing units each jurisdiction can provide. The process acknowledges that the need to produce housing for low, very low, and extremely low income households may exceed available resources. The department and SANDAG, with input from its housing element advisory committee, the consultant, and local jurisdictions, shall agree upon definitions for extremely low income households and their affordable housing costs, the methodology for the determination of the maximum number of housing units and the number each jurisdiction can produce at least one year before the due date of each housing element revision, pursuant to paragraph (3) of subdivision (e) of Section 65588. If SANDAG fails to approve a resolution agreeing to participate in this pilot program, or SANDAG and the department fail to agree upon the methodology by which the maximum number of housing units is determined, then local jurisdictions may not self-certify pursuant this section.

(1) The "housing element advisory committee" should include representatives of the local jurisdictions, nonprofit affordable housing development corporations and affordable housing advocates, and representatives of the for-profit building, real estate and banking industries.

(2) The determination of the "maximum number of housing units" that the jurisdiction can provide assumes that the needs for low, very low, and extremely low income households, including those with special housing needs, will be met in approximate proportion to their representation in the region's population.

(3) A "qualified consultant" for the purposes of this section means an expert in the identification of financial resources and regulatory measures for the provision of affordable housing for lower income households.

(b) A city or county within the jurisdiction of the San Diego

Association of Governments that elects not to self-certify, or is ineligible to do so, shall submit its housing element or amendment to the department, pursuant to Section 65585.

(c) A city or county within the jurisdiction of the San Diego Association of Governments that elects to self-certify shall submit a self-certification of compliance to the department with its adopted housing element or amendment. In order to be eligible to self-certify, the legislative body, after holding a public hearing, shall make findings, based on substantial evidence, that it has met the following criteria for self-certification:

(1) The jurisdiction's adopted housing element or amendment substantially complies with the provisions of this article, including addressing the needs of all income levels.

(2) For the third housing element revision, pursuant to Section 65588, the jurisdiction met its fair share of the regional housing needs for the second housing element revision cycle, as determined by the San Diego Association of Governments.

In determining whether a jurisdiction has met its fair share, the jurisdiction may count each additional lower income household provided with affordable housing costs. Affordable housing costs are defined in Section 6918 for renters, and in Section 6925 for purchasers, of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program.

(3) For subsequent housing element revisions, pursuant to Section 65588, the jurisdiction has provided the maximum number of housing units as determined pursuant to subdivision (a), within the previous planning period.

(A) The additional units provided at affordable housing costs as defined in paragraph (2) in satisfaction of a jurisdiction's maximum number of housing units shall be provided by one or more of the following means:

(i) New construction.

(ii) Acquisition.

(iii) Rehabilitation.

(iv) Rental or ownership assistance.

(v) Preservation of the availability to lower income households of affordable housing units in developments which are assisted, subsidized, or restricted by a public entity and which are threatened with imminent conversion to market rate housing.

(B) The additional affordable units shall be provided in approximate proportion to the needs defined in paragraph (2) of subdivision (a).

(4) The city or county provides a statement regarding how its adopted housing element or amendment addresses the dispersion of lower income housing within its jurisdiction, documenting that additional affordable housing opportunities will not be developed only in areas where concentrations of lower income households already exist, taking into account the availability of necessary public facilities and infrastructure.

(5) No local government actions or policies prevent the development of the identified sites pursuant to Section 65583, or accommodation of the jurisdiction's share of the total regional housing need, pursuant to Section 65584.

(d) When a city or county within the jurisdiction of the San Diego Association of Governments duly adopts a self-certification of compliance with its adopted housing element or amendment pursuant to subdivision (c), all of the following shall apply:

(1) Section 65585 shall not apply to the city or county.

(2) In any challenge of a local jurisdiction's self-certification, the court's review shall be limited to determining whether the self-certification is accurate and complete as to the criteria for self-certification. Where there has not been a successful challenge of the self-certification, there shall be a rebuttable presumption of the validity of the housing element or amendment.

(3) Within six months after the completion of the revision of all housing elements in the region, the council of governments, with input from the cities and county within its jurisdiction, the housing element advisory committee, and qualified consultant shall report to the Legislature on the use and results of the self-certification process by local governments within its jurisdiction. This report shall contain data for the last planning period regarding the total number of additional affordable housing units provided by income category , the total number of additional newly constructed housing units, and any other information deemed useful by SANDAG in the evaluation of the pilot program.

(e) This section shall become inoperative on June 30, 2009, and as of January 1, 2010, is repealed, unless a later enacted statute, which is enacted before January 1, 2010, deletes or extends that date.

65586. Local governments shall conform their housing elements to the provisions of this article on or before October 1, 1981. Jurisdictions with housing elements adopted before October 1, 1981, in conformity with the housing element guidelines adopted by the Department of Housing and Community Development on December 7, 1977, and located in Subchapter 3 (commencing with Section 6300) of Chapter 6 of Part 1 of Title 25 of the California Administrative Code, shall be deemed in compliance with this article as of its effective date. A locality with a housing element found to be adequate by the department before October 1, 1981, shall be deemed in conformity with these guidelines.

65587. (a) Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981, and the deadlines set by Section 65588. Except as specifically provided in subdivision (b) of Section 65361, the Director of Planning and Research shall not grant an extension of time from these requirements.

(b) Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the housing element or portion thereof or revision thereto substantially complies with the requirements of this article.

(c) If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county, or city and county shall bring its action into compliance within 60 days. However, the court shall retain jurisdiction throughout the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an additional 60 days.

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(e) Notwithstanding subdivision (b) or the date of adoption of the housing elements previously in existence, the dates of revisions for the housing element shall be modified as follows:

(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: December 31, 2000, for the third revision, and June 30, 2005, for the fourth revision.

(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: December 31, 2001, for the third revision, and June 30, 2006, for the fourth revision.

(3) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, the Sacramento Area Council of Governments, and the Association of Monterey Bay Area Governments: June 30, 2002, for the third revision, and June 30, 2007, for the fourth revision.

(4) Local governments within the regional jurisdiction of the San Diego Association of Governments: December 31, 1999, for the third revision cycle ending June 30, 1999, and June 30, 2004, for the fourth revision.

(5) All other local governments: June 30, 2003, for the third revision, and June 30, 2008, for the fourth revision.

(6) Subsequent revisions shall be completed not less often than at five-year intervals following the fourth revision.

65588.1. (a) The planning period of existing housing elements prepared pursuant to subdivision (b) of Section 65588 shall be extended through the housing element due date prescribed in subdivision (e) of Section 65588. Local governments shall continue to implement the housing program of existing housing elements and the annual review pursuant to Section 65400.

(b) The extension provided in this section shall not limit the existing responsibility under subdivision (b) of Section 65588 of any jurisdiction to adopt a housing element in conformance with this article.

(c) It is the intent of the Legislature that nothing in this section shall be construed to reinstate any mandates pursuant to Chapter 1143 of the Statutes of 1980 suspended by the Budget Act of 1993-94.

65589. (a) Nothing in this article shall require a city, county, or city and county to do any of the following:
(1) Expend local revenues for the construction of housing, housing subsidies, or land acquisition.
(2) Disapprove any residential development which is consistent with the general plan.
(b) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government to impose rent controls or restrictions on the sale of real property.
(c) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government with respect to measures that may be undertaken or required by a local government to be undertaken to implement the housing element of the local general plan.
(d) The provisions of this article shall be construed consistent with, and in promotion of, the statewide goal of a sufficient supply of decent housing to meet the needs of all Californians.

65589.3. In any action filed on or after January 1, 1991, taken to challenge the validity of a housing element, there shall be a rebuttable presumption of the validity of the element or amendment if, pursuant to Section 65585, the department has found that the element or amendment substantially complies with the requirements of this article.

65589.5. (a) The Legislature finds all of the following:
(1) The lack of affordable housing is a critical problem which threatens the economic, environmental, and social quality of life in California.
(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments which limit the approval of affordable housing, increase the cost of land for affordable housing, and require that high fees and exactions be paid by producers of potentially affordable housing.
(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.
(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions which result in disapproval of affordable housing projects, reduction in density of affordable housing projects, and excessive standards for affordable housing projects.
(b) It is the policy of the state that a local government not reject or make infeasible affordable housing developments which contribute to meeting the housing need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without meeting the provisions of subdivision (d).
(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands to urban uses continues to have adverse effects on the availability of those lands for food and fiber

production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project affordable to very low, low- or moderate-income households or condition approval in a manner which renders the project infeasible for development for the use of very low, low- or moderate-income households unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588 and that is in substantial compliance with this article, and the development project is not needed for the jurisdiction to meet its share of the regional housing need for very low, low-, or moderate-income housing.

(2) The development project as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households.

(4) Approval of the development project would increase the concentration of lower income households in a neighborhood that already has a disproportionately high number of lower income households and there is no feasible method of approving the development at a different site, including those sites identified pursuant to paragraph (1) of subdivision (c) of Section 65583, without rendering the development unaffordable to low- and moderate-income households.

(5) The development project is proposed on land zoned for agriculture or resource preservation which is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(6) The development project is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a housing element pursuant to this article.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with written development standards, conditions, and policies appropriate to, and consistent with, meeting the quantified objectives relative to the development of housing, as required in the housing element pursuant to subdivision (b) of Section 65583. Nothing in this section shall be construed to prohibit a local agency from imposing fees and other

exactions otherwise authorized by law which are essential to provide necessary public services and facilities to the development project.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of affordable housing is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Affordable to very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate income eligibility limits are based.

(3) "Area median income" shall mean area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(4) "Neighborhood" means a planning area commonly identified as such in a community's planning documents, and identified as a neighborhood by the individuals residing and working within the neighborhood. Documentation demonstrating that the area meets the definition of neighborhood may include a map prepared for planning purposes which lists the name and boundaries of the neighborhood.

(5) "Disapprove the development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved.

(B) Fails to comply with the time periods specified in subparagraph (B) of paragraph (1) of subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes restrictions, including a reduction of allowable densities or the percentage of a lot which may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, which have a substantial adverse effect on the viability or affordability of a housing development affordable to very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

(j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria

in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(k) If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of very low, low-, or moderate-income households without properly making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled.

(l) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure, all or part of the record may be filed (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

65589.6. In any action taken to challenge the validity of a decision by a city, county, or city and county to disapprove a project or approve a project upon the condition that it be developed at a lower density pursuant to Section 65589.5, the city, county, or city and county shall bear the burden of proof that its decision has conformed to all of the conditions specified in Section 65589.5.

65589.7. (a) The housing element adopted by the legislative body and any amendments made to that element shall be delivered to all public agencies or private entities that provide water services at retail or sewer services within the territory of the legislative body. When allocating or making plans for the allocation of available and future resources or services designated for residential use, each public agency or private entity providing water services at retail or sewer services, shall grant a priority for the provision of these available and future resources or services to proposed

housing developments which help meet the city's, county's, or city and county's share of the regional housing need for lower income households as identified in the housing element adopted by the legislative body and any amendments made to that element.

(b) This section is intended to neither enlarge nor diminish the existing authority of a city, county or city and county in adopting a housing element. Failure to deliver a housing element adopted by the legislative body or amendments made to that element, to a public agency or private entity providing water services at retail or sewer services shall not invalidate any action or approval of a development project. The special districts which provide water services at retail or sewer services related to development, as defined in subdivision (e) of Section 56426, are included within this section.

(c) As used in this section, "water services at retail" means supplying water directly to the end user or consumer of that water, and does not include sale by a water supplier to another water supplier for resale.

65589.8. A local government which adopts a requirement in its housing element that a housing development contain a fixed percentage of affordable housing units, shall permit a developer to satisfy all or a portion of that requirement by constructing rental housing at affordable monthly rents, as determined by the local government.

Nothing in this section shall be construed to expand or contract the authority of a local government to adopt an ordinance, charter amendment, or policy requiring that any housing development contain a fixed percentage of affordable housing units.

HOUSING ELEMENT
APPENDIX B

State Definitions of Housing Terms

HEALTH AND SAFETY CODE SECTION 50050-50105

50050. Unless otherwise indicated by the context, the definitions contained in this chapter shall govern the construction of this division.

50051. "Affirmative action" means any program created pursuant to rules and regulations of the agency to create greater job opportunities for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater employment opportunity for the members of such groups.

50052. "Affirmative marketing program" means any program approved by the agency that is designed to achieve greater access to housing opportunities created by this division for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater housing opportunities for the members of such groups. Where a significant number of persons in a community have limited fluency in the English language, publications implementing an affirmative marketing program in that community shall be provided in the native language of such persons.

50052.5. (a) For any owner-occupied housing which receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" with respect to lower income households shall not exceed 25 percent of gross income.

(b) For any owner-occupied housing which receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" shall not exceed the following:

(1) For very low income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(2) For lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate for the unit. In addition, for any lower income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.

(3) For moderate income households, affordable housing cost shall not be less than 28 percent of the gross income of the household, nor exceed the product of 35 percent times 110 percent of area median income adjusted for family size appropriate for the unit. In addition, for any moderate income household that has a gross income that exceeds 110 percent of the area median income adjusted for

family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

(c) The department shall, by regulation, adopt criteria defining, and providing for determination of, gross income, adjustments for family size appropriate to the unit, and housing cost for purposes of determining affordable housing cost under this section. These regulations may provide alternative criteria, where necessary to be consistent with pertinent federal statutes and regulations governing federally assisted housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing development.

With respect to moderate and lower income households who are tenants of rental housing developments and members or shareholders of cooperative housing developments, or limited equity cooperatives "affordable housing cost" has the same meaning as affordable rent, as defined in Section 50053.

Regulations of the department shall also include a method for determining the maximum construction cost, mortgage loan, or sales price that will make housing available to an income group at affordable housing cost.

For purposes of this section, "area median income" shall mean area median income as published by the department pursuant to Section 50093.

For purposes of this section, "moderate income household" shall have the same meaning as "persons and families of moderate income" as defined in Section 50093.

For purposes of this section, and provided there are no pertinent federal statutes applicable to a project or program, "adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

50053. (a) For any rental housing development which receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent" with respect to lower income households shall not exceed the percentage of the gross income of the occupant person or household established by regulation of the department which shall not be less than 15 percent of gross income nor exceed 25 percent of gross income.

(b) For any rental housing development which receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:

(1) For very low income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(2) For lower income households whose gross incomes exceed the maximum income for very low income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(3) For moderate income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate income households whose gross incomes exceed 110 percent of the area median

income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(c) The department's regulation shall permit alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to regulations adopted under subdivision (f) of Section 50462. The department shall, by regulation, adopt criteria defining and providing for determination of gross income, adjustments for family size appropriate to the unit, and rent for purposes of this section. These regulations may provide alternative criteria, where necessary, to be consistent with pertinent federal statutes and regulations governing federally assisted rental and cooperative housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing developments.

For purposes of this section, "area median income," "adjustments for family size appropriate to the unit," and "moderate income household" shall have the same meaning as provided in Section 50052.5.

50054. "Agency" means the California Housing Finance Agency.

50055. "Assisted housing" means housing financed by a below-market interest rate mortgage insured or purchased, or a loan made, by the Secretary of the United States Department of Housing and Urban Development or by the Farmers Home Administration of the United States Department of Agriculture; or a market-interest-rate mortgage insured or purchased, or a loan made in combination with, or as augmented by, a program of rent supplements or subsidies, interest subsidies, leasing, contributions or grants, or other programs as are now or hereafter authorized by federal law to serve persons and families of low or moderate income; or a mortgage or loan made pursuant to this division; or a mortgage or loan from any private or public source with an interest rate and terms satisfactory to the agency and which will meet the requirements and purposes of this division.

50056. "Below-market interest" means a below-market interest rate adequate to return to the agency sufficient income to meet its obligations, reserve requirements, and expenses connected with a loan financed by the agency for which such interest rate is established as determined by the agency at the time of commitment of funds, for the permanent financing.

50057. "Board" means the board of directors of the agency.

50058. "Bonds" means bonds, notes (including bond anticipation notes and construction loan notes), debentures, interim or other certificates, or other evidences of financial indebtedness issued by the agency pursuant to Part 3 (commencing with Section 50900) or Part 6 (commencing with Section 52500).

50058.5. "Buy-down mortgage plan" is a program by which the effective interest cost to the purchaser of a real property is reduced below market rates through supplemental payments by the agency to a qualified mortgage lender in return for which the agency shall obtain from the purchaser an interest-bearing note secured by a subordinated mortgage on the property which is purchased.

50059. "Cause" means gross neglect of duties, fraud, or violation of Section 50904 or 50905.

50060. "Citizen participation" means action by the local agency that is approved by the agency as sufficient to provide persons who will be affected by financing or loan insurance assistance within a neighborhood preservation area, under the provisions of Chapter 6 (commencing with Section 51300) of Part 3 of this division or under Part 4 (commencing with Section 51600) of this division, with opportunities to be involved in planning and carrying out the financing or loan insurance assistance program. "Citizen participation" shall include, but not be limited to, all of the following and in the order provided below:

(a) Holding a public meeting prior to the hearing by the legislative body considering selection of the area for designation as a neighborhood preservation area.

(b) Consultation with an elected or appointed citizen advisory board, composed of representatives of both owners of property in, and residents of, a proposed neighborhood preservation area, in developing a plan for public improvements and the rules and regulations for implementation of the proposed assistance program.

(c) Dissemination at least seven days prior to the original hearing by mailing to property owners within the proposed neighborhood preservation area at the address shown on the latest assessment roll and by distributing to residents of the proposed neighborhood preservation area by a manner determined appropriate by the local agency, of information relating to the time and location of the hearing, boundaries of the proposed area, and a general description of the proposed assistance program.

In addition to the requirements of subdivisions (a) to (c), inclusive, any other means of citizen involvement determined appropriate by the legislative body may be implemented.

In lieu of initiating a new process of citizen participation, local agencies which have conducted or are conducting a citizen-participation process as part of an existing housing community development program, may substitute such citizen-participation process if the board approves such process as meeting the requirements of this section.

Public meetings and consultations held to implement the requirements of citizen participation shall be conducted by a planning or rehabilitation official designated by the legislative body. Public meetings shall be held at times and places convenient to residents and property owners.

50061. "Commission" means the Commission of Housing and Community Development.

50061.5. Any reference in this division to the Commission of Housing and Community Development shall be deemed to be to the Department of Housing and Community Development and the department

may exercise all the powers and shall perform all the duties of the commission.

50062. "Concentrated rehabilitation area" means an area characterized by substantial deterioration of residential structures and which is designated by the agency pursuant to Section 51302.

50062.5. "Congregate housing for the elderly" means a housing development, as defined by Section 50073.5, which is planned, designed, and managed to include facilities and common space that allow for direct services and support services that maximize the residents' potential for independent living and which is occupied by elderly or handicapped persons or households, as defined in Sections 50067 and 50072. Direct services and support services which are provided or made available shall relate to the nutritional, social, recreational, housekeeping, and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently.

"Direct services," as used in this section, means meals, housekeeping services, transportation services, and planned recreational and social activities which shall be provided to the residents directly by the management of the congregate housing.

"Support services," as used in this section, means social services, day-care services, and in-home services which the management of the congregate housing shall assist the residents in obtaining, at the request of the residents.

50063. "Construction loan" means a short-term loan secured by real property, made for development costs incurred in construction or rehabilitation of a housing development or residential structure.

50064. "Department" means the Department of Housing and Community Development.

50065. "Development costs" means the aggregate of all costs incurred in connection with a housing development which are approved by the agency as reasonable and necessary, including, but not limited to, the following:

(a) The cost of refinancing or acquiring land and any buildings thereon, including payments for commissions, options, deposits, or contracts to purchase properties on a proposed housing development site or payments for the purchase of such properties.

(b) The cost of site preparation, demolition, and clearing.

(c) Architectural, engineering, legal, accounting, consulting, and other fees paid or payable in connection with the planning, execution, and financing of a housing development and the finding of an eligible mortgagee for a housing development.

(d) The cost of necessary studies, surveys, plans, and permits.

(e) The cost of insurance, interest and financing, tax and assessment costs, and other operating and carrying costs incurred during construction or rehabilitation.

(f) The cost of construction, rehabilitation, reconstruction and fixtures, medical facilities, furnishings, equipment, machinery, apparatus, and similar facilities and equipment related to the real property.

(g) The cost of land improvements, including, but not limited to, landscaping, site preparation and streets, sewers, utilities, and other offsite improvements, whether or not such costs are paid in cash or in a form other than cash.

(h) A reasonable profit and risk fee, as defined in regulations of the agency, in addition to job overhead to the general contractor and, if applicable, to a limited-dividend housing sponsor.

(i) An allowance established by the agency for working capital and for reasonable reserves set aside to defray unanticipated additional development costs.

(j) Necessary expenses incurred in connection with initial occupancy of a housing development, including reserves for any anticipated operating deficits to be incurred during the construction period and the initial year of occupancy.

(k) Repayment of a development loan.

(l) The cost of modifying a housing development or structure so that it is accessible to and convenient for the elderly or handicapped.

(m) The cost of such other items, including tenant and homeowner relocation and tenant and homeowner counseling, as the agency shall determine to be reasonable and necessary for the development of a housing development.

The statement of a specific cost item within this section shall in no way imply a requirement that the agency finance that item in making a loan on any housing development. Development costs shall not include any greater portion of the total cost of a housing development owned by a limited-dividend housing sponsor than is consistent with an equity investment sufficient to ensure a substantial and continuing interest by such sponsor in the housing development.

50066. "Development loan" means a loan, made prior to the granting of a construction loan, for planning, acquisition of land and improvements thereon, and site preparation for a housing development or residential structure. A development loan may include costs of architectural, engineering, legal and consulting services, the cost of necessary studies, surveys and governmental permits, and the cost of any other items that the agency deems reasonable and necessary for the initial preparation for construction or rehabilitation of a housing development or residential structure.

50067. "Elderly" means a family in which the head of the household is 60 years of age or older, a single person who is 60 years of age or older, or an elderly or handicapped household as defined in Section 19903 and subject to Part 4.5 (commencing with Section 19902) of Division 13. The age may be adjusted by the agency to facilitate participation in other municipal, state, or federal programs.

50068. "Financial interest" has the same meaning as specified in Section 87103 of the Government Code.

50068.5. "First-time home buyer" means a person who is a purchaser of an owner-occupied housing unit and who neither has, nor has had, a present ownership in a principal residence at any time during the three-year period prior to the date on which the mortgage pursuant to this division is executed, except that this limitation shall not apply to a purchaser of a principal residence in a targeted area.

50068.6. "First-Time Home Buyers Fund" is a fund in the General Fund, distinguished from the California Housing Finance Fund, which is created by Section 52504.

50068.7. "First-Time Home Buyers Policy Committee" or "policy committee" is the committee which performs certain policy functions and makes certain policy determinations pursuant to Part 6 (commencing with Section 52500), and which is established pursuant to Section 52502.

50069. "Fund" means the California Housing Finance Fund.

50070. "Governmental agency" means the United States of America, the State of California, any city, county, or city and county within this state and any department, division, public corporation, or public agency of this state or of the United States, or two or more of such entities acting jointly, or the duly constituted governing body of an Indian reservation or rancheria.

50071. "Guaranteed taxable bonds" means bonds secured by a pledge of the full faith and credit of the United States for the payment of the principal and interest on bonds issued under the authority of this division and on which the interest is not exempted from federal income taxes. Where the federal guarantees are for less than 75 percent of the liability, municipal, state, or private guarantees, bond insurance, or mortgage insurance shall be obtained in order that the amount of all such guarantees aggregate not less than 75 percent of the principal and interest on such bonds.

50072. "Handicapped" means a family in which the head of the household is suffering from an orthopedic disability impairing personal mobility or a physical disability affecting his or her ability to obtain employment or a single person with such a physical disability, where the family or person requires special care or facilities in the home. "Handicapped" also includes a family in which the head of household suffers from a developmental disability specified in subdivision (a) of Section 38010 or a mental disorder which would render him or her eligible to participate in programs of rehabilitation or social services conducted by or on behalf of a public agency, or a single person with such a developmental disability or mental disorder. "Handicapped" also includes an elderly or handicapped household, as defined in Section 19903 and subject to Part 4.5 (commencing with Section 19902) of Division 13.

50073. "Housing development", for the purpose of housing assisted by the department, means any work or undertaking of new construction or rehabilitation, or the acquisition of existing residential structures in good condition, for the provision of housing which is financed pursuant to the provisions of this division for the primary

purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. "Housing development" also means housing financed pursuant to this part for rental occupancy of, for resale to, or sold to, persons and families of low or moderate income. Notwithstanding other provisions of this section, "housing development" does not include a work or undertaking financed by a neighborhood improvement loan. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities which the agency determines are an integral part of a housing development or developments.

"Housing development" includes the acquisition of a residential structure by a nonprofit housing sponsor, whether or not including rehabilitation, for the purpose of forming a limited-equity housing cooperative as defined in Section 33007.5.

50073.5. "Housing development," for the purpose of the California Housing Finance Agency, means any existing structure of five or more dwelling units or any work or undertaking of five dwelling units or more of new construction or rehabilitation for the provision of housing financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities which the agency determines are an integral part of a housing development or developments.

50074. "Housing sponsor", for the purpose of housing assisted by the department, means any individual, joint venture, partnership, limited partnership, trust, corporation, limited equity housing cooperative, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the agency pursuant to rules and regulations of the agency as qualified to either own, construct, acquire or rehabilitate a housing development, whether for profit, nonprofit, or organized for limited profit, and subject to the regulatory powers of the agency pursuant to rules and regulations of the agency and other terms and conditions set forth in this division. "Housing sponsor" includes persons and families of low or moderate income who are approved by the agency as eligible to own and occupy a housing development and individuals and legal entities receiving property improvement loans through the agency.

50074.5. "Housing sponsor," for the purpose of the California Housing Finance Agency, means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, approved by the agency as qualified to either own, construct, acquire or rehabilitate a housing development, or a residential structure other than an owner-occupied single unit whether for profit, nonprofit, or limited profit.

50075. "Legislative body" means the city council, board of supervisors, or other legislative body of the local agency.

50076. "Limited-dividend housing sponsor" means any sponsor which owns a housing development and whose profit or cash return is limited pursuant to Section 51202 and regulations adopted by the board pursuant thereto.

50076.5. "Limited equity housing cooperative" means a corporation organized pursuant to Section 33007.5 of this code and Section 11003.4 of the Business and Professions Code. For purposes of this division, a limited equity housing cooperative is a nonprofit corporation or nonprofit housing sponsor. However, a limited equity housing cooperative shall not be deemed to be nonprofit for the purpose of Chapter 10 (commencing with Section 50775).

50076.6. "Loan," for purposes of provisions relating to the agency, means an obligation to repay funds advanced by the agency for the purpose of financing housing that is evidenced by a promissory note or other instrument in writing and that may or may not be secured by real or personal property.

50077. "Local agency" means a city, county, or city and county and includes any governmental agency or local public entity to which such city, county, or city and county may, after a public hearing, delegate functions under this division.

50078. "Local housing agent" means a city, county, city and county, or combination thereof acting jointly, or the duly constituted governing body of an Indian reservation or rancheria which is certified by the department pursuant to Section 51252 to review applications by prospective housing sponsors for loans made or assisted under this division for housing developments proposed within the territorial boundaries of the local housing agent.

50079. "Local public entity" means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, redevelopment agency organized pursuant to Part 1

(commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local public entity" also includes two or more local public entities acting jointly.

50079.5. "Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The limits shall be published by the department in the California Administrative Code as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event such federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually. As used in this section, "area median income" means the median family income of a geographic area of the state.

50080. "Market interest" means the interest rate determined by the agency to be the interest rate generally available in the private market for similar housing loans.

50081. "Market rent" means the monthly rent established by the agency as competitive according to its own regulations, except where federal regulations provide a required method of determining market rent. Determination of market rent may be reviewed annually upon application by the mortgagor, subject to applicable federal regulations, if any.

50082. "Metropolitan area" means a standard metropolitan statistical area as established by the United States Office of Management and Budget.

50082.7. "Mobilehome park" shall have the same meaning as such term is defined in Section 18214.

50083. "Mortgage" means a mortgage, deed of trust, or other instrument that may be a lien on real property. "Mortgage" includes the note secured by such an instrument.

50084. "Mortgage deficient area" means an area where private lenders have failed to provide sufficient mortgage credit for financing or refinancing of new, existing, or rehabilitated housing developments, and such practices have caused or threaten to cause a decline in the condition or quality of the housing stock in the area.

50085. "Mortgage assistance area" means an area characterized by a deficiency of available mortgage financing but in which general deterioration of residential structures has not occurred, and which is designated by the agency pursuant to Section 51304.

50086. "Mortgage loan" means a loan that is secured by a mortgage and is made for financing, including refinancing of existing mortgage obligations as authorized by regulation of the agency, to create or preserve the long-term affordability of a housing development or a residential structure in the state, or a buy-down mortgage loan secured by a mortgage as authorized by regulation of the agency, of an owner-occupied unit in this state.

50087. "Mutual self-help housing" means assisted housing for which persons and families of low or moderate income contribute their own labor in individual or group efforts to provide decent, safe, and sanitary housing for themselves, their families, and others occupying the housing.

50089. "Neighborhood preservation area" means any concentrated rehabilitation area, scattered-site rehabilitation area, or mortgage assistance area.

50090. "Nonmetropolitan area" means an area not included in a metropolitan area.

50091. "Nonprofit housing sponsor" or "nonprofit corporation" means a nonprofit corporation incorporated pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code or a corporation or association which is, or will be qualified as, a cooperative housing corporation for purposes of subdivision (a) of Section 17265 of the Revenue and Taxation Code, a nonprofit student housing cooperative, or a limited equity housing cooperative and which is certified by the agency as qualified to own a housing development if financed or assisted by the agency. However, a limited equity housing cooperative shall not be deemed to be nonprofit for the purpose of Chapter 10 (commencing with Section 50775).

50092. "Owner-occupied housing development", for the purpose of housing assisted by the department, means a housing development containing not more than four residential units, one of which is occupied by the owner of the housing development.

50092.1. "Owner-occupied housing unit", for the purpose of Part 6 (commencing with Section 52500), means a single-family dwelling situated in California which is occupied by the owner, and includes a dwelling unit in a stock cooperative, as defined by Section 11003.2 of the Business and Professions Code, a community apartment project,

as defined by Section 11004 of the Business and Professions Code, or a condominium project, as defined by subdivision (c) of Section 11004. 5 of the Business and Professions Code.

50093. "Persons and families of low or moderate income" means persons and families whose income does not exceed 120 percent of area median income, adjusted for family size by the department in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. However, the agency and the department jointly, or either acting with the concurrence of the Secretary of the Business and Transportation Agency, may permit the agency to use higher income limitations in designated geographic areas of the state, upon a determination that 120 percent of the median income in the particular geographic area is too low to qualify a substantial number of persons and families of low or moderate income who can afford rental or home purchase of housing financed pursuant to Part 3 (commencing with Section 50900) without subsidy.

"Persons and families of low or moderate income" includes very low income households, as defined in Section 50105 and lower income households as defined in Section 50079.5, and includes persons and families of low income, persons and families of moderate income, and middle-income families. As used in this division:

(a) "Persons and families of low income" or "persons of low income" means persons or families who are eligible for financial assistance specifically provided by a governmental agency for the benefit of occupants of housing financed pursuant to this division.

(b) "Persons and families of moderate income" or "middle-income families" means persons and families of low or moderate income whose income exceeds the income limit for lower income households.

(c) "Persons and families of median income" means persons and families whose income does not exceed the area median income, as adjusted by the department for family size in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

As used in this section, "area median income" means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. In the event these federal determinations of area median income are discontinued, the department shall establish and publish as regulations income limits for persons and families of median income for all geographic areas of the state at 100 percent of area median income, and for persons and families of low or moderate income for all geographic areas of the state at 120 percent of area median income. These income limits shall be adjusted for family size and shall be revised annually.

For purposes of this section, the department shall file, with the Office of Administrative Law, any changes in area median income and income limits determined by the United States Department of Housing and Urban Development, together with any consequent changes in other derivative income limits determined by the department pursuant to this section. These filings shall not be subject to Article 5 (commencing with Section 11346) or Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code, but shall be effective upon filing with the Office of Administrative Law and shall be published as soon as possible in the California Regulatory Code Supplement and the California Code of Regulations.

The department shall establish and publish a general definition of income, including inclusions, exclusions, and allowances, for

qualifying persons under the income limits of this section and Sections 50079.5 and 50105, to be used where no other federal or state definitions of income apply. This definition need not be established by regulation.

Nothing in this division shall prevent the agency or the department from adopting separate family size adjustment factors or programmatic definitions of income to qualify households, persons, and families for programs of the agency or department, as the case may be.

50093.5. "Public transit corridor" means that area within one-quarter mile of a route on which the level of service is at or above the average for the transit system as a whole, according to the transit operator serving the area, and on which regularly scheduled public mass transit service stops are located, or within one-quarter mile of an existing or planned public mass transit guideway or busway station, or within one-quarter mile of a multimodal transportation terminal serving public mass transit operations. "Level of service," unless otherwise defined by the transit operator, means the frequency of headways and the number of vehicles per day.

50093.6. "Property improvement loan" means an advance of money, evidenced by a note, to finance rehabilitation and general repairs and improvements to a residence consistent with the purposes of this division. A property improvement loan may, but need not be, secured by a deed of trust. However, a property improvement loan made outside a neighborhood preservation area shall be unsecured and shall not exceed fifteen thousand dollars ($15,000).

50094. (a) Except as otherwise provided in subdivision (b), "qualified mortgage lender" means a mortgage lender certified by the agency, pursuant to rules and regulations thereof, to do business with the agency or a housing authority certified by the agency as capable of financing the construction or rehabilitation of residential structures.

(b) "Qualified mortgage lender", as used in Part 6 (commencing with Section 52500), means a mortgage lender certified by the policy committee, pursuant to agency rules and regulations adopted by the policy committee, to do business with the agency as capable of financing the construction or purchase of dwellings.

(c) A qualified mortgage lender, as defined in subdivision (a) or (b), may be a bank or trust company, mortgage banker, federal- or state-chartered savings and loan association, service corporation, or other financial institution or governmental agency which is deemed capable of providing service or otherwise aiding in the financing of construction loans and mortgage loans, and nothing in any other provisions of state law shall prevent such a lender or governmental agency from serving as a qualified mortgage lender under this division. A "qualified mortgage lender" that is determined by the agency to have violated state law of the terms of any agreement with the agency shall be promptly decertified.

50095. "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including leaseholds, terms of years,

and liens by way of judgment, mortgage, or otherwise.

50096. "Rehabilitation" means repairs and improvements to a substandard residential structure necessary to make it meet rehabilitation standards. As used in this section, "substandard residential structure" has the same meaning as the term "substandard building," as defined in subdivision (f) of Section 17920.

50097. "Rehabilitation standards" means applicable state or local building or housing standards adopted pursuant to the State Housing Law, Part 1.5 (commencing with Section 17910) of Division 13, or continued in effect pursuant thereto.

For the purposes of Chapter 6.5 (commencing with Section 50660) of Part 2, "rehabilitation standards" (a) includes room additions necessary to prevent overcrowding of low-income or moderate-income households and (b) additionally, includes changes in grade, drainage facilities, or other improvements related to flood control and required by local ordinance or regulation as a condition to continued operation of a mobilehome park applying for or receiving a loan pursuant to Section 50662.2.

50098. "Rents" means the charges paid by the persons and families of low or moderate income for occupancy in a housing development assisted under this division whether the units are rented or operated as a cooperative.

50099. "Residential structure", for the purpose of housing assisted by the department, means a real property improvement used, or intended to be used, for residential or mixed residential and commercial purposes, or for commercial purposes if, in the judgment of the department, it is an integral part of a residential neighborhood.

50099.5. "Residential structure," for the purpose of the California Housing Finance Agency, means any existing structure of one to four units or any work or undertaking of one to four dwelling units of new construction or rehabilitation for the provision of housing financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. "Residential structure" may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines to be necessary or convenient in connection with the provision of housing pursuant to this division, and including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities including, but not limited to, administrative, community, health, recreational, educational, commercial, and child care facilities which the agency determines are an integral part of a residential neighborhood.

50100. "Rules", "regulations", or "rules and regulations" mean regulations as defined in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. All regulations of the department and agency shall be subject to such

provisions.

50101. "Rural area" means any open country or any place, town, village, or city which by itself and taken together with any other places, towns, villages, or cities that it is part of or associated with: (a) has a population not exceeding 10,000; or (b) has a population not exceeding 20,000 and is contained within a nonmetropolitan area. "Rural area" additionally includes any open country, place, town, village, or city located within a Standard Metropolitan Statistical Area if the population thereof does not exceed 20,000 and the area is not part of, or associated with, an urban area and is rural in character. This definition may be changed by the department or the agency, as the case may be, to conform to changes in federal programs.

50102. "Rural mortgage area" means an area outside any city, metropolitan area or urban county, as such terms are defined by Section 102 of the Housing and Community Development Act of 1974 (P.L. 93-383).

50103.5. "Statistical area" means an area established by action of the policy committee for purposes of determining the maximum acquisition costs for an owner-occupied housing unit to be financed pursuant to Part 6 (commencing with Section 52500). Such areas shall be any one of the following:

(a) A metropolitan area.

(b) A county which is not within a metropolitan area.

(c) A grouping of counties as determined by the policy committee, which are not within a metropolitan area, if insufficient recent statistical data exists for the purposes of this division for any county within such grouping.

50104. "Subsidy" means any financial assistance specifically provided by a governmental agency for the benefit of persons and families of low or moderate income, which is paid to an occupant of housing financed pursuant to this part for housing costs or which reduces such occupant's housing costs. "Subsidy" shall not include any benefit resulting from a loan made by the agency nor any benefit derived from the abatement of taxes levied by the state or a political subdivision thereof.

50104.5. "Systematic enforcement" means the enforcement of rehabilitation standards in accordance with a systematic program of making inspections of dwelling structures in accordance with objective criteria for selection or order of selection of dwelling structures to be inspected. Systematic enforcement may be limited to rental or multifamily dwellings. It does not refer to a policy of responding only to complaints and requests for inspections. It does not include inspections where violations are not cited. It does not include the concentrated enforcement of rehabilitation standards in a designated geographic area within the jurisdiction.

50104.6. "Targeted area", for the purposes of Part 6 (commencing

with Section 52500), means a census tract as designated by the United States Secretary of Commerce, in which 70 percent or more of the families have an income which is 80 percent or less of the statewide median family income, or is an area of economic distress as determined by the policy committee based on the criteria for establishing such areas contained in the second Section 6a. 103A-1 (b) (3) of Title 26 of the Code of Federal Regulations (See 46 FR 4315, dated July 1, 1981).

50104.7. "Urban area" means any portion of a county or the state which is not a rural area.

50105. "Very low income households" means persons and families whose incomes do not exceed the qualifying limits for very low income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. Such limits shall be published by the department in the California Administrative Code as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event such federal standards are discontinued, the department shall, by regulation, establish income limits for very low income households for all geographic areas of the state at 50 percent of area median income, adjusted for family size and revised annually. As used in this section, "area median income" means the median family income of a geographic area of the state.

HOUSING ELEMENT
APPENDIX C

Public Participation Process

TECHNICAL APPENDIX C
PUBLIC PARTICIPATION PROCESS

In developing the Housing Element for the FY1999 - FY 2004 cycle, the Planning and Development Review Department sought the participation of all economic segments of the community to assure that their housing needs would be addressed. In early 1998, the proposed Housing Element outline and work program were reviewed and discussed with SANDAG, the Housing Commission, the Community Planners Committee (CPC) and the City Council's Land Use and Housing Committee.

The Planning and Development Review Department coordinated with other City departments and SANDAG in calculating existing and projected housing needs and in determining policies, programs, and objectives.

In mid-1998, the Department established an informal committee, called the "Housing Element Working Group" It consisted of representatives of a wide variety of housing related interests including representatives of affordable housing advocates, the building industry, the real estate industry, the not-for-profit sector, representatives from the disabled and homeless communities, the Housing Commission and other City staff.

The Committee met every other week from August through early December, 1998 to provide input on each chapter and section. Many helpful comments and suggestions were received and incorporated into the Element which improved not only the technical quality of it, but also made it more responsive to a broad variety of housing needs and to community concerns.

A first draft was completed in December, 1998 and submitted to the City's Environmental Analysis staff by January, 1999. Copies of the draft were also distributed to members of the Housing Element Working Group.

Three hearings and a workshop were held with the City's Planning Commission to allow thorough review and discussion. Out of this process emerged a resolution to the City Council recommending that a number of policies and programs be added to the Housing Element. This resolution was adopted by the City Council when it authorized submittal of the Housing Element to the State Department of Housing and Community Development for review.

HOUSING ELEMENT
APPENDIX D

Inventory of "At-Risk" Affordable Units

Appendix D

Inventory and Cost Analysis of "At-Risk" Affordable Units

Appendix D contains an inventory and comparative analysis of the costs involved in replacing units at risk of conversion from affordable housing to market rents during both the Group 1, FY 2000 through FY 2004, and Group 2, FY 2005 through FY 2009 analysis periods. The Analysis calculates the cost to replace, through new construction or acquisition and rehab, the same at-risk units in comparable size and rent levels. San Diego Housing Commission staff used most current development, acquisition and rehabilitation costs in the analysis.

The purpose of this analysis is to compare the cost of options available to the jurisdiction when faced with a potential conversion problem, and to determine the level of local subsidies required to assist in preservation efforts. The cost analysis will enable the City to use a "bottom line" approach as programs are developed and available resources targeted to preserve units at risk of conversion.

A total of **3,822** affordable units are eligible to convert to market rate rents during the FY 2000 through FY 2004 reporting period. Most of these units are at risk due to options available to current owners to prepay existing federal mortgages. Estimates indicate that it would cost the City over **$380 million** to replace those units through new construction and over **$201 million** to replace those units through acquisition and rehabilitation. Estimated acquisition costs factored in possible rehab cost to bring units up to health and safety standards or to remove asbestos and lead-based paint hazards. It should be noted that **1,853** units are in projects owned by nonprofits, and although eligible for conversion, those projects are generally regarded as being at low-risk for conversion to market rate housing. The City will monitor those nonprofit projects, but anticipate that any preservation opportunities will come from for-profit owned projects.

A total of **368** affordable units are eligible to convert to market rate rents during the **FY 2005 through FY 2009** reporting period. Most of these units are at risk due to the expiration of Multifamily Bond financing. Estimates indicate that it would cost the locality nearly **$36 million** to replace those units through new construction and nearly **$19 million** to replace those units through acquisition and rehabilitation.

The City is at risk of losing a total of **4,190** affordable units from its affordable housing stock, from **FY 2000 through FY 2009**, due to the prepayment of subsidized mortgages and the expiration of affordability restrictions. Most of these units are at risk due to options available to current owners to prepay existing federal mortgages, or the expiration of multifamily bonds. Estimates indicate that it would cost the locality nearly **$422 million** to replace those units through new construction

and over **$222 million** to replace those units through acquisition and rehabilitation. Owners of multifamily bond projects may agree to amend existing bond documents to extend the terms of affordability, at no cost to the jurisdiction.

Localities can anticipate limited Federal and State assistance in preserving the affordability of these units. Therefore, the need for local assistance is much greater in this instance. Faced with greater preservation costs, replacement of lost units through acquisition and rehabilitation appears to be the most cost effective option.

The cost analysis makes clear the need for access to all available financial resources in order to prevent the loss of at-risk units. Moreover, the analysis also makes clear the need to work with organizational resources to achieve preservation targets. Reliance on local or even state or federal financing programs alone is not sufficient to assure preservation, given the extensiveness of the conversion problem.

There has been such a variety of financing and subsidy programs used to build affordable housing in the past, that existing state and federal financing or incentive preservation programs do not address the possible conversion of many nonfederal financed housing projects, such as density bonus units. Finally, long-term preservation is not guaranteed without enlisting the active support and participation of tenants and local nonprofit agencies willing to acquire and maintain at-risk units as permanently affordable housing.

Total Local Sources

The City will consider the use of those local funds listed below to support the preservation or replacement of its at risk units:

POTENTIAL SOURCES	FY 00	FY 01	FY 02	FY 03	FY 04
CDBG	$18M	$18M	$18M	$18M	$18M
HOME	7M	7M	7M	7M	7M
Housing Trust Fund	3M	3M	3M	3M	3M
Housing Commission	1M	1M	1M	1M	1M
Redevelopment Set Aside	3M	3M	3M	3M	3M
TOTAL	$32M	$32M	$32M	$32M	$32M
GRAND TOTAL $160 Million					

As can be seen, the City has, at its discretion, sufficient funds to preserve all affordable units at

risk through FY04. It must be noted, however, that a significant portion of those funding sources are currently used to support ongoing affordable housing and community development activities, and to support the wide range of activities which comprise this City's multi-faceted affordable housing strategy.

Allocation of all funds from these sources to support preservation activities would deprive other affordable housing and community development activities of sufficient support to guarantee their continuation or the successful implementation of new activities in these areas. Therefore, while the City will consider the use of these funds for preservation of at risk units, it is highly unlikely that all such funds will be used for this purpose.

PRESERVATION OBJECTIVE

The U.S. Department of Housing and Urban Development (HUD), working with the City of San Diego, will take the following steps to protect the low and very low-income households of those projects:

- Unassisted low and very low-income households residing in those federal mortgaged projects may be eligible for Preservation Section 8 vouchers. HUD will provide vouchers subject to availability of federal funds.

- A household living in a Section 8 project based assisted unit under an existing Housing Assistance Payments (HAP) Contract may continue to reside in the project until the contract expires. The resident will receive a Section 8 voucher when the HAP contract expires.

The 1997 Federal Appropriations Act also provided Section 8 assistance to prevent displacement, and expand the scope of eligibility to include all low-income families, and moderate-income families who are elderly or disabled or families who are residing in a low-vacancy area (3 percent or less vacancies). All recipients must reside in the housing on the date of prepayment. The San Diego HUD Office will work with the property owners and the San Diego Housing Commission to ensure that the above steps for protecting the residents are implemented.

If current owners do not wish to retain those units as affordable, the City may provide assistance to private non-profit or for-profit entities interested in purchasing and managing those projects as affordable housing. In the event that no interested and capable private entities are available to assume control of those

at-risk units, the City, through its Housing Commission, can pursue ownership and management of those units for which retention as affordable dwellings is considered important in meeting the housing needs of lower income residents. The City will utilize this flexible approach to retain as many units as financially feasible in its affordable housing stock.

Given the level of local, state and federal financing anticipated to be available, during the Group 1 analysis period, **the preservation objective during this period is 400 units**, or approximately 10 percent of the total number of assisted units eligible to convert to market rate housing.

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
1: Projects owned by Non-Profit Organizations, and altho												
2: Contains projects which												
Group 1 Projects: July 1, 199												
Euclid Avenue Apts	4115 Euclid Avenue	N	236(j)(1)	08/01/90	05/31/99	12	12	0	3	5	4	0
Westminster Manor	1730 Third Avenue	N	236(j)(1)/202 Eld. Hsg.	02/01/92	06/30/99	156	51	35	16	0	0	0
Grant Heights Park	2663 J Street		236(j)(1)	04/01/93	06/30/99	28	23	0	5	18	0	0
Grace Tower	3955 Park Blvd	N	202 (Elderly)	06/30/98	06/30/99	169	20	5	15	0	0	0
Trinity Manor	3940 Park Blvd	N	202 (Elderly)	01/01/00	12/09/99	100	100	0	99	1	0	0
Cathedral Arms	3911 Park Blvd	N	236(j)(1)/202 Eld. Hsg.	08/01/92	05/31/00	207	82	79	3	0	0	0
Wesley Terrace	5343 Monroe Avenue	N	236(j)(1)/202 Eld. Hsg.	07/01/93	05/31/00	160	119	41	2	0	0	0
Cathedral Plaza	1551 Third Avenue	N	236(j)(1)	03/01/96	05/31/00	222	84	54	30	0	0	0
Luther Tower	1455 Second Avenue	N	202 (Elderly)		05/31/00	198	32	22	10	0	0	0
Green Manor	4041 Ibis Street	N	202 (Elderly)		05/31/00	152	125	85	40	0	0	0
Bay Vista Methodist Hgts	4888 Logan Avenue	N	223(c)/221 (d) (3)	01/01/91	05/31/00	268	268	0	0	100	168	0
Lakeshore Villa	6888 Golfcrest Drive		221(d)(4) Mkt. Rate	11/01/98	06/04/00	126	125	0	125	0	0	0
Imperial Villa Apts	620 67th Street		236(j)(1)	06/01/95	06/30/00	38	37	0	12	18	7	0
Sorrento Tower	2875 Cowley Way	N	236(j)(1)/202 Eld. Hsg.	02/01/97	06/30/00	198	165	130	35	0	0	0
Penasquitos Village	10955 Carmel Mt Road		221(d)(3) BMIR	05/01/90	07/31/00	332	213	0	62	151	0	0
Delta Arms	4245 Delta Street	N	236(j)(1)	12/01/92	07/31/00	22	21	0	6	10	5	0
Pres. John Adams III	3829 Marlborough Avenue		236(j)(1)	08/01/92	09/30/00	19	19	0	19	0	0	0
Logan Square Gardens	4742 Solola Avenue		236(j)(1)	01/01/93	09/30/00	170	144	0	47	76	21	0
San Diego Square	1055 9th Avenue	N	202 (Elderly)	02/01/01	10/26/00	154	154	0	154	0	0	0
Casa Colina	5207 52nd Place		221(d)(4) Mkt. Rate	01/01/99	02/28/01	75	74	0	74	0	0	0
Horton House	333 G Street	N	221(d)(3) Mkt. Rate	08/01/01	04/26/01	150	150	49	101	0	0	0
Lions Community Manor	310 Market Street	N	202 (Elderly)	04/01/02	09/30/01	129	129	0	129	0	0	0
Cerro Pueblo	2835 Clairmont Drive		221(d)(4) Mkt. Rate	06/01/03	11/10/01	46	46	0	46	0	0	0
Villa Merced	1148 Beyer Way	N	202 (Elderly)	08/01/02	01/14/02	100	100	0	100	0	0	0
Big Sister Residency	3360 4th Avenue	N	811 Disabled		07/31/02	15	15	0	0	0	0	0
Guadalupe Plaza	4142 42nd Street	N	202 (Elderly)	09/01/03	11/30/02	126	126	0	126	0	0	0
Mariners Cove Apts	4392 W. Point Loma Blvd	N	221(d)(4) Mkt. Rate	08/01/95	03/22/04	500	100	0	24	68	8	0
Eldorado Hills	3828 Pendient Court		Multi-Family Bonds	05/23/94		448	90	0	26	32	32	0
50th Street Apts	4216 50th Street		Multi-Family Bonds	03/03/95		12	3	1	2	0	0	0
Foxwood	4260 Palm Avenue		Multi-Family Bonds	05/31/95		131	27	0	13	14	0	0

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
Azalea Gardens	3777 Herman Avenue		Multi-Family Bonds	09/01/95		55	11	0	11	0	0	0
Alabama Manor	3828 Alabama Avenue		Multi-Family Bonds	09/01/95		68	14	1	12	1	0	0
Sante Fe Place	4353 34th Street		Multi-Family Bonds	09/01/95		39	8	0	8	0	0	0
Sante Fe Manor	3835 Swift Avenue		Multi-Family Bonds	10/14/95		50	10	0	10	0	0	0
Bernardo Hills	15265 Naturin drive		Multi-Family Bonds	07/26/97		248	50	0	31	19	0	0
Walsh Apts	4025 Parkhaven Court		Multi-Family Bonds	09/30/97		40	8	0	0	8	0	0
Parkhaven III	241 Willow Road		Multi-Family Bonds	12/31/97		96	20	0	10	0	8	2
La Serena	15639 Avenida Alcachofa		Multi-Family Bonds	01/27/99		175	35	0	18	17	0	0
La Jolla Point	7939 Avenida Navidad		Multi-Family Bonds	11/13/00		328	66	0	21	45	0	0
Coral Pointe	3945 Nobel Drive		Multi-Family Bonds	12/20/01		368	74	8	37	29	0	0
Paseo Point	10024 Paseo Montril		Multi-Family Bonds	02/14/02		250	50	0	37	13	0	0
Nobel Court	3707 Nobel Drive		Multi-Family Bonds	03/21/03		685	137	0	110	27	0	0
La Cima	7503 Charmant Drive		Multi-Family Bonds	10/28/03		514	103	0	75	28	0	0
	3722 Logan Avenue		MOD Rehab		02/04/96	7	7	0	0	7	0	0
	4737 Guymon Street		MOD Rehab		03/06/96	4	4	0	0	0	0	4
	2150 Kearney Avenue		MOD Rehab		09/01/96	2	2	0	1	1	0	0
	620 Denby Street		MOD Rehab		09/01/96	2	2	0	0	2	0	0
	901 29th Street, South		MOD Rehab		11/01/96	4	4	0	0	4	0	0
	273 Francis Street, N.		MOD Rehab		12/01/96	7	7	0	0	7	0	0
	8155 Helm Street		MOD Rehab		01/31/97	2	2	0	0	1	1	0
	3025 L Street		MOD Rehab		02/01/97	2	2	0	2	0	0	0
	351 33rd Street, South		MOD Rehab		02/01/97	6	6	0	6	0	0	0
	2956 L Street		MOD Rehab		04/01/97	2	2	0	2	0	0	0
	401 Aurora Street		MOD Rehab		04/01/97	12	12	0	0	12	0	0
	3581 Van Dyke Avenue		MOD Rehab		05/01/97	4	4	0	2	2	0	0
	614 Bancroft Street, S.		MOD Rehab		05/01/97	4	4	0	0	4	0	0
	628 BancroftStreet		MOD Rehab		05/01/97	5	5	0	0	5	0	0
	3027 Greely Avenue		MOD Rehab		06/01/97	2	2	0	0	1	1	0
Robert S Vermilya	345 44th Street		Sect 8		07/31/97	2	2	0	0	0	2	0
	2832 K Street		MOD Rehab		11/01/97	2	2	0	0	1	1	0
	720 Gregory Street, South		MOD Rehab		11/01/97	3	3	0	0	3	0	0
	5418 Roswell Street		MOD Rehab		07/12/98	2	2	0	0	2	0	0
	2816 Imperial Avenue		MOD Rehab		07/27/98	2	2	0	0	2	0	0
	2705 Clay Avenue		MOD Rehab		08/04/98	4	4	0	2	0	2	0
	744 46th Street, South		MOD Rehab		08/08/98	3	3	0	0	3	0	0
	4566 Oregon Street		MOD Rehab		11/30/98	6	6	0	6	0	0	0
	1350 47th Street, North		MOD Rehab		12/31/98	50	50	0	20	30	0	0

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
	1301 45th Street, South		MOD Rehab		02/26/99	18	18	0	0	18	0	0
	3709 T Street		MOD Rehab		02/28/99	5	5	0	0	5	0	0
	4120 C Street		MOD Rehab		02/28/99	7	7	0	2	3	1	1
	2025 Harrison Avenue		MOD Rehab		03/31/99	12	12	0	11	1	0	0
	4130 43rd Street		MOD Rehab		04/30/99	7	7	0	4	3	0	0
	838 41st Street, North		MOD Rehab		05/01/99	6	6	0	0	3	3	0
	2041 42nd Street, South		MOD Rehab		05/28/99	7	7	0	0	7	0	0
	3606 Del Sol Boulevard		MOD Rehab		06/01/99	91	91	0	2	12	65	12
	4204 Division Street		MOD Rehab		06/11/99	6	6	0	0	6	0	0
	1215 36th Street, South		MOD Rehab		07/30/99	4	4	0	0	0	4	0
	2951 K Street		MOD Rehab		09/29/99	7	7	0	7	0	0	0
	1440 40th Street, South		MOD Rehab		10/16/99	16	16	0	1	14	1	0
	634 Fergus Street (1/2)		MOD Rehab		10/16/99	4	4	0	4	0	0	0
	3228 Central Avenue		MOD Rehab		11/11/99	2	2	0	1	1	0	0
	3003 Greely Avenue		MOD Rehab		11/20/99	3	3	0	3	0	0	0
	711 61st Street, North		MOD Rehab		11/28/99	8	8	4	3	1	0	0
	515 31st Street. South		MOD Rehab		12/21/99	4	4	0	3	1	0	0
	536 Sicard Street		MOD Rehab		12/28/99	8	8	0	8	0	0	0
	653 60th Street		MOD Rehab		01/19/00	3	3	0	0	2	1	0
	564 Olivewood Terrace		MOD Rehab		01/20/00	2	2	0	0	2	0	0
	3888 Harney Street		MOD Rehab		01/27/00	5	5	4	0	0	1	0
	3670 Birch Street		MOD Rehab		02/11/00	2	2	0	0	2	0	0
	634 Elizabeth Street		MOD Rehab		02/19/00	2	2	0	1	1	0	0
	2983 Webster Avenue		MOD Rehab		04/06/00	2	2	0	2	0	0	0
	2505 Jefferson Street		MOD Rehab		04/24/00	4	4	4	0	0	0	0
	4204 Keeler Avenue		MOD Rehab		08/17/00	6	6	0	5	1	0	0
	3467 Oceanview Boulevard		MOD Rehab		09/30/00	2	2	0	0	0	2	0
	514 32nd Street		MOD Rehab		03/24/01	3	3	0	2	1	0	0
	3525 Island Avenue		MOD Rehab		04/24/01	46	46	0	0	40	6	0
	843 4th Avenue		State Rehab	11/20/96		30	30	30	0	0	0	0
Island Garden Apts	3545 Island Avenue		207/223(f)	10/01/00		121	121	0	0	109	12	0
			Group 1 Total:			7,961	3,822	552	1,804	1,000	356	19

Group 2 Projects: July 1, 200

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
University Canyon N.	2098 Via Las Cumbres	N	221(d)(4) Mkt. Rate	02/01/05	07/05/04	120	120	0	30	82	8	0
Shirley Heights	5536 Amanda Street				07/16/09	34	34	0	0	0	0	34
Summerset Village	11102 Caminito Alvarez		Multi-Family Bonds	02/27/08		752	151	37	36	78	0	0
Las Flores	7039 Charmant Drive		Multi-Family Bonds	06/01/08		312	63	0	41	22	0	0
			Group 2 Total:			1,218	368	37	107	182	8	34
			Total Group 1 & 2:			9,179	4,190	589	1,911	1,182	364	53

COST ANALYSIS:

Total New Construction Costs	$380,047,000	3,822	37,536,000	164,164,000	121,000,000	53,756,000	3,591,000
Total Acquisition & Rehab Co	$201,079,000	3,822	22,632,000	90,200,000	61,000,000	25,632,000	1,615,000
Total New Construction Costs	$41,909,000	368	2,516,000	9,737,000	22,022,000	1,208,000	6,426,000
Total Acquisition & Rehab Co	$21,435,000	368	1,517,000	5,350,000	11,102,000	576,000	2,890,000
Total New Construction Costs	$421,956,000	4,190	40,052,000	173,901,000	143,022,000	54,964,000	10,017,000
Total Acquisition & Rehab Co	$222,514,000	4,190	24,149,000	95,550,000	72,102,000	26,208,000	4,505,000

HOUSING ELEMENT
APPENDIX E

Evaluation of Previous Housing Element

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IA. PROVISION OF AN ADEQUATE SITE INVENTORY			
Establish development monitoring system as part of Process 2000	System has not been established due to difficulty of designing a system that satisfies all monitoring needs..	A development monitoring system remains a high priority and should be in place during year 2000.	Retain goal and continue efforts to create monitoring system
Complete 3-5 rezonings per year to implement Single-Family Protection Program	This program has been completed. All necessary rezonings have been completed.	This program has been eliminated. Further downzonings will limit City's ability to meet its housing needs	Program has been eliminated.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Complete 2-3 community plan updates and revitalization plans per year. These will identify areas for housing development	Approximately 13 community plan updates and 8 revitalization action plans were completed during reporting period.	In future, community plan updates will be done where the land use plan is out of date. Where plan is adequate, emphasis will be on action programs to implement community priorities beyond land use.	Retain objective of 2-3 plan updates and action plans annually. Future community planning activity will emphasize action plans. The word "revitalization" will be removed .

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IB. NEW CONSTRUCTION			
Provide 80 affordable housing units through use of Density Bonus Program. 60 for low income and 20 for very low income	10 units completed	(1) Recessionary economic conditions dampened market for multi-family construction. (2) Housing Commission adopted policy of emphasizing acquisition of existing housing over new construction (3) Resistance of communities to higher densities reduced developer interest as well	Increase objective to 100 units, of which 70 would be low income and 30 very low income Over 200 density bonus units are currently planned. Though many likely will not be completed until after 2004, some may come on line prior to that date. Additionally, the City is legally obligated to amend its density bonus program by April, 1999 to comply with state law
Adopt Density Bonus Amendment during FY 96	Amendment adopted on June 1, 1999	City was legally obligated to amend density bonus program by June 1, 1999.	
Use tax credits and bonds to provide 280 new lower-income housing units	bonds used for 1146 units and tax credits for 465 units	Most of this assistance occurred during FY 96 and 97 when economic conditions improved	Bonds - 500 units 9% tax credits - 100 units

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 42 units of replacement housing affordable for at least 5 years to low and moderate income households in the Coastal Zone	No replacement units provided in Coastal Zone. Several proposed projects did not complete the permit approval process. Hence, replacement requirement never triggered.	Previous objective was unrealistic in view of recessionary economy. Reduce objective to reflect a realistic number. Strong economy should create opportunities for upscale coastal projects that may involve replacement units.	Provide 20 units of replacement housing
Construct or acquire 550 public housing units	324 units provided	Funding for new public housing has been eliminated by Congress.	Eliminate objective.
Provide 1,000 additional housing units in Single Room Occupancy Hotels	Goal met, 1,015 SRO units added	Redevelopment strategy for downtown is emphasizing other forms of housing for low and very low-income households. Developers have not been successful in developing SRO's beyond downtown, despite efforts.	Reduce goal to 200
Construct or acquire 375 units of housing for the elderly and disabled through the Section 202,801 and 811 programs	246 units provided	Assume same level of production as previous housing element cycle. 5 year cycle at same rate equates to 250	Change objective to 250 units

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 1,700 additional military housing units	Military housing increased within San Diego city limits from 11/90 to 4/98 was 1,234 units bringing total to 7,041 units. Adjacent areas added 1,114 units bringing area total to 8,928 units	The goal of 1,700 units was for the San Diego area. This goal was exceeded--2,348 additional units were provided in the area.	Add 1,000 additional military family housing units. Assumes that the military can attract private sector development, per DOD intent

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 1365 additional student housing units (beds)	1180 spaces/ beds added	Goal included: (1) 600 bed spaces by UCSD, in 1993. (2) 600 bed spaces by SDSU, in 1991, but only 580 were added. (3) Point Loma Nazarene did not add the projected 65 additional bed spaces. (4)USD did not add projected 75-100 beds (5) Other Universities did not report any bed space additions for 1991-1998.	Increase objective to add approximately 3,000 - 5,000 student housing beds, based on plans of local universities. (1)SDSU Redevelopment Plan is projecting approximately 1,600-3,300 bed spaces between 1999-2004. (2) Point Loma Nazarene plans to add 50 bed spaces in next couple years.. (3) UCSD plans to have 1,200 additional bed spaces by 2002 with a possible additional 200 spaces for married/grad students as well. (4) USIU projects that a possible 200-300 bed spaces may be added by 2002.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Add or enable resident acquisition of 200 mobile home park spaces	no spaces added or acquired	High land costs make new mobile home parks economically infeasible. Although Housing Commission has tried to facilitate resident ownership of a couple of mobile home parks, it has not yet happened.	Retain objective of adding 200 additional spaces through not-for-profit efforts.
Provide design requirements to facilitate manufactured housing in Zoning Code Update	Zoning Code Update includes provision and design requirements for manufactured homes	This has been accomplished.	Remove objective since it was accomplished.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 100 units of farm worker housing	3 units provided	The provision of 100 farm worker housing units was based on the City partnering with farmers and growers. The City would provide appropriate incentives to make this housing economically feasible. Once the incentives were in place, the City would negotiate specific provisions for farm worker housing into leasehold agreements in San Pasqual Valley as they come up for renewal. This has not happened for several reasons: (1) Farmers and growers have little incentive to provide housing since there is a labor supply readily available without such housing. (2) Most farmers and growers have only a few permanent employees; others are hired seasonally as needed. (3) The amount of land devoted to agricultural uses in San Diego will decrease with continued anticipated development.	Change goal to emphasize continued rehabilitation of city- owned units in San Pasqual Valley.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 600 emergency shelter beds for the homeless	207 beds available in 1998	Reduction reflects both federal and local policy to emphasize transitional housing over emergency shelter facilities. Put greater emphasis on additional short term beds for next housing element cycle.	Change objective to addition of 1,000 "short term" shelter beds. "Short-term" includes emergency shelter beds plus short-term transitional housing beds.
Provide 2,025 transitional housing beds for the homeless	1,964 beds available in 1998, resulting in a net addition of 1,562 beds. Goal not quite met.		Change objective to addition of 1,250 "long-term transitional housing beds.
Provide 60,000 winter shelter bed-night capacity	77,689 bed night capacity available in 1997-1998 winter shelter program.	77,689 figure reflects extension of program in 1997-98 winter due to"El Nino" conditions.	Change goal to 60,000 bed-nights per winter, assuming normal San Diego winters.
Provide 292 special needs beds	96 beds available in 1998	Funding has been available for general purpose beds rather for special needs beds	Providers have collectively determined that 300 beds should be provided by 2004.
Publish a comprehensive listing of housing developments with units reserved for lower income households by FY 98	Informational Listing of Affordable Housing is periodically revised and made available to the public		No change
Provide ongoing support for research and legislation to promote affordable housing for lower income households	Housing Commission and Planning Dept provide ongoing comments on proposed federal and state affordable housing legislation and programs.		No change

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IIA. MAINTENANCE AND CONSERVATION			
Inspect 28,000 units	25,568 inspections done over last 8 years, some for multi-unit properties. Total units inspected exceeds 28,000	Objective is still realistic. No change	No change
Inspect all 36 City owned farm worker units annually	These inspections are being done annually		No change
Inspect all mobile home spaces every 5 years.	These inspections are done on a regular schedule.		No change
Provide at least 2 training programs annually on basic housing maintenance procedures and techniques	The Apartment Asstn sponsors an ongoing series of maintenance courses	These courses will continue	No change
Coordinate code enforcement efforts with housing rehabilitation programs	ongoing program	Neighborhood Code Compliance and Housing Commission routinely coordinate	No change
Support 5 neighborhood cleanup programs per year	This is being done	Goal still reasonable	No change

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IIB PRESERVATION OF AFFORDABLE HOUSING			
Preserve 1,210 "at-risk" units	662 assisted "at-risk" units preserved	Many potentially 'at-risk" projects in fact did not convert. Of the 1,210 units eligible, only 290 actually converted	Change objective to preservation of 10% of all units eligible to convert to market rate status
Update regulations regarding SRO relocation and replacement	The Zoning Code Update includes updated regulations on SRO relocation and replacement	Has been accomplished. However, regulations still need to be amended to reflect Court decisions on interpretation of Ellis Act	Amend regulations to be consistent with Ellis Act
Lengthen required time in which affordability restrictions will be in place for future housing projects assisted by a City loan	Housing Commission has added language to their standard contracts with developers to allow renegotiation of affordability terms 2 years prior to expiration	This has been accomplished	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IIC REHABILITATION			
Provide funding to assist in rehabilitating 700 owner occupied housing units	1,100 units assisted	Homeowner rehabilitation includes three programs (a) Rehabilitation of 1-4 unit bldgs where 1 du is owner occupied b) 0 interest deferred loans for very low-income single-family owner occupied units (c) Rehabilitation for low income 1st time home buyers	Increase objective to 750 units over 5 year cycle
Provide funding to assist in rehabilitating 2,100 renter occupied housing units	811 units assisted	Primary reasons for not meeting objective were (1) Provision for a 10 yr balloon payment scared potential participants away. (2) Program was available only in selected communities.	Reduce objective to 100 per year or 500 for the entire Housing Element cycle. Restructure program to make it more attractive to potential participants.
Utilize Enterprise Community Program to rehabilitate 90 units	No units rehabilitated using this program	This program is really a funding source for rental rehabilitation.	Fold objective for this program in with rental rehabilitation objective.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Complete modifications to 56 homes occupied by disabled individuals	1,188 modifications made. Includes bathroom and kitchen improvements, ramping	Usage greatly increased in 1992 when Prosthetics Div of VA assumed admin of program. Usage increased further in 1995 when regulations changed to broaden eligibility	Assume 10% annual increase in number of applicants. This translates into modifications to 2,194 homes

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
III REDUCTION OF GOVERNMENTAL CONSTRAINTS			
Revise zoning code regulations to reduce processing time for residential developments	Land Development Code (LDC) adopted by Council and effective 1/1/2000 simplifies development regulations and permit approval process.	LDC raised thresholds for discretionary reviews in multi-family projects, i.e. fewer discretionary reviews. Base zones were strengthened to promote quality design without discretionary reviews.	Retain objective to propose additional modifications that would further facilitate permit processing.
Redesign permit review system to reduce processing time for discretionary projects and create more certainty for applicants	Redesigned permit review system (Process 2000 system) is now fully functional for discretionary projects	45 discretionary permits were consolidated into 7. Environmental regs were simplified and consolidated. Numerous overlay zones and special permits were deleted.	Remove objective since it was accomplished.
Provide staff expediter to accelerate processing of projects in which 20% or more of units are affordable to low income households	An expediter was on staff but has now been discontinued because Process 2000 creates improved processing efficiency across the board.	Eliminate this goal since this goal is being accomplished though Process 2000	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide flexible regulations for building and housing permits to reduce impediments to affordable housing	Zoning Code Update adopted by Council and scheduled for Coastal Commission approval in 1999 provides more flexible regulations.	Will be implemented through the Zoning Code Update.	
Provide flexible regulations for companion units	City Council did not amend Companion Unit regulations as part of Zoning Code Update. However, in November, 2000, City Council Land Use and Housing Committee directed staff to propose amendment to remove barriers in regulations.	With vacancy rate below 5%, City is now accepting companion unit applications. Very few applications received. City staff will propose amendment to regulations to remove barriers.	Propose amendment.
Monitor annual average processing times for discretionary development permits	This is being done. In 1990-1993 period, processing time dropped by approximately 50% and has remained fairly constant for past five years.	There are many factors beyond City control such as caseload that impact processing times. City continues to look for ways to reduce processing times.	The City will continue to monitor

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Re-examine public facility standards for streets and sidewalks to facilitate more affordable housing.	Revised Street Design Manual includes several TOD provisions, including: 1. Allow adjustments to standards for projects designed as TOD's 2. Creates a new classification of collector streets that provides an alternative means of handling increased traffic before adding new lanes. 3. Reduces requirements for intersection spacing for local streets to encourage an interconnected street system. 4. Does not permit cul-de-sacs where pedestrian circulation and transit service would suffer.	City staff have been using the revised Manual to guide street design since 1/97. However, it continues to evolve in response to continued public input from design professionals, community planning groups and others.	Retain policy and program, with emphasis on incorporating TOD guidelines to a greater extent.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Consider modifying the City's impact fee program to give credit to mixed land use projects for reducing the need for additional roadway capacity.	Due to a poor nexus relationship between incremental new development and existing facilities, a significant reduction in impact fees for affordable or mixed land use projects was considered in the early 1990's but not implemented	The City determined that a significant fee reduction would cause unacceptable public facilities deficiencies. Alternative ways of funding public facility needs will be studied as part of the Strategic Framework planning process.	Strategic Framework Element will examine alternatives
Permit projects which require no plan amendment or rezone to utilize community plan EIR's as a master environmental assessment. Complete 2-3 Master EIR's per year.	Thirteen Master EIR's for community plans were completed during the reporting period. However, they do not replace project specific environmental impact reports where these are required.	Master environmental assessments do not relieve affordable housing or mixed land use projects from the necessity of detailed environmental review	Eliminate this goal since detailed environmental reviews must typically still be done.
Provide one training session annually on affordable housing objectives, policies and programs	This was done for two years during reporting period but was eliminate due to poor attendance at the sessions. It will be reinstated in 1999 in order to inform community planning groups of their roles and responsibilities regarding affordable housing.	Maintain this goal	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IV HOUSING AFFORDABILITY			
Provide Section 8 certificates/vouchers to 1,400 additional households	1,578 additional certificates and vouchers added. Goal met	Additional rental assistance for next Housing Element cycle is expected to be reduced significantly, based on HUD budget and Housing Commission HOME allocations	Reduce Sect ion 8 certificates and vouchers from 1,400 to 1,000
Provide Home Tenant Rental Assistance to 220 households by FY 97	100 households assisted		Maintain goal at 100 for next Element
Supportive Housing Program - No target goal in previous Housing Element	FY95- 554 beds FY96- 123 beds FY97 479 beds FY98 350 beds	Number of beds fluctuates annually with availability of HUD funding	Set goal at approximately 300-400 beds annually through FY 2004
Provide HOPWA rental assistance to 317 households of people with AIDS	HOPWA rental assistance has averaged approximately 115 households annually. Goal met	Goal has been met and exceeded. Program will continue to serve over 100 households annually	HOPWA rental assistance projected to be 130 households for FY 99 and 135 households annually for subsequent years to 2004
Provide Shelter Plus Care to 114 households	As of June 30, 1998, Shelter Plus Care served 126 households.	Goal has been met. Program will continue to serve 100 to 120 single person households annually.	State goal as an annual range of 100 - 120 households assisted.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Maintain occupancy of 1,605 public housing units	Housing Commission maintains occupancy of 1,845 units primarily for very low-income households		Revise goal to reflect number of additional public housing units that came on line during FY 91-99 cycle.
Assist 5,000 first-time homebuyer households with counseling, training and seminars	Assistance has averaged over 1,800 households annually. Goal has been exceeded.		Increase goal to 12,000 over 5 year period to reflect increased level of service
Assist 2,800 first-time homebuyer households with financial assistance	2,672 households assisted as of June 30, 1998. Goal not quite met	Of the 2,672 first-time home buyers assisted, 1,447 were lower income and 1,225 were moderate income	Reduce goal to 1,800 lower income and 800 moderate income in new Element, based on a realistic appraisal of resources anticipated.
Provide 1,000 households with rental households with relocation/eviction assistance	Housing Commission provided relocation assistance to 125 housholds.	Data on other relocation assistance provided through the County not obtainable.	Revise goal to specify Housing Commission relocation assistance of 125 households
Permit one housing development per year using proposed new Small Lot Zone and/or Townhouse Zone	No projects are yet approved with these new zones since Zoning Code Update is awaiting Coastal Commission certification	This objective is dependent on private sector interest. City is doing public outreach to promote interest in smaller lots, townhouses and other higher density concepts.	Retain goal.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Facilitate development of one cohousing project	Not done.	Cohousing is not market driven, but rather driven by groups of individual households interested in the concept	A worthwhile goal, which should be retained, though there is little that the City can do to promote it
Provide financial support for efforts to match 125 elderly residents per year with other residents in shared living arrangements	Currently 150 matches per year are being supported	A very successful program which will City will continue to support.	This program is expected to continue at its current level.
Provide 200 units of housing specially designed for single parents, with dual master bedrooms and childcare facilities on site.	No residential developments have been built that specifically cater to this market.	The City has amended its development regulations to make childcare facilities a use by right in Planned Residential Development communities. Beyond this, the private market must respond to this niche.	Again, while this is a worthwhile goal, there is little that the City can do to promote it and it should deleted in the new Housing Element.
Create a community land trust to acquire land for affordable housing	No community land trusts created thus far in San Diego	Housing Commission indicates not feasible, due to high land costs in San Diego	Eliminate goal due to lack of feasibility
Create a limited equity housing cooperative	One limited equity cooperative was established in 1994 and is currently providing housing and cooperative training for 15 households of 3-10 people	Four households formerly housed have progressed to home ownership	Another limited equity housing coop is anticipated during the term of the 1999-2004 Housing Element

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Adopt an ordinance designed to preserve the affordability of mobile home parks for mobile home owners	A mobile home park overlay zone designed to protect affordability of mobile home parks has been in effect since 1992		Eliminate from new Housing Element since already accomplished
Amend mobile home relocation policy to provide relocation benefits to displaced mobile home residents	This policy has been adopted and is now in effect.		Amend program description to say that Housing Commission will continue to provide relocation benefits to displaced mobile home park tenants
Establish mobile home mediation/communications program	This program has been established	Program promotes communication between mobile home park residents and park owners.	Retain program since mediation/communication service will continue
Provide housing affordability impact statements for new projects and proposed policy changes	Housing affordability impact statements are now being provided on all Planning Commission and Council reports for all projects or proposals that impact housing affordability	Continue to do Affordability Impact Assessments.	
Assist not-for profit corporations in providing 500 new or rehabilitated units for lower income occupancy from FY 91-FY 96	1,305 units of affordable housing produced to date by nonprofit housing development community	The target was exceeded due to continued demand for rehabilitation	Increase target to 1,000 units

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Prepare annual report monitoring lending institutions in Community Reinvestment Act (CRA) obligations	City-County Reinvestment Task Force (RTF) prepares these reports annually.	1999 report indicates steady increase in volume of CRA lending activity, pursuant to reinvestment plans developed by lending institutions in conjunction with the RTF. But some lenders are still reluctant to make a CRA committment in low income communities.	Expand goal to include a comprehensive regional credit need /demand assessment and a five year reinvestment strategy to define key reinvestment initiatives for City
Encourage banks and savings and loans to provide loans for 250 units of non-traditional and/or affordable housing	The City's first Limited Equity Housing Coop was created, yielding 14 units.	Although only 14 units have been done, goal is still worthwhile and should be retained.	Retain goal.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V. A FAIR SHARE AND COMMUNITY BALANCE			
Incorporate fair share goals in community plans	Fair share goals have been included in those community plans completed since 1995 which do not already meet the fair share goals.	Although goals have been incorporated into some plans, they have been implemented very unevenly.	Change to Affordable Housing Goals, for individual communities, consistent with SANDAG self-certification program.
Include a housing element in each community plan with fair share goal, policies and programs to meet goal and projections of employment opportunities for lower income persons in relation to the fair share goal	Community plans adopted since 1995 have included sections on affordable housing, but have not included analyses of needs for low income housing and projections of low-income employment opportunities.	Pu more emphasis on linkage between low wage jobs and need for affordable housing opportunities through the Strategic Framework, community plan updates and action plans.	Continue to include a community plan housing element in community plan updates. Need to put more emphasis on locations of low wage job opportunities, housing and commuting patterns.
Provide 350 affordable housing units dispersed around City through use of density bonus and tax exempt bond units and other programs	Approximately 250 new affordable units provided	Future opportunities for dispersal will be limited due to land costs, making acquisition more cost effective than new construction.	Change goal to dispersal of affordable housing opportunities through greater reliance on dispersal of rental subsidies.
Incorporate land guidance principles into General Plan	This was not done	Not accomplished due to competing priorities. However, it remains a commitment. New Strategic Framework will provide guidelines for incorporating TOD principles into other elements of General Plan.	Retain goal. City still intends to do this.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Amend TDM program to credit employers who provide incentives for employees to live close to work	The TDM Program was rescinded because it was considered too onerous for employers	Remove this goal	No longer a city program.
Relocate 250 Section 8 households from areas of over-concentration of lower cost housing to other parts of the City	Goal met. However, 250 represented a participation rate of less than 10% of households who could have participated.	Housing Commission eliminated program due to poor participation rate.	Replace goal with Community Opportunities Program which has a similar objective.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V-B REDEVELOPMENT AGENCY SET-ASIDE FUNDS			
Utilize redevelopment set-aside funds to assist in developing 1,000 SRO units	Goal met, 1,015 SRO units added	Redevelopment strategy for downtown is emphasizing other forms of housing for low and very low-income households. Developers have not been successful in developing SRO's beyond downtown, despite efforts.	Reduce goal to 200
Utilize redevelopment set-aside funds to assist in developing 1,623 transitional housing spaces	1,964 beds available in 1998 for a net addition of 1,562. Goal not quite met.		Change objective to addition of 1,250 "long-term transitional housing beds.
Utilize redevelopment set-aside funds to construct 777 new rental units for low and very low-income households	689 new rental units added. Goal not quite met.	Recessionary economic conditions dampened market interest in rental housing. Then, when market rebounded, high land costs necessitated high per unit subsidies to create affordable lower income units.	Reduce goal to 380 new rental units, reflecting anticipated resources and high land costs associated with rental new construction, making high per unit subsidies necessary
Utilize redevelopment set-aside funds to subsidize construction of 500 units for moderate income and first time buyer households	293 new owner-occupied units added. Goal not met.	Again, economic conditions precluded meeting of goal. rebounded, Then, land costs again necessitated high per unit subsidies, though not as high as for low-income units.	Reduce goal to 150 new for-sale units to more realistically reflect anticipated resources and level of per unit subsidy required.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V-C REDUCTION OF HOUSING DISCRIMINATION			
Continue annual support for the Fair Housing Council and the Community Housing Resource Board	Annual support has continued.		Retain goal
Require submission of affirmative action marketing program for all residential tentative maps for proposed residential developments per Council Policy 600-20	This goal continues to be implemented		Retain goal
Conduct a fair housing assessment no later than FY 1995 and every five years thereafter	Assessment completed in 1996		Delete this goal and the next one and replace with an Analysis of Impediments, as required by HUD regulations for Consolidated Plan.
Conduct three fair housing audits to measure progress in reducing illegal discrimination	One audit completed	Audits have not been funded on a regular basis and are costly.	Delete goal and instead replace with Analysis of Impediments.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V-D ENERGY CONSERVATION			
Retrofit 50,000 single- family units and 260,000 multi-family units with water conservation plumbing devices annually	Eliminated as an outreach program because customer saturation point was reached	Retrofitting still available upon request	Eliminate quantified goal. The City will continue to support retrofitting upon request
Provide ultra-low flush toilet rebates to 1500 residences annually	30,000 rebates per year are being issued	The number of rebates per year far exceeds the goal	Change goal to reflect the increased number of rebates annually
Conduct 1,250 annual audits of households to assist in reducing water consumption	2,500 annual audits are being conducted	The number of annual audits far exceeds the goal	Change goal to reflect the increased number of audits performed annually
Adopt an ordinance requiring ultra-low flush toilets in all new construction effective Jan 1, 1992	Ordinance was adopted		
Cooperate with SDG&E to provide information about energy conservation programs	This is being done		
Provide weatherization information and materials to 1,300 lower income households	Weatherization information is available upon request		Eliminate goal since information is available upon request
Prepare five community plan urban design elements per year to promote efficient land use patterns	Urban design elements have been added or updated in the thirteen community plans updated since 1991	Ongoing	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Implement citywide landscape design ordinance which encourages drought tolerant plants and energy efficiency	Ongoing. Implemented through permit approval process.	Continue to implement.	No change

HOUSING ELEMENT
APPENDIX F

Principles and Guidelines for Program Eligibility for Self Certification
(As adopted by SANDAG Housing Element Advisory Committee)

APPENDIX F

PRINCIPLES AND GUIDELINES FOR PROGRAM ELIGIBILITY FOR SELF-CERTIFICATION

The following principles and guidelines were prepared by SANDAG's Housing Element Advisory Committee and approved by SANDAG for use by local jurisdiction staff in determining which programs may be counted towards the affordable housing goals for self-certification of their housing elements. A list of examples of the programs that count or do not count is also included. The list is not exclusive. These principles and guidelines are for use for both the 1991-1999 and 1999-2004 housing element cycles.

The principles and guidelines recognize a variety of types of housing programs and opportunities that jurisdictions can provide to assist low, very low, or extremely low (also referred to as low) income households. Assessing progress towards meeting the affordable housing goals for self-certification is the responsibility of each jurisdiction, as is the self-certification process. These principles and guidelines, and the list of program examples are to be used by jurisdictions in determining whether they have met their affordable housing goals during the previous housing element cycle, and reflect the requirements of subdivision (c)(3) of Section 65585.1 of the Health and Safety Code. State law only allows jurisdictions to "count each additional lower income household provided with affordable housing costs."

Principles

1. Jurisdictions may count each additional affordable housing opportunity provided for low income households towards their affordable housing goals for the applicable housing element cycle, in accordance with the Credit System for Measuring Performance.
2. Flexibility is provided to local jurisdictions in how they meet their affordable housing needs. Credit may be claimed for: new construction, acquisition, rehabilitation, rental or ownership assistance and preservation of the availability to lower income households of affordable housing units which are assisted, subsidized, or restricted by a public entity and are threatened with imminent conversion to market rate housing.
3. Housing opportunities counted must serve only low, very low, or extremely low income households, between 51-80 percent, 31-50 percent or, at below 30 percent of the region's median income adjusted for household size, respectively.
4. Measures must be in place to assure that the units counted remain affordable.
5. Local jurisdiction administrative burdens related to self-certification should be minimized.

Guidelines

6. "Affordable housing costs are defined in Section 6918 for renters, and in Section 6920 for purchasers, of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program." (Section 65585.1(c)(2) of the Health and Safety Code) For extremely low income households, the definition of affordable housing costs is 30 percent of 30 percent of area median income adjusted for household size.

   For renters assisted using local regulatory measures, and local homeownership assistance or owner-occupied rehabilitation programs, housing costs for low income households shall not exceed 30 percent of 80 percent of area median income adjusted for household size. For renters assisted with rent subsidies or units provided with an ongoing subsidy to the property owner, affordability is defined in Section 6918 of Title 25 of the California Code of Regulations and Section 50053 of the California Health and Safety code. (All other types of subsidy are considered regulatory in nature.)

   For homeownership assistance such as the federal HOME program and mortgage credit certificates, the program regulations capping the cost of the dwelling unit and/or the lender's loan underwriting standards define affordability.

7. For homebuyer programs, the sales price of the unit should not exceed three times the household income.

8. Occupancy of new units, or certificates of inspection or affordability of existing units began during the housing element cycle.

9. Units should be counted not households. Households may be counted for shared housing programs, transitional housing and group homes (when the capacity of the unit is more than one household), and rental subsidy programs.

10. For group homes and transitional housing, a jurisdiction should determine the capacity of the dwelling unit by assessing the typical number of households occupying the dwelling, but in no case shall the number of households credited exceed the number of bedrooms.

11. Rental units shall be income and affordability restricted for at least five years.

12. Any program that extends affordability only counts when the extension will impose income and affordability restrictions for at least an additional 30 years unless specified by federal or state funding sources.

13. Second dwelling units shall count only if the units are rented at an affordable housing cost to a low income household.

14. Owner-occupied rehabilitation shall count only if the household assisted is low income, the rehabilitation done is substantial (i.e., a substandard unit is made standard), and the household is paying affordable housing costs or the rehabilitation results in an increase in affordability.
15. Only the net increase in households assisted through rental assistance or mobile home rent programs may be counted.
16. For homebuyer programs, affordability and income eligibility shall be verified at time of sale; however, covenants are not required to assure ongoing income eligibility and affordability provided program funds are recycled.
17. Transitional housing opportunities should be counted based on the household capacity of the dwelling unit.
18. Credit for programs/units may be shared on a voluntary basis if there is joint participation and agreement.
19. For the 5 year housing element cycle, only the net increase in low, very low, and extremely low income households paying affordable housing costs who are placed in shared housing may be counted. The number of shared households assisted for the 5 year cycle would be calculated as follows: Total number of low income households assisted (expressed in total number of months of assistance) divided by 60 months.

Examples of Programs that Count*	Examples of Programs that Do Not Count***
1. Units funded by State Mobile Home Resident Owner program 2. Inclusionary and density bonus units 3. Conversion from commercial/industrial to residential 4. Units funded with tax credits 5 Transitional housing opportunities in a permanent dwelling unit (includes opportunities for persons with special needs) 6 236 and 221(d)(3) units that have received extended affordability 7. Farmworker housing 8. Section 202 – new rental housing 9. Rent subsidy programs including new competitively funded federal rental assistance** 10. Rental rehabilitation/ acquisition with rent restriction 11. Second dwelling units/illegal unit conversion 12. Mobile home rent programs 13. Single room occupancy units (SROs) 14. Housing bonds/refinance 15. First-time homebuyer programs 16. Mortgage credit certificates 17. Shared housing operated by a non-profit and funded by a jurisdiction 18. Owner-occupied rehabilitation of substandard units * Jurisdictions should refer to the principles and guidelines to determine whether a particular program should be counted. ** The net increase in Section 8 certificates and vouchers may be counted during the 1991-99 housing element cycle. For the 1999-2004 cycle, only new competitively funded federal rental assistance may count.	1. Inclement weather shelter facilities 2. Market rate units unless affordability is guaranteed and occupants are income eligible 3. Rental rehabilitation without rent restrictions 4. FEMA shelter vouchers 5. Cosmetic rehabilitation and fix-up/paint programs 6. Dormitory style housing facilities and nursing homes *** Though these programs do not count towards the affordable housing goals for self-certification, they are recognized as programs that address important housing needs.

HOUSING ELEMENT
APPENDIX G

Methodology for Estimating Vacant and Redevelopable Land Available for Residential Development

TECHINICAL APPENDIX G

Methodology for Estimating Vacant and Redevelopable Land Available for Residential Development

The estimate of vacant and redevelopable land available for residential development was based on the San Diego Association of Governments (SANDAG's) Preliminary 2020 Forecast.

The Regional Growth Forecast is prepared by SANDAG at periodic intervals and includes projections of population, housing, and employment. The Preliminary 2020 Forecast provides projections for the years 1995-2020. The Preliminary 2020 Forecast was utilized for the Housing Element.

For the City of San Diego, the adopted community plans were used to assign the type and density of development that could occur on usable vacant land. In addition to vacant land, the Preliminary 2020 Forecast also projected potential redevelopable and infill land. The City of San Diego Planning and Development Review Department assisted SANDAG with this part of the analysis by identifying existing development that has the most potential for change over the forecast period through either redevelopment or infill. Redevelopment implies a change of land use such as single-dwelling areas converting to multiple dwelling use, while infill implies an intensification of an area with no change in land use (e.g. lot splits in a single dwelling area for other dwelling units).

The City's Planning and Development Review Department advised SANDAG to assume in their forecasting model that vacant land would develop to 50-100 percent of maximum density, while redevelopable land would develop to 75 percent of maximum density. This input was based on the Department's judgement as to the extent to which vacant land and redevelopable land generally tended to develop to maximum allowable densities, in accordance with applicable land use designations and zoning.

To make the projections most meaningful for the Housing Element, SANDAG aggregated the projections for vacant land, infill and redevelopment into three density categories: 0- 10 dwelling units/acre, 10.1- 25 dwelling units/acre, and 25.1 dwelling units/acre and above.

The 0- 10 units/acre category roughly corresponds to single-dwelling development available for households having incomes above the moderate-income level.

The 10.1- 25 units/acre category roughly corresponds to densities which could produce housing potentially affordable to moderate-income households.

The 25.1 dwelling unit/acre and above category roughly corresponds to densities which are most likely to produce housing affordable to low and very low-income households.

HOUSING ELEMENT
APPENDIX H

Estimate and Projections of Retail Jobs by Community Planning Area

APPENDIX H
ESTIMATES AND PROJECTIONS OF RETAIL JOBS BY COMMUNITY PLANNING AREAS, 1995 and 2005

Community Plan Area	1995 Jobs	2005 Jobs
Barrio Logan	555	784
Beeler Canyon	0	0
Carmel Mountain Ranch	1,513	1,993
Carmel Valley	1,003	1,360
Centre City	8,102	9,126
City Heights*	7,901	9,112
Clairemont Mesa	4,346	4,744
College Area	766	787
Del Mar Mesa	1	1
East Elliott	0	0
Eastern*	9,771	10,421
Fairbanks Ranch	0	0
Golden Hill	323	334
Kearny Mesa	8,159	9,500
Kensington-Talmadge*	2,065	2,326
La Jolla	3,483	3,515
Linda Vista	3,540	3,705
Midway	1,006	1,157
Mira Mesa	8,425	10,335
Miramar Ranch North	0	249
Mission Bay	144	158
Mission Beach	432	485
Mission Valley	7,160	9,589
Navajo	2,703	2,937
North City FUA	39	625
North Park	2,169	2,256
Normal Heights*	1,845	2,060
Ocean Beach	966	1,019
Old San Diego	1,231	1,331
Otay Mesa	320	3,185
Otay Mesa-Nestor	1,633	1,842
Pacific Beach	3,829	3,943
Peninsula	1,802	1,959
Rancho Penasquitos	756	890
Rancho Bernardo	2,059	2,538
Sabre Springs	50	217
San Pasqual	13	13
San Ysidro	2,043	2,511
Scripps Miramar Ranch	779	921

APPENDIX H (cont'd)
ESTIMATES AND PROJECTIONS OF RETAIL JOBS BY COMMUNITY PLANNING AREAS, 1995 and 2005

Community Plan Area	1995 Jobs	2005 Jobs
Serra Mesa	345	355
Skyline-Paradise Hills	444	483
Sorrento Hills	0	248
Southeastern Comm.	1,450	1,820
Tierrasanta	540	587
Tijuana River Valley	0	15
Torrey Highlands	0	75
Torrey Pines	804	909
University	5,514	7,015
Uptown	3,124	3,243
Via de la Valle	0	0

HOUSING ELEMENT
APPENDIX I

Development Standards and Locational Criteria in Land Development Code for Homeless Facilities and Transitional Housing

(e) Any facilities that are constructed as part of the new use shall be designed to be similar in scale and style with the historical use, in accordance with Chapter 14, Article 3, Division 2 (Historical Resources Regulations).

(f) Hours of operation shall be limited to conform to hours of normal activity in the neighborhood.

(g) The decision maker may waive or modify the base zone regulations for maximum *floor area ratio*.

(h) The decision maker may waive or modify the requirements for off-street parking and landscaping. The *applicant* may be required to preserve existing mature landscaping.

(Added 12-9-1997 by O-18451 N.S.; effective 1-1-2000.)

§141.0412 Homeless Facilities

(a) This section regulates the following homeless facilities.

(1) Congregate meal facilities: Any facility that provides scheduled meals on a daily basis for individuals or *families* who are homeless or *low income* or *very low income*, as defined in Section 113.0103.

(2) Emergency shelters: Any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis, for periods of thirty day or less.

(3) Homeless day centers: Any facility that provides basic services, including personal hygiene, information and referral, employment, mail, and telephone services, during daylight hours to homeless persons.

(b) Congregate Meal Facilities

Congregate meal facilities may be permitted with a Conditional Use Permit decided in accordance with Process Four in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(1) No more than one congregate meal facility may be permitted within 1/4 mile of an emergency shelter, a homeless day center, or another congregate meal facility, measured from *property line* to *property line* in accordance with Section 113.0225.

(2) Overnight accommodations are not permitted.

(3) Drive-up or drive-through service is not permitted.

(4) Live entertainment is not permitted.

(5) Distribution or consumption of alcoholic beverages on the *premises* is not permitted.

(6) The facility shall provide a waiting area for clients to prevent queuing into the *public right-of-way*. The size of the waiting area shall be at least 5 square feet per client, based on the maximum number of clients the facility can accommodate according to Fire Department standards. Any outdoor waiting area shall be physically separated from the *public right-of-way*.

(7) The facility shall provide off-street parking at a rate of 1 space per full-time-equivalent employee, calculated at 8 hours of working time per employee per 24-hour period.

(8) Hours of operation shall be limited to the hours between 6:00 a.m. and 10:00 p.m.

(9) All activities associated with the facility, including the serving of food and beverages, shall occur within an enclosed building.

(10) The *applicant* shall submit the following materials to the decision maker for consideration:

(A) A communications plan that describes how the provider will communicate with local community, neighborhood, and business organizations, and with adjacent neighbors on a regular basis, and how community issues or concerns will be addressed;

(B) A plan to minimize loitering in the vicinity of the facility; and

(C) A litter control plan to provide for the removal of litter in the vicinity of the facility on a regular basis.

(c) Emergency Shelters

Emergency shelters may be permitted with a Conditional Use Permit decided in accordance with Process Five in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to emergency shelters.

(1) Emergency shelters are not permitted in the future urbanizing area.

(2) Emergency shelters shall provide at least 35 square feet of sleeping area per bed.

(3) Emergency shelters shall provide a waiting area of at least 10 square feet per bed to accommodate clients and to prevent queuing into the *public right-of-way*. Any outdoor waiting area shall be physically separated from the *public right-of-way*.

(4) Emergency shelters shall provide at least 1 toilet for every 15 beds.

(5) Emergency shelters shall provide off-street parking at a rate of at least 1 space for each full-time-equivalent employee, calculated at 8 hours of working time per employee per 24-hour period.

(6) Hours of operation shall be limited to the hours between 6:00 p.m. and 8:00 a.m.

(7) Emergency shelters shall provide on-site supervision at all times. At least one full-time- equivalent employee shall be provided for every 20 beds.

(8) Living, dining, and *kitchen* areas shall be physically separated from sleeping areas. The shelter shall provide telephone services separate from the office phone in order to provide privacy.

(9) The *applicant* shall submit the following materials to the decision maker for consideration:

(A) A communications plan that describes how the provider will communicate with local community, neighborhood, and business organizations, and with adjacent neighbors on a regular basis, and how community issues or concerns will be addressed;

(B) A loitering control plan to minimize the congregation of overnight residents during daylight hours in the vicinity of the shelter; and

(C) A litter control plan to provide for the removal of litter in the vicinity of the shelter on a regular basis.

(d) Homeless Day Centers

Homeless day centers may be permitted with a Conditional Use Permit decided in accordance with Process Four in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(1) No more than one homeless day center may be permitted within 1/4 mile of an emergency shelter, a congregate meal facility, or another homeless day center, measured from *property line* to *property line* in accordance with Section 113.0225.

(2) Overnight accommodations and meals for transients are not permitted.

(3) The center shall provide off-street parking at a rate of at least 1 space per full-time-equivalent employee, calculated at 8 hours of working time per employee per 24-hour period.

(4) Hours of operation shall be limited to 6:00 a.m. to 6:00 p.m.

(5) The center shall provide on-site supervision at all times. At least one staff member shall be located on the *premises* 24 hours per day.

(6) The *applicant* shall submit the following materials to the decision maker for consideration:

(A) A communications plan that describes how the provider will communicate with local community, neighborhood, and business organizations, and with adjacent neighbors on a regular basis, and how community issues or concerns will be addressed;

(B) A plan to minimize loitering in the vicinity of the facility; and

(C) A litter control plan to provide for the removal of litter in the vicinity of the facility on a regular basis.

(Added 12-9-1997 by O-18451 N.S.; amended 9-29-1998 by O-18589 N.S.; effective 1-1-2000.)

§141.0413 Hospitals, Intermediate Care Facilities, and Nursing Facilities

Hospitals, intermediate care facilities, and nursing facilities may be permitted with a Process Four Conditional Use Permit in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(a) These facilities are not permitted in agricultural zones in the future urbanizing area or within *floodplains* located in the Coastal Overlay Zone.

(b) The design of the *structures* shall incorporate a variety of architectural elements that help to diminish building bulk.

(c) The location of larger *structures*, areas of high activity, and parking areas shall be planned to minimize impacts to surrounding *development* that is smaller is scale and less intense.

(d) Access to the site shall be as direct as possible from *freeways*, primary arterials, and major *streets* and shall avoid residential *streets*.

(e) Off-street parking shall be provided in accordance with Table 142-05F.

(f) All storage, service, and repair areas shall be located on the *premises* or *screened* so that they are not visible from adjacent *development* and *public rights-of-way*.

(Added 12-9-1997 by O-18451 N.S.; amended 10-18-1999 by O-18691 N.S.; effective 1-1-2000.)

§141.0414 Interpretive Centers

Interpretive centers are *structures* or facilities designed to inform and educate the public about the surrounding environment.

Interpretive centers may be permitted with a Conditional Use Permit decided in accordance with Process Four in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(i) The center shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.

(j) Conversion of an existing garage or reduction in the amount of off-*street* parking to provide a residential care facility is not permitted.

(Added 12-9-1997 by O-18451 N.S.; effective 1-1-2000; amended 6-19-2000 by O-18814 N.S.)

§141.0313 Transitional Housing Facilities

Transitional housing facilities offer residential accommodations for a specified period of time, counseling services, and other support services to prepare *families* and individuals for independent living.

Transitional housing may be permitted with a Conditional Use Permit decided in accordance with Process Five, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to transitional housing facilities.

(a) Transitional housing is not permitted in agricultural zones in the future urbanizing area.

(b) Only one transitional housing facility may be permitted per *lot* or *premises*.

(c) The facility shall provide at least 70 square feet of sleeping space for each resident, not including closet or storage space, multipurpose rooms, bathrooms, dining rooms, and halls.

(d) Sleeping areas shall not be used as a public or general passageway to another room, bath, or toilet.

(e) The facility shall provide at least 5 square feet of living area per bed, not including sleeping space, dining areas, and *kitchen* areas.

(f) The facility shall provide at least 8 square feet of storage area (closet or drawers) per bed.

(g) The facility shall provide one full bathroom including sink, toilet, and shower or bathtub for every seven beds.

(h) The facility shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.

(i) Conversion of an existing garage or reduction in the amount of off-street parking to provide a transitional housing facility is not permitted.

(Added 12-9-1997 by O-18451 N.S.; amended 9-29-1998 by O-18589 N.S.; effective 1-1-2000.)

§141.0314 Watchkeeper's Quarters

Watchkeeper's quarters are permitted as a limited use in the zones indicated with an "L" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(a) Watchkeeper's quarters are permitted only as an *accessory use* to a use allowed by the zone.

(b) Watchkeeper's quarters are permitted only within a permanent *structure*.

(c) Watchkeeper's quarters shall not exceed 1,200 square feet in *gross floor area* and shall be included in the *floor area ratio* calculation for the *premises*.

(d) Watchkeeper's quarters may include full living facilities, including a *kitchen*.

(e) Except where associated with storage yards or mini-warehouses, watchkeeper's quarters shall be attached to the rear of the primary *structure* or, if detached, shall be located between the rear *setback* and the primary *structure*.

(Added 12-9-1997 by O-18451 N.S.; effective 1-1-2000.)

HOUSING ELEMENT
APPENDIX J

Ordinances O-18588 and O-18589 amending the Municipal Code and Land Development Code to Facilitate the Processing and Siting of Emergency Shelters and Transitional Housing

CLERK'S FILE COPY

AND - [redacted]

APPENDIX J

(O-99-37) [redacted]

ORDINANCE NUMBER O-18588 (NEW SERIES) [redacted]

ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER X, ARTICLE 1, DIVISIONS 1 AND 5, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 101.0101.96, 101.0510, AND 101.0581, ALL RELATING TO THE IMPLEMENTATION OF REGULATORY CHANGES FOR HOMELESS FACILITIES.

WHEREAS, on March 21, 1995, The City of San Diego, in accordance with Government Code section 65583, adopted a Housing Element of its Progress Guide and General Plan; and

WHEREAS, the Fourth District Court of Appeal, in the case of *Hoffmaster et al. v. City of San Diego*, found that the City's Residential Care Facilities ordinance "substantially constrains siting homeless facilities for emergency shelter and meaningful transitional housing in any location within the City"; and

WHEREAS, on November 25, 1997, The City of San Diego amended its Housing Element to comply with the findings of the court; and

WHEREAS, the City now wishes to amend its Residential Care Facility ordinance to ameliorate the constraining effects found by the Court; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter X, Article 1, Divisions 1 and 5, of the San Diego Municipal Code are amended by amending Sections 101.0101.96, 101.0510, and 101.0581, to read as follows:

Sec. 101.0101.96 Residential Care Facilities

1. A "residential care facility" means any building or place which is maintained and operated to provide sleeping accommodations, with or without

food service(s) or kitchen facilities, for mentally disordered or otherwise disabled persons or dependent persons, or persons in rehabilitation or recovery programs; including, but not limited to, alcohol or substance abuse treatment, residential and community care facilities as defined by the state or county, facilities providing counseling services, emergency shelters and transitional housing for the homeless, and facilities receiving any form of government funding or subsidy, but excluding housing for the elderly, nursing or convalescent homes.

2. An emergency shelter is any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis for periods of thirty days or less.

3. Transitional housing is a facility that offers residential accommodations for a specified period of time, counseling services, and other support services to prepare families and individuals for independent living.

Sec. 101.0510 Conditional Use Permit

A. and B. [No change.]

C. USES WHICH MAY BE CONSIDERED

1. "Hearing Officer" as Decisionmaker With Appeal to either the "Board of Zoning Appeals" or the "Planning Commission."

[No change in text of first paragraph.]

a. through n. [No change.]

o. Residential care facilities, as defined in Section 101.0101.96 for not more than twelve persons in any zone which otherwise permits residential use, subject to the development

standards and locational criteria of Section 101.0581, except in A-1 zoned areas of the Coastal Zone subject to the FPF (Floodplain Fringe) overlay zone or in the Future Urbanizing area. This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.

p. through u. [No change.]

2. [No change.]

3. Planning Commission as Decisionmaker with appeal to the City Council.

[No change in text of first paragraph.]

a. through d. [No change.]

e. Residential care facilities, as defined in Section 101.0101.96 for more than twelve persons in any zone which otherwise permits residential use, subject to the development standards and locational criteria of Section 101.0581, except in the Future Urbanizing area. This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.

f. through p. [No change.]

4. City Council as Decisionmaker.

[No change in text of first paragraph.]

a. through f. [No change.]

g. Residential care facilities for emergency shelters or transitional housing, as defined in Section 101.0101.96. The provisions of Section 111.0510(b), requiring a recommendation from the Planning Commission, shall not apply to applications for residential care facilities for emergency shelters or transitional housing.

5. and 6. [No change.]

D. through M. [No changes.]

Sec. 101.0581 Conditional Use Permit Development Standards and Locational Criteria for Residential Care Facilities

A. through C. [No change.]

D. Development Standards and Locational Criteria

[No changes to the first two paragraphs.]

1. through 6. [No changes.]

7. Only one residential care facility shall be permitted per lot or premise and shall be separated by a straight line radius of no less than one-quarter mile to any other type of residential care facility measured from property line to property line. The one-quarter mile separation provision shall not apply to applications for residential care facilities for emergency shelters or transitional housing.

8. through 10. [No changes.]

Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That City departments are instructed not to issue any permit for development that is inconsistent with this ordinance unless application for such permit was submitted and deemed complete by the City Manager prior to the date this ordinance becomes effective.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage and stay in effect until Sections 101.0101.96, 101.0510, and 101.0581 are repealed pursuant to Section 5 of Ordinance No. O-18451, adopted December 9, 1997. However, this ordinance will not apply within the Coastal Zone until the thirtieth day following the date the California Coastal Commission unconditionally certifies this ordinance as a local coastal program amendment. If this ordinance is not certified by the California Coastal Commission, or is certified with suggested modifications, this ordinance shall be void within the Coastal Zone.

APPROVED: CASEY GWINN, City Attorney

By _____
Douglas K. Humphreys
Deputy City Attorney

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08/27/98
Or.Dept:Comm.&Eco.Dev.
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STRIKEOUT ORDINANCE

NEW LANGUAGE: Redline

APPENDIX J

(O-99-37)

ORDINANCE NUMBER O- 18588 (NEW SERIES)

ADOPTED ON SEP 2 9 1998

AN ORDINANCE AMENDING CHAPTER X, ARTICLE 1, DIVISIONS 1 AND 5, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 101.0101.96, 101.0510, AND 101.0581, ALL RELATING TO THE IMPLEMENTATION OF REGULATORY CHANGES FOR HOMELESS FACILITIES.

Sec. 101.0101.96 Residential Care Facilities

1. A "residential care facility" means any building or place which is maintained and operated to provide sleeping accommodations, with or without food service(s) or kitchen facilities, for mentally disordered or otherwise disabled persons or dependent persons, or persons in rehabilitation or recovery programs; including, but not limited to, alcohol or substance abuse treatment, residential and community care facilities as defined by the state or county, facilities providing counseling services, emergency shelters and transitional housing for the homeless, and facilities receiving any form of government funding or subsidy, but excluding housing for the elderly, nursing or convalescent homes.

2. An emergency shelter is any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis for periods of thirty days or less.

3. Transitional housing is a facility that offers residential accommodations for a specified period of time, counseling services, and other support services to prepare families and individuals for independent living.

Sec. 101.0510 Conditional Use Permit

A. and B. [No change.]

C. USES WHICH MAY BE CONSIDERED

1. "Hearing Officer" as Decisionmaker With Appeal to either the "Board of Zoning Appeals" or the "Planning Commission."

[No change in text of first paragraph.]

a. through n. [No change.]

o. Residential care facilities, as defined in Section 101.0101.96 for not more than twelve persons in any zone which otherwise permits residential use, subject to the development standards and locational criteria of Section 101.0581, except in A-1 zoned areas of the Coastal Zone subject to the FPF (Floodplain Fringe) overlay zone or in the Future Urbanizing area. This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.

p. through u. [No change.]

2. [No change.]

3. Planning Commission as Decisionmaker with appeal to the City Council.

[No change in text of first paragraph.]

a. through d. [No change.]

e. Residential care facilities, as defined in Section 101.0101.96 for more than twelve persons in any zone which otherwise permits residential use, subject to the development standards and locational criteria of Section 101.0581,

except in the Future Urbanizing area. This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.

f. through p. [No change.]

4. City Council as Decisionmaker.

[No change in text of first paragraph.]

a. through f. [No change.]

g. Residential care facilities for emergency shelters or transitional housing, as defined in Section 101.0101.96. The provisions of Section 111.0510(b), requiring a recommendation from the Planning Commission, shall not apply to applications for residential care facilities for emergency shelters or transitional housing.

5. and 6. [No change.]

D. through M. [No changes.]

Sec. 101.0581 Conditional Use Permit Development Standards and Locational Criteria for Residential Care Facilities

A. through C. [No change.]

D. Development Standards and Locational Criteria

[No changes to the first two paragraphs.]

1. through 6. [No changes.]

7. Only one residential care facility shall be permitted per lot or premise and shall be separated by a straight line radius of no less than one-quarter mile to any other type of residential care facility measured from property line to property line. The one-

quarter mile separation provision shall not apply to applications for residential care facilities for emergency shelters or transitional housing.

8. through 10. [No changes.]

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APPENDIX J

(O-99-38)

ORDINANCE NUMBER O-18589 (NEW SERIES)

ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 1, DIVISIONS 3 AND 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 141.0313 AND 141.0412 RELATING TO HOMELESS FACILITIES.

WHEREAS, on March 21, 1995, The City of San Diego, in accordance with Government Code section 65583, adopted a Housing Element of its Progress Guide and General Plan; and

WHEREAS, the Fourth District Court of Appeal, in the case of *Hoffmaster et al. v. City of San Diego*, found that the City's Residential Care Facilities ordinance "substantially constrains siting homeless facilities for emergency shelter and meaningful transitional housing in any location within the City"; and

WHEREAS, on November 25, 1997, The City of San Diego amended its Housing Element to comply with the findings of the court; and

WHEREAS, the City has adopted a new Land Development Code to regulate all land use and development in the City; and

WHEREAS, the City now wishes to amend its Land Development Code to ameliorate the constraining effects found by the Court; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter 14, Article 1, Divisions 3 and 4, of the San Diego Municipal Code are amended by amending Sections 141.0313 and 141.0412, to read as follows:

Sec. 141.0313 Transitional Housing Facilities

Transitional housing facilities offer residential accommodations for a specified period of time, counseling services, and other support services to prepare *families* and individuals for independent living.

Transitional housing may be permitted with a Conditional Use Permit decided in accordance with Process Five, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to transitional housing facilities.

(a) and (b) [No change.]

(c) [No change in text to this subdivision.]

(d) [No change in text to this subdivision.]

(e) [No change in text to this subdivision.]

(f) [No change in text to this subdivision.]

(g) [No change in text to this subdivision.]

(h) The facility shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.

(i) [No change in text to this subdivision.]

Sec. 141.0412 Homeless Facilities

(a) This section regulates the following homeless facilities.

(1) [No change.]

(2) Emergency shelters: Any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis, for periods of thirty days or less.

(3) [No change.]

(b) [No change.]

(c) Emergency Shelters

Emergency shelters may be permitted with a Conditional Use Permit decided in accordance with Process Five in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to emergency shelters.

(1) [No change.]

(2) [No change in text to this subdivision.]

(3) [No change in text to this subdivision.]

(4) [No change in text to this subdivision.]

(5) [No change in text to this subdivision.]

(6) [No change in text to this subdivision.]

(7) [No change in text to this subdivision.]

(8) [No change in text to this subdivision.]

(9) [No change in text to this subdivision.]

Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That City departments are instructed not to issue any permit for development that is inconsistent with this ordinance unless application for such permit was submitted and deemed complete by the City Manager prior to the date this ordinance becomes effective.

Section 4. This ordinance shall not take effect and be in force until Ordinance No. O-18451, adopted December 9, 1997, goes into effect, or on the thirtieth day following the date the California Coastal Commission unconditionally certifies the provisions of this ordinance which are subject to California Coastal Commission jurisdiction as a local coastal program amendment, whichever is later.

APPROVED: CASEY GWINN, City Attorney

By _____
Douglas K. Humphreys
Deputy City Attorney

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09/01/98
Or.Dept:Comm.&Eco.Dev.
O-99-38
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STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Redline

(O-99-38)

ORDINANCE NUMBER O-18589 (NEW SERIES)

ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 1, DIVISIONS 3 AND 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 141.0313 AND 141.0412 RELATING TO HOMELESS FACILITIES.

Sec. 141.0313 Transitional Housing Facilities

Transitional housing facilities offer residential accommodations for a specified period of time, counseling services, and other support services to prepare *families* and individuals for independent living.

~~Transitional housing for 7 to 12 persons may be permitted with a Conditional Use Permit decided in accordance with Process Three and transitional housing for 13 or more persons may be permitted with a Conditional Use Permit decided in accordance with Process Four, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.~~

Transitional housing may be permitted with a Conditional Use Permit decided in accordance with Process Five, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to transitional housing facilities.

(a) and (b) [No change.]

~~(c) Transitional housing is not permitted within 1/4 mile of another transitional housing facility, measured from *property line* to *property line* in accordance with Section 113.0225.~~

~~(d)~~(c) [No change in text to this subdivision.]

~~(e)~~(d) [No change in text to this subdivision.]

~~(f)~~(e) [No change in text to this subdivision.]

~~(g)~~(f) [No change in text to this subdivision.]

~~(h)~~(g) [No change in text to this subdivision.]

~~(i)~~(h) The ~~center~~ facility shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.

~~(j)~~(i) [No change in text to this subdivision.]

Sec. 141.0412 Homeless Facilities

(a) This section regulates the following homeless facilities.

(1) [No change.]

(2) Emergency shelters: Any facility that provides sleeping accommodations and restroom facilities to homeless persons ~~for less than a 24 hour stay~~ on a day-to-day basis, for periods of thirty days or less.

(3) [No change.]

(b) [No change.]

(c) Emergency Shelters

Emergency shelters may be permitted with a Conditional Use Permit decided in accordance with Process ~~Four~~ Five in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation shall not be applicable to emergency shelters.

(1) [No change.]

~~(2)~~ ~~Emergency shelters are not permitted within 1/4 mile of another emergency shelter or a residential care facility, measured from *property line* to *property line* in accordance with Section 113.0225.~~

~~(3)~~(2) [No change in text to this subdivision.]

~~(4)~~(3) [No change in text to this subdivision.]

~~(5)~~(4) [No change in text to this subdivision.]

~~(6)~~(5) [No change in text to this subdivision.]

~~(7)~~(6) [No change in text to this subdivision.]

~~(8)~~(7) [No change in text to this subdivision.]

~~(9)~~(8) [No change in text to this subdivision.]

~~(10)~~(9) [No change in text to this subdivision.]

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HOUSING ELEMENT
APPENDIX K

Summary of Suggestions made by Housing Element Working Group

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000 by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Fair Housing Market should be considered in policies and programs section of Housing Element	Specifically addressed in the Reduction of Housing Discrimination Objective	Make statements as directive as possible throughout the Housing Element	Language changed where appropriate.
Match Consolidated Plan and Housing Element in Format	Some information in Consolidated Plan used as guide for Housing Element; however, Consolidated Plan is a federal requirement for receiving funds for specific projects	Include "Universal Design Standards" so that new housing and rehab complies with disability access	Universal standards were considered. However, the access requirements enforced through the City's Model Codes are more restrictive and Universal Design standards have no mechanism for enforcement. Staff met with Disability Access Committee to review this information.
Include military and Students under the special populations subgroup	Incorporated into Community Profile Section	Include additional information to the Housing Element Progress Report: column to indicate need for assistance under various programs and statement on the failure to adopt an inclusionary housing Program in the early 90's	Progress report was not changed to include column indicating need. However, specific goals are presented in the Quantified Objectives of each Goal. Additionally, specific need is indicated in the Housing Needs Section of the Housing Element.
Address infrastructure in Housing Element	Incorporated into the Housing Needs Section of the Housing Element; will also be addressed in Strategic Framework process of General Plan Update	Recommend to change or establish policy to require homeless providers to provide adequate restroom facilities for the disabled	Suggestion not included - Goals, Objectives, Policies and Programs addressing Homeless population can be found in Goal 1 of Housing Element.

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000 by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Include Rental housing affordability and Homeownership affordability comparisons	Incorporated into the Housing Needs Section of the Housing Element	Divide goals for the Homeless into: "short term", "long term", and "special needs beds".	After meeting with major homeless providers it was decided that resources could be used at a more productive level if the group's needs were subdivided.
Change "Disabled People' to "Persons with Disabilities"	Wording changed throughout the document	Incorporate a discussion on the Hoffmaster Case in the Housing Element	Incorporated into the Goal 1 of Goals, Policies, Programs... Section of the Housing Element
Identify subgroups for different type of disabilities	Changes incorporated	Clarify "Extreme / Inclement Weather" with respect to homeless facilities	This was deleted since City's winter shelter program is no longer "inclement weather based".
Add "environmental Constraints" under governmental constraints	Availability of land will be further addressed in the Strategic Framework and in Land Inventory Section of the Housing Element	Include Residential care homes, group homes, and housing for persons with disabilities in the "Reduction of Housing Discrimination" section of Housing Element	An "Analysis of the Impediments" (AI) to fair housing choice will include the populations mentioned in suggestion. AI to be completed by August 2000. See Goal 5.
Add "financing" to "Availability of Facilities and Services"	Governmental and Non-Governmental Constraints section of the Housing Element provides broad discussion on the effects of costs involved in providing housing.	Discuss potential tools to meet affordable housing goals in Community Planning Areas.	See Goal 5 of Housing Element
Include Neighborhood Commercial Zones to emphasize the link between employment opportunities and the need for affordable housing opportunities	See Goal 5 for discussion on this subject.	Include discussion on Inclusionary Housing	Previous attempts to adopt an Inclusionary housing Ordinance in the City have failed to be adopted

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000 by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Include Construction Defect Litigation as part of the Governmental Constraints	See Governmental - Nongovernemntal Constraints section of Housing Element	Discuss the City's attempt to locate higher density housing principally along transit corridors and in proximity to significant concentrations of lower income employment opportunities	See Goal 5 - Policies and Programs under "Affordable Housing Goals and Community Balance".
Clarify the definition of "doubling-up"	See footnote in Community Profile chapter of Volume II.	Discuss suggestions to encourage dispersal of Section 8 households throughout City.	Housing Commission has used financial incentives in the past to encourage dispersal but there was an underutilization of incentives and program was ceased.
Break-down employment by income levels and community planning areas	Appendix H identifies retail employment for 1995 and 2005 by community planning areas.	Include policy that addresses public education on the need for affordable and innovative types of housing	See Goal 5 for broad discussion and programs addressing this suggestion.
Clarify the definition of "affordable housing"	See Appendix B	Explain reductions in Program goals for the FY 99 - FY 2000 Housing Element	Where applicable, reduction in goals is explained following each Quantified Objective for each Goal.
Clarify the rank of San Diego's housing affordability	Market Profiles and San Diego Apartment Association information used in preparing documents. Also used was the U.S. Conference Report On Hunger and Homelessness	Explain the Consolidation of Development Services and Community and Economic Development Department	Incorporated into text.
Incorporate the Fair Housing Act into the Housing Element	Specifically addressed in the Reduction of Housing Discrimination Objective	Include a brief discussion of Article 34 of the California Constitution	See Governmental Constraints to Development section of the Housing Element.

APPENDIX K Summary of Suggestions made for Housing Element FY 1999 - FY 2000 by Housing Element Working Group			
Suggestion	**Analysis**	**Suggestion**	**Analysis**
Address Conditional Use Permits	See discussion of Hoffmaster decision in Homeless Policies and Programs in Vol. I and appendices I & J in Vol. II.	Discuss the gap between the cost of developing low-income units and what a low income household can afford	An updated gap analysis could not be completed in time to include in this Element.
Address the costs of building Multi-family and Single-family homes	See Governmental Constraints - Fees and Nongovernmental Constraints - Land Prices and Construction Costs.		

HOUSING ELEMENT
APPENDIX L

Low-Income Households Overpaying for Housing

CITY OF SAN DIEGO

Housing Assistance Needs of Low & Moderate Income Households

Name of Jurisdiction: City of San Diego

Sources of Data: FY 1994 Comprehensive Housing Affordability Strategy (CHAS) Census Data Book

Household by Type, Income, & Housing Problem	Renters					Owners			Total Households (I)
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly (F)	All Other Owners (G)	Total Owners (H)	
1. Very Low Income (0 to 50% MFI)*	12,894	22,574	11,068	22,595	**69,131**	11,969	9,290	21,259	90,390
2. 0 to 30% MFI*	7,730	11,867	5,244	12,158	36,999	5,745	4,220	9,965	46,964
3. # with any Housing Problems	5,903	10,400	5,062	10,164	31,529	3,538	3,264	6,802	38,331
4. # with Cost Burden > 30%	5,882	9,931	4,554	10,003	**30,370**	3,504	3,125	6,629	**36,999**
5. # with Cost Burden > 50%	4,380	8,905	3,741	9,327	**26,353**	2,248	2,746	4,994	**31,347**
6. 31 to 50% MFI*	5,164	10,707	5,824	10,437	**32,132**	6,224	5,070	11,294	43,426
7. % with any Housing Problems	4,016	9,429	5,175	10,025	28,645	1,909	3,636	5,545	34,190
8. # with Cost Burden > 30%	3,918	8,865	3,844	9,852	**26,479**	1,887	3,273	5,160	**31,639**
9. # with Cost Burden > 50%	2,061	3,904	1,120	5,953	**13,038**	877	2,281	3,158	**16,196**
10. Other Low-Income (51 to 80% MFI)	4,945	16,832	6,460	18,477	**46,714**	9,422	13,943	23,365	**70,079**
11. % with any Housing Problems	3,339	11,207	5,100	13,103	32,749	2,076	9,597	11,673	44,422
12. # with Cost Burden > 30%	3,295	9,425	2,038	12,628	**27,386**	2,070	8,607	10,677	**38,063**
13. # with Cost Burden > 50%	757	1,312	234	2,319	**4,622**	888	4,230	5,118	**9,740**
14. Moderate Income (81-95% MFI)*	1,511	7,472	2,001	8,166	19,150	4,556	9,818	14,374	33,524
15. % with any Housing Problems	630	2,953	1,433	2,995	8,011	624	6,172	6,796	14,807
16. # with Cost Burden > 30%	620	2,000	454	2,714	5,788	614	5,406	6,020	11,808
17. # with Cost Burden > 50%	94	256	0	227	577	155	1,454	1,609	2,186
18. Total Households**	23,791	74,744	24,722	83,819	207,076	51,189	148,051	199,240	406,316
19. % with any Housing Problems	14,677	38,480	19,535	40,752	113,444	10,396	57,932	68,328	181,772

* Or, based upon HUD adjusted income limits, if applicable.

** Includes all income groups -- including those above 95% of MFI

HOUSING ELEMENT
APPENDIX M

Glossary of Key Terms

APPENDIX M

Glossary of Key Terms

Acres, Gross - Vacant land that includes land that may not be developable due to environmental, topographical, or other constraints and may also include land that may be subsequently utilized for street right-of-way or other public facilities.

Affordable Housing - Affordable housing is generally defined as housing where the occupant is paying no more than 30 % of gross income for gross housing costs, including utility costs.

Apartment - (1) One or more rooms of a building used as a place to live, in a building containing at least one other unit used for the same purpose. (2) A separate suite, not owner-occupied, which includes kitchen facilities and is designed for and rented as the home, residence, or sleeping place of one or more persons as a single housekeeping unit.

Area Median Income - As used in State of California housing law with respect to income eligibility limits established by the U.S. Department of Housing and Urban Development (HUD), "area" means metropolitan area or nonmetropolitan county.

Below-market rate (BMR) Housing Unit - Any housing unit specifically priced to be sold or rented to very low, low or moderate income households for an amount less than the fair market value of the unit. The U.S. Department of Housing and Urban Development sets standards for determining which households qualify as "very low income", "low income" or "moderate income".

Companion Unit - A second unit on a parcel zoned for and occupied by a single dwelling unit. The second unit may either be attached to or detached from the primary unit, but on the same parcel.

Cohousing - An alternative housing type and lifestyle which combines individual residences with extensive common facilities which are an important part of community life both for social and practical reasons. The concept envisions at least one common meal a day (usually evening) which most or all residents eat together in a common dining hall plus extensive support services for child care and recreation.

Condominium - A structure of two or more units, the interior spaces of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units.

Congregate Care - Apartment housing, usually for seniors, in a group setting that includes independent living and sleeping accommodations in conjunction with shared dining and recreational facilities.

Density - The number of permanent residential units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre. The City of

San Diego determines density based on gross acreage. (See "Acres, Gross" and "Developable Acres, Net".

Density Bonus - The allocation of development rights that allow a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision or preservation of an amenity at the same site or at another location. Under California's housing laws, a housing development that provides 20% of its units for low-income households or 10% of its units for very low-income households is entitled to a density bonus.

Developable Acres, Net - Gross acreage less any constrained acreage and also include other land set aside for streets or public facilities.

Discretionary Review - The review of an application for a land use permit which involves judgement as to whether or not the applicable regulatory requirements have been met and also involves one or more public hearings with notification being given to nearby property owners and the applicable community planning group.

Family - The Bureau of Census defines a family as a household (head of household) and one or more other persons living in the same household who are related by birth, marriage or adoption.

First-Time Homebuyer - An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home that must be used as the principal residence of the homebuyer, except that any individual who is displaced homemaker (as defined in 24 CFR 92) or a single parent (as defined in 24 CFR 92) may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

Goal - A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

Granny Flat - (See Companion Unit)

Housing and Community Development Department of the State of California (HCD) - The State Agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low and moderate income households.

Housing and Urban Development, U.S. Department of (HUD) - A cabinet-level department of the federal government which administers housing and community development programs.

Housing Unit - An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition.)

Household - All those persons - related or unrelated - who occupy a single housekeeping unit. (See "Family")

HOME Program - The HOME Investment Partnerships Act, which is Title II of the National Affordable Housing Act and establishes a new block grant program to fund rental and home ownership opportunities through new construction, acquisition, and rehabilitation.

Maintain - To keep in an existing state. (See "Preserve").

Manufactured Housing - Houses which are constructed entirely in the factory, and which since 1976 have been regulated by the federal Manufactured Home Construction and Safety Standards under the administration of the U.S. Department of Housing and Urban Development (HUD). (See "Mobile Home" and "Modular Unit").

Ministerial Review - The review of an application for a building or land use permit which involves no judgment as to whether or not the applicable regulatory requirements have been met. (See "Discretionary Review").

Mixed-Use - Properties on which various uses, such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design.

Mobile Home - A structure, transportable in one or more sections, built on a permanent chassis and designed for use as a single-family dwelling unit and which (1) has a minimum of 400 square feet of living space; (2) has a minimum width in excess of 102 inches; (3) is connected to all available permanent utilities; and (4) is tied down (a) to a permanent foundation on a lot either owned or leased by the homeowner or (b) is set on piers, with wheels removed and skirted, in a mobile home park under a lease with a minimum period of one year. (See "Manufactured Housing" and "Modular Unit").

Moderate Income Household - A household with an annual income between the lower income eligibility limits and 120 percent of the area median family income adjusted by household size, usually as established by the U.S. Department of Housing and Urban Development (HUD).

Modular Unit - A factory-fabricated transportable building or major component designed for use by itself or for incorporation with similar units on-site into a structure for residential, commercial, educational, or industrial use. A modular unit does not have any chassis for future movement. (See "Mobile Home" and "Manufactured Housing").

Multi-family Building - A detached building designed and used exclusively as a dwelling by three or more families occupying separate suites.

Objective - A specific statement of desired future condition toward which the City will expend effort in the context of striving to achieve a broader goal. An objective should be achievable and, where possible, should be measurable.

Preserve - can refer to maintaining existing units in a current status or can also refer to keeping existing units affordable to lower income households which are legally eligible to convert to

market rate status.

Single-Family Dwelling, Attached - A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with other such dwelling units.

Single-family Dwelling, Detached - A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use.

Single-Room Occupancy Unit - A unit of 220 square feet or less within a hotel providing sleeping or living facilities in which sanitary facilities may be provided within the unit and cooking facilities may be shared within the hotel (City of San Diego).

Small Family - A two, three, or four member family household which is not an "elderly household", as defined above.

Substandard Housing - Residential dwellings, which because of their physical condition, do not provide safe and sanitary housing.

Vacant - Land or buildings which are not actively used for any purpose.

Very Low Income Household - A household whose annual income does not exceed 50 percent of the area median income, as determined by the U.S. Department of Housing and Urban Development (HUD), with adjustments for smaller and larger households.

Zoning - The division of a city by legislative regulations into areas, or zones, which specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the General Plan.

Zoning District - A designated section of the City for which prescribed land use requirements and building and development standards are uniform.

Zoning, Exclusionary - Development regulations which result in the exclusion of low and moderate income and/or minority families from a community.

Zoning, Inclusionary - Regulations which increase housing choice by providing the opportunity to construct more diverse and economical housing to meet the needs of low land moderate income families. Often, such regulations require a minimum percentage of housing for low and moderate income households in new housing developments and in conversions of apartments to condominiums.

HOUSING ELEMENT
APPENDIX N

Gap Between Cost of Housing and What Low and Moderate Income Households Can Afford

APPENDIX N

GAP BETWEEN COST OF HOUSING AND WHAT LOW AND MODERATE INCOME HOUSEHOLDS CAN AFFORD

As the following table illustrates, the rent on a newly constructed 2 bedroom, 2 bath garden apartment would range from $1,370 - $1,940 per month, depending on location. The same unit in a 4 story building with underground parking would rent from $1,440 - $1,940 depending on location.

However, a four person family with an income of $34,150[1] (65% of San Diego area median income) could afford[2] to pay only $854 per month. If this family had an income of $26,250 (50% of San Diego area median income), they could afford to pay only $656 per month. According to the most recent Consolidated Plan prepared by the San Diego Housing Commission, San Diego has over 106,000 households paying more than 30% of their income for housing.

In this example, for a 2 bedroom, 2 bath garden apartment, the affordability gap for the family at 65% of area median income would range from $516 - $1,085 per month. For the family at 50% of area median income, the affordability gap for the same unit would range from $714 - $1,284 per month.

A new construction affordable housing project in the South Bay where land values average $30,000 - $40,000 per unit would require financial subsidies of between $25,000 - $35,000 per unit. The same project in a north coastal community where land values average between $60,000 - $70,000 per unit would require subsidies of between $55,000 - $65,000 per unit. New construction affordable projects tend to focus on meeting the needs of large families with at least half the units having 3 or 4 bedrooms. On a per bedroom basis, the financial subsidies would average $10,000 - $15,000 per bedroom in the Souyh Bay and $25,000 - $30,000 in the North Coast communities.

Acquisition and rehabilitation of existing projects is an alternative to new construction. However, significant financial gaps arise in these projects as well. The smaller the project, the higher the per unit subsidy. A typical small acquisition/rehab project might involve 25 units and assuming a $45,000 per unit acquisition price, would require a subsidy of between $35,000 - $40,000 per unit. This would translate into approximately $25,000 per bedroom. These costs assume rehab to federal standards. (Most existing projects are comprised of 1 and 2 bedroom units.

A number of HUD financed projects are being acquired and rehabilitated. These projects qualify within a very narrow IRS interpretation that enable the acquisition price of the project to qualify for Federal Low Income Housing Tax Credits. A typical project would be approximately 200 units.

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[1]Based on March, 2000 Median Area Income for San Diego County of $53,700 for a four person household, as determined by HUD and the California Department of Housing and Community Development.

[2]Housing affordability is defined as paying no more than 30% of gross income for housing, including utilities.

Required Market Rate Rents for Various Multi-Family Product Types North Coast and South Bay		
Product Type Land Cost Range Total Development Cost Sales Price or Rent Range Average Density	**North Coast**	**South Bay**
Townhouse Condominiums[3]		
Land Cost per DU[4]	$100,000	$50,000
Total Development Cost[5]	$200,000	$100,000
Sales Price per DU	$300,000	$150,000
Average Density per DU	10	10
Garden Apartments[6]		
Land Cost Range per DU	$60,000 - 70,000	$30,000 - 40,000
Total Development Cost[7]	$150,000 - 162,000	$114,000 - 126,000
Rent Range per DU per month	$1,800 - 1,944	$1,368 - $1,512
Average Density per DU	20	20
Four Stories Over Underground Parking		
Land Cost Range per DU	$60,000 - 70,000	$30,000 - 40,000
Total Development Cost[8]	$180,000 - 192,000	$144,000 - 156,000
Rent Range per DU per month	$2,160 -2,304	$1,728 - 1,872
Average Density per DU	40 - 50	40 - 50

[3]Townhouse condominiums are assumed to be 1,600 - 1,700 square feet with 3 BR's and 2 baths.

[4]Land costs include in addition to land, infrastructure costs, permit fees and development impact fees

[5]Total development costs for townhouses include soft costs and developer profit.

[6]Garden Apartments are assumed to be 1,000 square feet with 2 BR's and 2 baths

[7]Total development costs include land costs plus construction @$65/sf plus soft costs @ 20%.

[8]Total development costs include land costs plus construction costs @$90/sf plus soft costs @ 20%

HOUSING ELEMENT
APPENDIX O

City Council Resolution Authorizing Housing Element for Submittal to HCD