

City of Willits Housing Element Update

Prepared for:

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INTRODUCTION

The Housing Element of the General Plan is a comprehensive statement by the City of Willits regarding its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this element reflect the requirements of the statewide housing priority to allow for the “attainment of decent housing and a suitable living environment for every Californian,” as well as a reflection of the unique concerns of the community. The purpose of the Housing Element is therefore to establish specific goals, policies, and objectives relative to the provision of housing and to adopt an action (implementation) plan toward this end. In addition, the Housing Element identifies and analyzes housing needs and resources and constraints to meeting those needs. It is noted that, with the recent termination of the City’s Redevelopment Agency (RDA), the Low & Moderate Income Housing Program of the former RDA has been transferred to the Community Development Commission (CDC) of Mendocino County, which has been designated the Successor Housing Agency pursuant to the provisions of Health and Safety Code Section 34176, as modified by Assembly Bill AB1X26. With this transfer of housing authority, responsibilities, and funding, the ability of the City to initiate, fund, and manage housing programs is substantially diminished.

PURPOSE

The purpose of the Housing Element is to identify housing solutions that solve local housing problems and to meet or exceed the Regional Housing Needs Allocation. The City recognizes that the provision of adequate housing is best met through various resources and interest groups. This element establishes the local goals, policies, and programs the City will implement and/or facilitate to address the identified housing issues.

State law requires the Housing Element to be consistent and compatible with other General Plan elements. The Housing Element should provide clear policy direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (Government Code Sections 65580 through 65589) mandates the content of the Housing Element and requires an analysis of:

- Population and employment trends;
- The City’s fair share of the regional housing needs;
- Housing stock and household characteristics;
- An inventory of land suitable for residential development;
- Governmental and non-governmental constraints on the improvement, maintenance, and development of housing;
- Special housing needs;
- Opportunities for energy conservation; and
- Publicly assisted housing projects that may convert to non-assisted housing projects.

The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth policies and schedules promoting the preservation, improvement, and development of diverse housing types available at a range of costs.

ORGANIZATION OF THE ELEMENT

This Housing Element is organized into three key sections and appendices as follows:

Introduction: This section provides information on the State's requirements, the purpose of the housing element, the organization of the document, and the primary data sources used.

Housing Program: This section sets forth the City's goals, policies, and implementation measures that are designed to address the housing needs in Willits.

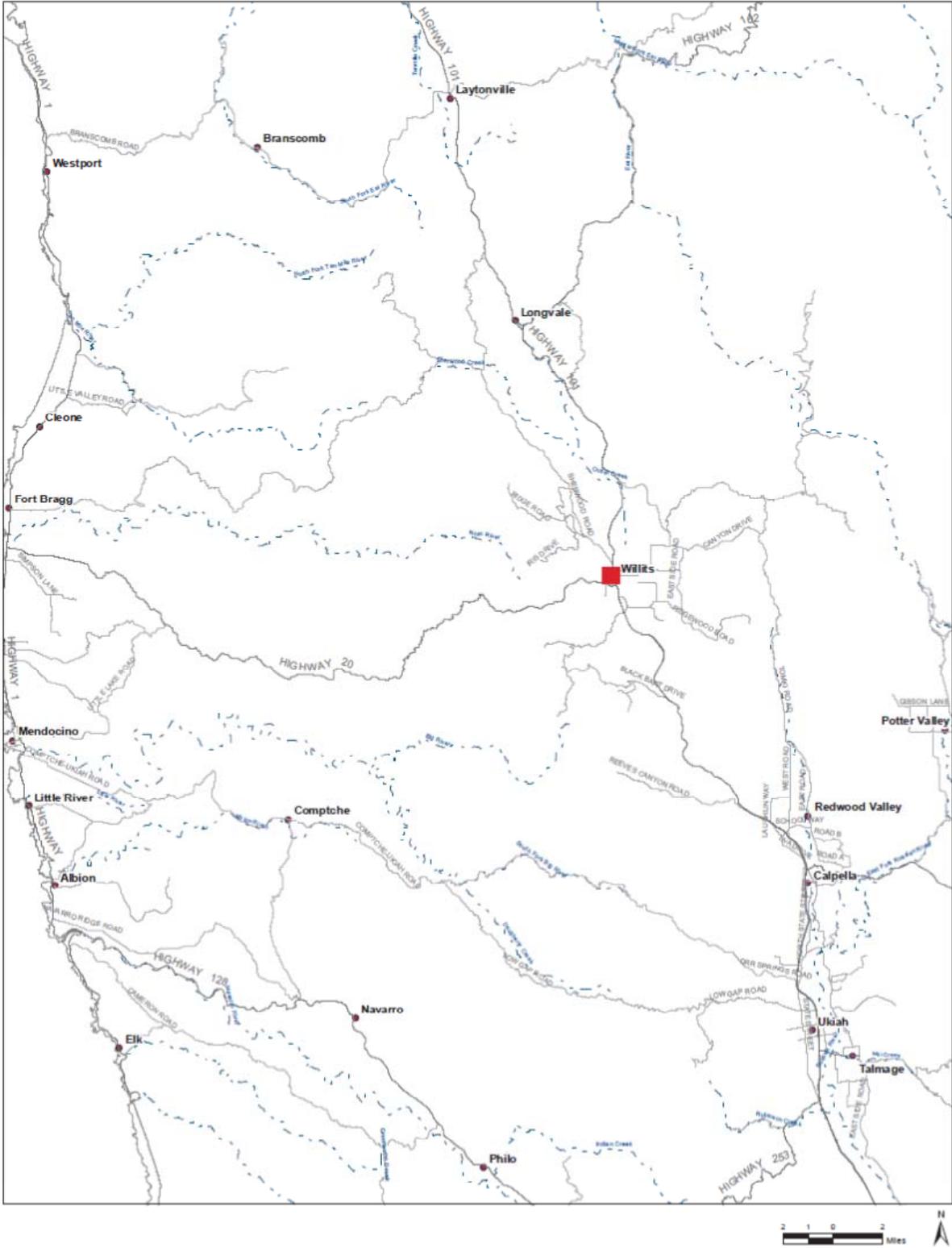
Background Report: This section contains an evaluation of the prior Housing Element and its accomplishments, an analysis of housing needs, identification of constraints to the development of housing, and resources such as an inventory of vacant and underutilized sites that are available for housing.

Appendices: The appendices contain documentation and information associated with the development and updating of the Housing Element. The appendices include the 2003 Housing Element Program Review, the Adequate Sites Inventory, the Adequate Sites Map, a list of funding sources, and the City's zoning map.

CONTEXT

Willits is located in central Mendocino County, along US Highway 101 at the junction of the Mendocino Railway (Skunk Train) and North Coast Rail Authority railroad lines. Willits is a small town with a history of commercial and industrial development. It is surrounded primarily by agricultural lands, with a backdrop of wooded ridgelines. Ukiah is the largest city in the county and is located approximately 20 miles to the south.

Figure 1: City of Willits Location Map



GENERAL PLAN CONSISTENCY

The 2009 Housing Element Update addresses the City’s housing needs over the 2009–2014 Housing Element planning period. The Housing Element Update has been analyzed for consistency with the City’s General Plan and does not propose any goals, policies, or programs which are considered contrary to General Plan goals, policies, or programs. No changes are proposed to the existing General Plan land use designations. The 2009 Housing Element Update incorporates principles of sustainability, compact development, infill, and redevelopment. Policies and implementing actions in the Housing Element will provide a foundation for developing an updated General Plan that is responsive to the need for housing consistency with the 2009 Housing Element Update.

Per Assembly Bill (AB) 162 (Government Code Section 65302), the City will evaluate and amend as appropriate the Safety and Conservation elements of the General Plan to include analysis and policies regarding flood hazard and management information.

REGIONAL HOUSING NEEDS ALLOCATION

The Regional Housing Needs Plan (RHNP) is mandated by the State of California (Government Code Section 65584) and requires regions to address housing issues and needs based on future growth projections for the area. The California Department of Housing and Community Development (HCD) allocates regional housing needs numbers to regional councils of governments throughout the state. The RHNP for Mendocino County is developed by the Mendocino Council of Governments (MCOG) and allocates to the cities of Ukiah, Fort Bragg, Willits, and Point Arena and the unincorporated area of Mendocino County their “fair share” of the region’s projected housing needs, also known as the Regional Housing Needs Allocation (RHNA).

Listed below is the breakdown of the RHNA for the City of Willits, by income group, for the 2007–2014 period.

Table 1: Future Housing Needs, 2007–2014

Income Category	2007–2014 RHNA
Extremely Low	27
Very Low	27
Low	40
Moderate	38
Above Moderate	77
Total	209

HOUSING GOALS, POLICIES, PROGRAMS, AND OBJECTIVES

The goals, policies, programs, and objectives set forth in this Housing Element are designed to provide for the preservation, production, maintenance, and improvement of housing in Willits.

Goals are statements that identify a specific topic area. *Policies* are developed to support and implement each goal. *Programs* (sometimes referred to as implementation measures) are the specific action steps the City will take to implement its policies and achieve stated goals and objectives. *Objectives* work in identifying housing needs, surveying land and financial resources, analyzing constraints, and developing appropriate programmatic and policy responses which reflect the community's unique needs and circumstances. This information is used to establish reasonable estimates of the number of units, by income level, these programs and policies can accomplish.

The City's plan for addressing its identified housing needs focuses upon the following areas:

- Housing Quality
- Housing Supply and Neighborhood Conservation
- Housing Affordability
- Equal Housing Opportunity
- Natural Resource and Energy Conservation

The Housing Element is based upon the following strategic goals:

- Goal HE-1:** Maintain and improve the quality of the existing housing stock and promote the development of new housing which meets safety standards, offers a variety of housing types in a variety of locations, and enhances existing neighborhoods, services, and the environment.
- Goal HE-2:** Encourage the preservation of existing housing and the construction of new housing at a range of costs and in quantities to meet the needs of all income groups, including the very low-, low-, and moderate-income groups.
- Goal HE-3:** Promote affordability of all types of housing to meet the present and projected needs of households of all income levels.
- Goal HE-4:** Assure that discrimination is not a factor in the ability of households to obtain housing.
- Goal HE-5:** Promote effective and efficient land use when meeting housing needs, including consideration of sustainable development, conservation of energy and natural resources, and green building technologies.

1. HOUSING QUALITY

The Regional Housing Needs Allocation (RHNA) identifies the need for a variety of housing types at a range of densities to accommodate future housing needs resulting from local and regional growth. Housing diversity is important to ensure that all households, regardless of income level, age, and household type, have the opportunity to find housing suited to their needs and lifestyle. The following items identify the City's efforts to encourage the development of housing.

Goal HE-1 Maintain and improve the quality of the existing housing stock and promote the development of new housing which meets safety standards, offers a variety of housing types in a variety of locations, and enhances existing neighborhoods, services, and the environment.

Policy HE-1.A Maintain and enforce development standards which provide durable housing and safe neighborhoods for housing of all income levels.

Policy HE-1.B Encourage new development to integrate housing types serving a wide range of households.

Policy HE-1.C Review all development plans and zoning requests to encourage a large variety of neighborhood types and housing opportunities affordable to the city's labor force.

Policy HE-1.D Facilitate the private rehabilitation of housing units through the identification of available funding sources and informing residents of such sources.

Policy HE-1.E Strive to meet the City's share of the Regional Housing Needs Allocation for the 2007–2014 planning period

Policy HE-1.F Review the City General Plan and Zoning Ordinance to analyze the effectiveness of the goals, policies, programs, and codes in furthering the development of housing for all Willits residents.

The following programs and objectives have been adopted in support of Goal HE-1 and associated policies.

Program HE-1.A: Housing Rehabilitation Loan Program

The City will coordinate with the Community Development Commission (CDC) of Mendocino County to continue to support the ongoing Housing Rehabilitation Loan Program, which provides financial assistance to lower-income (extremely low-, very low-, and low-income) owner households for housing rehabilitation. (*Ref. Policies HE-1.D, HE-2.D, HE-3G*)

Five-Year Objective: Refer interested residents who are interested in the Housing Rehabilitation Loan Program to the CDC of Mendocino County. The City will also work with the CDC of Mendocino County in an effort to continue to publicize informational brochures which will be made available at City Hall, the library, and on the Chamber of Commerce website and/or the City's website.

Responsible Departments/Agencies: Community Development Department, Community Development Commission of Mendocino County

Funding Sources: CDBG funds

Implementation Schedule: Continuously work with the Community Development Commission (CDC) of Mendocino County to refer interested residents and provide brochures.

Program HE-1B: First-Time Homebuyers Program

Provide for the development of a First-Time Homebuyers Program to assist lower-income households in becoming homeowners. (*Ref. Policy HE-1.B*)

Five-Year Objective: The City has previously contributed money to the Rural Communities Housing Development Corporation (RCHDC) for their first-time homebuyers program. The City will work with the RCHDC to determine the feasibility of establishing a First-Time Homebuyers Program. If the First-Time Homebuyers Program is deemed feasible, the City will assist the RCHDC and CDC in the development of this program in Willits.

Responsible Departments/Agencies: Community Development Department

Funding Sources: City General Fund, Low & Moderate Income Housing Funds, CDBG funds

Implementation Schedule: Ongoing, starting December 2013.

Expected Results: Determine the economic feasibility of a successful First-Time Homebuyers Program for the City and the development of such a program, if feasible. If established, the City should strive to assist three lower-income households annually during the 2009–2014 period.

Program HE-1.C: Infrastructure Provision and Financing

Minimize infrastructure costs for residential development by identifying infrastructure needs and available sources of funding for infrastructure improvements. (*Ref. Policies HE-1.A, HE-2.B*)

Five-Year Objective: Evaluate measures which reduce infrastructure demands, and consequently, the need for public facilities to serve residential development on an annual basis; analyze existing and potential infrastructure financing measures for their ability to meet infrastructure needs without an adverse impact to housing costs, and identify and apply for State or USDA infrastructure funding programs to support improvement efforts.

The City will also continue to allow for fee exemptions when energy and water conservation measures are taken into account for new development.

Responsible Departments/Agencies: Public Works Department, Community Development Department

Funding Source: CDBG, General Fund, Capital Improvement Program

Implementation Schedule: Annually evaluate measures and apply for funding as NOFAs are released. As applications are processed through the Community Development Department.

Expected Results: Reduction of housing development cost associated with infrastructure development.

Program HE-1.D: Annual Review of the Housing Element

Maintain a Housing Element that is effective in implementing housing goals. (*Ref. Policies HE-1.A, HE-1.F*)

Five-Year Objective: Annually review the Housing Element to determine the effectiveness of the programs in achieving the City’s housing goals, policies, programs, and objectives. The City will provide annual reports to the City Council as to the effectiveness of the Housing Element. The City will take actions necessary to correct any inconsistencies. A copy of this report will be sent to the California Department of Housing and Community Development.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Annually, before the April 1st deadline.

Expected Results: Annual evaluation of the effectiveness of the General Plan, including Housing Element goals, policies, and programs.

Program HE-1.E: Zoning Ordinance Review and Update

Review and update the Zoning Ordinance to ensure it contains current data and definitions and is effective in implementing housing goals. (*Ref. Policies HE-1.A, HE-1.F*)

Five-Year Objective: Review the Zoning Ordinance to determine the effectiveness of the Ordinance in achieving goals and objectives and, as needed, update the Zoning Ordinance to comply with changes to state planning and zoning law requirements.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Annually review and revise as necessary starting in December 2013.

Expected Results: Evaluation of the effectiveness of the Zoning Ordinance in achieving the goals of the General Plan and its compliance with state law.

Program HE-1.F: Water and Sewer Service Priority

In compliance with Government Code Section 65589.7, provide a copy of the adopted Housing Element to local water and sewer providers.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Within one month from adoption of the Housing Element.

Expected Results: Construction of lower-income residential dwelling units.

Program HE-1.G: Affordable Housing Water Priority

Give preference in the City's water allocation process to projects meeting the City's lower-income regional housing need.

Five-Year Objective: Further the provision of lower-income housing by granting priority with respect to water hookups.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Ongoing, as affordable projects are processed through the Community Development Department.

Expected Results: Construction of lower-income residential dwelling units.

2. HOUSING SUPPLY AND NEIGHBORHOOD CONSERVATION

Housing supply and neighborhood conservation are important to the maintenance and improvement of the quality of housing stock. While some of the housing in the city is relatively new, a housing study conducted by City staff identified that about 21 percent of the housing was considered to be in need of repair, particularly the older housing stock. The City will continue its efforts to improve the condition of condition through Zoning Ordinance amendments, code enforcement efforts, and cooperation with the CDC and RCHDC in housing projects. The items listed below address the issue of housing supply and neighborhood conservation.

Goal HE-2 Encourage the preservation of existing housing and the construction of new housing at a range of costs and in quantities to meet the needs of all income groups, including the very low-, low-, and moderate-income groups.

Policy HE-2.A Identify adequate sites which will be made available with appropriate zoning and development standards, including public services and facilities needed to facilitate and encourage the development of a variety of types of housing.

Policy HE-2.B Encourage infill development to maximize use of available land and infrastructure and also to eliminate unsightly and unsafe conditions on underutilized or vacant lots.

Policy HE-2.C Encourage the production of second units in all residential zones, as appropriate.

Policy HE-2.D Encourage the maintenance of existing housing to prevent deterioration and promote dwelling lifespan.

Policy HE-2.E Encourage the development of market-rate housing to meet the needs of moderate- and above-moderate-income households.

Policy HE-2.F Where appropriate, remove governmental constraints to the maintenance, improvement, and development of housing.

The following programs and objectives have been adopted in support of Goal HE-2 and associated policies.

Program HE-2.A: Residential Land Inventory Database

Continue to identify vacant and underutilized residential land in order to determine the residential development potential in the city and assist in identifying ways to remove any possible constraints. (Ref. Policies HE-2.A, HE-3.E, HE-1.E)

Five-Year Objective: The Community Development Department will develop a database to identify vacant and underutilized land and to identify any constraints to the development of that land.

Responsible Departments/Agencies: Community Development Department

Funding Source: General Fund

Implementation Schedule: Ongoing; update as projects are approved through the Community Development Department.

Expected Results: A Residential Site Development database available for public use to assist in the development of housing in the city.

Program HE-2.B: Multi-Family Sites Preservation

The City has a limited supply of land zoned R-3, which allows for multi-family residential uses. In order to preserve existing and future R-3 zoned sites for multi-family development, the City will revise its Zoning Ordinance to establish a minimum density of 14.5 units per acre in the R-3 zone. (Ref. Policies HE-1.E, HE-2.A, HE-3.D)

Five-Year Objective: In order to preserve existing and future R-3 zoned sites for multi-family development, the City will revise the Zoning Ordinance to establish a minimum allowed density of 14.5 dwelling units per acre in the R-3 zoning district.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Revise the Zoning Ordinance by December 2013.

Expected Results: Preservation of sites for future multi-family development in the city.

Program HE-2.C: Infill Development

Infill development is one technique which can be utilized in meeting the City's affordable housing needs. The City will encourage the use of vacant, small lots zoned for residential development within the city limits for the development of housing. (Ref. Policies HE-1.B, HE-1.C, HE-2.A, HE-2.B, HE-2.E, HE-1.E, HE-3.C, HE-3.D, HE-3.E)

Five-Year Objective: The City will encourage the use of infill for the development of housing by offering density bonuses, as well as assisting interested developers to apply for government financing and/or other government subsidies, expedite permit processing, consider reducing parking standards and lot sizes, and consider waiving impact fees for extremely low-, very low-, and low-income dwelling units (these actions are not limited to a density bonus).

In addition, the City will identify those areas that may not be suitable for the construction of residential infill units, but would be suitable for providing additional parking opportunities that could support infill development opportunities in the vicinity.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Ongoing, as applications are processed through the Community Development Department.

Expected Results: Assist in the development of residential infill units.

Program HE-2.D: Lot Consolidation

Create larger parcels through lot consolidation in order support affordable development opportunities in Willits. (Ref. Policies HE-1.B, HE-2.A, HE-2.B, HE-2.F)

Five-Year Objective: The City will encourage the consolidation of smaller adjacent parcels zoned for residential use, particularly those parcels zoned for two-family (R-2) or multi-family (R-3) development. This may include working with property owners to consolidate parcels, coordinating with local property owners to support the development of affordable two-family and multi-family housing development, or working with developers to identify suitable vacant and adjoining R-2 and R-3 sites.

The City will also provide technical assistance to developers or existing owners who wish to consolidate adjacent residentially zoned parcels. As developers/owners approach the City interested in lot consolidation for the development of affordable housing, the City will offer the following incentives on a project-by-project basis: allow for affordable projects to exceed the maximum height limits, lessen setbacks, and/or reduce parking requirements.

Responsible Departments/Agencies: Community Development Department

Funding Source: General Fund

Implementation Schedule: Ongoing, as projects are processed through the Community Development Department. Annually meet with local developers to discuss development opportunities and incentives for lot consolidation.

Program HE-2E: Incentives for the Development of Affordable Housing

Allow for flexibility in development standards to facilitate affordable housing development. (Ref. Policies HE-1.B, HE-2.B, HE-2.F, HE-3.E)

Five-Year Objective: The City will offer fast track/priority processing, density bonuses, flexibility in development standards, and fee subsidies (when feasible) to developers proposing new housing, mixed-use, or infill projects affordable to lower-income households, farmworkers, seniors, and other special needs groups. The City will also look at reduced parking standards.

Responsible Departments/Agencies: Community Development Department

Funding Source: General Fund

Implementation Schedule: Ongoing, as projects are processed through the Community Development Department.

Program HE-2F: Second Units

Encourage the production of second dwelling units to meet the needs of the Willits population. (Ref. Policies HE-1.B, HE-2.C, HE-3.C)

Five-Year Objective: Revise the Willits Zoning Ordinance to permit second units ministerially (by right) in all single-family residential zones, consistent with Section 65852.2 of the Government Code. In addition, to encourage the production of second units, offer incentives such as the reduction of parking requirements, reduction of permit processing time, increase in floor areas, and reduction of setbacks, and promote second units in subdivision development by considering/creating incentives for their production.

Responsible Departments/Agencies: Community Development Department, Building Department

Funding Source: General Fund

Implementation Schedule: Amend the Zoning Ordinance by December 2013. Ongoing, as second unit applications are processed through the Community Development Department.

Expected Results: Assist in the development of second units.

Program HE-2G: Mixed-Use Development

Revitalize the downtown area and produce dwelling units. (Ref. Policies HE-2.A, HE-1.E, HE-3.C, HE-3.D, HE-3.E, HE-3.F)

Five-Year Objective: Continue to facilitate the revitalization of the downtown area of Willits by allowing residential units above first-floor commercial uses and provide incentives for mixed-use projects with an affordable residential component.

The City will remove the requirement of a conditional use permit for residential development above commercial establishments in commercial zones C1, C2, and CG and allow residential units to be developed above commercial establishments by right. For projects that contain housing units affordable to lower-income households, the City will provide incentives such as density bonuses, flexible development standards, and/or fee deferrals to encourage the development of mixed-use projects that contain affordable multi-family units.

The City will also consider reducing and/or eliminating parking requirements for residential units that are placed above commercial establishments.

Responsible Departments/Agencies: Community Development Department, Redevelopment Agency, City Council

Funding Source: General Fund

Implementation Schedule: Ongoing. Amend the Zoning Ordinance by December 2013.

Expected Results: Provision of residential development above commercial establishments in commercial zones by right, which will assist in the revitalization of the downtown area of Willits.

Program HE-2.H: Housing Opportunities

Encourage the production of market-rate housing for households with incomes of 80 percent or more of Mendocino County Area Median Income in order to meet and/or exceed the Regional Housing Needs Allocation (RHNA) of 115 housing units for moderate- and above-moderate-income households. (Ref. Policies HE-1.B, HE-2.E)

Five-Year Objective: The Community Development and Building Departments will confer with real estate agents, housing developers and financial institutions in order to identify the items necessary for the production of units affordable to moderate and above moderate households. Once these items have been identified, the Community Development Department will provide this information to housing developers and real estate brokers to encourage the construction of market-rate housing.

Responsible Departments/Agencies: Community Development Department, Building Department

Funding Source: General Fund

Implementation Schedule: Ongoing. Annually reach out to real estate agents, housing developers, and financial institutions starting December 2013.

Expected Results: The development of market-rate housing units.

Program HE-2.I: Planned Unit Development

The City shall encourage Planned Unit Developments (PUD). The City has established PUD zoning combining districts which allow for flexibility in the use and design of land and structures. This flexibility may include the alteration of setback requirements, height limits, sign requirements, building coverage limits, off-street parking, density and intensity limits, etc. These districts are excellent areas for the development of a mix of different housing types, such as condominiums, apartments, and single-family dwellings. (Ref. Policies HE-1.B, HE-2.E, HE-3.C, HE-3.F)

Five-Year Objective: The City will produce informational brochures describing the PUD process and its possibilities, identify areas of the city which may be rezoned as PUD districts, and identify possible development incentives for a PUD, such as density bonuses, infrastructure cost sharing, and increased housing density. City staff will provide information on the benefits of PUD districts to developers who are considering developing a range of housing types or who are looking for greater flexibility. The Community Development Department will also provide developers with a listing of vacant sites in the city suitable for rezoning to PUD to accommodate a range of housing types and flexible designs.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Develop informational materials for developers. Identify sites most suitable for rezoning to PUD and provide a listing of those sites to developers by December 2013.

Expected Results: The promotion of neighborhoods with a mix of different housing types and land uses.

Program HE-2.J: Removal of Governmental Constraints to Housing Development for Persons with Disabilities

Possible governmental constraints to the development of housing for persons with disabilities should be identified and removed where feasible. (Ref. Policies HE-2.E, HE-3.B)

Five-Year Objective: Annually monitor existing land use controls, permit and processing procedures, fees and exactions, and building codes for constraints on the development, maintenance, and improvement of housing.

Develop procedures for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws and amend the City's Zoning Ordinance to provide for clear rules, policies, procedures, and fees for reasonable accommodation in order to promote equal access to housing. Policies and procedures should identify who may request a reasonable accommodation (i.e., persons with disabilities, family members, landlords, owners, etc.), and these procedures and any fees associated with them should provide relief from the various City land use, zoning, or building regulations that may constrain the housing needs of persons of disabilities.

Responsible Agencies/Departments: Community Development Department, City Council

Funding Sources: General Fund

Implementation Schedule: Develop procedures and revise the Zoning Ordinance by December 2013. Annually evaluate and revise policies, programs, and procedures as necessary.

Expected Results: Clear procedures for reasonable accommodation requests.

Program HE-2K: Allow Multifamily in the R2 Zone

Allow for multifamily development in the R2 zoning district. (Ref. Policies HE-1.B, HE-2.B, HE-2.F, HE-3.E)

Five-Year Objective: The City will amend the zoning ordinance to allow multi-family housing as a permitted use, without a CUP or any other discretionary review, in the R2 zone, once a finding has been made from the California Department of Public Health stating that the City has sufficient water capacity to serve additional growth.

Responsible Departments/Agencies: Community Development Department

Funding Source: General Fund

Implementation Schedule: By 2014

3. HOUSING AFFORDABILITY

According to the US Department of Housing and Urban Development (HUD), a household is considered to be overpaying for housing when 30 percent of a household's total income is spent on housing. As housing prices increase, it becomes more difficult for low- and moderate-income households to afford to live in the community. The provision of sufficient sites for a range of housing types, as well as assisting in the development of affordable workforce housing, facilitates the availability of housing for the city's population. The following items facilitate housing affordability.

Goal HE-3 Promote affordability of all types of housing to meet the present and projected needs of households of all income levels.

Policy HE-3.A Preserve assisted housing identified in this document as reserved for lower-income households.

Policy HE-3.B Seek and support programs that address the housing needs of special groups such as seniors, single young adults, persons with disabilities, farmworkers, those in need of temporary shelter, single-parent families, and large families.

Policy HE-3.C Assist in the development of housing affordable to very low- and low-income households through financial and/or technical assistance.

Policy HE-3.D Expand the availability of affordable housing by encouraging multi-family residential development on appropriate lands designated for commercial use.

Policy HE-3.E Encourage mixed residential/commercial development in several areas of the city, including (1) the northeast area south of East Commercial Street and west of the railroad near Madden Lane; (2) the southeast area near Baechtel Road and Shell Lane; and (3) the south-central area of the city west of the railroad tracks and east of South Main Street north of Shell Lane.

Policy HE-3.F Avoid concentration of affordable housing in a single portion of the city.

Policy HE-3.G Conserve, through rehabilitation and replacement, the City's affordable housing units.

Policy HE-3.H The City shall promote the development of special housing needs, such as transitional and supportive housing, emergency shelters, and single-room occupancy units, consistent with state law.

The following programs and objectives have been adopted in support of Goal HE-3 and associated policies.

Program HE-3.A: Permit Streamlining and Priority Processing

Continually seek to improve development review and procedures to minimize the time required for review and project approval. This reduction in time will reduce the cost to developers and may increase the housing production in the city. In addition, continue to give priority to affordable housing projects. (Ref. Policies HE-2.F, HE-3.C)

Five-Year Objective: Reduction of the time necessary to complete the development permit process for affordable housing.

Responsible Departments/Agencies: Community Development Department

Funding Source: General Fund

Implementation Schedule: Ongoing, as affordable projects are processed through the Community Development Department.

Expected Results: The reduction of permit processing review time for projects.

Program HE-3.B: Affordable Housing Preservation

The establishment of procedures to preserve affordable housing at risk of converting to market rate. (Ref. Policy HE-3.A)

Five-Year Objective: State law requires jurisdictions to provide a program in their Housing Elements to preserve publicly assisted affordable housing projects at risk of converting to market-rate housing. Currently, the City does not have any publicly assisted affordable projects at risk of converting, but should they in the future, the City will monitor the status of all affordable housing projects and as their funding sources near expiration, will work with the Community Development Commission of Mendocino County and with the owners to consider options to preserve such units. The City will also provide technical support to property owners and tenants regarding proper procedures relating to noticing and options for preservation.

Responsible Departments/Agencies: Community Development Department, Community Development Commission of Mendocino County

Funding Source: General Fund

Implementation Schedule: Annually monitor.

Program HE-3.C: State and Federal Housing Programs

A number of state and federal programs provide low-cost financing or subsidies for the production of low- and moderate-income housing. Certain programs require an application and participation by the local public agency, other programs are for use by nonprofit housing corporations and housing authorities, and the remaining programs require application and direct participation by a private developer. The City will refer interested parties to the Community Development Commission of Mendocino County to determine which programs would be most beneficial for housing production in the city and then directly or indirectly pursue those programs. Available programs are listed below. (Ref. Policies HE-1.E, HE-3.A, HE-3.B, HE-3.C)

- California Predevelopment Loan Program (PDLP)
- Multifamily Housing Program (MHP)
- Rural Development Assistance Program
- California Joe Serna Farmworker Grant Program (FWHG)

- USDA Rural Development, Section 515 Program
- USDA Rural Development, Section 523/524 Technical Assistance Grants
- Community Development Block Grant Program (CDBG)
- Home Investment Partnerships Program (HOME)

Five-Year Objective: The City will refer interested parties to the Community Development Commission of Mendocino County to provide assistance to nonprofit and private housing developers to make use of other programs which require their application and participation.

Responsible Departments/Agencies: Community Development Department, Community Development Commission of Mendocino County

Funding Sources: All available federal, state, and local sources

Implementation Schedule: Ongoing; refer as approached by interested parties.

Program HE-3.D: Inclusionary Zoning Ordinance

Inclusionary zoning is one way for the City to ensure that new residential development projects include a minimum commitment to affordable housing and assist in distributing affordable housing throughout the city. (Ref. Policies HE-1.B, HE-1.E, HE-3.C, HE-3.F)

Five-Year Objective: Consider the feasibility of adopting an inclusionary housing ordinance which would set forth minimum requirements for the construction of affordable housing in new residential projects or contributions to an affordable housing trust fund.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Sources: General Fund

Implementation Schedule: Consider feasibility by the end of the planning period.

Expected Results: The production of affordable housing units.

Program HE-3.E: Emergency Shelter Development

Pursuant to Senate Bill 2, the City will amend the Zoning Ordinance to allow emergency shelters as a permitted use in the C-2 zone without a conditional use permit or other discretionary review. In addition, the City will evaluate adopting development and managerial standards that will be consistent with Government Code Section 65583(a)(4). These standards may include such items as:

- Lighting
- On-site management
- Maximum number of beds or persons to be served nightly by the facility
- Off-street parking based on demonstrated need
- Security during hours that the emergency shelter is in operation

In addition, on an annual basis, the City will continue the assignment of up to 10 percent of hotel bed tax revenues for homeless assistance programs and shelters, as well as continue to encourage private contributions to local homeless assistance programs and shelters by providing information from area homeless service providers and the Community Development Commission of Mendocino County about homeless needs and services at City Hall and other public locations. (*Ref. Policy HE-3.B*)

Five-Year Objective: Allow for the development of emergency shelters.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Sources: General Fund

Implementation Schedule: Revise the Zoning Ordinance within one year of adoption of the Housing Element. Annually provide informational brochures from Willits Community Services and the CDC of Mendocino County.

Expected Results: Allow for the development of emergency shelters and programs.

Program HE-3.F: Supportive and Transitional Housing Types

Pursuant to Senate Bill 2, the City must explicitly allow both supportive and transitional housing types in all residential zones.

Five-Year Objective: The City will update its Zoning Ordinance to include separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject only to the same restrictions on residential uses contained in the same type of structure.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Sources: General Fund

Implementation Schedule: Revise the Zoning Ordinance within one year of adoption of the Housing Element. Annually provide informational brochures from Willits Community Services and the CDC of Mendocino County.

Expected Results: Allow for the development of supportive and transitional housing types.

Program HE-3.G: Extremely Low-Income Households

AB 2634 requires the City to identify zoning to encourage and facilitate housing suitable for extremely low-income households, such as supportive housing and single-room occupancy units.

Five-Year Objective: The City will encourage the development of housing for extremely low-income households through working with the CDC and RCHDC on a variety of activities such as outreach to housing developers on an annual basis, providing financial assistance (when feasible) or in-kind technical assistance or land writedowns, providing expedited processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding at least twice in the planning period, and/or offering additional incentives beyond the density bonus.

In addition, the City will allow single-room occupancy units (SROs) to be permitted in the R-2, R-3, C-1, and C-2 zones with a conditional use permit.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Sources: General Fund

Implementation Schedule: Revise the Zoning Ordinance by June 2012. Provide informational brochures from Willits Community Services and the CDC of Mendocino County by June 2012.

Expected Results: Assist the development of single-room occupancy unit housing types.

Program HE-3.H: Farmworker Housing

The City will amend the Zoning Ordinance to comply with Sections 17021.5 and 17021.6 of the Health and Safety Code, which requires that “for the purpose of all local ordinances, employee housing shall not be deemed a use that implies that the employee housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in an agricultural zone shall include agricultural employees who do not work on the property where the employee housing is located.” (*Ref. Policies HE-1.E, HE-2.F, HE-3.B*)

In addition, the City will continue to support regional efforts, such as those of the Community Development Commission of Mendocino County and other organizations, to secure funding and identify sites for the development of migrant/seasonal farmworker housing, including sites in the City’s Sphere of Influence.

Five-Year Objective: Provide for the development of farmworker housing and continue to support regional efforts.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Sources: General Fund, Joe Serna, Jr. Farmworker Housing Grant (JSJFWHG) Program, USDA Rural Development loans, and other funding sources

Implementation Schedule: Update the Zoning Ordinance within 8 months from adoption of the Housing Element. Continually work with the Community Development Commission of Mendocino County and other organizations to secure funding.

Program HE-3.I: Larger Multi-Family Units

Encourage developers of affordable and market-rate housing to construct housing units with three or more bedrooms to accommodate large households and alleviate overcrowding in Willits. Where feasible, provide incentives to developers who provide housing units affordable to lower-income households that have three or more bedrooms. Such incentives may include, but are not limited to, flexible development standards, fee deferrals, density bonuses, or expedited processing. (*Ref. Policies HE-1.B, HE-3.B, HE-3.C*)

Five-Year Objective: Encourage housing developers to provide larger units to provide housing for larger renter families and to alleviate existing or future overcrowding.

Responsible Departments/Agencies: Community Development Department

Funding Sources: General Fund

Implementation Schedule: Ongoing, as applications are processed through the Community development Department.

Expected Results: One larger apartment unit by 2014.

Program HE-3.J: Density Bonus

The City's Zoning Ordinance will be amended to comply with State density bonus law (Government Code Section 65915, as revised). The density bonus will be promoted through informational brochures which will be displayed at the City's Community Development Department and on the City's website. (Ref. Policies HE-1.E, HE-3.C)

Five-Year Objective: The production of housing affordable to lower-income households.

Responsible Agencies/Departments: Community Development Department

Funding Sources: City General Fund

Implementation Schedule: Ongoing—continuation of existing program. Amend the Zoning Ordinance to adhere to new density bonus legislation by December 2013. Develop and display density bonus brochures by December 2013.

Expected Results: The development of two moderate-income and four low-income housing units.

Program HE-3.K Residential Care Facilities

The City will amend the Zoning Ordinance to define and allow for residential care homes with six or fewer persons by right in all residential zones subject only to the same restrictions in that zone and will allow larger group homes of seven or more persons in the R-2 and R-3 zones with a conditional use permit. Additionally, the City will amend the Zoning Ordinance to update its definition of "family" to be "One or more persons living together in a dwelling unit."

Five-Year Objective: Update the Zoning Ordinance to comply with SB 520.

Responsible Agencies/Departments: Community Development Department

Funding Sources: General Fund

Implementation Schedule: Amend the Zoning Ordinance by December 2013.

4. EQUAL HOUSING OPPORTUNITY

Equal access to housing is a fundamental right that enables each person to meet essential needs and assist in the pursuit of other goals such as employment and education. In recognition of equal housing access as a fundamental right, the federal government and the State of California have both established fair housing as a right protected by law. The following policies support City efforts to provide information and encourage fair housing practices in Willits.

Goal HE-4 Assure that discrimination is not a factor in the ability of households to obtain housing.

Policy HE-4.A Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, sexual preference, or color.

Policy HE-4.B Promote fair housing practices.

Policy HE-4.C Oppose housing discrimination on the basis of age, race, health, religion, gender, family size, or sexual preference.

Policy HE-4.D Continue to encourage and facilitate public participation in the formulation and review of the City's housing and development policies.

The following programs and objectives have been adopted in support of Goal HE-4 and associated policies.

Program HE-4.A: Housing Discrimination and Housing Equal Opportunity

Continue to coordinate and refer interested persons to the appropriate agencies, such as Legal Services of Northern California in Ukiah or the HUD Fair Housing Enforcement Center in San Francisco. The City will act as an independent third party to discrimination complaints. The City will support housing equal opportunity programs by continuing to provide fair housing brochures to the public at City Hall, the local U.S. Post Office, Willits Community Services, the library, and other local housing and social service agencies. (Ref. Policies HE-4.A, HE-4.B, HE-4.C)

Five-Year Objective: Prevent housing discrimination and promote equal housing opportunities.

Responsible Departments/Agencies: Community Development Department, Housing Rehabilitation Department

Funding Source: City General Fund

Implementation Schedule: Ongoing; refer persons to the appropriate agencies as complaints are received.

Expected Results: Adherence to the City's policy of fair housing practices.

5. NATURAL RESOURCES AND ENERGY CONSERVATION

Conserving the region's resources not only ensures that these resources are available to future residents, but also helps reduce utility costs. The following policy continues the City's efforts to conserve energy and water resources through the design of housing.

Goal HE-5 Promote effective and efficient land use when meeting housing needs, including consideration of sustainable development, conservation of energy and natural resources, and green building technologies.

Policy HE-5.A Promote energy efficiency in residential construction.

Policy HE-5.B Encourage the reduction of energy use and the conservation of natural resources in the development of housing through implementation of the State Energy Conservation Standards (Title 24).

Policy HE-5.C Support green building standards which enhance a sustainable community by incorporating green building measures into the design, construction, and maintenance of new commercial and residential buildings.

The following programs and objectives have been adopted in support of Goal HE-4 and associated policies.

Program HE-5.A: Implement State Energy Conservation Standards

The Building Department will continue to be responsible for implementing the State's Energy Conservation Standards. This includes checking building plans and other written documentation showing compliance with energy standards and inspecting construction to ensure that dwelling units are constructed according to those plans. (*Ref. Policies HE-5.A, HE-5.B*)

Five-Year Objective: The City will promote energy and resource conservation wherever possible. Applicants for building permits must continue to show compliance with the State's energy conservation requirements at the time building plans are submitted.

Responsible Departments/Agencies: Community Development Department

Funding Source: General Fund

Implementation Schedule: Ongoing.

Expected Results: The checking of all building plans for compliance with State Energy Conservation Standards. The increase in energy efficiency will save energy and natural resources.

Program HE-5.B: Green Building

Incorporate Title 24 and Leadership in Energy and Environmental Design (LEED) requirements into the Zoning Ordinance, specific plans, and development agreements as appropriate and enforce state requirements, including Title 24 of the California Code of Regulations, for energy conservation in new residential projects. Encourage residential developers to employ additional energy conservation measures for the siting of buildings, landscaping, and solar access through development standards

contained in the Zoning Ordinance, Building Code, and other plans as appropriate. (*Ref. Policy HE-5.C*)

Five-Year Objective: Contribute to the reduction of greenhouse gases and climate change through the utilization of green building technologies and materials.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Ongoing, as affordable projects are processed through the Community Development Department.

Expected Results: The production of green housing and a contribution to the overall reduction in greenhouse gases and climate change.

Program HE-5.C: Fee Reduction

Allow for fee reduction, expedited permit processing, or other incentives for new construction that exceeds Title 24 energy efficiency standards by 10 percent or more and/or incorporate use of renewable (non-fossil-fuel) energy.

Five-Year Objective: Contribute to the reduction of greenhouse gases and climate change through the utilization of green building technologies and materials.

Responsible Departments/Agencies: Community Development Department, City Council

Funding Source: General Fund

Implementation Schedule: Ongoing, as projects are processed through the Community Development Department.

Expected Results: The production of green housing and a contribution to the overall reduction in greenhouse gases and climate change.

QUANTIFIED OBJECTIVES

Based on the policies and actions outlined above, the following objectives represent a reasonable expectation of the maximum number of new housing units that will be developed, rehabilitated, or conserved and the number of households that will be assisted over the next five years. Table 1 illustrates the City's realistic expectations for development during the planning period.

Table 2: Quantified Objectives, 2009–2014

	Income Category					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
New Construction (1)	27	27	40	38	77	209
Rehabilitation (2)	0	3		0	0	0
Preservation (3)	0	0	0	0	0	0
Total	27	30	40	38	77	212

(1) New construction objectives are based upon the Regional Housing Needs Allocation (see Table 1) minus building permits issued from January 1, 2007, through January 1, 2009 (see Table 1).

(2) There is not currently a funded rehabilitation program in place with the City.

(3) City staff has indicated that there are zero units at risk at this time based upon available information.

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Housing Needs Assessment

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REVIEW OF THE 2003 HOUSING ELEMENT PROGRAMS AND ACHIEVEMENTS

A review of the progress, effectiveness, and appropriateness of each program in the 2003–2008 Housing Element is provided in Appendix A. There were 14 residential units constructed during the 2001–2008 Regional Housing Needs Allocation (RHNA) period (see Table 2).

Table 1: 2001–2008 Regional Housing Needs Allocation (RHNA) Review

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (2001–2008)	96	83	74	183	436
Units Constructed	0	1	1	12	14
Remaining Need	96	82	73	171	422

Source: City of Willits 2003–2008 Housing Element; City of Willits Building Permits

PUBLIC PARTICIPATION

The California Department of Housing and Community Development requires that local government make a diligent effort to achieve the public participation of all economic segments of the community.

The City of Willits has encouraged and provided opportunities for public participation in the process of identifying housing needs and formulating housing policies and programs. As the City embarked on the process of updating the Housing Element, objectives were formulated for the public participation process. These objectives included:

- Informing the public on the process of the General Plan Housing Element and presenting information regarding the city's housing needs and current programs;
- Gathering information regarding housing needs and ideas to address the identified needs;
- Identifying the constraints facing the community of Willits; and
- Gathering comments and feedback from the citizens on updated programs and policies.

The City developed notices in English and Spanish identifying opportunities for public input and participation. The notices were posted in public places in the community and sent to local service agencies. A public workshop was noticed in the *Willits News*, and workshop announcements were posted at visible locations throughout the community. The Community Development Department also noticed the workshops in Spanish in the *Willits News*. Additionally, through the diligence of the City's staff, which included all departments, the community was advised of the public participation process and encouraged to attend the workshop, as well as to provide written comments to the Community Development Department.

- A Housing Element Update workshop was held on July 21, 2010, at the City of Willits City Hall.
- The Housing Element Update workshop public notice was translated into Spanish by the local Hispanic organization, Nuestra Alianza.
- Nuestra Alianza agreed to post and distribute copies of the workshop public notice flyers to members of the Hispanic community.
- Nuestra Alianza arranged to have City staff attend and make a presentation at a ceremony for their summer youth program, "Plan Vacacional."
- English and Spanish notices were posted at numerous locations around the City of Willits and printed in the *Willits News*.
- Copies of the notices were sent to housing advocate/attorney Lisa Hillegas, who has expressed interest in following the update process for Willits.
- The City received one comment at the workshop from Janet Orth. She had a question regarding what housing projects the City had funded with Low & Moderate Income Housing funds. City staff provided her with a list of projects.

The City also held a public hearing before the City Council to provide additional opportunities for public input on the Housing Element.

In an effort to continue to encourage and facilitate public participation throughout the process, the City will post the Housing Element and all supplemental data on the City's website as well as provide hard copies at City Hall during the 60-day review period.

COMMUNITY PROFILE

POPULATION CHARACTERISTICS

Housing needs are largely determined by population and employment growth, coupled with various demographic variables. Characteristics such as age, household size, occupation, and income combine to influence the type of housing needed and its affordability (Table 2 and Figure 1).

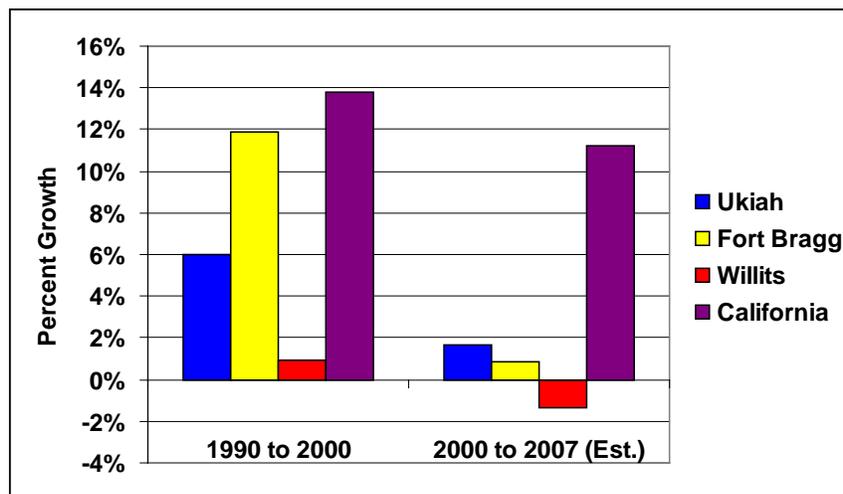
Population Growth

Table 2: Population Growth in Selected Jurisdictions, 1990–2007

Jurisdiction	1990	2000	2007
Ukiah	14,599	15,480	15,742
Fort Bragg	6,078	6,802	6,860
Willits	5,027	5,074	5,007
California	29,758,213	33,873,086	37,662,518

Sources: US Bureau of the Census; California Department of Finance; Mendocino County Economic & Demographic Profile 2008; Center for Economic Development; California State University, Chico

Figure 1: Population Growth in Selected Jurisdictions



Sources: US Bureau of the Census; California Department of Finance; Mendocino County Economic & Demographic Profile 2008; Center for Economic Development; California State University, Chico

Population Projections

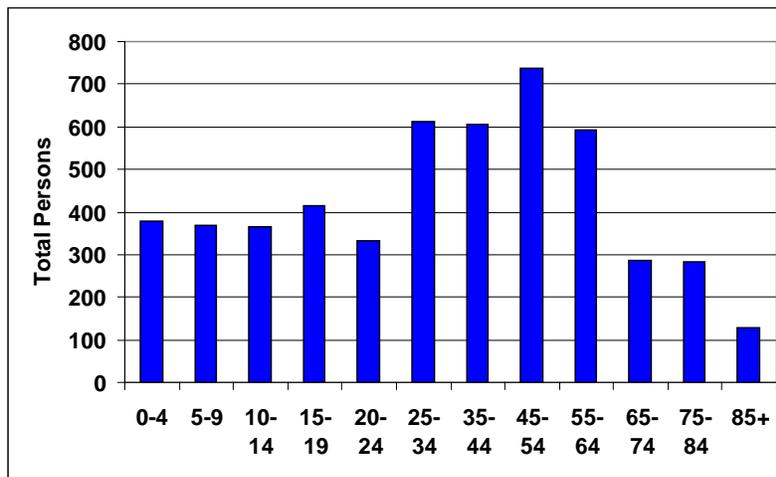
According to the Mendocino County Regional Housing Needs Plan, population growth has slowed significantly over the last seven years. This is a change from the historic growth documented in the 2003 Housing Element. ESRI projects a growth rate of just above 0 percent for the years between 2008 and 2013. Mendocino County overall is expected to experience modest population growth in the near future, estimated at an annual growth rate of 0.4 percent to 0.75 percent through the year 2010 (2008 Regional Housing Needs Plan).

Age Characteristics

Current and future housing needs are usually determined in part by the age characteristics of a community’s residents. Each age group has distinct lifestyles, family type and size, incomes, and housing preferences. Consequently, evaluating the age characteristics of a community is important in determining its housing needs.

The median age of residents in Willits is approximately 36.4 years old. The median age has been increasing slowly, from 35.7 as of the 2000 US Census to 37.1 projected in the year 2013 (ESRI). The population in Willits is getting older, with more retiree households than households within the family-forming age group (persons aged 25–44). Figure 2 shows the age distribution.

Figure 2: 2008 Estimated Population by Age

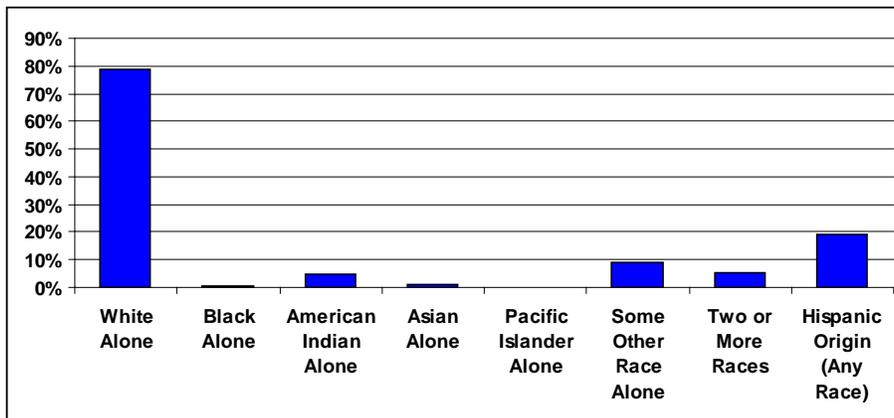


Source: ESRI

Race Characteristics

As shown in Figure 3, white residents represent the largest race group in Willits, at approximately 79 percent. This is a decline of about 5 percent from the year 2000. Hispanic or Latino residents of any race represented about 15 percent of the population at the time of the 2000 US Census. It is estimated that the Hispanic or Latino population currently is approximately 19 percent (ESRI).

Figure 3: 2008 Estimated Population by Race



Source: ESRI

Employment

Table 3 shows employment by industry within the City of Willits. It is estimated that the job base in Willits has shrunk by about 5 percent over the last eight years. Heavy losses in the manufacturing sector have added to losses in the prior decade. Retail jobs were lost at a lower rate than in the prior decade; growth in construction jobs slowed; agricultural and mining jobs were lost; and the nascent information sector declined. The overall growth of the service industry has slowed, yet it makes up approximately 50 percent of the local job market. This sector includes a range of employment areas such as education, health, social services, entertainment, and recreation.

Table 3: Employment by Industry

Employment Sector	Number of Jobs		Percentage Change	Percentage of Jobs, 2008
	2000	2008	2000–2008	
Agriculture and Mining	106	71	-33%	3%
Construction	164	193	18%	9%
Manufacturing	356	242	-32%	11%
Wholesale	52	47	-10%	2%
Retail	225	214	-5%	10%
Information	40	28	-30%	1%
Transportation/Public Facilities	68	69	1%	3%
Government	137	126	-8%	6%
Finance, Insurance, Real Estate	82	79	-4%	4%
Services	1014	1,073	6%	50%
Total	2,244	2,142	-5%	100%

Source: 1990 and 2000 US Census; 2008 ESRI Estimates

Table 4 reemphasizes the strength of the service sector; the decrease in occupations associated with manufacturing, such as production and transport; and the decrease in occupations associated with agriculture and extraction industries. Also noted are a dip in management/professional jobs and a softening of demand for jobs in retail and construction.

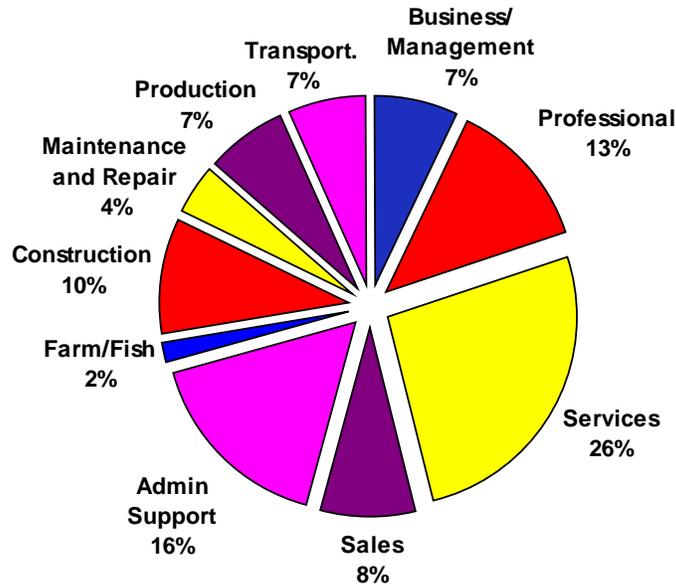
Table 4: Employment by Occupation

Employment Sector	Number of Jobs		Percentage Change	Percentage of Jobs, 2008
	2000	2008	2000–2008	
Management, Professional	464	426	-8%	20%
Services	484	559	15%	26%
Sales and Office	568	524	-8%	24%
Farming, Fishing, Forestry	69	39	-43%	2%
Construction, Extraction, Maintenance	274	300	9%	14%
Production and Transport	385	293	-24%	14%
Total	2,244	2,141	-5%	100%

Source: 2000 US Census; 2008 ESRI Estimates

Figure 4 shows the current estimate of employment by occupation with more detailed categories than the table above.

Figure 4: 2008 Employment by Occupation, (Ages 16 and up)



Source: ESRI Forecasts 2008

Table 5 identifies the major employers throughout the City of Willits by number of employees.

Table 5: Largest Employers

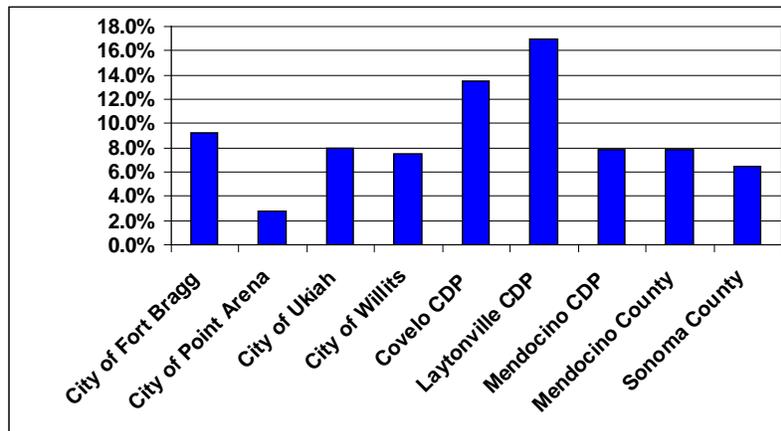
Business	Product	Number of Employees
City of Willits	Government	52
Frank R. Howard Memorial Hospital	Healthcare	260
Microphor, Inc.	Custom Manufacturing	30
Ray's Food Place	Grocery	60
Safeway Stores	Grocery	107
Shusters Transportation & Logging, Inc	Transportation	42
Willits Unified School Dist.	Education	225
Metal/fx	Custom Manufacturing	121
Sherwood Valley Rancheria Casino	Entertainment	90
Sparetime Supply	Garden Supply	65

Source: Willits Chamber of Commerce

Projections of future employment scenarios in Willits were not available for this report. However, the Mendocino County 2008 Regional Housing Plan states, “A large percentage of job opportunities within the Mendocino County region are in lower wage positions, resulting in a greater need for low income housing.”

In 1999, 78 percent of households reported earnings from work, 30 percent received Social Security income, 20 percent received retirement income, 8 percent received public assistance, and 10 percent received Supplemental Security Income (2000 US Decennial Census). Figure 5 shows that Willits’s current rate of unemployment is roughly average compared with surrounding areas.

Figure 5: Unemployment in Willits and Surrounding Areas

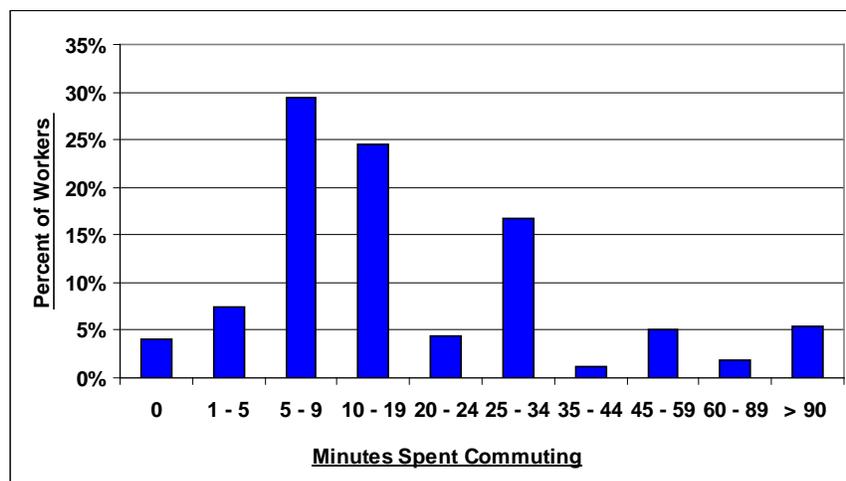


Source: State of California, Employment Development Department, November 2008

Jobs/Housing Balance Assessment

As of the 2000 US Census, the average travel time to work for Willits residents was approximately 22 minutes (www.census.gov, 2000 Census of Population and Housing). Almost no one commuted to work by public transit (0.2 percent), although 13 percent report carpooling and 4.5 percent reported walking to work. The vast majority (75 percent) reported driving alone to work.

Figure 6: Travel Time to Work



Source: 2000 US Census

Table 6 shows the current and projected population, jobs, and households from now through Willits's General Plan buildout date of 2020. The City's General Plan (adopted in 1992) buildout assumptions appear to be overestimated because (1) population growth was negative in the prior planning period; (2) employment declined in the prior period; and (3) the current average household size is smaller than assumed in the General Plan.

Table 6: Jobs, Housing, and Population Projections

	Current (2008)	General Plan Buildout (2020)	Net Increase
Total Population ⁽¹⁾	5,114	7,500	2,386
Total Jobs ⁽²⁾	2,141	3,140	999
Daytime Population ⁽³⁾	5,628	8,254	2,626
Households	2,060	2,500	480

Source: ESRI

Notes:

1. The General Plan assumed an average household size of 3.
2. The General Plan did not project total jobs. The buildout calculation for jobs is based upon the assumption that the ratio of jobs to population will be constant.
3. "Daytime population" is calculated as 100% residential population plus 24% of employment (assume a 40-hour work week divided by 168 total weekly hours (0.24 * total jobs)).

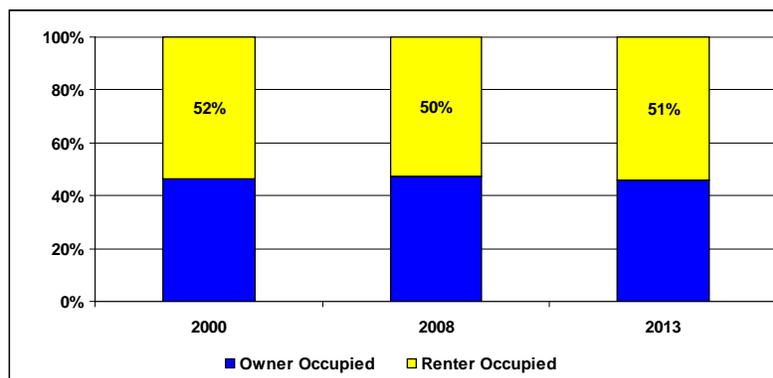
HOUSEHOLD CHARACTERISTICS

A household is any group of people living together in a residence, whether related or unrelated. A survey of household characteristics is useful to determine household size trends, income, overcrowding or underutilization of housing, and the number of special needs households such as large families and female-headed households.

Household Tenure

According to the US Census, there were 1,935 households in the City of Willits in 2000. Out of a total of 2,013 housing units, 52 percent of the households were renter-occupied, while 44 percent were owner-occupied and 4 percent were vacant. ESRI projects that the total number of housing units increased to 2,060 in the year 2008 and will increase to 2,085 by the year 2013. The distribution of housing units between renter- and owner-occupied units is not expected to change significantly. As a point of reference, the Census Bureau estimates that the average homeownership rate in the western region of the United States is 63.5 percent. In comparison, Willits's home ownership rate is low.

Figure 7: Owner- and Renter-Occupied Summary



Household Size

The average household size in Willits is approximately 2.56 persons per household (ESRI 2008). Household size is estimated to remain approximately the same through the year 2013 (ESRI 2008). Household size by tenure is shown in Table 7.

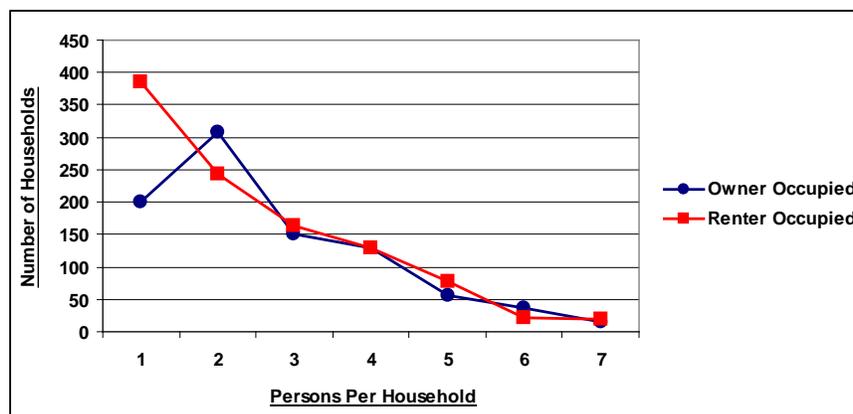
Table 7: Household Size

Household Size	Households	Percentage
Owner-occupied:	895	100%
1-person household	200	22%
2-person household	308	34%
3-person household	150	17%
4-person household	130	15%
5-person household	55	6%
6-person household	36	4%
7-or-more-person household	16	2%
Household Size	Households	Percentage
Renter-occupied:	1,040	100%
1-person household	385	37%
2-person household	243	23%
3-person household	164	16%
4-person household	130	13%
5-person household	77	7%
6-person household	22	2%
7-or-more-person household	19	2%

Source: 2000 US Census

As shown in Figure 8, the distribution of large and small households is fairly similar for owner-occupied and renter-occupied households. One exception is that there are almost twice as many single-person renter households than single-person owner households.

Figure 8: Household Size by Tenure



Source: 2000 US Census

Overcrowding

Overcrowding occurs when there is more than one person per room (excluding bathrooms and kitchens). Overcrowding is often a result of an inadequate supply of affordable and decent housing. Table 8 illustrates that according to the 2000 US Census, 283 out of 2,509 households were living in overcrowded conditions (approximately 11 percent of all households).

Table 8: 2000 Overcrowded Households

Persons Per Room	Number	Percentage of Total Units
Owner-Occupied	1,691	67%
1.00 or less	1,591	63%
1.01 to 1.50	55	2%
1.51 or more	45	2%
Renter-Occupied	1,453	33%
1.00 or less	635	25%
1.01 to 1.50	52	2%
1.51 or more	131	5%
Total Occupied Housing Units	2,509	100%

Source: 2000 US Census

Note: Percentages may not add up to 100% due to rounding.

Overcrowding is defined as 1.01 to 1.50 persons per room; severe overcrowding is defined as 1.51 persons or more per room. As shown in Table 9, overcrowding is experienced more acutely in the rental housing market than in owner-occupied units. Of particular note is that only 1 percent of all households were severely overcrowded.

Table 9: Summary of Overcrowding by Tenure

Type of Crowding	Owner Households		Renter Households		Total Households	
	Number	Percentage	Number	Percentage	Number*	Percentage
Less than 1.00	976	100%	1,000	95%	1,976	97%
1.01–1.50	0	0%	40	4%	40	2%
1.51 or more	0	0%	13	1%	13	1%
Total	976	100%	1,053	100%	2,029	100%

Source: 2006–2010 American Community Survey

* Based on occupied housing units.

Household Income

The California Department of Housing and Community Development annually publishes income limits per county for use in determining eligibility for assisted housing programs within that county. The 2009 income limits are listed below, in Table 10, for each income category according to household size. These income limits are based upon a median income of \$55,800 (for a family of four) for Mendocino County.

- Extremely Low Income Up to 30% of area median income (AMI) (\$0–\$16,750)
- Very Low Income 31–50% of AMI (\$16,751–\$27,900)
- Low Income 51–80% of AMI (\$27,901–\$44,650)
- Moderate Income 81–120% of AMI (\$44,651–\$66,950)
- Above Moderate Income Above 120% of AMI (\$66,951 or more)

Table 10: Maximum Household Income by Household Size, 2009

Income Category	Persons Per Household							
	1	2	3	4	5	6	7	8
Extremely Low	\$11,750	\$13,400	\$15,100	\$16,750	\$18,100	\$19,450	\$20,750	\$22,100
Very Low	\$19,550	\$22,300	\$25,100	\$27,900	\$30,150	\$32,350	\$34,600	\$36,850
Low	\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800	\$55,350	\$58,950
Moderate	\$46,850	\$53,550	\$60,250	\$66,950	\$72,300	\$77,650	\$83,000	\$88,350

Source: California Department of Housing and Community Development Memorandum, "Official State Income Limits for 2009," April 2, 2009

Table 11 indicates that more renters than owners fall into the extremely low-, very low-, and low-income categories.

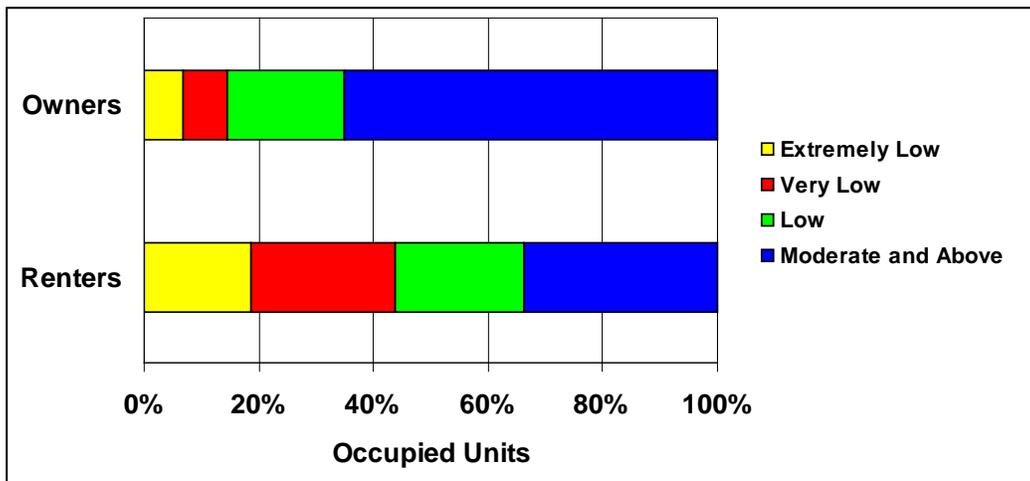
Table 11: 2000 Household Incomes by Tenure

Income Range	Renters	Owners
Extremely Low	199	60
Very Low	267	68
Low	242	179
Moderate and Above	359	573
Total	1,067	880

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data

Figure 9 shows the distribution of income categories according to household tenure. Although there are more renter-occupied units than owner-occupied units in Willits, renters are much more likely to fall into the extremely low- and very low-income categories.

Figure 9: 2000 Household Incomes by Tenure



Source: State of the Cities Data Systems: CHAS Data

Table 12 and Figure 10 show the income distribution of households within the City of Willits. The number of households in the low-income levels was estimated to be lower in 2008 than in the year 2000, a trend that is expected to continue through the year 2013. Overall, the percentage of households in the higher income ranges is increasing.

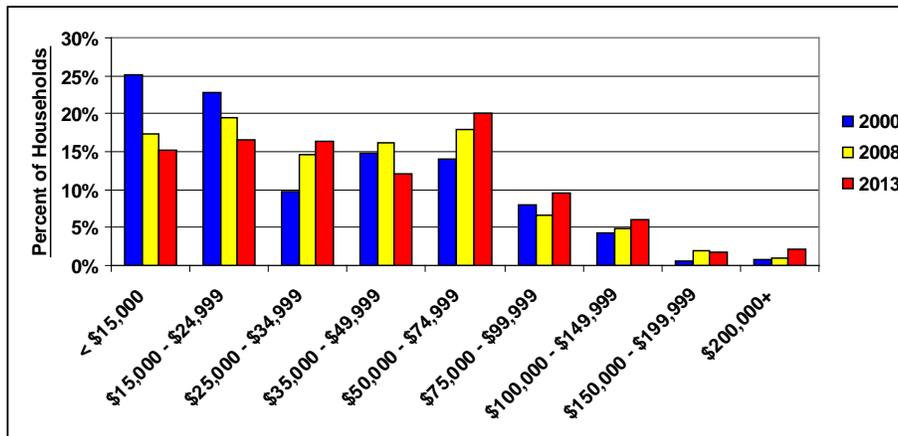
In an effort to determine an approximate number of extremely low-income households, the City looked at households earning less than \$24,999. The City determined there are approximately 723 existing extremely low-income households (36.9% of all households) in Willits.

Table 12: 2000–2008 Household Income Trends

Income	2000	2008	2013
< \$15,000	491	341	300
\$15,000 – \$24,999	445	382	326
\$25,000–\$34,999	190	287	322
\$35,000–\$49,999	288	315	239
\$50,000–\$74,999	272	352	396
\$75,000–\$99,999	155	129	190
\$100,000–\$149,999	82	93	121
>\$150,000	26	57	75
Total	1,949	1,956	1,969

Sources: 2000 US Census; ESRI

Figure 10: Change in Household Incomes



Sources: 2000 US Census; ESRI Estimates for 2008 and 2013

The median household income in Willits has been increasing (see Table 13), although it remains low. As of the 2000 US Census, the median income for the City of Willits was 37 percent lower than that of Mendocino County overall. In 2007, the gap had narrowed to approximately 27 percent (www.City-Data.com). The estimated median household income of both the City of Willits (\$31,354) and the County of Mendocino (42,941) were lower than that of the State of California as a whole (\$59,948).

Table 13: Median Household Income

Year	Median Household Income
1990	\$22,711
2000	\$26,283
2008	\$33,209
2013	\$37,874

Sources: 1990 and 2000 US Census; ESRI Estimates for 2008 and 2013

Poverty

Table 14 shows the poverty rates for each age group as well as for single-parent households. The poverty rate is the percentage of people in a given group that live below the poverty level out of the total population. The City's overall poverty rate in 2000 was approximately 15 percent, which is slightly less than the poverty rates in the City of Ukiah (18 percent) and Mendocino County (16 percent). City-Data.com estimates that the City's poverty rate was about 15 percent in 2007 (website accessed on February 12, 2009).

Table 14: Population Below Poverty Level, 2000

	Total in Select Population	Individuals Below Poverty Level	Poverty Rate
Children (<18 years)	1,353	255	19%
Elderly (65+ years)	671	29	4%
Female-Headed Single-Parent Family	307	95	31%
All Individuals for Whom Poverty Status Is Determined	5,035	731	15%
All Families for Which Poverty Status Is Determined	1,257	146	12%

Source: 2000 US Census

Overpayment

Overpayment is narrowly defined as the number of lower-income households that spend more than 30 percent of their income for housing (either mortgage or rent), including cost of utilities, property insurance, and real estate taxes as defined by the federal government. Table 15 and Figure 11 describe the extent of overpayment in Willits, showing 44 percent of renter-occupied households overpaying and 30 percent of owner-occupied households overpaying. Overall, approximately 38 percent of households in Willits were overpaying for housing.

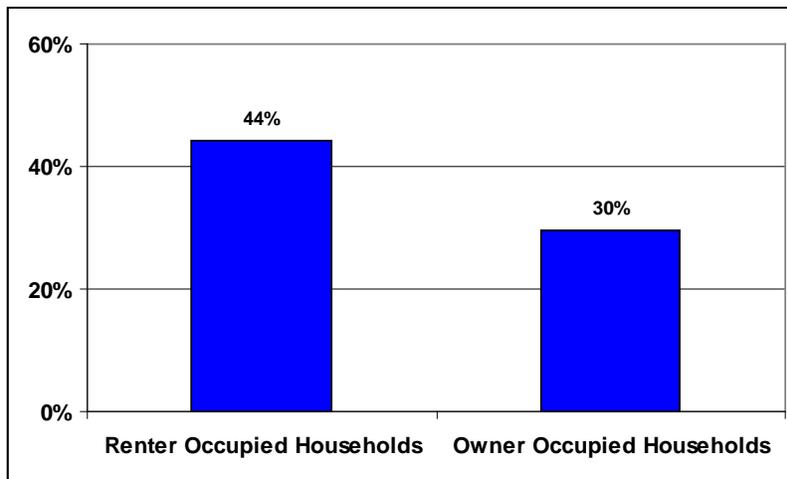
When looking at lower-income households overpaying (households earning less than \$44,650 for a household of four), approximately 185 (24.7%) were owner-occupied households and approximately 463 (44.1%) were renter-occupied households.

Table 15: Housing Cost as a Percentage of Household Income

Income Range	Owner Occupied		Renter Occupied		Total
	30–34% of Household Income	35+% of Household Income	30–34% of Household Income	35+% of Household Income	
\$0–\$10,000	8	40	16	120	184
\$10,000–\$19,999	8	54	33	200	295
\$20,000–\$34,999	0	39	34	48	121
\$35,000–\$49,999	19	17	12	0	48
\$50,000–\$74,999	10	12	0	0	22
\$75,000+	19	0	0	0	19
Subtotal (Households Overpaying)	64	162	95	368	689
Total Households in Survey	762		1,049		1,811
% Households Overpaying	30%		44%		38%

Source: 2000 US Census, Population and Housing, Summary Tape File 3A-H73 and H97; Household Income in 1999 for specified renter-occupied housing units by gross rent as a percentage of household income, and Household Income in 1999 for specified owner-occupied units by selected monthly owner costs as a percentage of household income. Note: Some households are not accounted for; therefore, figures may differ slightly with other US Census estimates for Total Households.

Figure 11: Households Overpaying for Housing in 2000



Source: 2000 US Census

HOUSING STOCK CHARACTERISTICS

Vacancy and Housing Availability

Vacancy trends in housing are analyzed using the vacancy rate as an indicator of housing supply and demand. If housing demand is greater than the supply, the vacancy rate is likely to be low and the price of housing increases. A vacancy rate of 5 percent is generally considered optimal because it is high enough to provide some flexibility in the housing market without significant increases in housing prices (Mendocino County General Plan Update Draft Environmental Impact Report, September 2008).

As shown in Table 16, the current vacancy rate in Willits is estimated to be 5 percent. According to the 2006–2010 American Community Survey, the City of Willits homeowner vacancy rate was 3.9 percent and the rental vacancy rate was 3.7 percent.

Table 16: Residential Vacancy Rate

	2000	2008	2013
City of Willits	3.9%	5.0%	5.5%

Source: 2000 US Census; ESRI

Housing Tenure

As shown in Table 17, Willits has a higher percentage of renter-occupied households (55 percent of occupied units) than of owner-occupied households (45 percent of occupied units).

Table 17: 2008 Household Tenure

	Number	Percentage
Owner-Occupied Units	880	45%
Renter-Occupied Units	1,067	55%
Total	1,947	100%

Source: ESRI Estimates

Unit Type

As shown in Table 18, the California Department of Finance estimated that detached single-family homes comprised 58 percent of the city's housing stock and multi-family units made up 28 percent.

Table 18: Housing Units by Type

Housing Unit Type	Units	Percentage
Single-Family, Detached	1,162	54%
Single-Family, Attached	97	4%
Multi-Family, 2-4 Units	315	15%
Multi-Family, 5+ Units	291	13%
Mobile Homes	269	13%
Boat, RV, Van, etc.	19	1%
Total	2,153	100%

Source: 2006-2010 American Community Survey

As indicated in Table 19, owner-occupied housing units tend to be older, with a median age of 50 years, and renter-occupied units tend to be newer, with a median age of 34 years.

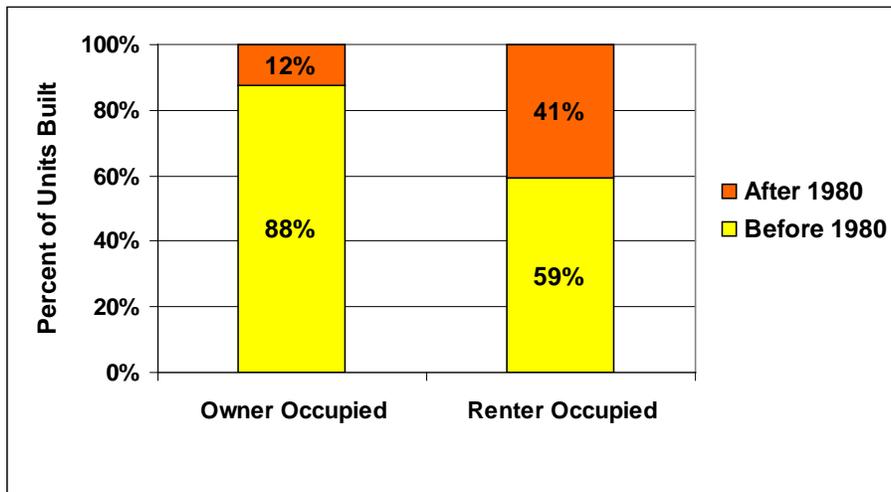
Table 19: Age of Housing Stock

Year Built	Owner-Occupied		Renter-Occupied	
	Number	Percentage	Number	Percentage
1939 or earlier	221	24%	98	9%
1940-1949	71	8%	104	10%
1950-1959	177	19%	182	17%
1960-1969	140	15%	65	6%
1970-1979	174	19%	178	16%
1980-1989	63	7%	343	31%
1990-March 2000	48	5%	90	8%
March 2000-July 2011	32	3%	33	3%
Total	926	100%	1,093	100%

Source: 2000 US Census Table QT-H7; City of Willits; 2011 DOF

Figure 12 further demonstrates that owner-occupied units tend to be older than renter-occupied units in the city.

Figure 12: Age of Housing Stock by Tenure



Source: 2000 US Census

Housing Condition Survey and Rehabilitation Need

In March 2009, City staff conducted a housing condition survey. The survey entailed visual observations from public right-of-way of 10 percent of the city’s housing stock over 20 years old. All types of housing units were represented, including single-family dwellings, multi-family dwellings, duplex units, and mobile homes. From a map of residential areas 20 years and older, addresses were chosen at random (approximately every 10th address) to take part in the survey. Most housing units surveyed were in sound condition or needed only minor repairs (79 percent). However, a significant percentage needed moderate or substantial repairs or were found to be dilapidated (21 percent, or 56 units). Table 20 illustrates the overall condition of all of the homes surveyed.

Table 20 – Housing Conditions Survey Results

Housing Type	Sound	Minor	Moderate	Substantial	Dilapidated	Total
Single-Family	62	16	37	6	5	126
Duplex	24	0	2	0	0	26
Multi-Family	107	0	5	0	0	112
Mobile	1	0	0	0	1	2
Total	194	16	44	6	6	266
Percent	73%	6%	17%	2%	2%	100%

Source: City of Willits Staff Housing Conditions Survey, March 2009

Definitions

Sound: A unit that appears new or well maintained and structurally intact. The foundation should appear structurally undamaged and there should be straight roof lines. Siding, windows, and doors should be in good repair, with good exterior paint condition. Minor problems such as small areas of peeling paint and/or other maintenance items are allowable under this category.

Minor: A unit that show signs of deferred maintenance or which needs only one major component, such as a roof.

Moderate: A unit in need of replacement of one or more major components and other repairs, such as roof replacement, painting, and window repairs.

Substantial: A unit that requires replacement of several major systems and possibly other repairs (e.g., complete foundation work, roof structure replacement and re-roofing, as well as painting and window replacement).

Dilapidated: A unit suffering from excessive neglect, where the building appears structurally unsound and maintenance is nonexistent, not fit for human habitation in its current condition, may be considered for demolition or at minimum, major rehabilitation will be required.

HOUSING COSTS AND AFFORDABILITY

Rental Housing Costs

The price of rental units in Willits varies depending on the neighborhood, tenure, and maintenance of the unit. Table 21 shows the approximate affordable rent for each income group. These figures are based on the assumption that a household cannot spend more than 30 percent on housing costs without becoming cost burdened. The median gross rent in Willits was approximately \$785 in 2007 (www.city-data.com, accessed on February 4, 2009). The US Census reported the average gross rent at \$546 in 2000 (gross rent includes utilities).

Sales Prices

The current estimated median house/condominium value in Willits is \$273,873, which represents a decline of about 15 percent over the past twelve months (www.realtytrac.com, accessed on February 5, 2009). While the declining real estate market poses challenges in regard to home foreclosures, it may also present opportunities for homeownership to a wider spectrum of the community.

Housing Affordability

Housing affordability is dependent upon income and housing costs. According to the HCD income guidelines for 2009, the area median income (AMI) in Mendocino County is \$55,800. Based on this median income, the following income limits for a four-person household are:

- Extremely Low-Income household (< 30 percent) earns up to \$16,750
- Very Low-Income household (31–50 percent) earns up to \$27,900
- Low-Income household (51–80 percent) earns up to \$44,650
- Moderate-Income household (81–120 percent) earns up to \$66,950

Assuming that the potential homebuyer within each income group has sufficient credit, down payment (10 percent), and maintains affordable housing expenses (i.e., spends no more than 30 percent of their income on the mortgage, taxes, and insurance), the maximum affordable home prices can be determined. Table 21 demonstrates the purchasing power of the income groups defined above.

Table 21: Affordable Housing Costs by Income Category

Income Group	Annual Income Range Limit	Affordable Mortgage/Rent Payment (Monthly)	Maximum Affordable Home Price
Extremely Low	\$16,750	\$202	\$28,005
Very Low	\$27,900	\$537	\$74,295
Low	\$44,650	\$1,039	\$143,822
Moderate	\$66,950	\$1,674	\$231,603

Source: HCD State Income Limits, 2009; Move.com, Home Affordability Calculator, accessed 5/26/09.

Note: Calculation of affordable mortgage payment and home price is based “mortgage industry’s conservative guidelines,” according to Move.com, and uses the following assumptions:

- 30-year fixed rate mortgage
- 6% interest rate
- 10% down payment
- \$300 in other long-term monthly debt
- 3% closing costs
- 1.25% property tax rate
- 0.5% hazard insurance rate
- 0.5% private mortgage insurance
- 30% Housing Expense-to-Income ratio (“front ratio”)
- 36% Long Term Debt-to-Income ratio (“back ratio”)

SPECIAL HOUSING NEEDS

This section assesses the special needs households in the City of Willits. Two critical purposes of this Housing Element are to ensure that the City can provide opportunities for affordable housing and to preclude barriers to residents whose needs are not normally met by the private sector. Special needs households can be constrained by lower incomes and the lack of housing that is suitable to their special needs.

Senior Households

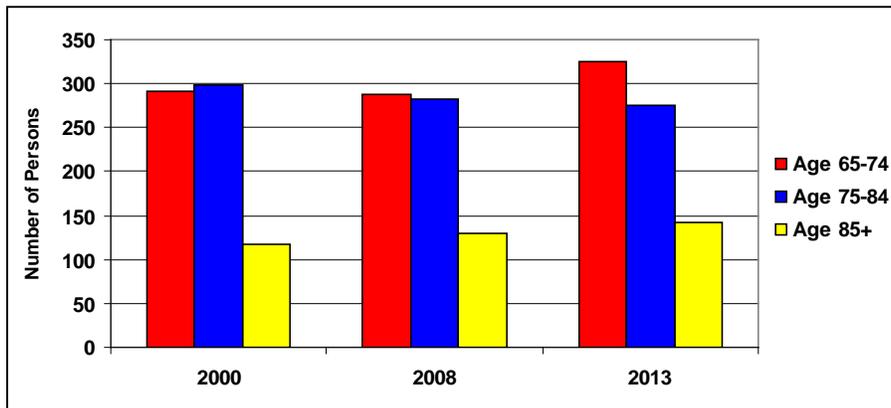
The limited incomes of many elderly people make it difficult for them to find affordable housing. Many elderly people have physical disabilities and dependence needs that limit their selection of housing. It is estimated that there are currently 701 senior citizens living in Willits, approximately 14 percent of the population. The overall proportion of the population over 65 is expected to remain the same through the year 2013, although there will be increases in the 65–74-year-old and 85+ cohorts and decreases in the 75–84-year-old cohort.

Table 22: Senior Population

	2000	2008	2013
Age 65–74	292	288	325
Age 75–84	299	283	275
Age 85+	118	130	142
Age 65–74	5.8%	5.6%	6.3%
Age 75–84	5.9%	5.5%	5.3%
Age 85+	2.3%	2.5%	2.8%

Source: 2000 US Census; ESRI

Figure 13: Senior Population Growth



Source: 2000 US Census; ESRI

The 2000 Comprehensive Housing Affordable Strategy (CHAS) data in Table 23 show that 69 percent of elderly renter households are in the extremely low-income range and 20 percent of elderly renter households are in the very low-income range.

Table 23: Elderly Households by Income and Tenure

Income Level	Elderly Renter Households		Elderly Owner Households	
	Number	Percentage	Number	Percentage
Extremely Low 0 to 30 %	50	23%	15	5%
Very Low 31% to 50%	84	38%	53	17%
Low 51% to 80%	50	23%	110	36%
Moderate/Above Moderate 81%+	35	16%	130	42%
Total Elderly Households	219	100%	308	100%

Source: CHAS Data, Housing Problems, 2000

Note: 81 percent and above includes both moderate- and above-moderate-income categories.

Table 24 lists care facilities for seniors and disabled persons along with the capacity of each facility.

Table 24: Care Facilities for Seniors and/or Disabled Persons

Facility Name	Address	Capacity (persons)
Willits Nursing & Rehab Center	64 Northbrook Way Willits, CA 95490-3032 (707) 459-5592	70
Redwood Meadows Senior Housing	1475 Baechtel Road Willits, CA 95490-4549 (707) 459-1616	141
Redwood Creek Care Home	414 S. Main Street Willits, CA 95490-3908 (707) 459-6134	29

Source: www.retirenet.com, accessed February 5, 2009

Persons with Disabilities

As defined by the California Government Code, disabilities include, but are not limited to, physical and mental disabilities. A “mental disability” involves any mental or psychological disorder or condition, such as mental retardation, organic brain syndrome, emotional or mental illness, or specific learning disabilities that limit a major life activity. A “physical disability” includes any physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss of body functions. Physical disabilities include those that are neurological, immunological, or musculoskeletal in nature as well as those that involve the respiratory, cardiovascular, reproductive, genitourinary, hemic and lymphatic, or digestive systems and those involving the special sense organs, speech organs, skin, or endocrine system.

Table 25 and Figure 14 show that the City of Willits has a relatively high rate of disability. About 32 percent of the total population (5 years old or older) has some type of disability. The disability rate for persons 65 years of age or older is much higher (55 percent). Surrounding communities have much lower disability rates.

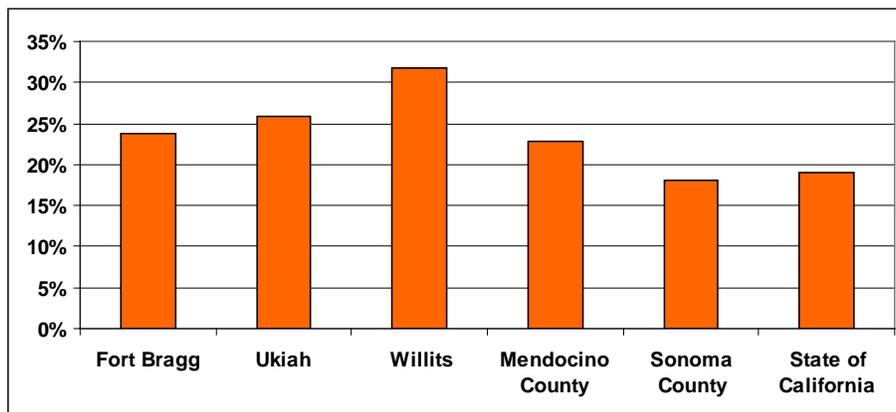
Table 25: Persons with Disability

	Number	Percentage
Age 5–64 with a Disability	1,148	28%
Persons Age 65 + with a Disability	369	55%
Total Persons with a Disability (Age 5+)	1,517	32%
Total Population (Age 5+)	4,781	100%

Source: 2000 US Census

Note: Table should not add up to 100 percent.

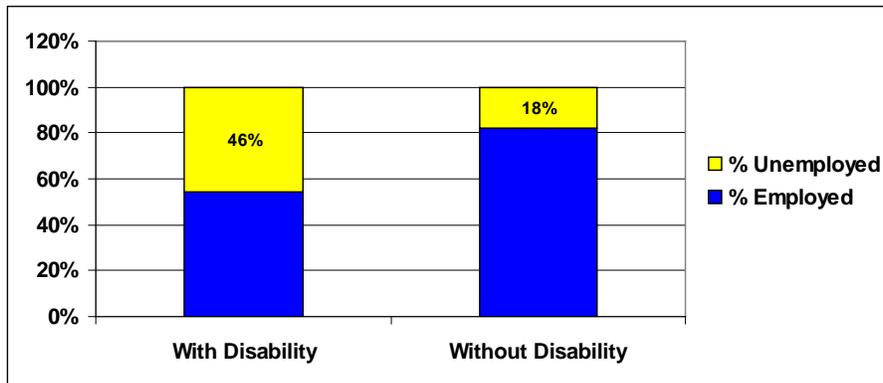
Figure 14: Disability Rates in Willits and Surrounding Communities



Source: 2000 US Census

Figure 15 shows the number of persons with a disability by employment status in Willits. The unemployment rate for those with a disability is more than double the unemployment rate for those with no disability.

Figure 15: Employment and Disability Status for the Population 21–64 Years of Age



Source: 2000 US Census

Table 26 shows the total number of disabilities for the 5 to 64 and 65 and over age groups. Many of these persons have more than one disability, which is why there are a higher number of disabilities listed than there are disabled persons. Physical disability and employment disability are the most common forms of disability.

Table 26: Persons with Disability by Disability Type

	Number	Percentage
Total Disabilities	1,517	
Total Disabilities for Ages 5–64	1148	100%
Sensory disability	181	16%
Physical disability	467	41%
Mental disability	314	27%
Self-care disability	136	12%
Go-outside-home disability	298	26%
Employment disability	811	71%
Total Disabilities for Ages 65 and Over	369	100%
Sensory disability	134	36%
Physical disability	283	77%
Mental disability	133	36%
Self-care disability	137	37%
Go-outside-home disability	165	45%

Source: 2000 US Census

Note: Table should not add up to 100 percent.

Development Disabilities (Senate Bill 812)

SB 812 requires the City to include in the special housing needs analysis, needs of individuals with a developmental disability within the community. A developmental disability is a disability that:

- Occurs before an individual reaches 18 years of age;
- Is expected to continue indefinitely;
- Constitutes a substantial handicap.

Developmental disabilities include:

- Mental retardation;
- Cerebral palsy;
- Epilepsy;
- Autism;
- Disabling conditions closely related to mental retardation or requiring similar treatment to that required for mentally retarded individuals.

Redwood Coast Regional Center

Redwood Coast Regional Center serves individuals and their family who have a developmental disability, or who are at risk for developing a disability, and individuals who are at risk of having a child with a disability. Currently, the Redwood Coast Regional Center provides services to 95 clients within the City of Willits.

The term *developmental disability* refers to a severe and chronic disability that is attributed to a mental or physical impairment that originates before the individual's 18th birthday and poses a substantial handicap for the individual in three or more major life areas. These disabilities include mental retardation (intellectual disability), cerebral palsy, epilepsy, autism, and disabling conditions closely related to mental retardation or requiring similar treatment.

Infants and toddlers (birth to 36 months) who are at "high risk" for a developmental disability may also qualify for services. High risk for a developmental disability exists when a child has two or more factors that require intervention services. Such factors may include, but are not limited to, problems associated with low birth weight, prematurity, prenatal exposure to drugs, alcohol, or environmental hazards, feeding or muscle tone problems, or severe medical problems, and children whose parents have a developmental disability.

In addition, individuals at risk of having a child with a developmental disability may be eligible for prenatal diagnostic services, counseling, and other prevention services.

Applying for Services

Any resident of Del Norte, Humboldt, Lake, or Mendocino County who is interested in receiving services from Redwood Coast Regional Center (RCRC) may call the local RCRC office and ask for information about eligibility for services. The receptionist will connect the caller to the most appropriate intake specialist. Formal application must be made by an adult applicant, parent, conservator, or guardian.

Community members and service providers may request services for another person if they have permission from the potential applicant to do so.

Once connected with the intake specialist, an initial interview will take place within 15 working days with the referred individual and their parent or legal representative, as applicable. At that time, the intake specialist will provide information about the Redwood Coast Regional Center and community resources, obtain written authorization to receive all available developmental assessments, medical and school records, and begin developing a psychosocial assessment of the individual's unique history and situation. If necessary, the intake specialist will arrange for further diagnostic assessments to be completed by one or more of the RCRC's contracted specialists.

Within 120 days of the initial intake (45 days for the Early Start Program or 60 days for the Prevention Program), all of the information secured during the intake process will be used to determine eligibility for regional center services. This process of eligibility determination is accomplished through a multidisciplinary team comprising at least one physician, psychologist, and social worker. There is no charge for the diagnosis and eligibility assessment.

If determined eligible for regional center services, the referred individual will be assigned to a service coordinator who, through a person-centered planning process, will assist in developing and implementing an individualized program plan for services. For individuals 36 months of age or older, this plan is known as the Individual Program Plan. For infants and toddlers, under 36 months of age and who are eligible for the Early Start Program, the plan is known as an Individualized Family Service Plan. For infants and toddlers under 36 months of age and who are eligible for the Prevention Program, this plan is known as the Prevention Program Plan.

Services

Redwood Coast Regional Center provides a variety of services to eligible residents of Del Norte, Humboldt, Lake, or Mendocino County. Although most services provided by a regional center are free of charge, the California Department of Developmental Services established the Family Cost Participation Program for the purpose of assessing cost participation to parents of children who receive three specific regional center services: day care, respite, and/or camping. Additionally, the Parental Fee Program assesses a fee to parents of children under the age of 18 who receive 24-hour out-of-home services purchased with state funds through a regional center.

In order to fulfill the diverse needs of persons from infancy to end of life, some of the services and supports provided by RCRC include:

- Behavioral support
- Employment and day services
- Health and medical services
- Family support
- Residential care
- Transportation
- Information and referral
- Assessment and diagnosis
- Prenatal diagnostic services
- Early intervention supports and services
- Lifelong individualized planning and service coordination

Large Families

Large families are defined as households containing five or more persons. They are considered a special needs group because there is a limited supply of adequately sized housing to accommodate their needs. A five-person household requires a three- or four-bedroom home; a six-person household requires four bedrooms; and a seven-person household requires four to six bedrooms.

According to the 2010 US Census, 224 households (11.7 percent) in Willits included five or more persons, of which 111 (6%) were owner-occupied large households and 113 (6%) were renter-occupied large households.

As of the 2003 Housing Element, there was no shortage of housing for large families in Willits, and the element projected that there would be no shortage at least through 2008. Because the size of the population and the average household size have remained relatively constant, it can be concluded that the current supply of housing remains adequate for large families in Willits.

Single-Parent and Female-Headed Households

Single-parent households are male- and female-headed households with children under the age of 18 living at home. Single-parent households generally have lower incomes than two-parent households. Single-parent households often require special attention due to their need for affordable child care, health care, and housing assistance. Additionally, female-headed households tend to have lower incomes, limiting the availability of housing.

As of the 2000 US Census, approximately 16 percent of households in the City of Willits were single-parent households. The majority of these households were female-headed (225 out of 311 households, or 72 percent). There were 86 households with children that were headed by a male householder with no female present.

Native Americans

The US Census reported a population of 179 Native American residents in Willits in 2000. The ESRI report forecasted a population of 239 Native American residents in 2008 and 238 in 2013. The Native American population represents about 4 percent of the overall population in the area. Needs of this population are met through the development of single- and multi-family housing. The City continues to engage in a working relationship with the Native American community.

Farmworkers

Agricultural workers earn their primary income through permanent or seasonal agricultural labor. The number of persons employed in farming, fishing, and forestry declined from 89 persons to 69 persons from 1990 to 2000 (per Census counts in those years). Most farmworkers earn relatively low wages, and thus they fall into the extremely low- and very low-income categories. According to the California Economic Development Department's occupational profile (accessed online at www.calmis.ca.gov on November 3, 2008), the current annual mean income for farmworkers is \$21,520. This income falls within the extremely low-income category.

Housing opportunities for migrant farmworkers may include bunkhouses and other congregate living facilities as well as affordable multi-family or single-family rental units.

Year-round farmworkers typically need affordable rental or ownership housing, which is available through the City's existing residential zoning districts. Housing Element Programs HE-3.I and HE-3.J were intended to clarify that farmworker housing will be treated as an agricultural use.

Homeless Persons

Homeless individuals and families have the most immediate housing need of any special needs group. Their needs are difficult to meet because of the diversity and complexity of the factors that lead to their homelessness. California state law requires that Housing Elements estimate the need for emergency shelter for homeless people.

The 2000 US Census documented 14.5 percent of Willits's population was living below the poverty line (731 persons). Of those for whom poverty status was determined, about 35 percent were under the age of 17. Persons below the poverty line are vulnerable to becoming homeless since they likely are overpaying for housing and struggling to make ends meet. Approximately 60 percent of persons below the poverty line are female.

Willits Community Services (WCS) manages emergency and temporary assistance programs for the central and north inland areas of Mendocino County. The WCS administers an emergency shelter voucher program, which dispenses, to a person in need of shelter, a voucher to use at local motels in the city. According to the WCS, as of 2010, there are 155 homeless households in the greater Willits area (51 households with children and 104 households without children). Community Services also operates a food bank for persons of low income, providing supplemental groceries twice a month in the greater Willits area. In addition, Willits Daily Bread, located at St. Anthony's Parish Hall, is a service providing meals to persons in need Monday through Friday. This assistance program provides dinner on average to approximately 55 persons per night. Of these, between 6 and 15 persons are homeless.

The City of Willits does not currently have any homeless shelters. The majority of homeless shelters and services for the homeless are located in Ukiah or in Fort Bragg. According to Willits Community Services, there is a need for both an emergency shelter and transitional housing given the number of homeless households and individuals that they are assisting. The 2003–2008 Housing Element implementation measure HE-3.H indicated that the City would revise its Zoning Ordinance to permit emergency shelters and transitional housing facilities in the commercial zoning districts in the City of Willits subject to a conditional use permit. The 2003 Housing Element indicated that these uses were not clearly identified in the Zoning Ordinance and that a program was included to address this issue. According to City staff, these code revisions were initiated but not completed. A local nonprofit agency had expressed interest in converting a local church into a transitional housing facility for persons recovering from alcohol and substance abuse; however, the timing of this effort is undetermined. The 2003 Housing Element indicated that several vacant commercial sites located near services may be suitable for use as an emergency shelter or transitional housing facility.

Table 27 lists the available homeless assistance programs in Willits.

Table 27: Homeless, Transitional, and Permanent Supportive Housing Services

Facility Type	Population Served	Permanent Seasonal Overflow/ Voucher	Current Bed #	Estimated Need	Unmet Need
Emergency Shelters					
Willits Community Services	Families and individuals	Motel voucher	4	61	57
Transitional Housing					
n/a					
Permanent Supportive Housing					
Supportive Housing Program and Supportive Opportunities for Permanent Housing	Families and individuals	Permanent	14	137	123

Source: Mendocino County Homeless Continuum of Care, Social Services Branch, 2010

Note: The City of Willits's Zoning Ordinance will be revised to include definitions for emergency shelter, transitional housing, or supportive housing (Program HE-3.F).

ASSISTED HOUSING INVENTORY

Six apartment complexes in Willits provide 149 affordable housing units through various sources of public assistance, such as loans from the U.S. Department of Housing and Urban Development (HUD) and the USDA Rural Housing Service (RHS). One public housing complex in Willits is operated by the Community Development Commission of Mendocino County, which serves as the County's Housing Authority.

Almost all of the affordable housing projects, except the Lenore Street and Baechtel Apartments, have received assistance through the USDA's Section 515 loan program. In addition to the USDA, HUD funds and administers various affordable housing opportunities for lower-income persons, which include Section 221 (d)(3), Section 236, and Section 202/811 loans. The Lenore Street Senior Apartments is a HUD Section 202/811 complex and is designed to assist low-income seniors and persons with disabilities.

Table 28: Assisted Housing Developments in Willits

Name of Development	Funding Source/Rents	Total Assisted Units	Affordability Units			Expiration of Affordability
			Extremely Low	Very Low	Low	
Oak Creek	RHS 515	27	3	17	7	2065
Oak Glenn	RHS 515	40	4	27	9	2065
Holly Heights I	Section 8	26	20	6	0	2033*
Holly Heights II	RHCP	16	0	10	6	2033*
Lenore Street	Section 8	12	9	3	0	2041*
Baechtel Creek	HUD vouchers	59	44	15	0	Perpetuity

Source: Community Development Commission of Mendocino County; USDA RHS; HUD

*Based on conversations with the appropriate agencies, these properties are not at-risk of converting until the date stated in Table 28.

Preservation Resources

Efforts by the City to retain low-income housing must be able to draw upon two basic types of preservation resources: organizational and financial. Qualified nonprofit entities need to be made aware of the future possibilities of units becoming “at risk.” Should a property become at risk, the City maintains an active list of resources by which to preserve that property.

In addition, the City of Willits will develop procedures for monitoring and preserving at-risk units, which will include:

- Monitor the Risk Assessment report published by the California Housing Partnership Corporation (CHPC).
- Maintain regular contact with the local HUD office regarding early warnings of possible opt-outs.
- Maintain contact with the owners and managers of existing affordable housing to determine if there are plans to opt out in the future and offer assistance in locating eligible buyers.
- Develop and maintain a list of potential purchasers of at-risk units and act as a liaison between owners and eligible purchasers.
- Ensure that all owners and managers of affordable housing are provided with applicable state and federal laws regarding notice to tenants of the owner’s desire to opt out or prepay. State law requires a 12-month notice.

Nonprofit Entities

Nonprofit entities serving Mendocino County, including Willits, can be contacted to gauge their interest and ability in acquiring and/or managing units at risk of conversion. A listing of entities with resources in Mendocino County includes:

- Christian Church Homes of Northern California, Inc.
- Community Development Corp of Mendocino County
- Eden Housing, Inc.
- Petaluma Ecumenical Properties Inc.
- ROEM Development Corporation
- Rural Communities Housing Development Corp.

HOUSING RESOURCES AND OPPORTUNITIES

This section includes an evaluation of the availability of land resources, financial resources for future housing development, the City's ability to satisfy its share of the region's future housing needs, and the financial resources available to assist in implementing the City's housing programs. Additionally, this section examines opportunities for energy conservation.

REGIONAL HOUSING NEED

The City of Willits falls under the jurisdiction of the Mendocino Council of Governments (MCOG). MCOG is responsible for developing a Regional Housing Needs Plan (RHNP) allocating the region's share of the statewide housing needs to cities and counties in the region. The Regional Housing Needs Allocation (RHNA) is a minimum projection of additional housing units needed to accommodate projected household growth of all income levels by the end of the housing element's statutory planning period. These figures are adjusted within the MCOG jurisdictions to avoid concentration of low-income groups.

New housing element legislation requires jurisdictions to project the extremely low-income need. One way to do this is to assume 50 percent of the very low-income allocation is actually an extremely low-income need.

Table 29 shows the City's regional housing need by income for the 2007–2014 planning period. As of January 2007, the City had constructed 20 units which were credited toward the City's RHNA.

In order to determine the affordability of these units, the City worked with the City Building Official, the property owners and builders, and local realtors. The value of construction and sales and rental prices of new units were determined and compared with state income limits, affordable rental prices for various income groups, and affordable housing costs by income category as established for other sections of the Housing Element.

Table 29: Regional Housing Need, 2007–2014

Income Group	Total RHNA	Progress Since 2007	Remaining RHNA
Extremely Low	27	0	27
Very Low	27	0	27
Low	40	4*	36
Moderate	38	6*	32
Above Moderate	77	10	67
Total	209	20	189

Source: MCOG Regional Housing Needs Plan, August 2008

Note: *Affordability is based on current market-rate prices because past sales prices were not available. .

ADEQUATE SITES INVENTORY AND ANALYSIS

This section addresses the requirements of Government Code Sections 65583 and 65583.2, requiring a parcel-specific inventory of appropriately zoned, available, and suitable sites that can provide realistic opportunities for the provision of housing to all income segments within the community.

The City's share of the regional housing need will be met through the identification of available vacant and non-vacant sites that are suitable and appropriately zoned.

The City's land inventory was developed with the use of a combination of resources, including the City's GIS database, updated assessor's data, field surveys, and review of the City's Land Use Element and Zoning Ordinance. The inventory includes both small and large residentially and non-residentially zoned parcels and parcels which are substantially vacant or underutilized and which could be developed for more intense residential uses.

Accommodating the RHNA from the Previous Period

While the City of Willits adopted and received a compliance letter from HCD for their 2004 Housing Element, this certification was contingent on the rezone of eight acres in order to provide enough sites to meet its lower income RHNA. Because of staff turn over and budget cuts and the dissolution of redevelopment, City has been unable to make these rezones.

While the rezones have not been completed, the City did have R2 zoned sites that were available within the planning period and allowed for multifamily development to meet the City lower income need of 111 (this includes the credit of 68 units for planned and built units, from the 2004 Housing Element). The City does require a CUP for multifamily development and to ensure this does not pose a constraint moving forward, the City has included Program x to remove the CUP requirement and allow multifamily by right in the R2 zone. For further analysis on the appropriateness of the R2 zone to meet the needs of lower income households please refer to the section titled "Zoning to Accommodate the Development of Housing Affordable to Lower-Income Households".

Realistic Capacity

The realistic buildout capacity was determined as follows: Aerial surveys were reviewed and site visits were made to determine the proportion of developed versus vacant areas of parcels. The potential for additional development on each parcel was evaluated using City utility maps, City street maps, and similar information in City files to determine the availability of services that would accommodate future development, and by reviewing Flood Insurance Rate Maps, Alquist-Priolo Earthquake Fault maps, and City records of geologic and biologically sensitive areas to determine constraints to future development.

The City also considered and evaluated the implementation of its current multi-family development standards to determine approximate density and unit capacity. Realistic capacity was determined by multiplying the number of acres by the maximum density for the site, and 80% of that result was used as the final realistic unit number to account for site and regulatory constraints.

Zoning to Accommodate the Development of Housing Affordable to Lower-Income Households

Housing element law requires jurisdictions to provide a requisite analysis showing that zones identified for lower-income households are sufficient to encourage such development. The law provides two options for preparing the analysis: (1) describe market demand and trends, financial feasibility, and recent development experience; (2) utilize default density standards deemed adequate to meet the appropriate zoning test. According to state law, the default density standard for the City of Willits is 15 dwelling units per acre. Per Government Code Section 65583.2(c)(3)(B), the City's zoning is consistent with the standard of 15 dwelling units per acre for suburban jurisdictions and is therefore considered appropriate to accommodate housing for lower-income households.

Sites within the city that are zoned to provide for affordable housing are the R-2 (residential medium-density; 14 units/acre) and R-3 (multiple-residence; 28 units/acre) zoning districts. The vacant and underutilized parcels in these zoning districts vary in size from 0.16 to 5.5 acres. Although the City's default density is 15 units per acre, the City feels that the R-2 zoning district, which allows for up to 14 units per acre, is also appropriate to meet the City's lower-income housing need.

City staff reviewed the sites included in the sites inventory and determined that the medium density sites have the potential to accommodate low-, and very low-income households. City staff examined aerial photographs and other pertinent documents to conduct a parcel-by-parcel analysis of the sites to identify their availability. Parcels less than one acre in size were initially eliminated.

While the maximum density allowed in the R2 zone (14 units/acre), excluding any density bonuses, is less than that typically considered by HCD to be valid for affordable housing in the City of Willits, City staff believes that the R2 zone is appropriate for the purposes of providing for low income housing in the City of Willits. This is based on the fact that property values remain comparatively lower in Willits than in most other areas of California, and because most of the available R2 sites inventoried are larger than an acre in size and can easily support larger developments.

When looking at affordable housing developments within the City of Willits, both Oak Creek Apartments and Oak Glen Apartments were built at densities less than 14 units per acre, 11 units per acre and 13 units per acre, respectively. When researching surrounding communities, an affordable housing project that was developed in Lake County within the MDR designation, allowing a maximum of 9 units per acre, is the Cruickshank Road RCHDC project. This site comprised 10 acres, and 40 units of affordable housing were constructed. The project area was clustered on a portion of the site, but the density when averaged for the entire 10 acre parcel is only 4 units per acre. When only considering the developed 3 acre portion of the site, the density equals 13 units per acre. In Ukiah, an affordable 2-story family project was developed at 14.5 units per acre.

In addition to lower land costs, development permitting fees in the City of Willits tend to be significantly less than surrounding urban areas. This includes construction permitting fees as well as costs associated with securing other necessary entitlements.

Based on conversations with a local affordable housing developer, RCHDC, 14 units per acre is appropriate for the development of affordable housing and is seen as good representative number for the area. In addition, research done by Lake County (which is all appropriate for the City of Willits) shows that local affordable housing developers, such as RCHDC and the California Human Development

Corporation reveal that despite affordable housing developers would not exclude lands permitting a maximum density of 9 units per acre in their search for new affordable housing development sites. Land costs in Lake County (as well as Willits) are significantly lower than those of the Bay Area and Sacramento Region, thus the number of units necessary to allow an affordable housing development project to achieve economies of scale is much smaller than that of surrounding urbanized areas. This research is consistent with the City of Willits and therefore this strengthens the case that 14 units per acre is appropriate for the development of lower income housing.

According to the California Human Development Corporation out of Santa Rosa, CA, the recent trend in affordable housing development in Northern California is to pursue smaller affordable housing projects where feasible. Smaller developments, such as a single fourplex unit is more consistent with local, state and federal objectives aimed at scattering affordable housing within a community rather than concentrating it all in one location. Secondly, the development of smaller projects allows for substantial cost savings in areas such as engineering and larger necessary costs associated with compliance with State building code requirements for structures of more than two-stories in height. In many locations throughout Northern California these cost savings are often outweighed by the need to intensify density on a site to allow for cost recovery of high land costs. Substantially lower land costs make the density allowance of a site in Lake County and the City of Willits a lower order concern, making sites allowing a maximum of 9 units or 14 units per acre no less desirable than sites allowing a maximum of 15 units per acre.

Program HE-3.J allows density bonuses of up to 35% which could increase the density of the R2 zoned sites to 19 units per acre. This program, coupled with the ability to work with developers beginning with the Pre-application Development Review process, will allow the City to continue to help assure that creative solutions are found for any potential density constraints associated with sites deemed suitable for low- and very low-income housing development.

Small Site Development

The City is relying on smaller lots to meet a portion of the RHNA. Because of the number, the location, and the patterns of existing development, a program to consolidate lots would not significantly increase the potential for affordable housing development, so the City has included a program to both assist with infill development and assist with lot consolidation were feasible (Programs HE-2.C and HE-2.D).

Underutilized Sites

The City is also relying on underutilized sites to meet a portion of its RHNA. The sites labeled as underutilized in Appendix B - Inventory of Adequate Sites are sites that currently have either one single-family home or a single building/structure located on the site. Each sites availability and capacity was based on the City's assessment of development potential (zoning, parcel size and configuration), existing development, available utilities, and any development constraints.. On each site, additional land is available for more intense development. Infrastructure is also in place at each site.

The City believes these underutilized sites are appropriate for developed based on the underutilized land, infrastructure, and based on conversations with interested developers or land owner. There have been some isolated cases where land owners have expressed interest in developing or selling properties.

Meeting the Regional Housing Need

Table 30 compares the City of Willits's RHNA to the site inventory capacity. Because the City is relying on both vacant and underutilized sites, the table shows the land capacity for both vacant and underutilized sites.

After including the credit of 20 constructed units and the site inventory capacity (Appendix B), the City has a surplus of 140 units available to lower-income households (including extremely low-, very low-, and low-income households), 142 units available to moderate-income households, and 14 units available to above-moderate-income households, a total surplus of 296 units. Appendix B provides the characteristics of the available sites for the development of single-family homes and multi-family units, and Appendix C – Adequate Sites Map shows the location of each site.

Table 30: Comparison of Regional Growth Need and Residential Sites

Income Group	2007-2014 RHNA ¹	Remaining RHNA	Vacant Inventory Capacity	Underutilized Inventory Capacity	RHNA Surplus
Extremely Low	27	90	32	198	140
Very Low	27				
Low	36				
Moderate	32	32	74	100	142
Above Moderate	67	67	48	33	14
Total	189	189	139	331	296

Source: Source: MCOG Regional Housing Needs Plan, August 2008

¹Includes the credit of units built as shown in Table 29.

AVAILABILITY OF PUBLIC FACILITIES

The City has provided an inventory of vacant and underutilized sites that are suitable for the development of housing for all income levels to meet this allocation. Part of determining the suitability of the sites is to consider whether water, sewer capacity, and other necessary public facilities will be available to the sites featured in the inventory during the planning period. A brief discussion of the availability of these facilities follows.

Electricity

Electricity and natural gas service is available through Pacific Gas and Electric (PG&E). The extension of power and gas to service new residential development has not been identified as a constraint.

Water

Subsequent to the adoption of the City of Willits 2003–2008 Housing Element, studies of the City’s water supply and water treatment/distribution system have concluded that the City does not have sufficient water resources and infrastructure to provide an adequate supply of water to existing development within the city during all hydrologic conditions. Based on the Willits Water Supply Planning Study dated February 2006, prepared by West Yost Associates, and a Department of Health Services letter dated March 6, 2006, the City’s attorney provided an opinion that the City would not be able to make California Environmental Quality Act (CEQA) findings to support any development that would result in significant water use. Although no formal moratorium was declared, the City has adopted a position that, until improvements to the City’s water supply and distribution system can be completed, no large-scale development resulting in significant water use will be approved.

Steps to Addressing Water Shortage

The City has undertaken a number of projects to address the water shortage issue. As progress continues to be made toward improving water supply and reducing water demand, it is likely that development limitations will be lifted in the Housing Element time period.

- As part of a Sustainability Grant project, the City created a Water Conservation Specialist position and completed a demonstration rainwater catchment system, demonstration greywater recovery system, demonstration low impact development surface water retention system, and WaterWise Guide for best water conservation practices.
- The City implemented a tiered water rate structure to discourage unnecessary water usage.
- The City implemented a program for detecting and repairing leaks to its water mains.
- The City implemented a program to replace older, inaccurate water meters.
- The City has received Safe Drinking Water State Revolving Funds for major improvements to resolve deficiencies at its Water Treatment Plant.

In addition, the City has included programs HE-1.C, HE-1.F, and HE-1.G to provide for continuing progress toward improving the water supply.

Sewer

In response to a cease and desist order issued by the Regional Water Quality Control Board (RWQCB), the City is currently working toward completion of Stage 2 of a \$25.6 million wastewater treatment plant upgrade project. The proposed upgrades to the existing wastewater treatment plant are designed to correct deficiencies, provide redundancy and improved reliability, and meet regulatory requirements of the RWQCB. The proposed improvements are not designed to increase plant capacity, which is currently deemed adequate to meet existing and projected needs.

Solid Waste Disposal

Per Chapter 727, Statutes of 2004 (SB 1087), upon completion of an amended or adopted housing element, a local government is responsible for immediately distributing a copy of the element to area water and sewer providers. In addition, water and sewer providers must grant priority for service allocations to proposed developments that include housing units affordable to lower-income households. Chapter 727 was enacted to improve the effectiveness of the law in facilitating housing development for lower-income families and workers.

To facilitate and expedite the notification process, updates or amendments to the housing element should be sent within a month after adoption. Service providers should also receive a summary/quantification of the local government's Regional Housing Need Allocation and any other appropriate housing information.

Local public and/or private water and sewer providers must adopt written policies and procedures that grant a priority for service hookups to developments that help meet the community share of the regional need for lower-income housing. In addition, the law prohibits water and sewer providers from denying, conditioning the approval, or reducing the amount of service for an application for development that includes housing affordable to lower-income households, unless specific written findings are made. Urban water management plans must include projected water use for single-family and multi-family housing needed for lower-income households.

ENVIRONMENTAL CONSTRAINTS

Environmental Factors Limiting Development

Hydrological constraints such as flooding can increase the cost of housing due to mitigation requirements or may preclude housing in certain areas. Much of the available vacant residential land in Willits is located in the 100-year floodplain identified by the Federal Emergency Management Agency (FEMA) and located in the Floodway Combining (-FW) zone or the Floodplain Combining (-FP) zone. Both of these combining zones require special conditions or building requirements, which must be satisfied before any structure can be built. The additional requirements add to the cost of any construction and may be cost prohibitive in some cases.

Structures located in seismically active areas can be at risk of damage or injury to the inhabitants. Furthermore, problems associated with earthquakes, such as landslides and liquefaction, can cause severe damage to dwelling units. In addition to floodway concerns, earthquakes are also a significant environmental constraint in the city. The Seismic Study Combining (-SS) zone covers much of the central portion of Willits, paralleling US Highway 101. This zone requires adherence to Division 2, Chapter 7.5 of the Alquist-Priolo Earthquake Fault Zoning Act, which necessitates a special engineering geology study of the proposed construction area by a certified engineer. In addition to an engineering geology study, the act includes the following language, which limits the construction of housing in an active earthquake zone.

Section 3603 (a) No structure for human occupancy shall be permitted to be placed across the trace of an active fault. Furthermore, as the area within fifty (50) feet of such active faults shall be presumed to be underlain by active branches of that fault unless proven otherwise by an appropriate geologic investigation and report prepared as specified in Section 3603(d) of this subchapter, no such structures shall be permitted in this area.

According to discussions with the Rural Communities Housing Development Corporation (RCHDC), which has had to deal with seismic constraints throughout Mendocino County, developments in seismic zones adjacent to faults have had to include geotechnical studies and typically have required greater setbacks and in some cases a stronger foundation. Discussions with engineering firms involved in geotechnical studies revealed that costs associated with geotechnical/seismic studies for development in seismic zones usually average \$11,000, though costs may be lower or higher depending on the size of the property and the type of development. Such costs when spread throughout a large development or subdivision would not act as a significant constraint to development in the Seismic Study Combining zone in Willits. In fact, a substantial amount of development has occurred within the zone in Willits over the years.

Although many sites within the City of Willits fall within a floodplain or earthquake fault zone, these issues will be mitigated with development. Although there may be associated additional costs, the City has included many programs within this Housing Element to assist with development of affordable housing.

FINANCIAL RESOURCES

Efforts by the City to assist in the development, rehabilitation, and preservation of affordable housing would utilize organizational and financial resources. The following programs include local, state, and federal housing programs that are valuable resources in assisting in the development of affordable housing, preservation of at-risk housing, and for housing rehabilitation. Please refer to Appendix D for an additional list of resources.

City of Willits Density Bonus Ordinance

The City of Willits has instituted a housing density bonus for lower-income, very low-income, and senior households, in accordance with Government Code Sections 65915 and 65917. The City provides density bonuses to qualified residential projects through the City's Density Bonus Ordinance. Cities are required to grant a density bonus of at least 25 percent above the base zoning density and one additional concession or incentive.

HOME Program

The Home Investment Partnerships Program (HOME) was created under the Cranston Gonzalez National Affordable Housing Act enacted in November 1990. HOME funds are awarded annually as formula grants to participating jurisdictions. HUD establishes Home Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees, or other forms of credit enhancement, or for rental assistance or security deposits.

Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. Also, participating jurisdictions may use HOME funds to provide tenant-based rental assistance contracts of up to two years if such activity is consistent with their consolidated plan and justified under local market conditions.

Public Housing Authority (PHA)

The local PHA is operated by the Community Development Commission of Mendocino County, which manages housing and community development activities, including conventional housing or low rent public housing and the Housing Choice Voucher (Section 8) program. The conventional housing program involves housing developments that are managed and maintained by the Housing Authority. The Housing Choice Voucher program involves a tenant-based rental subsidy administered by the agency. Qualified families are selected and certified from a waiting list. A qualified family can utilize the certificate at any decent, sanitary, and safe housing unit (single-family or multi-family) that accepts the certificates. The tenant's portion of the rent is based on 30 percent of the adjusted family gross income. The Housing Authority subsidizes the difference between the tenant's portion and the contract rent. However, Fair Market Rents (FMR) restrict the actual contract rent as determined by the US Department of Housing and Urban Development (HUD). The Housing Choice Voucher program is similar to the certificate program, except the tenant's housing contract rent is not restricted by FMR.

Community Development Block Grant (CDBG)

The US Department of Housing and Urban Development awards Community Development Block Grants annually to entitlement jurisdictions and states for general activities, including housing, and economic development activities. HUD also offers various other programs that can be utilized by the City, nonprofit, and for-profit agencies for the preservation of low-income housing units such as Section 202 and Section 108 loan guarantees.

Previously, the City utilized CDBG grant money to partially fund a Housing Rehabilitation Loan Program (along with the Redevelopment Agency Housing Fund), applied to owner-occupied housing rehabilitation programs. The CDBG program is not currently active, as grant funding has expired and the Redevelopment Housing Fund has been transferred to the Community Development Commission of Mendocino County (CDC) as the Successor Housing Agency. The City is prepared to assist the CDC in applying for new CDBG funding and in administering the housing rehabilitation loan program should the funding be granted. To date, 23 homes have gone through the rehabilitation program at a total cost of \$356,000. This funding has been split between CDBG funds and RDA 20 percent set-aside funds.

The City had previously used CDBG grant funds, augmented by RDA housing set-aside funds, to fund a housing rehabilitation loan program. In 2002, the City was awarded \$400,000 in CDBG funds and continued the housing rehabilitation program until the funding cycle ended in May of 2006. Since the termination of the CDBG grant and the resignation of the City's Housing Program Manager, the City has limited its program to completing the rehabilitation projects that were in process, and no new rehabilitation projects have been initiated under this program.

In the absence of a housing rehabilitation program, the City has been attempting to partner with the CDC and the RCHDC to develop a low- and moderate-income housing project in the area; however, water limitations have prevented a successful project to date. In coordination with the CDC, the City has provided funding in support of the maintenance of senior housing. Additionally, the City has used Housing Funds to construct sidewalks and to replace sewer and water laterals in low- and moderate-income neighborhoods.

Community Reinvestment Act

The Community Reinvestment Act (CRA), enacted by Congress in 1977, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations. The CRA requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically. That record is taken into account in considering an institution's application for deposit facilities, including mergers and acquisitions.

Low Income Housing Tax Credit Program (LIHTC)

In 1986, Congress created the federal low income housing tax credit to encourage private investment in the acquisition, rehabilitation, and construction of low-income rental housing. Because high housing costs in California make it difficult, even with federal credits, to produce affordable rental housing, the California Legislature created a state low income housing tax credit program to supplement the federal credit.

The state credit is essentially identical to the federal credit. The Tax Credit Allocation Committee allocates both and state credits are only available to projects receiving federal credits. Twenty percent of federal

credits are reserved for rural areas; 10 percent are reserved for nonprofit sponsors. To compete for the credit, rental housing developments have to reserve units at affordable rents to households at or below a percentage of area median income as established by state law.

The federal tax credit provides a subsidy over ten years toward the cost of producing a unit. Developers sell these tax benefits to investors for their present market value to provide upfront capital to build the units. Credits can be used to fund the hard and soft costs (excluding land costs) of the acquisition, rehabilitation, or new construction of rental housing. Projects not receiving other federal subsidy receive a federal credit of 9 percent per year for ten years and a state credit of 30 percent over four years (high cost areas and qualified census tracts get increased federal credits). Projects with a federal subsidy receive a 4 percent federal credit each year for ten years and a 13 percent state credit over four years.

California Housing Finance Agency (CHFA)

The California Housing Finance Agency offers permanent financing for acquisition and rehabilitation to for-profit, nonprofit, and public agency developers seeking to preserve “at-risk” housing units. In addition, the CHFA offers low interest predevelopment loans to nonprofit sponsors through its acquisition/rehabilitation program.

Federal Home Loan Bank System

The Federal Home Loan Bank System facilitates Affordable Housing Programs (AHP), which subsidize the interest rates for affordable housing. The San Francisco Federal Home Loan Bank District provides local service within California. Interest rate subsidies under the AHP can be used to finance the purchase, construction, and/or rehabilitation of rental housing. Very low-income households must occupy at least 20 percent of the units for the useful life of the housing or the mortgage term.

California Department of Housing and Community Development

The California Department of Housing and Community Development (HCD) conducts the Urban Predevelopment Loan Program, which provides funds to pay the initial costs of preserving existing affordable housing developments for their existing tenants. Priority is given to applications with matching financing from local redevelopment agencies or federal programs.

HCD also conducts the acquisition and rehabilitation component of the Multi-family Housing Program to acquire and rehabilitate existing affordable rental housing. Priority is given to projects currently subject to regulatory restrictions that may be terminated. Assistance is provided through low interest construction and permanent loans. Eligible applicants include local government agencies, private nonprofit organizations, and for-profit organizations.

CONSTRAINTS ON THE DEVELOPMENT OF HOUSING

Various interrelated factors can constrain the ability of the private and public sectors to provide adequate housing and meet the housing needs for all economic segments of the community. These factors can be divided into two categories: (1) governmental constraints and (2) non-governmental constraints. Governmental constraints consist of land use controls, development standards, processing fees, development impact fees, code enforcement, site improvement costs, development permit and approval processing, and provision for a variety of housing. Non-governmental constraints consist of land availability, the environment, vacancy rates, land cost, construction costs, and availability of financing.

GOVERNMENTAL CONSTRAINTS

Governmental constraints are policies, standards, requirements, or actions imposed by the various levels of government upon land and housing ownership and development. Although federal and state agencies play a role in the imposition of governmental constraints, these agencies are beyond the influence of local government and are therefore not addressed in this document.

Land Use Controls

The City of Willits's General Plan establishes policies that guide all new development including any residential development. These policies, along with zoning regulations, control the amount and distribution of land allocated for different land uses in the city. Table 31 shows the three land use designations in the General Plan that allow residential development. The Zoning Ordinance does not have minimum and maximum density requirements. Maximum densities are based on minimum lot sizes. The minimum density for all zones is one unit, including R-2 and R-3 multi-family zones in which single-family residences are permitted by right.

Table 31: General Plan Land Use Designations that Allow Residential Development

Designations	Maximum Units Per Net Acre	Maximum Density	Notes
Residential Suburban (R-S)	2	One family per 20,000 square feet	Single-family developments on site of 20,000 square feet or larger are appropriate with wells and/or septic tank sewage disposal.
Residential Low Density (R-L)	7	One family per 6,000 square feet	The dominant use is or is proposed to be single-family residential.
Residential Medium Density (R-M)	29	One family per 1,500 square feet	Limited areas of mixed-density residential uses or new development areas most suitable for duplexes, multi-family, apartment, or professional office uses.
General Commercial (C-G)	29	29	Mixed use – residential above ground-floor commercial.

Source: Willits Vision 2020, Willits General Plan Revision, adopted August 12, 1992

Zoning Districts

The City of Willits Zoning Ordinance is the major guide for residential development policies. The policies establish and control the type, location, and density of residential development in Willits. Zoning regulations serve to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan.

Residential use groups are defined in Table 32. The subsequent Table 33 identifies where each residential use group is allowed (zoning districts), at what densities, and with what minimum standards.

Table 32: Residential Use Group Classifications that Allow Residential Development

Use Group	Description	Example	Allowed Zoning
2a	Single-family residences. Nontransient residential occupancy of a single-family living unit.	Single-family house or single-family manufactured home with permanent foundation, residential care facility (6 or fewer persons), guesthouse	Permitted: RE, R1, R2, R3 Use Permit: CO, C1, C2, ML, MH
2b	Two-family residence. Nontransient residential occupancy of a building or structure containing two single-family dwelling units.	Duplex, residential care facility (6 or fewer persons)	Permitted: R2, R3
2c	Group residential. Nontransient residential occupancy of five or more dwelling units.	Triplex, fourplex, apartment house, rooming or boarding house, fraternity or sorority house, dormitory, residence club or housing cooperative, residential care facility (6 or fewer persons), senior independent uses	Permitted: R3 Use Permit: R2, C1
2d	Mobile home parks. Nontransient residential occupancy of two or more mobile homes within a mobile home park.	Mobile home	Permitted: R3
2e	Residential above ground-floor commercial.	Mixed use – commercial and residential	Use Permit: C1
18a	Individual and family services. Establishments primarily engaged in providing social services to families and individuals.	Senior citizens' center, youth center, welfare office, community service bureau or league, community center, counseling center, or adult day-care center	Permitted: CO, C1, C2

Source: City of Willits Zoning Ordinance

Note: Examples in *italics* are not specifically listed in the Zoning Ordinance but are recognized as examples that would be included in the respective land use groups.

Development Standards

Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents, as well as preserve the character and integrity of neighborhoods. Table 33 summarizes the specific residential development standards as well as reflects the changes included in the Zoning Ordinance update.

Table 33: Residential Development Standards

Zoning District		Residential Use Groups Allowed	Density (units/acre) ⁽¹⁾	Typical Density ⁽²⁾	Min. Lot Area	Min. Lot Width (Ft.)	Front Yard (Ft.)	Rear Yard (Ft.)	Side Yard (Ft.)	Height Limit (Ft)	Lot Coverage (%)
A	Agricultural	2a	1	1	5 gross acres	300	25	25	10	30	none
RE	Residential Estates	2a	1-2	1	20,000 SF	100	25	10	20	35	25
R-1	Single-Family Residence	2a	1-7.26	7	6,000 SF	60	20	6	20	35	40
R-2	Residential Medium Density	2a, 2b	1-14.52	14	6,000 SF (3,000 per du)	60	20	6	20	35	50
R-3	Multiple-Residence	2a, 2b, 2c, 2d, 2e	1-29.04	18	6,000 SF (1,500 per du)	60	20	6	15	40	60
CO	Administrative Office ⁽³⁾	18a, 2a	1-8.71	N/A	5,000 SF	60	10	15	0	45	N/A
C-1	Community Commercial ⁽³⁾	18a, 2a, 2b, 2c, 2e	1-7.26	7	6,000 SF	60	0	15	0	45	N/A
C-2	Heavy Commercial ⁽³⁾	18a, 2a	1-7.26	N/A	6,000 SF	60	15	0	0	45	N/A
ML	Limited Industrial	2a	1-7.26	N/A	6,000 SF	60	15	0	0	45	N/A
MH	Heavy Industrial	2a	N/A		N/A	N/A	20	20	10	45	50

Source: City of Willits Zoning Ordinance

1. The Zoning Ordinance does not have minimum and maximum density requirements. Maximum densities are based on minimum lot sizes. The minimum density for all zones is one unit, including R-2 and R-3 multi-family zones in which single-family residences are permitted by right.
2. Typical densities not available for commercial or industrial districts that allow residential development with a conditional use permit (CUP).
3. Exceptions apply for setback requirements on properties within partial residential areas or where yards abut an alley.

Parking Standards

The City’s parking requirements vary according to the type of dwelling unit, as shown in Table 34. Residential parking standards are not deemed to be a constraint to the development, improvement, and maintenance of housing.

Table 34: Residential Parking Standards

Type of Residential Development	Required Parking
Single-Family	2 off-street spaces/unit
Multi-Family	
One bedroom or studio	1.5 spaces/unit
Two bedrooms	1.5 spaces/unit
Three or more bedrooms	2 spaces/unit
Second Dwelling Unit	1 off-street space/unit
Mobile Home Parks	2 spaces/unit*

Source: City of Willits Zoning Ordinance

Notes: * Parking may be in tandem. One additional space for every five mobile home units, located no farther than 250 feet from the mobile home it was intended to serve and within the mobile home park. One additional space for every 10 mobile home units shall be provided adjacent to open space areas.

Emergency Shelters

The California Health and Safety Code (Section 50801) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay.” The current Zoning Ordinance does not allow emergency shelters, transitional housing, or permanent supportive housing in any zoning district.

Senate Bill 2 (Cedillo, 2007), requires jurisdictions to allow emergency shelters and transitional housing without a conditional use permit. The City must identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The zone or zones identified must have land available to accommodate an emergency shelter.

In an effort to clarify the Zoning Ordinance and therefore facilitate these housing types, the City will take the following actions: (1) defining “emergency shelter” consistent with Health and Safety Code Section 50801, and (2) allowing emergency shelters in the C-2 zoning district by right (Program HE-3.E).

With the exception of one small pocket of C-2 zoning on East Commercial Street, the vast majority of parcels zoned C-2 are located along South Main Street, close to grocery stores, other shopping, and transit services. In previous discussions with the Mendocino County Homeless Services Planning Group, involved citizens groups, and the City Council, it has been determined that, because of the proximity to services and the potential incompatibilities with residential and community commercial zoning districts, the best place for emergency shelters is in the C-2 zoning district.

There are currently 11 parcels with a total of approximately 22 acres of vacant area that could accommodate the development of a homeless shelter. Additionally, 8 parcels with a total of 15 acres contain older motels or other commercial buildings that could have some potential for being converted to shelters. In an effort to determine appropriate sites, City staff reviewed previous surveys and evaluations of the parcels and their individual characteristics, including existing development, proximity to services, availability of water, sewer, and other utilities, access, and any constraints to development.

Transitional Housing and Permanent Supportive Housing

Transitional housing is defined in Section 50675.2 of the Health and Safety Code as rental housing for stays of at least six months but where the units are recirculated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms, such as group housing and multi-family units, and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing is defined by Section 50675.14 of the Health and Safety Code as housing with linked on-site or off-site services with no limit on the length of stay and which is occupied by a target population as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse, or chronic health conditions or person whose disabilities originated before the age of 18). Services linked to supportive housing usually focus on retaining housing, living and working in the community, and/or health improvement.

In an effort to clarify the Zoning Ordinance and thereby facilitate these housing types, the City will (1) add definitions of transitional housing and supportive housing as stated in this document; and (2) list these as permitted uses within residential zoning districts. In an effort to comply with state law, the City has included Program HE-3.F.

Extremely Low-Income Households

Assembly Bill 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Housing elements must identify zoning to allow and facilitate the construction of single-room occupancy units (SROs).

Extremely low-income households typically comprise persons with special housing needs, including but not limited to persons experiencing homelessness or near-homelessness, persons with substance abuse problems, and farmworkers.

In an effort to clarify the Zoning Ordinance and thereby facilitate these housing types, the City will specifically define SROs and allow them in the R-2, R-3, C-1, and C-2 zoning districts with a conditional use permit (Program HE-3.G)

Residential Care Facilities

Health and Safety Code Sections 1267.8, 1566.3, and 1568.08 require local governments to treat licensed group homes and residential care facilities with six or fewer residents no differently than other by-right single-family housing uses. “Six or fewer persons” does not include the operator, the operator’s family, or persons employed as staff. Local agencies must allow these licensed residential care facilities in any area zoned for residential use and may not require licensed residential care facilities for six or less to obtain conditional use permits or variances that are not required of other family dwellings.

The City has included Program HE-3.K to allow for residential care homes (six or fewer persons) no differently than other by-right single-family homes and for residential care facilities (seven or more persons) with a conditional use permit in the R-2 and R-3 zones.

Housing for Persons with Disabilities

In compliance with SB 520, a complete evaluation of the City’s zoning laws, practices, and policies was done as a part of the Housing Element update process. No constraints to housing development for persons with disabilities were found at that time. However, Programs HE-2.J and HE-3.K have been incorporated into the Housing Element to mitigate any possible constraints.

- **Reasonable accommodations** – Currently the City’s Zoning Ordinance does not contain a reasonable accommodation procedure. Program HE-2.J includes provisions for procedures for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws and amendment of the City’s Zoning Ordinance to provide for clear rules, policies, procedures, and fees for reasonable accommodation in order to promote equal access to housing
- **Separation requirements** – The City’s Zoning Ordinance does not impose any separation requirements between residential care facilities.
- **Site planning requirements** – The site planning requirements for residential care facilities are no different than for other residential uses in the same zone.
- **Definition of family** – The City will update its definition of family to state (Program HE-3.K): “One or more persons living together in a dwelling unit.” This definition is consistent with current housing law.

Second Residential Units

AB 1866 requires local governments to use a ministerial process for considering second-unit applications for the purpose of facilitating production of affordable housing. Currently the City requires a conditional use permit for second residential units in the single-family residential (R-1) or residential estates (RE) zones. The City has included Program HE-2.F in an effort to comply with state law.

Local Processing and Permit Procedures

Site Plan Review

At the discretion of the Community Development Director, developments that fall within the category of “permitted use” in the Zoning Ordinance (single- and multi-family projects), but which may have unique requirements or impacts on City services or surrounding land uses, can be required to be subject to a Site Plan Review process. This process requires submittal of an application with a site plan and conceptual building plans along with a filing fee (\$400 for developments up to 4 units; \$1,000 for 5 or more units). This is an administrative review process by a City Technical Advisory Committee represented by various City departments, and no public hearing is involved. The process generally takes approximately one month but may take longer if conditions warrant additional technical information such as flood elevations, geotechnical analysis, site grading, or traffic analysis.

Shown in Table 35 are the typical permit processing times for residential development.

Table 35: Typical City Permit Process and Timelines

Project Type	Approving Body	Timeline	Comment
Individual Single-Family House	Comm. Development Dept.	1-2 weeks	
Minor Subdivision	TAC	6-8 weeks	Dedications require Planning Commission approval (10-12 weeks)
Major Subdivision	PC	3-6 months	Depends on complexity of project
Multi-Family housing	TAC (R-3 zone) PC/CC (others)	6-8 weeks 12-14 weeks	
Second Dwelling Unit	PC/CC	12-14 weeks	Requires conditional use permit
Mixed Residential Commercial Use	PC/CC	12-14 weeks	Requires conditional use permit
CEQA – Negative Declaration	PC/CC	12-14 weeks	Depends on complexity of project
CEQA – EIR	PC/CC	6-12 months	Depends on complexity of project
General Plan Amendment	PC/CC	4/6 months	Depends on complexity of project
Rezone	PC/CC	12-14 weeks	3-6 months if part of General Plan Amendment
Variance	PC/CC	12-14 weeks	

Source: City of Willits

TAC = Technical Advisory Committee

PC = Planning Commission

CC = City Council

Density Bonus

Under current state law (SB 1818 of 2004), cities and counties must provide a density increase up to 35 percent over the otherwise maximum allowable residential density under the Municipal Code and the Land Use Chapter of the General Plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with units affordable to low- or moderate-income households. The City of Willits will update the density bonus ordinance to be in conformance with state law (Program HE-3.J).

Development Fees

Total development costs vary greatly depending on the type of development. Table 38 shows the current development fees.

Development impact fees are an additional potential constraint to affordable housing development. The City does not have development impact fees; however, it does assess fees for building permits and water and sewer connections, which vary according to the type of development and size of service. Also, the City may require street frontage improvements such as curbs, gutters, and sidewalks at the time of development. The City provides a 10 percent fee waiver for any application made to facilitate qualified low- and moderate-income housing and waives all building permit fees for energy and water conservation fixtures, appliances, or equipment.

The City's most recent Rates and Fee Schedule (for fiscal year 2011) includes a 10 percent discount for planning and building permits made by independently locally owned businesses and for permit applications associated with qualified low- and moderate-income housing.

Building Permit Fees

Building permit fees are based on California Building Code requirements, and the fees for each permit vary with the size and design of the structure. As a ballpark estimate, the building permit fee for a single-family residence in the 1,500–2,000 square foot range would typically be approximately \$3,500 (plus water and sewer connection fees). There are no school impact fees or other impact fees. Because there are so many variables in the construction of multi-family dwellings, it is not possible to give a "typical" building permit fee; therefore for this analysis, the same estimate of \$3,500 was used.

As a means of assessing the cost that fees contribute to development in Willits, the City has calculated the total fees associated with development of a single-family and multi-family development. As indicated, development fees for a 2,000-square-foot single-family or multi-family residential project, on the high end, run approximately \$3,500 per unit (making up 2 percent of the total unit cost). The City's fees are consistent with, if not much lower than, development fees in the area and therefore are not considered a constraint to the development of housing.

Table 36: Planning Fees

Planning Application or Permit	Fee	Subdivision	Fee	Environmental Review	Fee
Annexation	\$1,000	Major Subdivision	\$1,050	Envtl. Assessment	\$100
CUP – Major	\$600	Minor Subdivision	\$350	EIR	\$45/hour
CUP – Minor	\$200	Reversion to Acre.	\$450		
CUP – Home Occupation	\$50				
CUP – Family Daycare Permit	\$75				
Development Agreement	\$1,000				
Floodplain Develop. Permit	\$100				
General Plan Amendment	\$1,000				
Site Plan Review	\$50–\$400				
Zone Change	\$500				

Source: City of Willits Planning Department 2010

Water and Sewer Connection Fees

Water service connection fees are \$3,025 for each Equivalent Domestic Unit (EDU) (i.e., single-family dwelling unit) which is a standard 5/8" meter. Connection fees increase with increased meter size and the cost for multi-family units depends on the size of the water meter required to provide the service. A 1" meter is \$4,525 and a 1 ½" meter is \$6,025. It is unlikely that any multi-family development in Willits would need any service larger than 1 ½". Monthly water rates are tiered as follows; Tier 1 (0-300 cubic feet –"hcf") \$3.15; Tier 2 (4-10 hcf) \$5.80; Tier 3 (11-19 hcf) \$7.80; and Tier 4 (20+ hcf) 9.80.

Sewer service connection fees are \$7,840 for each EDU and annual sewer charges are \$725 per EDU.

Building and Code Enforcement

The City has adopted the 2010 California Building Code, which regulates the construction of all physical structures in the city. This constraint is the same as all other jurisdictions that are bound by this code. Because the City regulates its building permits with this code and not a locally based system, potential developers have the ability to develop in Willits based on a uniform system used elsewhere. This reduces development costs because there is no need to learn an additional set of codes.

The City strives to perform thorough but expedient permit processing, with average processing times equal to or less than similar jurisdictions. The City has an active code enforcement team and building inspection program that works to uphold all adopted codes and to encourage the improvement of existing substandard dwelling units. Violations are incurred primarily on a complaint basis or through the general observation of building code officers. Code violations help the City to know where rehabilitation needs are.

On- and Off-Site Improvements

Site improvement costs include the cost of providing access to the site, clearing the site, and grading the pad area. In the case of a subdivision, such costs may also include major improvements such as building roads and installing sewer, water, and other utilities. Residential subdivision projects require street widths as follows:

- total right of way for an arterial is 80 to 88 feet in width, with moving lanes and parking lanes typically 12 feet and 8 feet in width respectively;
- total right of way for a collector is 56 to 64 feet in width, with moving lanes and parking lanes typically 12 feet and 8 feet in width respectively; and
- total right of way for minor streets is 56 to 64 feet in width, with moving lanes and parking lanes typically 10 feet and 8 feet in width respectively.

As with land costs, several variables affect costs, including site topography and proximity to established roads, sewers, and water lines. Engineering and other technical assistance costs are usually included with site improvements as these services are required to ensure that development is constructed according to established codes and standards.

Developers of multi-family projects and single-family housing tracts are generally required to pay for curbs, gutters, and sidewalks and depending on the location, extension of sewer and water services. These and other site improvement costs are typical of all cities in California and do not impose a significant constraint on the development of housing. The City does not impose any unusual requirements as conditions of approval for new development.

NON-GOVERNMENTAL CONSTRAINTS

Development Costs

Construction costs vary widely according to the type of development, with multi-family housing generally less expensive to construct than single-family homes. However, wide variation within each construction type exists depending on the size of the unit and the number and quality of amenities provided such as fireplaces, swimming pools, and interior fixtures, among others.

In addition to construction costs, the price of land is one of the largest components of housing development costs. Land costs may vary depending on whether the site is vacant or has an existing use that must be removed. Similarly, site constraints such as environmental issues (i.e., steep slopes, soil stability, seismic hazards, or flooding) can also be factor into the cost of land. Other costs may stem from professional services such as land surveying and engineering, soils engineering/analysis, site design, landscape and architectural design, and permit processing.

Factors that affect the cost of building a house include the type of construction, materials, site conditions, finishing details, amenities, and structural configuration. Table 37 shows that the cost to construct a 2,000-square-foot house of average standard construction is currently estimated at \$214,078, or \$107 per square foot, excluding land costs.

If labor or material costs increased substantially, the cost of construction in Willits could rise to a level that impacts the price of new construction and rehabilitation. Therefore, increased construction costs have the potential to constrain new housing construction and rehabilitation of existing housing. The City will continue to do its part in reducing development processing times and providing a more streamlined review process.

Table 37: Estimated Construction Costs (2,000-square-foot house)

Construction Quality	Estimate
Luxury	\$786,199
Custom	\$491,514
Best Standard	\$329,991
Good Standard	\$254,190
Average Standard	\$214,078
Minimum Standard	\$177,707

Source: Craftsman Book Company (www.building-cost.net)

Availability of Financing

The cost of borrowing money to finance the construction of housing or to purchase a house affects the amount of affordably priced housing in Willits. Fluctuating interest rates can eliminate many potential homebuyers from the housing market or render a housing project that could have been developed at lower interest rates infeasible. Typically, when interest rates decline, sales increase. The reverse has been true when interest rates increase. Over the past decade, there was a dramatic growth in alternative mortgage products, including graduated mortgages and variable rate mortgages. These types of loans allow homeowners to take advantage of lower initial interest rates and to qualify for larger home loans.

However, variable rate mortgages are not ideal for lower- and moderate-income households that live on tight budgets. Variable rate mortgages may allow lower-income household to enter into homeownership, but there is a definite risk of monthly housing costs rising above the financial means of that household. This risk has been realized over the past several years in the rising rate of foreclosures.

The online real estate publication Realtytrac.com showed a listing of 93 units in varying stages of foreclosure in Willits (www.realtytrac.com, accessed online March 6, 2009). These listings included 45 units in pre-foreclosure, 10 units going to auction, 32 bank-owned properties, and 6 resale homes. Realtytrac indicated that the bad subprime loans that originated in 2005–2006 nationwide are working their way through the system. The stabilization of home prices is thought to be dependent upon regional and national economic recovery and restoration of liquidity to the credit markets. The state of California continues to have one of the highest foreclosure rates in the country, although its foreclosure rate has begun to decline. January 2009 had a 14 percent decrease in foreclosures from the previous month, although the rate was still 34 percent higher than January 2008 (“Foreclosure Activity Decreases 10 Percent in January,” February 12, 2009, Realtytrac.com, accessed online March 6, 2009).

Due to uncertainty in the real estate market and the economy, the fixed interest rate mortgage remains the preferred type of loan. Table 38 illustrates interest rates as of March 6, 2009. The table presents both the interest rate and annual percentage rate (APR) for different types of home loans.

Table 38: Interest Rates

Conforming	Interest	APR
40-Year Fixed	7.000%	7.208%
30-Year Fixed	4.875%	5.086%
20-Year Fixed	5.125%	5.416%
15-Year Fixed	4.625%	4.989%
5-Year ARM	4.625%	4.674%
Jumbo		
30-Year Fixed	6.500%	6.651%
5-Year ARM	5.375%	4.885%
FHA		
30-Year Fixed	5.000%	5.645%

Source: www.wellsfargo.com, March 6, 2009

Price of Land

Land costs in the City of Willits are shown in Table 39. Residential land prices ranged from \$20,000 per acre to \$35,000 per acre.

Table 39: Land Prices

Price	Acres	Price/Acre
\$927,500	26.5	\$35,000
\$49,900	1.94	\$25,722
\$12,000	0.5	\$24,000
\$10,000	0.5	\$20,000

Source: City of Willits, March 2012

RESIDENTIAL ENERGY CONSERVATION

Housing elements must include a review of opportunities to encourage energy conservation in residential development (Government Code Section 65583(a)(7)). Energy conservation policies could reduce housing costs, promote sustainable design, and help reduce greenhouse gases. Title 24 of the California Administrative Code sets forth mandatory energy standards for new development and requires the adoption of an “energy budget.”

The California Department of Housing and Development (HCD) encourages cities to take further steps toward better energy conservation through their housing element updates. Policy ideas are listed on HCD’s website to help cities toward this goal. Additional resources are listed below.

California Solar Initiative Rebates

Rebates vary according to system size, customer class, and performance and installation factors (www.gosolarcalifornia.org). There are two rebate programs: Expected Performance Based Buydown (for systems that are less than 50 kilowatts) and Performance Based Incentive (for systems between 50 kilowatts and 1 megawatt). After January 1, 2010, rebates for all systems greater than 30 kilowatts will be subject to the Performance Based Buydown program.

California Solar Initiative Single Family Low Income Program

Fully subsidized one-kilowatt systems are available to very low-income households who financed their home through local, state or federal housing assistance programs and whose household income is at or below the 50 percent of the area median income.

Highly subsidized solar systems are available to other low-income households as determined by housing stock eligibility and eligibility for the California Alternative Rates for Energy (CARE) Program.

California Solar Initiative Multifamily Affordable Solar Housing (MASH)

The MASH program provides solar incentives for qualifying affordable multi-family dwellings. The MASH program provides two types of incentives. Track 1 incentives provide fixed, upfront capacity-based incentives for solar photovoltaic (PV) systems that offset common area and tenant loads. Track 2 offers higher incentives to applicants who provide quantifiable “direct tenant benefits” (i.e., any operating costs savings from solar that are shared with their tenants). Track 2 incentives will be accepted every six months through a competitive process. The application and review process for MASH Track 2 is currently in development.

Federal Investment Tax Credit

The Federal Investment Tax Credit for residential and commercial solar systems is 30 percent of net system cost. This tax credit is available through December 31, 2016 (the prior cap of \$2,000 expired on December 31, 2008). Refer to the “Guide to Federal Tax Incentives for Solar Energy,” at www.seia.org/manualdownload.php.

California Energy Commission

Through the American Recovery and Reinvestment Act of 2009, the California Energy Commission is expected to receive about \$295 million for energy efficiency and renewable energy programs. The Energy Commission's two main areas of responsibility will be the State Energy Program and the Energy Efficiency and Conservation Block Grant Program. In addition, an estimated \$36 billion in nationwide grants and other financing for energy- and climate change-related programs will be funded through the US Department of Energy (DOE) (www.energy.ca.gov, available online March 20, 2009). California energy-related recovery programs include the following:

Energy Efficiency and Conservation Block Grant

The Energy Commission is expected to receive \$56 million to assist cities and counties in implementing projects and programs to reduce total energy use, reduce fossil fuel emissions, and improve energy efficiency in building and other appropriate sectors. A majority of the funds from this program will go directly to local governments. The development of application materials and evaluation criteria are under way. A list server is available online at <http://www.energy.ca.gov/recovery/blockgrant> for anyone interested in receiving updates on the status of this program.

The City can apply for or support applications for affordable housing funds from agencies that reward and incentivize good planning. Examples include HCD's Multifamily Housing Program (MHP) and California Tax Credit Allocation Committee resources, which provide competitive advantage for affordable infill housing and affordable housing built close to jobs, transportation, and amenities

Pacific Gas & Electric

PG&E serves the electrical and gas needs in Willits. PG&E offered the following energy conservation programs as of March 2009 (www.pge.com):

- SmartAC – This program provides free equipment and installation for the efficient regulation of central air conditioning systems and heat pumps for residential and small business customers.
- Energy analyzers and calculators (online)
- Home duct sealing (up to \$400 rebate)
- Replace old furnaces with energy-efficient natural gas furnaces (up to \$300 rebate)
- Energy-efficient variable speed motor air handler system (\$50 rebate)
- Energy-efficient whole house fan (\$100 rebate)
- Home lighting efficiency (automatic in-store rebates)
- Efficient multispeed swimming pool filtration pump and motor (\$100 rebate)
- High-efficiency clothes washers (up to \$75 rebate)
- High-efficiency dishwasher (up to \$50 rebate)
- Energy-efficient room air conditioner (\$50 rebate)
- Energy-efficient water heater (\$30 rebate)

- Remodeling rebates for cool roofs (up to \$200 per 1,000 square feet) and attic and wall insulation (up to \$150 per 1,000 square feet)
- Appliance recycling rebates (free pickup and \$35 rebate for refrigerators and freezers, \$25 rebate for room air conditioners)
- Energy efficiency for computers and electronics (80 PLUS Initiative)

Local Program Success

For many years, the City was able to provide grants and loans to qualifying low- and moderate-income families for housing rehabilitation. However, that program was dependent on funding from a CDBG grant that ended in 2006, at which time the program ended and has not been renewed.

Through the low- and moderate-income housing program under the City's Redevelopment Agency, the City provided funds for repairs to the Harrah Senior Center roof, maintenance and rehabilitation work to the Baechtel Creek Senior Village, and to the Renewable Energy Development Institute (REDI) to carry out energy conservation upgrades to qualifying low- and moderate-income family residences. In April 2011, the City Redevelopment Agency approved low interest loans for maintenance and rehabilitation work to Redwood Meadows Senior Housing and Holly Heights I & II affordable apartment complexes. Additionally, the City has included in its fee schedule a 10 percent discount on any planning or building permit applications for low- and moderate-income housing.

Specific Plan Success

A Bicycle and Pedestrian Specific Plan was adopted by the Willits City Council on June 24, 2009. This plan provides a strategy for access and safety improvement for pedestrians and bicyclists which will facilitate all modes of transportation, including persons of low income that do not have access to motor vehicles. While not a "specific plan" in the technical sense, the City completed a Comprehensive Self-Evaluation ADA Access and Transition Plan in May 2006, which also facilitates access to public streets, sidewalk, buildings, and parks by those persons with disabilities, including those with limited income.

APPENDIX A – 2003 HOUSING PROGRAM REVIEW

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
Housing Quality				
<p><u>HE-1. A. Housing Rehabilitation Loan Program.</u> Continuation of existing program. Continue to apply for Community Development Block Grant (CDBG) funding for this program and assign Redevelopment Agency Housing Funds to this program. The Housing Rehabilitation Loan Program shall continue to be publicized using informational brochures made available at City Hall, the library and the City area in the Chamber of Commerce web site and/or when City web site becomes available.</p>	Rehabilitate 30 housing units.	2003–2008	<p>Progress/Effectiveness: With the passing of AB 1235, the City’s Redevelopment Agency has been dissolved and its successor agency, the Community Development Commission of Mendocino County, is now handling all housing programs.</p>	<p>Appropriateness: Modify. The City will modify this program to continue to work with the CDC and monitor the progress of this program.</p>
<p><u>HE-1. B. First Time Homebuyers Program.</u> Determine whether it is feasible for the City to provide a First-time Homebuyers Program. If the First-time Homebuyers program is deemed feasible, the City will apply for and employ HOME, CDBG and/or Redevelopment Agency Low and Moderate Income Housing funds for the development of this program in the City.</p>	Assist 5 lower-income households annually for a total of 15 households.	2005–2008	<p>Progress/Effectiveness: Due to limited staffing and financial resources, the City has been unable to determine if a FTHB program would be feasible.</p>	<p>Appropriateness: Continue. The City is still interested in the feasibility and will continue to apply as NOFAs are released.</p>
<p><u>HE-1. C. Infrastructure Provision and Financing.</u> Evaluate measures which reduce infrastructure demands, and consequently, the need for public facilities to serve residential development on an annual basis; analyze existing and potential infrastructure financing measures for their ability to meet infrastructure needs without an adverse impact to housing costs, and identify and apply for State or USDA infrastructure funding programs to support improvement efforts.</p>	Reduce housing development cost associated with infrastructure development.	Ongoing	<p>Progress/Effectiveness: The City received a water conservation grant in 2009. The City continuously works to implement water conservation strategies. The City works with REDI, a local nonprofit which provides assistance to install energy-efficient features and reduce energy and heating costs for low- and moderate-income households.</p>	<p>Appropriateness: Continue. The City will continue its efforts to meet the infrastructure demands of Willits.</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p><u>HE-1. D. General Plan and Housing Element Review and Update.</u> Review the General Plan and Housing Element on an ongoing basis to determine the effectiveness of the Element in achieving goals and objectives, and update the data in the Element during the first quarter of each fiscal year whenever data is made available from the State and the U.S. Census Bureau. Provide annual reports to the Willits City Council as to the effectiveness of the Housing Element.</p>	<p>Maintain effectiveness of General Plan and Housing Element</p>	<p>Ongoing</p>	<p>Progress/Effectiveness: The City completes Housing Element Annual Reports each year. The City reviews the effectiveness of its current Housing Element during this update process.</p>	<p>Appropriateness: Continue. The City will continue to include annual reports of the implementation of Housing Element programs and periodic updates of the Housing Element goals, policies, and programs per the state-defined update schedule.</p>
<p><u>HE-1. E Zoning Ordinance Review and Update.</u> Review the Zoning Ordinance to determine the effectiveness of the Ordinance in achieving goals and objectives and, as needed, update the Zoning Ordinance to comply with new state planning and zoning law requirements, (i.e. second dwelling units).</p>	<p>Evaluate and possibly update the Zoning Ordinance.</p>	<p>2004</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013 and includes implementing Housing Element programs, providing for housing closer to workplaces, green building, and infill housing.</p>	<p>Appropriateness: Continue</p>
<p>Housing Supply and Neighborhood Conservation</p>				
<p><u>HE-2. A. Residential Site Development Program.</u> The Community Development Department will develop a database to identify vacant and under-utilized land and parcels which are odd-shaped or non-conforming, and the constraints to the development of that land.</p>	<p>Establish a Residential Site Development database for public use.</p>	<p>2005</p>	<p>Progress/Effectiveness: Due to limited staff and financial resources, a database has not yet been developed.</p>	<p>Appropriateness: Continue. The City will continue to pursue funding to establish GIS database.</p>
<p><u>HE-2. B. Multi-Family Sites Preservation Program.</u> Revise the Zoning Ordinance to establish a minimum allowed density of 14.5 dwelling units per acre in the R-3 zoning district.</p>	<p>Allow for the eventual buildout of 27 units on existing and unconstrained sites.</p>	<p>2005</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>HE-2. C. Infill Development Program. The City will encourage the use of infill for the development of housing by maintaining low fees and processing times, and, if necessary, adopt procedures or ordinances to allow for infill residential development. The City will examine the potential for infill sites in the commercial zone, which may be favorable for residential uses. If sites are identified, these sites will be made available for residential uses. If sites are identified, these sites will be made available for residential uses through rezoning or a Zoning Ordinance amendment allowing residential uses in C2 with a Conditional Use Permit (CUP) in those areas. In addition, the City will also identify those areas that may not be suitable for the construction of residential infill units, but would be suitable for providing additional parking opportunities that could support infill development opportunities.</p>	<p>Publish a list of suitable infill sites available to developers. Develop a list of unbuildable lots that could be used for parking, open space, or parklands. The goal is the development of 8 residential units.</p>	<p>2005</p>	<p>Progress/Effectiveness: Due to limited staff and financial resources, the City has not yet completed this program. The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>
<p>HE-2. D. Lot Consolidation Program. The City will encourage the consolidation of smaller adjacent parcels zoned for residential use, particularly those parcels zoned for two-family (R-2) or multifamily (R-3) development. This may include working with property owners to consolidate parcels, coordinating with local property owners to support the development of affordable two-family and multifamily housing development, or working with developers to identify suitable vacant and adjoining R-2 and R-3 sites. Provide technical assistance to developers or existing owners who wish to consolidate adjacent residentially-zoned parcels.</p>	<p>Develop program by 2005 and provide assistance that leads to the consolidation of at least four lots by 2008.</p>	<p>2005/2008</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>HE-2. E. Flexibility in Development Standards. The zoning ordinance update should provide flexible development standards that are designed to encourage infill and affordable housing development. This may include exceptions to setbacks, clustering of units and lot configuration, lot size, and lot coverage. In addition, the update should allow reduced parking standards for housing developments for seniors and/or persons with disabilities.</p>	<p>Update the Zoning Ordinance.</p>	<p>2005</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>
<p>HE-2. F. Second Units. Revise the Willits Zoning Ordinance to allow second dwelling units as a use-by-right as provided for in Section 65852.2 of the Government Code. Revise the Zoning Ordinance to provide for flexibility in parking requirements for second units based on the size of the units. Provide educational materials regarding second units in the form of informational brochures and City web-site placement.</p>	<p>Revise the Zoning Ordinance by July 2004. Develop and provide education materials by 2005. The goal is the development of 4 residential units.</p>	<p>2004/2005</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>
<p>HE-2. G. Second Unit Incentive Program. The Community Development and Building Departments shall identify areas of the City in which second unit development is most desirable. Amend the Zoning Ordinance to promote the production of second units in the identified areas by allowing for reduced parking requirements, the removal of the requirement of a conditional use permit and the deferral of fees.</p>	<p>Revise the Zoning Ordinance.</p>	<p>2004</p>	<p>Progress/Effectiveness: Due to limited staff and financial resources, the City has not yet completed this program. The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Delete. This program will be continued but combined with Program HE-2.F: Second Units.</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>HE-2. H. Mixed-Use Development Program. Continue to facilitate the revitalization of the downtown area in Willits by allowing residential units above first floor commercial and provide incentives for mixed-use projects with an affordable residential component. The Redevelopment Agency will continue to develop or provide funding for feasibility studies for the production of housing for specific commercially zoned sites.</p> <p>The City will remove the requirement of a use permit for residential development above commercial establishments in commercial zones and allow residential units to be developed above commercial establishments by right. Also, the City will eliminate parking requirements for residential units that are placed above commercial establishments. In addition, for projects that contain housing units affordable to lower-income households the City will provide incentives such as density bonuses, flexible development standards, and/or fee deferrals to encourage the development of mixed-use projects that contain affordable multifamily units.</p>	<p>Revise the Zoning Ordinance by 2004. The program's goal is to provide approximately 15 housing units on existing vacant and unconstrained C-1 sites within the City and assist in the revitalization of the downtown area of Willits.</p>	<p>2004/Ongoing</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue. This is now Program HE-2.G.</p>
<p>HE-2. I. Housing Opportunities Program. The Community Development and Building Departments will confer with real estate agents, housing developers and financial institutions in order to identify the items necessary for the production of units affordable to moderate and above moderate households. Once these items have been identified, the Community Development Department will provide this information to housing developers and real estate brokers to encourage the construction of market-rate housing.</p>		<p>2004</p>	<p>Progress/Effectiveness: This program has not yet been started due to the water shortage issues. Once a solution has been determined, the City will confer with real estate agents, housing developers, and financial institutions in order to identify the items necessary for the production of units affordable to moderate- and above-moderate-income households.</p>	<p>Appropriateness: Continue. This is now Program HE-2.H.</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>HE-2. J. Planned Unit Development. The City shall produce informational brochures describing the PUD process and its possibilities, identify areas of the City which may be rezoned as PUD districts and identify possible development incentives for a PUD, such as density bonuses, infrastructure cost sharing, and increased housing density. City staff will provide information on the benefits of PUD districts to developers who are considering developing a range of housing types or who are looking for greater flexibility. The Community Development Department will also provide developers with a listing of vacant sites in the City suitable for rezoning to PUD to accommodate a range of housing types and flexible designs.</p>	<p>Develop and distribute informational materials by 2005. Identify sites most suitable for rezoning to PUD and provide a list to developers by 2006.</p>	<p>2005/2006</p>	<p>Progress/Effectiveness: Due to limited staff and financial resources, the City has not yet completed this program. The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>
<p>HE-2. K. Removal of Governmental Constraints to Housing Development for Persons with Disabilities. Persons with disabilities have been identified by the State as a housing special needs group and thus actions must be taken to ensure that housing for these persons is not inhibited due to the City of Willits housing policies and practices. Annually evaluate whether there are constraints on the development, maintenance and improvement of housing intended for persons with disabilities as a result of City policies, programs and procedures. The analysis will include a monitoring of existing land use controls, permit and processing procedures, fees and exactions, and building codes. If any constraints are found in these areas, the City will initiate actions to address these constraints, including removing the constraints for housing intended for persons with disabilities.</p>	<p>The City will conduct an evaluation by June 2005 and annually thereafter. If any constraints are found, the City will take subsequent actions within six months of the completion of the evaluation.</p>	<p>2005/Ongoing</p>	<p>Progress/Effectiveness: The City adopted a Comprehensive Self Evaluation ADA Access and Transition Plan in 2006. With the current working draft of the Zoning Ordinance, the City will complete this program and implement the measure of the ADA Access Plan by December 2013.</p>	<p>Appropriateness: Continue</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/ Delete
<p>HE-2. L. Reasonable Accommodation. Develop procedures for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws and amend the City's Zoning Ordinance to provide for clear rules, policies, procedures and fees for reasonable accommodation in order to promote equal access to housing. Policies and procedures should identify who may request a reasonable accommodation (i.e., persons with disabilities, family-members, landlords, owners, etc.) and these procedures and any fees associated with them should provide relief from the various City land use, zoning, or building regulations that may constrain the housing needs of persons of disabilities.</p>	<p>Develop procedures and revised the Zoning Ordinance.</p>	<p>2006</p>	<p>Progress/Effectiveness: The City adopted a Comprehensive Self Evaluation ADA Access and Transition Plan in 2006. The current working draft of the Zoning Ordinance, the City will complete this program by December 2013.</p>	<p>Appropriateness: Delete. This program will be combined with Program HE-2.J.</p>
Affordable Housing				
<p>HE-3. A. Commercial/Industrial to Multifamily Districts – General Plan Amendment and Rezone Program. The City will initiate the process of identifying areas of commercial and/or industrial sites suitable for R3 (multifamily) or R-2 uses. The City will amend the General Plan land use map and rezone approximately 8 acres to R-3 that are suitable for multi-family uses and are vacant and unconstrained. The City will also rezone approximately two unconstrained, vacant acres to the Medium Density Residential (R-2) designation in order to provide sites for this type of development in the future. For those sites to be rezoned to R-3, the sites must be of adequate size, with a minimum of approximately two acres in combined area, to make the construction of affordable housing units feasible. The reclassification and rezoning of these sites will be to assist in addressing the need for housing units affordable to lower-income households while the</p>	<p>Identify sites by January 2005; amend the General Plan and rezone by January 2006..</p>	<p>2005/2006</p>	<p>Progress/Effectiveness: Due to the current market, it was determined that rezones were not needed to provide housing for lower-income households.</p>	<p>Appropriateness: Delete. The City is planning to rely on its current zoning as well as allow for second-story development to assist in the development of housing for lower-income households.</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
rezoning of sites to R-2 will provide additional opportunities for developments affordable to moderate-income households.				
HE-3. B. Permit Streamlining and Priority Processing. Where feasible, given regulations of other agencies beyond the City's control, continue to maintain streamlined permit review processes and timelines. In addition, continue to give priority to affordable housing projects for Plan Check Review.	Provide priority processing to developments that contain affordable units.	2004/Ongoing	Progress/Effectiveness: This is an ongoing City program. Although there have been no projects that have requested this, it is available.	Appropriateness: Continue
HE-3. C. Affordable Housing Preservation. The Community Development Department will develop a program with the intent of identifying funding sources for the preservation of at-risk affordable housing. The program will involve identifying the expiration dates for affordable multi-family projects and identifying suitable funding sources, which could be used to assist owners or non-profits interested in preserving the affordability restrictions of units that are at risk of converting to market rents. It will also include closely monitoring notices from federal or state agencies related to the prepayment of publicly assisted loans (i.e., Section 515 loans, etc.) or the expiration of affordability restrictions on assisted multifamily developments. In addition, City staff will provide technical assistance to existing owners or non-profit agencies interested in maintaining or extending affordability restrictions on these developments.	Preserve the current stock of 149 assisted multi-family units.	2005	Progress/Effectiveness: With the passing of AB 1235, the City's Redevelopment Agency has been dissolved and its successor agency, the Community Development Commission of Mendocino County, is now handling all housing programs. The City will continue to monitor all affordable projects and will coordinate with the CDC whenever projects are at risk of converting to market rate.	Appropriateness: Modify
HE-3. D. Redevelopment Assistance. Whenever possible, fulfill the mandates of the City's redevelopment plan by assisting with the development of affordable housing or providing housing assistance to lower-income households within the redevelopment area. This may include using set-aside funds as a match for the City's	Use set-aside funds to assist the in the development of new affordable units or the rehabilitation of existing affordable	Ongoing	Progress/Effectiveness: With the passing of AB 1235, the City's Redevelopment Agency has been dissolved.	Appropriateness: Delete

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>housing rehabilitation loan program, direct assistance to developers of affordable housing, or writing down the cost of land for affordable housing development, among others. In addition, identify and promote the availability of sites suitable for affordable housing within the redevelopment project area to housing developers through informational bulletins and the City's website.</p>	<p>units.</p>			
<p>HE-3. E. State and Federal Housing Programs. There are a number of state and federal programs, which provide low-cost financing or subsidies for the production of low- and moderate-income housing. Certain programs require an application and participation by the local public agency, other programs are for use by non-profit housing corporations and housing authorities, and the remaining programs require application and direct participation by a private developer. The City will determine which programs will be most beneficial for housing production in the City and the directly or indirectly pursue those programs. Programs in which the City will consider are:</p> <ul style="list-style-type: none"> • State Predevelopment Loan Program (PDLP) • Multifamily Housing Program (MHP) • Rural Development Assistance Program • State Joe Serna Farmworker Grant Program • USDA Rural Development, Section 515 Program • USDA Rural Development, Section 523/524 Technical Assistance Grant • Community Development Block Grant Program • Home Investment Partnerships Program <p>Coordinate with County, state and federal resources to obtain any available sources of funding for the development of affordable housing units. The City will contact HCD annually to determine the</p>	<p>Supply information to developers for possible funding sources.</p>	<p>Ongoing</p>	<p>Progress/Effectiveness: With the passing of AB 1235, the City's Redevelopment Agency has been dissolved and its successor agency, the Community Development Commission of Mendocino County, is now handling all housing programs. The City will coordinate with the CDC whenever possible to assist Willits residents.</p>	<p>Appropriateness: Modify</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
deadline dates for the various funding programs.				
<p><u>HE-3. F. Self-Help Housing Development Program.</u> The Redevelopment Agency, Community Development and Building Departments shall take a proactive approach to self-help housing development by contacting possible sources of self-help housing such as Habitat for Humanity and RCHDC, identifying possible sites in the City for housing development, identifying incentives, such as fee reductions, funding sources, and process streamlining techniques, and promoting self-help housing to the public through informational brochures and City web-site information.</p>	<p>This program's goal is the production of 5 self-help housing units.</p>	<p>2005/Ongoing</p>	<p>Progress/Effectiveness: With the passing of AB 1235, the City's Redevelopment Agency has been dissolved and its successor agency, the Community Development Commission of Mendocino County, is now handling all housing programs. The City will coordinate with the CDC whenever possible to assist Willits residents.</p>	<p>Appropriateness: Modify</p>
<p><u>HE-3. G. Inclusionary Zoning Ordinance.</u> The City will initiate the process of drafting an inclusionary housing ordinance for possible adoption by the City Council, which would set forth minimum requirements for the construction of affordable housing in new residential projects or contributions to an affordable housing trust fund.</p> <p>There are many different ways to structure an Inclusionary Zoning Ordinance. For example, the Ordinance may require that any development of ten (10) or more units would be required to set aside 10 percent of those units for lower income households, or specified number of duplex or triplex units, and/or may allow an in-lieu fee or dedication of land to the City for use in development of affordable units or other compensation. The Ordinance may require a graduated scale on the amount of inclusionary units dependent on the number of housing units produced. The Ordinance may also allow the lower income units to be placed in a different area of the City other than the proposed development or a land dedication.</p>	<p>Revise Zoning Ordinance by 2005. Identify sites by January 2005. Provide informational brochures from Willis Community Services and the County CDC by December 2004.</p>	<p>2004/2005</p>	<p>Progress/Effectiveness: The City has not yet developed an inclusionary housing ordinance. The City will continue to consider the adoption of an inclusionary ordinance.</p>	<p>Appropriateness: Continue</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>HE-3. H. Emergency/Transitional Shelter Development Program. The City will revise the zoning ordinance to allow emergency shelters and transitional housing facilities in the Community Commercial (C1) and Heavy Commercial (C2) zoning districts subject to a conditional use permit. Criteria for the issuance of a conditional use permit should relate to public health, safety, and proximity to public services, transportation, and employment. The City will identify at least one suitable vacant site for an emergency shelter and one for a transitional housing facility.</p> <p>Annually, the City will continue the assignment of up to 10 percent of hotel bed tax revenues for homeless assistance programs and shelters.</p> <p>The City will encourage private contributions to local homeless assistance programs and shelters by providing information from area homeless service providers and the Mendocino County Community Development Commission about homeless needs and services at City Hall and other public locations.</p>	<p>Revise the Zoning Ordinance and identify sites by January 2005.</p> <p>Provide informational brochures from Willits Community Services and the County CDC by December 2004.</p>	<p>2004/2005</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>
<p>HE-3. I. Farm Labor Housing. Update the zoning ordinance to identify that farm labor housing that serves six or fewer persons shall be treated as a single-family unit and shall be permitted by right in zones that allow single family units by right, in accordance with California Health and Safety Code, Sections 17021.5 and 17021.6.</p> <p>Furthermore, clarify that farm employee housing for more than 12 farmworkers is permitted in the Agricultural (A) zone subject to a conditional use permit and that farm employee housing serving 12 or fewer farm employees is allowed by right in the Agricultural zone.</p>	<p>Update the Zoning Ordinance.</p>	<p>2006</p>	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>

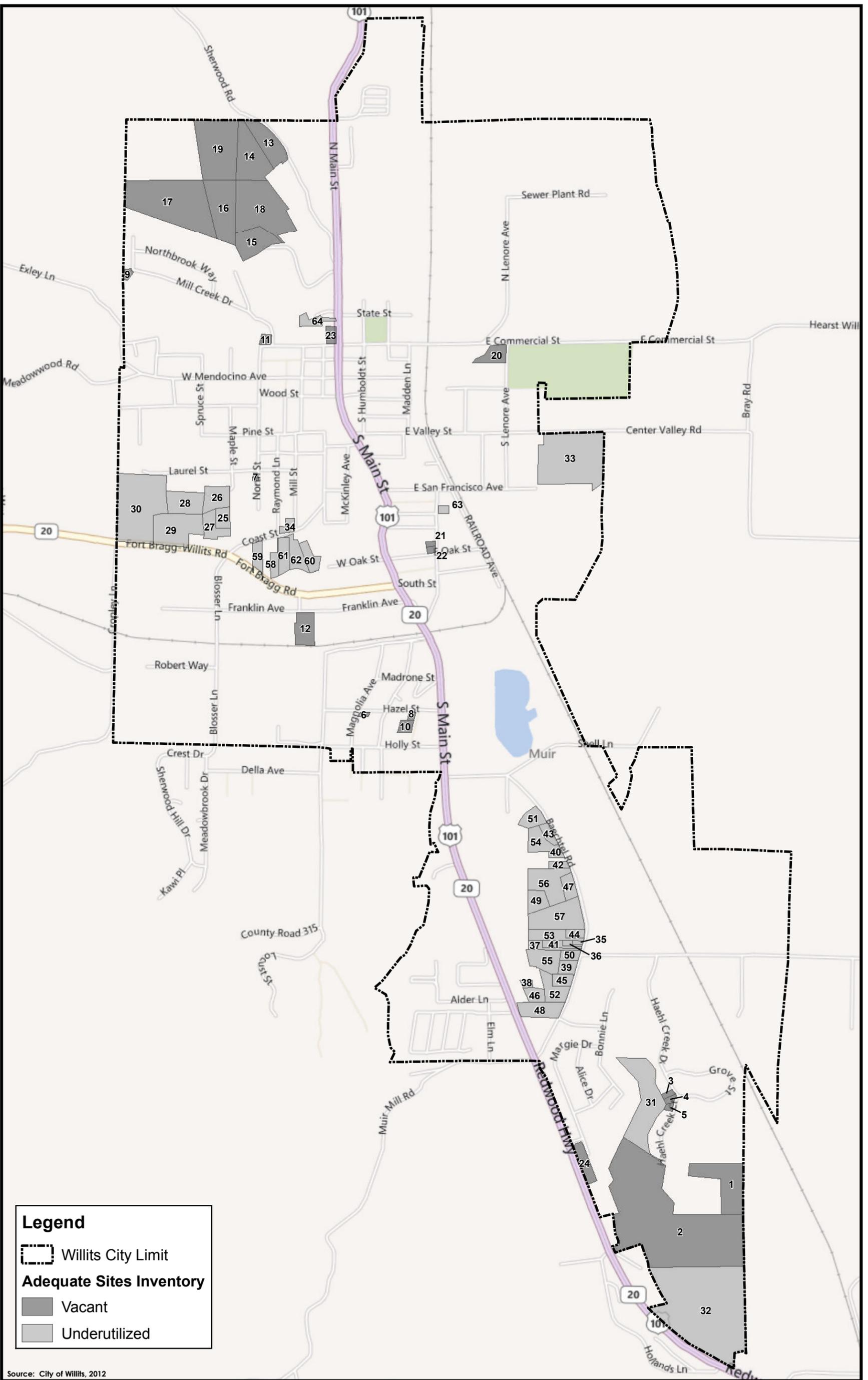
Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>HE-3. J. Seasonal/Migrant Farmworker Housing. All land within the City of Willits is zoned for urban uses. The only area that is zoned for agricultural use is located in the County to the east of Willits. Since the issue of housing for migrant and seasonal farmworkers is a regional issue, this issue is best addressed at the County level, the City will support regional efforts, such as those of the Mendocino County Community Development Commission and other organizations, such as the Rural Community Housing Development Corporation, to secure funding and identify sites for the development of migrant/seasonal farmworker housing, including sites in the City's Sphere of Influence.</p>		Ongoing	<p>Progress/Effectiveness: Due to limited staff and financial resources, the City has not yet completed this program. The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013. At that time, the City will also develop a list of potential site for infill.</p>	<p>Appropriateness: Delete. This program will be combined with Program HE-3.I.</p>
<p>HE-3. K. Larger Multi-Family Unit Program. Encourage developers of both affordable and market-rate housing to construct housing units with three or more bedrooms to accommodate large households and alleviate overcrowding in Willits. Where feasible, provide incentives to developers who provide housing units affordable to lower-income households that have three or more bedrooms. Such incentives may include, but are not limited to flexible development standards, fee deferrals, density bonuses, or expedited processing.</p>	Produce 10 larger apartment units.	2008	<p>Progress/Effectiveness: Within this planning period, no multi-family projects were developed.</p>	<p>Appropriateness: Continue</p>
<p>HE-3. L. Density Bonus Program. Density bonuses provide a developer with additional dwelling units in exchange for the provision of housing affordable to low-and-moderate households. Under State law, a jurisdiction shall provide a density bonus of at least 25% above the base density and at least one incentive or concession when a developer agrees to include at least one of the following: 1) 20% of the units in a housing development for lower-income households; 2) 10% of the units for very low-income households; 3) 50% of units for seniors; or 4) 20% of</p>	Amend Zoning Ordinance by 2005. Develop and display brochures by 2006.	2005/2006	<p>Progress/Effectiveness: The City has a working draft of the Zoning Ordinance amendments, scheduled to be completed by December 2013.</p>	<p>Appropriateness: Continue</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
<p>units for moderate-income households in condominium developments.</p> <p>The City's Zoning Ordinance shall be amended to comply with State density bonus law (Government Code Section 65915), including recent changes (Assembly Bill 1866, Chapter 1062, Statutes of 2002). The density bonus will be promoted through informational brochures, which will be displayed at the City's Community Development Department.</p>				
<p>HE-3. M. Community Education. Staff will conduct at least one public workshop prior to rezoning or the approval of an affordable housing project. The workshop will focus on housing needs and will explain how affordable housing can benefit the community.</p>	<p>Conduct at least 1 public workshop.</p>	<p>2006</p>	<p>Progress/Effectiveness: There has not been any affordable development in the planning period.</p>	<p>Appropriateness: Delete. Public outreach will be completed as part of the public process.</p>
Equal Housing Opportunity				
<p>HE-4. A. Housing Discrimination and Housing Equal Opportunity. Continue to coordinate and refer interested persons to the appropriate agencies, such as Legal Services of Northern California in Ukiah or the HUD Fair Housing Enforcement Center in San Francisco. The City will act as an independent third-party to discrimination complaints. The City will support housing equal opportunity programs by continuing to provide fair housing brochures to the public at City Hall, the local U.S. Post Office, Willits Community Services, the library, and other local housing and social service agencies.</p>	<p>Adhere with the City's policy of fair housing practices.</p>	<p>Ongoing</p>	<p>Progress/Effectiveness: The City did not have any complaints in the last planning period but will continue to prevent housing discrimination and promote equal housing opportunities through public information, referrals, and coordination with other agencies.</p>	<p>Appropriateness: Continue</p>

Implementation Measure	Objective	Time Frame	Evaluation	Continue/Modify/Delete
Natural Resources and Energy Conservation				
<p><u>HE-5. A. Implement State Energy Conservation Standards.</u> The Building Department will continue to be responsible for implementing the state's energy conservation standards. This includes checking of building plans and other written documentation showing compliance and the inspection of construction to ensure that the dwelling units are constructed according to those plans.</p>	<p>Check all building plans for compliance with state energy conservation requirements.</p>	<p>Ongoing</p>	<p>Progress/Effectiveness: This is an ongoing program. The City ensures that all State Energy Conservation standards are implemented. There have been two houses built that were up to code with green standards.</p>	<p>Appropriateness: Continue</p>

Appendix B - Adequate Sites Inventory									
Site #	APN	Gen Plan	Zoning	Acreage	Max. Density	Realistic Capacity	Affordability	Site Constraints	Type
Vacant Sites									
1	007-250-23	RS	RE	5.76	1	5	AM	None	Vacant
2	007-250-21	RS	RE	35.65	1	30	AM	None	Vacant
3	007-232-007	R-S	RE	5.32	1	4	AM	Seismic	Vacant
4	007-232-008	R-S	RE	7.78	1	6	AM	Seismic	Vacant
5	007-232-09	R-S	RE	3.23	1	3	AM	Seismic	Vacant
Subtotal RE				41.41		48	AM		
6	006-252-016	RL	R1	0.14	7	1	M	None	Vacant
7	006-022-020	RL	R1	0.15	7	1	M	None	Vacant
8	006-253-012	RL	R1	0.16	7	1	M	None	Vacant
9	005-091-019	RL	R1	0.19	7	1	M	None	Vacant
10	006-253-03	RL	R1	0.6	7	3	M	Seismic	Vacant
11	005-150-076	RL	R1	0.92	7	5	M	Seismic, Floodplain	Vacant
12	006-182-031	RL	R1	1.99	7	11	M	None	Vacant
13	005-020-031	R2	R1-BL	3.29	1	3	M	Seismic -	Vacant
14	005-030-34	RS	R1-BL	3.65	1	3	M	Seismic	Vacant
15	005-100-036	RS	R1-BL	4.40	1	4	M	Seismic	Vacant
16	005-080-10	RS	R1-BL	6.00	1	5	M	Seismic	Vacant
17	005-080-11	RS	R1-BL	13.00	1	10	M	Seismic	Vacant
18	005-070-33	RS	R1-BL	12.00	1	10	M	Seismic	Vacant
19	005-010-04	RS	R1-BL	8	1	6	M	Seismic	Vacant
Subtotal R1				54.49		63	M		
20	005-130-020	RM	R3	1.44	28	32	VL/L	Flood Plain, Flood Way	Vacant
Subtotal R3				1.44		17	VL/L		
21	006-077-025	C-G	C1	0.11	7	1	M	Seismic, Flood Plain	Vacant
22	006-077-024		C1	0.21	7	1	M	Seismic, Flood Plain	Vacant
23	005-150-061		C1	0.44	7	2	M	Seismic	Vacant
24	007-321-020		C1	1.80	7	8	M	None	Vacant
Subtotal C1				2.56		11	M		

Site #	APN	Gen Plan	Zoning	Acreage	Max. Density	Realistic Capacity	Affordability	Site Constraints	Type
Underutilized Sites									
25	006-100-006	R-S	RE	1.00	1	1	AM	Steep Slopes, Limited Access, Water and Sewer Limitations	Underutilized
26	006-100-009	R-S	RE	1.63	1	1	AM	Steep Slopes, Limited Access, Water and Sewer Limitations	Underutilized
27	006-100-010	R-S	RE	2.14	1	1	AM	Steep Slopes, Limited Access, Water and Sewer Limitations	Underutilized
28	006-100-007	R-S	RE	2.27	1	1	AM	Steep Slopes, Limited Access, Water and Sewer Limitations	Underutilized
29	006-100-012	R-S	RE	4.74	1	2	AM	Steep Slopes, Limited Access, Water and Sewer Limitations	Underutilized
30	006-100-011	R-S	RE	8.24	1	4	AM	Steep Slopes, Limited Access, Water and Sewer Limitations	Underutilized
31	007-232-059	R-S	RE	21.60	1	11	AM	Seismic	Underutilized
32	007-270-013	R-S	RE	24.81	1	12	AM	None	Underutilized
Subtotal RE				66.43		33	AM		
33	007-004-015	R-M	R1	10.00	7	35	M	Flood Plain, Flood Way	Underutilized
34	006-092-015	RL	R1	0.23	7	1	M	None	Underutilized
Subtotal R1				10.23		36	M		
35	007-150-006	R-M	R2	0.16	14	1	M	Seismic	Underutilized
36	007-150-005	R-M	R2	0.22	14	2	M	Seismic	Underutilized
37	007-150-003	R-M	R2	0.29	14	2	M	Seismic	Underutilized
38	007-180-003	R-M	R2	0.30	14	2	M	None	Underutilized
39	007-180-23	R-M	R2	1.6	14	11	M	Seismic	Underutilized
40	007-120-015	R-M	R2	0.39	14	3	M	Seismic	Underutilized
41	007-150-004	R-M	R2	0.49	14	3	M	Seismic	Underutilized
42	007-120-016	R-M	R2	0.53	14	4	M	Seismic	Underutilized
43	007-091-022	R-M	R2	0.63	14	4	M	Seismic	Underutilized
44	007-150-002	R-M	R2	0.71	14	5	M	Seismic	Underutilized
45	007-180-015	R-M	R2	0.79	14	6	M	None	Underutilized
46	007-180-012	R-M	R2	0.83	14	6	M	None	Underutilized
47	007-120-011	R-M	R2	0.88	14	6	M	Seismic	Underutilized
48	007-200-031	R-M	R2	1.14	14	8	VL/L	None	Underutilized
49	007-120-013	R-M	R2	1.18	14	8	VL/L	Seismic	Underutilized



APPENDIX D – FUNDING SOURCES

The City and local housing agencies have several funding sources available for pursuit of various housing activities, with the most notable financing programs summarized below.

SECTION 8 PROGRAM

This federally funded program offers Section 8 Housing Choice Vouchers (under the HCV Program). The Section 8 program provides rental assistance to households qualifying as extremely low and low income. A voucher typically covers differences between Fair Market Rents (for standards developed by the Housing and Urban Development Department, or HUD) and what a tenant is able to pay (with 30 percent the standard threshold).

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

HOME funds are available to assist with owner-occupied rehabilitation projects to qualifying households (lower-income and moderate-income households). The funds are used to make necessary repairs and upgrades related to health and safety issues at the qualifying residences. These funds can be used for “traditional” (stick-built) and manufactured homes, although manufactured homes must be less than 17 years old. Loans can be considered based on a loan-to-value ratio not exceeding 75 percent, factoring in values after the work is completed.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

A wide range of federal CDBG funds are available, including funds for housing rehabilitation and minor home repairs. Use of revolving loan funds keeps this program available for succeeding years, and repairs can include roofs, windows, water heaters, access improvements for the disabled, and similar actions that require immediate attention. Low-interest loan programs are also available to homeowners who rent units to low-income families, for a similar range of home improvements.

MULTIFAMILY HOUSING PROGRAM (MHP)

This program provides low-interest loans for development of affordable rental housing units. The housing project is subject to qualification through the California HCD. A qualifying sponsor (private or public) can pursue these funds. A similar program, MHP-Supportive Housing, provides loans for rental housing with supportive services for the disabled who are homeless or at risk of becoming homeless.

CALHOME

This program provides grants to local agencies and nonprofit organizations to fund first-time homebuyer mortgage assistance and owner-occupied housing rehabilitation. For small cities, who must have been operating as a housing administrator the previous two years, recent funding limits have been a maximum of \$600,000.

EMERGENCY HOUSING AND ASSISTANCE PROGRAM (EHAP)

The EHAP focuses on provision of deferred loans for capital development of emergency shelters and transitional housing for the homeless.

TRANSIT ORIENTED DEVELOPMENT PROGRAM (TOD)

This program provides funding for housing and related infrastructure improvements located near transit stations.

CALIFORNIA SOLAR INITIATIVE (CPUC)

Under this program, cash is offered on an incentive basis for installation of solar systems. This program is usually paired with federal programs, allowing for coverage of up to 50 percent of the total cost of the solar system. Affordable housing projects can get up to 75 percent of the total system costs covered.

ADDITIONAL FINANCIAL RESOURCES

Program Name	Description
Federal Programs	
Community Development Block Grant (CDBG)	Federal block grant program administered and awarded by the California Department of Housing and Community Development (HCD) on behalf of HUD through an annual competitive process to cities and counties. Funds may be used for affordable housing acquisition, rehabilitation, construction, homebuyer assistance, community facilities, community services, and infrastructure improvements, among other uses that benefit low- and moderate-income persons.
Emergency Shelter Grants (ESG)	Federal block grant program administered and awarded by the HCD on behalf of HUD through an annual competitive process to cities and counties. Funds may be used for homeless services and facilities, including emergency shelter and transitional housing. ESG also provides short-term homelessness prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs.
Housing for Persons with AIDS (HOPWA)	Makes grants to local communities, states, and nonprofit organizations for projects that benefit low-income persons medically diagnosed with HIV/AIDS and their families. HOPWA funding can provide housing assistance and related supportive services.
HOME Investment Partnership Act Funds	Federal block grant program for affordable housing activities administered and awarded by the State on behalf of HUD through an annual competitive process to cities, counties, and private nonprofit housing development agencies.
HUD Section 8 Rental Assistance Program	Provides project-based rental assistance or subsidies in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing.
HUD Section 8 Housing Choice Voucher Program	Provides very low-income families with a voucher to be used in rental housing of the tenant's choosing.
HUD Section 202 – Supportive Housing for the Elderly	Provides funding for construction, rehabilitation, or acquisition of supportive housing for very low-income elderly persons and provides rent subsidies for the projects to help make them affordable.
HUD Section 203(k) – Rehabilitation Mortgage Insurance Program	Provides in the mortgage, funds to rehabilitate and repair single-family housing.
HUD Section 207/223(f) Mortgage Insurance for Purchase or Refinancing of Existing Multifamily Rental Housing	Insures mortgage loans to facilitate purchase or refinancing of existing multifamily rental housing.

Program Name	Description
HUD Section 221(d)(3) and 221(d)(4) SRO Projects	Insures loans for construction or substantial rehabilitation of projects consisting of 5 or more single-room occupancy (SRO) units, with no more than 10% of gross floor space dedicated to commercial use (20% for substantial rehabilitation projects).
HUD Section 811 – Supportive Housing for Persons with Disabilities	Provides funding to nonprofits to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provides rent subsidies for the projects to help make them affordable.
HUD Self-help Homeownership Opportunity Program (SHOP)	Provides funds for nonprofits to purchase home sites and develop or improve the infrastructure needed for sweat equity affordable homeownership programs for low-income persons and families.
HUD Shelter Plus Care Program (S+C)	Provides rental assistance and permanent housing for disabled homeless individuals and their families.
HUD Supportive Housing Program (SHP)	Provides grants to develop supportive housing and services that enable homeless people to live independently.
Low-Income Housing Tax Credit (LIHTC) Program	Provides federal and state income tax credit based on the cost of acquiring, rehabilitating, or constructing low-income housing.
Mortgage Credit Certificate (MCC) Program	Can be used by lower-income first-time homebuyers to reduce their federal income tax by a portion of their mortgage interest.
USDA RHS Direct Loan Program and Loan Guarantee Program (Section 502)	Provides low-interest loans to lower-income households in rural areas to purchase, build, repair, renovate, or relocate a home, or to purchase and prepare a site, including providing water and sewerage facilities.
USDA RHS Home Repair Loan and Grant Program (Section 504)	Provides loans and grants for very low-income residents in nonmetropolitan areas to repair their housing, making them safer, more sanitary, or removing health and safety hazards.
USDA RHS Farm Labor Housing Program (Section 514)	Provides loans and for the construction, improvement, or repair of housing for farm laborers.
USDA RHS Rural Rental Housing – Direct Loans	Provides direct loans to developers of affordable rural multi-family rental housing for very low-, low-, and moderate-income families, the elderly, and persons with disabilities. Funds may be used for new construction, to buy and improve land, or rehabilitation.
USDA RHS Farmworker Housing Grants (Section 516)	Provides grants for farmworker housing.
USDA Multi-Family Housing Rental Assistance Program (Section 521)	Provides rent subsidies to ensure that elderly, disabled, and low-income residents of multi-family housing complexes financed by the Housing Communities & Facilities Program (HCFP) are able to afford rent payments.

Program Name	Description
USDA RHS Rural Housing Site Loans (Sections 523 and 524)	Provides financing for the purchase and development of affordable housing sites in rural areas for low/moderate-income families.
USDA RHS Housing Preservation Grant Program (Section 533)	Provides grants to nonprofit organizations, local governments, and Native American tribes to renovate existing low-income multi-family rental units.
USDA RHS Rural Rental Housing Guaranteed Loan Program (Section 538)	Provides funding for construction of multi-family housing units to be occupied by low-income families.
State Programs	
Exterior Accessibility Grants for Renters (EAGR)	Grants by HCD to local government agencies and nonprofits to fund accessibility improvements for lower-income disabled renters.
Building Equity and Growth in Neighborhoods (BEGIN)	HCD provides grants to local public agencies to make deferred payment second mortgage loans to qualified buyers of new homes, including manufactured homes on permanent foundations. Grant funds must be used for down payment assistance for low- and moderate-income homebuyers.
CalHFA Homebuyer's Downpayment Assistance Program (CHDAP)*	Provides deferred payment, simple-interest loans not to exceed 3% of the sale price or appraised value, whichever is less, for first-time homebuyers. Can be used for down payment assistance or closing costs. Borrower's income cannot exceed HCD-defined moderate income limits.
California Self-Help Housing Program	Provides grants to organizations in order to assist low- and moderate-income households who build their own homes.
CalHome Program	Provides grants to local public agencies and nonprofit developers to assist individual households through deferred-payment loans and offers direct, forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions.
California Debt Limit Allocation Committee (CDLAC) Qualified Rental Project Program	Local agencies can issue tax-exempt housing revenue bonds to assist developers of multi-family rental housing units, acquire land, and construct new projects or purchase and rehabilitate existing units. Reduces interest rate paid by developers for production of market-rate and affordable rental housing for low- and very low-income households.
CDLAC Single-Family Housing Program	Local agencies can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist first-time homebuyers. MRBs lower the effective interest rate for developers; MCCs reduce developers' federal tax liability. Homebuyers may purchase attached or detached single-family homes. Participants must meet program income limits and must purchase a home within the program's purchase price limitations.

Program Name	Description
CDLAC Extra Credit Teacher Home Purchase Program*	Local agencies can issue MRBs or MCCs to assist teachers, principals or other credentialed school staff, and classified school employees. Participants must be employed at a low-performing school (a California K-12 public school ranked in the bottom 50% based on the most recent Academic Performance Index). Participants must commit to work at a high priority school for at least three years.
CalHFA High Cost Area Assistance Program (HiCAP)	Designed to assist first-time homebuyers in the highest housing cost areas of the state.
CalHFA Affordable Housing Partnership Program (AHPP)	Provides below-market-rate mortgages to qualified low-income, first-time homebuyers who also receive direct financial assistance from an AHPP partner, such as down payment assistance or closing cost assistance.
CalHFA Housing Assistance Program (CHAP)*	Provides 100% of the financing needs of eligible first-time homebuyers by providing a below market interest rate first mortgage combined with a 3% silent second mortgage to purchase newly constructed or existing (resale) housing.
CalHFA Self-Help Builder Assistance Program (SHBAP)*	Provides financing to nonprofit corporations for site acquisition, site development, and/or home construction. Also finances self-help projects through the nonprofit for income-eligible owner-builders.
California Tax Credit Allocation Committee (CTCAC) Tax Credit Program	Through a competitive process, awards tax credits to local agencies or nonprofits for the development of affordable rental housing.
Emergency Housing and Assistance Program Operating Facilities Grant (EHAP)	Provides funds for emergency shelter, transitional housing, and related services for the homeless and those at risk of losing their housing. The funds are distributed to all 58 counties based on a “need” formula derived from factors including population, employment, and poverty.
Joe Serna, Jr. Farmworker Housing Grant (JSJFWHG)	Finances new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower-income households.
Local Housing Trust Fund	Provides matching grants (dollar-for-dollar) to local housing trust funds that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs.
Mobilehome Park Resident Ownership Program (MRPROP)	Finances the preservation of affordable mobile home parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies.
Multi-family Housing Program (MHP)	Provides low-interest, deferred payment loans for construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.
Preservation Interim Repositioning Program	Provides a short-term loan to an organization for preservation of rental housing “at risk” of conversion to market-rate uses.

Program Name	Description
Local Programs	
Redevelopment Set-Aside Funds	20% of tax-increment funds must be set aside for affordable housing activities.
Single-Family Mortgage Revenue Bonds	Bonds may be issued and used to fund programs for construction and rehabilitation of affordable single-family housing.
Multi-Family Mortgage Revenue Bonds	Bonds may be issued and used to fund programs for construction and rehabilitation of affordable multi-family housing.
Private Resources	
Federal Home Loan Bank Affordable Housing Program	Provides grant or subsidized interest rate loans for purchase, construction, and/or rehabilitation of owner-occupied housing for lower- and moderate-income households and/or to finance the purchase, construction, or rehabilitation of rental housing.
Federal National Mortgage Association (Fannie Mae) Programs	Provides low down payment mortgages to help first-time buyers purchase a home.
Federal Home Loan Mortgage Corporation (Freddie Mac) Affordable Gold Program	Provides mortgages requiring as little as 3% down payment for housing in lower-income neighborhoods. Extra financing flexibility is available for teachers, firefighters, law enforcement officers, healthcare workers, and members of the US armed forces. Homeownership education is required for first-time buyers.
California Community Reinvestment Corporation (CCRC)	Provides long-term mortgages and bond financing for new construction, acquisition, and rehabilitation as well as direct equity investment funds to acquire housing at risk of going to market-rate rents.
Low-Income Housing Fund	Provides financing for low-income housing at affordable rates and terms.

Source: HUC, HCD, LISC, USDA, and CCRC, May 2009.

*Temporarily suspended pending resolution of the State's budget shortfall.