

CHAPTER FOUR
CONSTRAINTS TO HOUSING PRODUCTION

CHAPTER FOUR – CONSTRAINTS TO HOUSING PRODUCTION

This chapter addresses governmental and non-governmental constraints as they relate to housing. Constraints to the provision of housing for all income levels must be addressed within each jurisdiction's Housing Element. Only with the identification and acknowledgement of such constraints is a community able to systematically undertake whatever reasonable steps are available and feasible to correct such impediments. Not every constraint to housing production is governmental. Others constraints include the housing market, social awareness and other non-governmental limitations. All constraints tend to limit the number, and increase the cost, of housing units.

Beyond those addressed in recent law, the Citizens Advisory Committee specifically cited:

Non-Governmental

- High cost of insurance
- Lack of economic diversity
- High energy costs
- Lack of employment options for low-income

Governmental

- Lack of broad scale planning for all land uses
- Lack of consistent standards in Community and Neighborhood Plans
- Prevailing wage requirements
- Need for additional affordability incentives
- Need to provide several tools for affordable housing including inclusionary housing
- Lack of available land to meet demand
- Time lost for environmental reviews
- Increased fees
- Permit group, transitional, and housing for the homeless people 'by right' if development standards met
- Need for additional emergency shelter funds
- Floodplain development issues

Market Constraints

LAND COST AND AVAILABILITY, LAND USE CONTROLS AND ON AND OFF-SITE IMPROVEMENTS

Over the past few years, the City of Fresno, as has a major portion of the State, experienced an unprecedented robust housing market that contributed exponentially to both housing and land costs. During the boom housing market, land available for residential development was purchased almost as soon as it was listed for sale. Although vacant land in the Fresno area remains far less than in larger urban places such as the Bay Area, Los Angeles, San Diego and coastal communities, residentially-zoned land now exacts a comparable, escalated price to the built-out areas.

The 2025 General Plan identifies new planning areas and an increase in overall density. It is the policy of both the City and the County of Fresno to discourage unnecessary and premature conversion of agricultural lands to urban uses, thus limiting the availability of this land for development purposes. The City demonstrates in Table 3-2 a total of 3,850 acres of developable, residentially zoned land. Densities and capacity are illustrated in Table 3-4 for an approximate and probable development total capable of providing 25,110 housing units.

In the past year, the economy has suffered a dramatic decrease in new housing market demand, although presumably stabilizing land costs at the same time. A future demand for housing sites, enhanced by low interest rates, has been forecasted to occur within the planning period. Concomitant with the designation of new areas through the General Plan process however, is the need for additional infrastructure. The development of adequate and fair financing mechanisms for processing, infrastructure, and planning for the staging of growth and agricultural conservation is the most significant land use related problem. The costs of schools, fire stations, parks, streets, traffic signals, landscaped median islands, pumps, wells, and sewer and water systems are all pro-rated into the cost of a new home.

MATERIAL AND LABOR

Labor costs, along with most other costs, including that for minimum wages, attendant benefits, and taxes, continue to rise. Concurrent with the housing boom of recent years, builders had trouble finding certain types of trade workers as the demand for their skills was very high. Labor for government subsidized housing work is additionally costly for the Central Valley, as wages are rooted in the required State Labor Standards based on higher northern and southern California prevailing wages.

The cost of building materials rose with the zealous market demand, contributing to the unprecedented housing cost inflations, as suppliers rushed to deliver products and supply readiness dwindled.

FINANCING COSTS

Financing costs are subject to fluctuations of national economic policies and conditions. The cost for site preparation and construction is a very important determinant of the initial cost to the purchaser. Mortgage rates have an even more dramatic effect on the cost of housing and on the cost of rental unit construction. The apartment owner ultimately passes on interest rates to the renter. Interest rates have been lowered at the time of this writing to initiate a boost in the lulled housing market, and to assist homeowners who are at risk of losing their homes, as well as their investment. There is always a concern that interest rates will increase again during future years, as such increases may result in a further slowing of construction activity.

It was previously and generally accepted that a fourteen percent interest rate was the level at which most buyers were expected to drop out of the market. However, with the increase in all other housing costs in the current market, and the high foreclosure rates, even minimal rises in interest rates could have a particularly dramatic effect on the building industry and potential buyers.

Other Non-Governmental Constraints

The Citizens Advisory Committee discussed constraints to housing and cited cost of land, insufficient supplies, material and labor, prevailing wages, and other constraints covered in other portions of this chapter. In addition, access to mobility, social perceptions, and excessive land values are discussed briefly below, as they pertain to non-governmental constraints.

ACCESSIBILITY TO MOBILITY

As buildable infill properties become scarce, new developments are allocated to urban fringes, creating an environment that inhibits the accessibility to mobility to goods and services, particularly for seniors, low-, very low- and extremely low-income households, and persons with disabilities. Accessible transportation to goods and services, or accessible neighborhood commercial businesses should be included in City fringe area planning and in the development of affordable housing.

SOCIAL PERCEPTIONS

“Density becomes the devil” was verbalized by the Citizens Advisory Committee members referring to the well-recognized symptoms of NIMBY-ism (Not In My Back Yard) and BANANA-ism (Build Absolutely Nothing Anywhere Near Anything), and viewed as a constraint to higher density development.

EXCESSIVE LAND VALUE IN SELECT AREAS

An unmanageable constraint in the development of affordable housing within certain sectors of the City is due to escalating land demand. Land values in certain areas of the City have become excessive compared to land in other areas; providing a diminished housing choice. The City is addressing excessive land value and its implications on affordability by the currently enacted zoning ordinance as identified in Chapter 5.

Governmental Constraints

INCLUSIONARY HOUSING

The previous Housing Element included a program to study and consider inclusionary housing and other comparable alternatives to increase the supply of affordable housing and was also a topic of discussion during the development of the City's 10x10 Strategic Plan.

Inclusionary housing is not required by the State to achieve approval of any jurisdiction's Housing Element. However, State law does require that jurisdictions provide incentives for the voluntary development of housing for occupancy by low- to moderate-income households (State density bonus law). State law also requires that jurisdictions do not undermine implementation of the density bonus incentive.

The Housing Element process provides for jurisdictions to plan for existing and projected housing needs, identify adequate sites to accommodate their respective regional fair share of

housing, analyze local policies and potential constraints to housing for persons of all income levels, and to assist in the development of housing to meet community needs.

As stated in a letter dated December 13, 2007, from the State Department of Housing and Community Development (HCD) Director, Lynn Jacobs, some inclusionary programs may have the potential to negatively impact overall housing development. Local governments should analyze potential impacts on development of a mandatory inclusionary policy in the same way other land-use regulations are to be evaluated.

An example cited in the HCD letter, is whether inclusionary programs result in cost shifting, where subsidy of affordable units is underwritten by purchasers of market-rate units in the form of higher prices. This can be a barrier to some potential homebuyers who already struggle to qualify for a mortgage or earn too much to qualify for assistance.

The City's Redevelopment Agency (RDA), governed by California Redevelopment Law (CRL), is required to fulfill the inclusionary (or production) requirements as set out in the CRL, Section 33413(b), which primarily focuses on inclusionary requirements based on housing developed by the Agency.

In November of 2007, the City of Fresno adopted a Density Bonus Ordinance that enables the City to offer a density bonus and/or incentives whenever a housing development is proposed that reserves a specific number of dwelling units, for a specific time period, for very low-, low-, and moderate-income households. Also, as part of the City's 10x10 Affordable Housing Strategy, the City will investigate alternative housing policies and comparable programs to help increase the supply of affordable housing.

GOVERNMENTAL LAYERS FOR ENTITLEMENTS

In addition to local planning departments, developers must also work through the Air District, Water Districts, and sometimes Local Agency Formation Commissions (LAFCO) to obtain entitlements for construction of housing. Each additional Agency requirement adds cost to the project and ultimately the housing unit. The time necessary for processing these requirements also raises housing cost. Coordination and simultaneous processing among agencies should assist in reducing processing time and cost.

ANNEXATION

The City and County of Fresno continue to process annexations, in conjunction with a joint policy that all urban-intense development within the City's SOI is referred to the City for annexation and the processing of entitlements. The time necessary to process annexations on the urban fringe averages about one year, even with the City's concurrent processing of entitlements policies. As noted in Chapter 3, there is sufficient annexed and zoned land within the City to accommodate immediate housing needs and the housing needs for this five-year Housing Element planning period. The City monitors land supply, underutilized parcels, areas planned for redevelopment, and resulting development to ensure a balance.

DEVELOPMENT REVIEW PROCESS – COMPONENTS

The City's development review process and zoning code are intended to regulate all projects. They have been established to review and enforce among other things: heights, number of stories, size of buildings and other structures designed, erected or altered. Through this process, which includes requirements for residential yard size and other open space provisions, population density standards are implemented in conformance with the General Plan. These practices are essential to advance the most appropriate land use, conserve and stabilize the value of property, provide adequate open space and avert undue concentration of population. Regulation is also necessary to mitigate street congestion, facilitate provision of adequate community utilities such as transportation, water, sewage, schools, parks and other public facility requirements, and to safeguard health, safety and general welfare of the public.

Permit Procedures

The zoning code classifies residential development projects based on type, use, size and location in order to determine whether the project is Permitted (ministerial), permitted By Right (through site plan review process), Conditionally Permitted (through conditional use permit) or Not Permitted.

Ministerial permits are considered routine and are typically processed by staff over the counter such as a single family residential plan check. A Site Plan shall be approved by the Planning Director when it is determined that traffic congestion is avoided while pedestrian and vehicular safety and welfare are protected from the arrangement of items such as facilities and improvements, vehicular ingress, egress and internal circulation, setbacks, heights, locations of services, walls, landscaping, lighting, signs, recycling areas, etc. (See FMC Sec. 12-405-A-3) Upon granting of a Site Plan Review application, the applicant is given 15 days to appeal the decision of the Planning Director before the Planning Commission. If no appeal is received, generally the project may proceed forward and secure building permits.

Conditional Use Permits are granted by the Planning Director when it is determined that the site is adequate in size and shape to accommodate the use, yards, spaces, walls, fences, parking, loading, recycling areas, landscaping, and other required features. It must also relate to the streets and highways with adequate width and pavement to accommodate the projected level of traffic. (See FMC Sec. 12-405-A-2) Upon approval of the Planning Director, the project is noticed to surrounding property owners within 350 feet of the subject site. This notice gives any person 15 days to appeal the decision of the Planning Director before the Planning Commission. If no appeal is received, generally the project may proceed forward and secure building permits.

Where more than one procedure is required, typically with a rezone application, every effort is made by the City to process them concurrently, thereby reducing delay. Uses and their requisite procedures applicable to the residential development are detailed in the tables below.

**Table 4-1
Housing Types Permitted by Zoning District**

RESIDENTIAL USE	ZONE													
	R-A	R-1-A	R-1-AH	R-1-E & R-1-EH	R-1-B	R-1-C	R-1	R-2-A	R-2	R-3	R-4	R-P	C-P	
SF Detached	BR	BR	BR	BR	P	P	P	BR ¹	BR ¹	BR	BR	NP	NP	
SF Attached	CUP	CUP	CUP	CUP	CUP	CUP	CUP	BR ¹	BR ¹	BR ¹	BR ¹	CUP	CUP	
Duplex	CUP	CUP	CUP	CUP	CUP	CUP	CUP	BR ¹	BR ¹	BR ¹	BR ¹	CUP	CUP	
3+ DU	CUP	CUP	CUP	CUP	CUP	CUP	CUP	BR ¹	BR ¹	BR ¹	BR ¹	CUP	CUP	
Group Housing	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	BR ²	
Emerg. Shelter & Transitional	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	BR ³	
SRO/Boarding House	BR ⁴	BR ⁴	BR ⁴	BR ⁴	BR ⁴	BR ⁴	BR ⁴	BR ⁴	BR ⁴	CUP ⁵	CUP ⁵	NP	NP	
Manuf. Homes	BR	BR	BR	BR	BR	BR	BR	BR ¹	BR ¹	BR	BR	NP	NP	
Mobile Homes	BR	BR	BR	BR	BR	BR	BR	BR ¹	BR ¹	BR	BR	NP	NP	
Farm Worker 2 nd Unit	NP	NP	NP	NP	NP	NP	NP	BR ¹	BR ¹	BR	BR	CUP	CUP	
	BR	BR	BR	BR	BR	BR	BR	BR ¹	BR ¹	BR	BR	NP	NP	

BR=By Right P=Permitted NP=Not Permitted CUP=Conditional Use NA=Not Applicable

¹ CUP required if > 2 acres

² BR if ≤ 6P & CUP if > 6

³ BR if ≤ 6P & CUP if > 6 (future intent to change to solely BR—actual date TBD)

⁴ NP if > 4 guests

⁵ Will change to solely BR within 1 year of Housing Element adoption

Permit Processing

Development review in the City of Fresno is conducted by the Planning and Development Department with responsibilities including current and advanced planning functions. Current planning includes public counter duties, application intake, processing and analysis of various entitlements, permit issuance and corrected exhibit processing for public and private projects. It also involves providing engineering and technical staff support to commercial and residential projects.

Advanced planning includes updates to the General Plan, preparation of various community and specific plans, and special environmental, transportation, housing and demographic studies. This division also promotes regional planning coordination with various agencies.

The tables below outline the typical timelines for various residential projects in the City of Fresno. Table 4-2 generally identifies the typical approvals required for single family and multiple family projects along with the estimated processing times of the planning and building departments. Table 4-3 focuses more specifically on the individual entitlement approvals that may be required, providing estimated processing timelines for each as well as identifying the approving body.

**Table 4-2
Typical Processing Procedures by Project Type**

	Single Family Unit	Subdivision	Multifamily < 20 units	Multifamily > 20 units
Typical Approval Requirements	Resid. Plan Check	Tent. Map	SPR/CUP ¹	SPR/CUP ¹
	Bldg. Plan Review	Subd. Review Committee	Plan Check	Plan Check
	Permitting	Planning Commission	Permitting	Permitting
	Inspection	Final Map Plan Check Permitting Inspection	Inspection	Inspection
Est. Total Processing Time	Planning = 2 days Plan Check = 14-21 days ²	Planning = 6-8 mo. Plan Check = 14-21 days ²	Planning = 3-4 mo. Plan Check = 21 days ²	Planning = 3-4 mo. Plan Check = 28 days ²

¹ Subject to appeal

² Varies by sq. ft., building type, design, complexity and volume of workload; inspection times not included

**Table 4-3
Timelines for Permit Procedures**

Type of Approval or Permit	Typical Processing Time	Approval Body
Ministerial Review	0-3 days	City Staff
Architectural/Design Review	Infill 7-10 days	City Staff/Design Review Board
Conditional Use Permit	45-60 days	Planning Director ¹
Variance	45 days	Planning Commission
Minor Deviation Assessment	15-20 days	Planning Director
Zone Change	75-90 days	City Council
General Plan Amendment	120 days	City Council
Site Plan Review	45-60 days	Planning Director
Tract Maps	60-90 days	Planning Commission
Parcel Maps	45-60 days	Planning Director ¹
Environmental Assessment	Cat. Exempt = 1-2 days	Planning Director ¹
	Neg. Decl. & MND = 30+ days within entitlement period	Planning Director ¹
	EIR = 9-12 months	City Council

¹ Subject to appeal

Procedures applicable to the residential development review process are as follows:

- | | |
|---------------------------------------|--|
| 1) Environmental Assessment | 6) Variance and Minor Deviation Assessment * |
| 2) Urban Growth Management Evaluation | 7) Structural Plan Check |
| 3) Subdivision, Parcel Map Review | 8) Construction Permit Issuance |
| 4) Conditional Use Permit Process * | 9) Inspection |
| 5) Site Plan Review | |

* (as applicable)

Residential development projects, based on type and size, are subject to one or more of the procedures listed above. The Planning and Development Division is responsible for application intake, permit issuance, plan checking, and inspection services for public and private projects. This Division provides public counter services, subdivision processing, urban growth management, various entitlements associated with development, and engineering and technical staff support to commercial and residential projects. The Division's primary objective is expeditious review and approval of all development projects.

Environmental Assessment

An environmental assessment of a residential development project is usually conducted simultaneously with the subdivision/parcel map review process or as special permits are being processed. The assessment does not substantially add to overall processing time unless significant adverse environmental effects are determined, and evidence indicates that an Environmental Impact Report (EIR) is required which can take eight to twelve months.

Urban Growth Management

Urban Growth Management (UGM) fees apply to residential projects located on the geographic fringe of the City. The process is not intended to prevent development, but it does preclude inordinate costs to the City and limits disorganized growth. The process is specifically intended to ensure adequate municipal facilities, improvements or services, and to protect the City and its residents by minimizing costs.

Subdivision, Parcel Map Review

Subdivision of real property is initiated via the tentative tract or tentative parcel map process. Tentative maps are processed and approved in fewer than 50 days. The final map process is essentially ministerial with major responsibility for prolonged processing resting with the developer and the developer's engineer.

Conditional Use Permit Process, Variance, and Minor Deviation Assessment

A Conditional Use Permit (CUP) is required for planned unit and density-tolerant development, R-2 development on greater than two acres, condominium and zero-lot-line developments. Processing normally does not exceed 60 days. However, CUPs may be appealed to the Planning Commission, and in such instances, the processing time can be extended by as many as thirty to

forty-five days. Site plan review, variances and minor deviations are all variations of the CUP and time lines are generally the same.

Structural Plan Check

The structural plan check is intended to ensure the structural integrity of all dwellings, and is a prerequisite to the issuance of construction permits. It is based on fixed standards of the Uniform Building Code, as amended and adopted by the City Council. Processing time is generally based on the project's complexity and the level of City staffing. Average processing time for a residence is two weeks. Processing can be accelerated by the submission of standardized plans. This option is often left open to subdivision builders and for multiple-family projects. Since 1984, the City has regularly met its processing goal time of fourteen to twenty-one days.

FEES AND EXACTIONS

The City of Fresno, like most cities throughout California, charge commercial and residential development fees to support Planning and Development Department costs related to processing applications. The amount charged is based on a City Council-approved Master Fee Schedule. These and other fees, such as mitigation or service fees, increase the cost of development.

In addition to paying related development fees, large-scale development projects may also be required to pay for the preparation of special studies to ensure compliance with the California Environmental Quality Act (CEQA), such as acoustical and traffic studies from private consultants, and for the preparation and filing costs of tentative and final subdivision maps. The costs charged for these additional studies, reports, and maps are itemized in the City's Master Fee Schedule and are derived from an estimate of staff time required to analyze and process the development applications.

In addition, developments are also required to pay for exactions such as open space and park dedication fees, infrastructure improvements, and traffic signals. This is determined based on the existing need as each development occurs. For new development, or development where the cost exceeds 50 percent of the existing improvement, full offsite improvements are required. Depending on the existing condition, the following street improvements may be needed: dedications for streets, trails, expressway barrier fencing, pedestrian easements, curb, gutter, driveway approaches, public street pavement, median islands, bus bays, traffic signals, street lights, under grounding of utilities, parking lot paving, parking lot lighting, bike paths, ADA ramps, alley paving, alley approaches, tree wells, valley gutters, etc. In some instances bridges and railroad crossing improvements may also be necessary.

In most cases, project related costs are born directly by the development owner at some point during predevelopment or development of a project. However, the cost is almost always passed down to the end user. Most of the fees are based on the current and projected population of the City and are based on a per capita standard.

However, it is noted that the City has not updated the majority of its development fees for over 15 years. During the past 15 years, the building community has been afforded the opportunity to pay relatively low cost fees; making their respective projects economically feasible and viable. In order to bring the fees more in line with the current rates needed to support various City services, the City is making the necessary adjustments to its Master Fee Schedule. These adjustments will replace previous and more complex fee structures. Fees will be applied citywide, so that all projects requiring payment of a fee will fund their fair share of City planned facilities.

The current fee scale is expected to be increased significantly within the next few months. The City has contracted with Matrix Consulting to perform a comparative analysis on fees charged in the City and comparable communities to determine which fees do or do not require adjusting. However, it is anticipated that because the City has not increased its fees in 15 years, that the fees will be increased, although all fees will be going through an extensive review by the City’s development community, the Building Industry Association, and other stakeholder groups, prior to proposed adoption by the City Council.

Planning entitlement fees, such as site plan review, conditional use permits and tentative subdivisions, are due upon submittal of a project application. Other fees, including all impact fees, are paid at the time building permits are obtained or upon issuance of a Certificate of Occupancy. Many affordable housing development fees are postponed until Certificate of Occupancy, at the discretion of the Planning and Development Director.

It is further noted that there are various other development impact fees that are administered by other agencies. The following is a list of agencies and the types of fees they administer:

<i>School Impact Fees (School Districts)</i>		
Fresno Unified	Central Unified	Clovis Unified
Sanger Unified	Fowler Unified	West Fresno Unified
West Park Unified	Orange Center Unified	
<i>Flood Control Fees</i>		
Fresno Metropolitan Flood Control District which administers fees for ponding and recharge basins.		
<i>Air Pollution</i>		
San Joaquin Valley Air Pollution Control District which administers the indirect source review		
<i>State Highways</i>		
State of California Department of Transportation (CALTRANS)		

Although fees vary, the depending on their location, intensity, etc., they are all adjusted accordingly and are reviewed by the community prior to adoption. For example, Fresno Unified School District administers its own fee schedule. The current rate for a commercial project is \$0.42 per square foot, however, this amount is expected to increase on July 1, 2008 to \$0.47 per square foot. The cost for a residential project is currently \$2.63 per square foot. This amount is expected to increase to \$2.97 on July 1, 2008. There are however, some exceptions to the school fees. For example: an addition of 500 square feet or less is exempt as is a structure that is being reconstructed within 3 years due to a fire, or a building damaged as a result of a natural disaster. There are also discounts for churches, day schools, government facilities, and development projects designed exclusively for senior citizens. There are also several other school districts within City boundaries, which all administer differing fee schedules (Central Unified School District, Sanger Unified School District, Clovis Unified School District, Washington Union High School District, among others). Additionally, other agencies that impose development fees include the Fresno Metropolitan Flood Control District, Caltrans, and the San Joaquin Valley Air Pollution Control District, again with varying fee schedules.

Furthermore, one of the goals of the Mayor’s 10 X 10 Affordable Housing Committee strategic plan calls for an adjustment to certain City impact fees for affordable housing developments that meet the Smart Growth design standards. In addition to these potential fee reductions, the City offers a reduction in fees or may waive fees for development located within designated inner city areas as depicted by the map below. Three of the areas, Herndon Townsite, Pinedale, and Highway City are limited to residential projects. The fee reductions are significant. The following is an example of the application filing fees for a typical Conditional Use Permit Application for a one acre site located in the inner-city designated area and the non-inner city area.

<i>Inner City Conditional Use Permit Filing Fee</i>	
Example:	
CUP for a one acre development	\$2,095
Parks Dept.	\$56
Fire Dept.	\$247
Police Dept.	\$210
Traffic Div.	\$91
Finding of Conformity (CEQA)	\$0
County filing fee (CEQA)	\$50
City filing fee (CEQA)	\$25.50
TOTAL	\$2,774.50

Non Inner City Conditional Use Permit Filing Fee

Example:

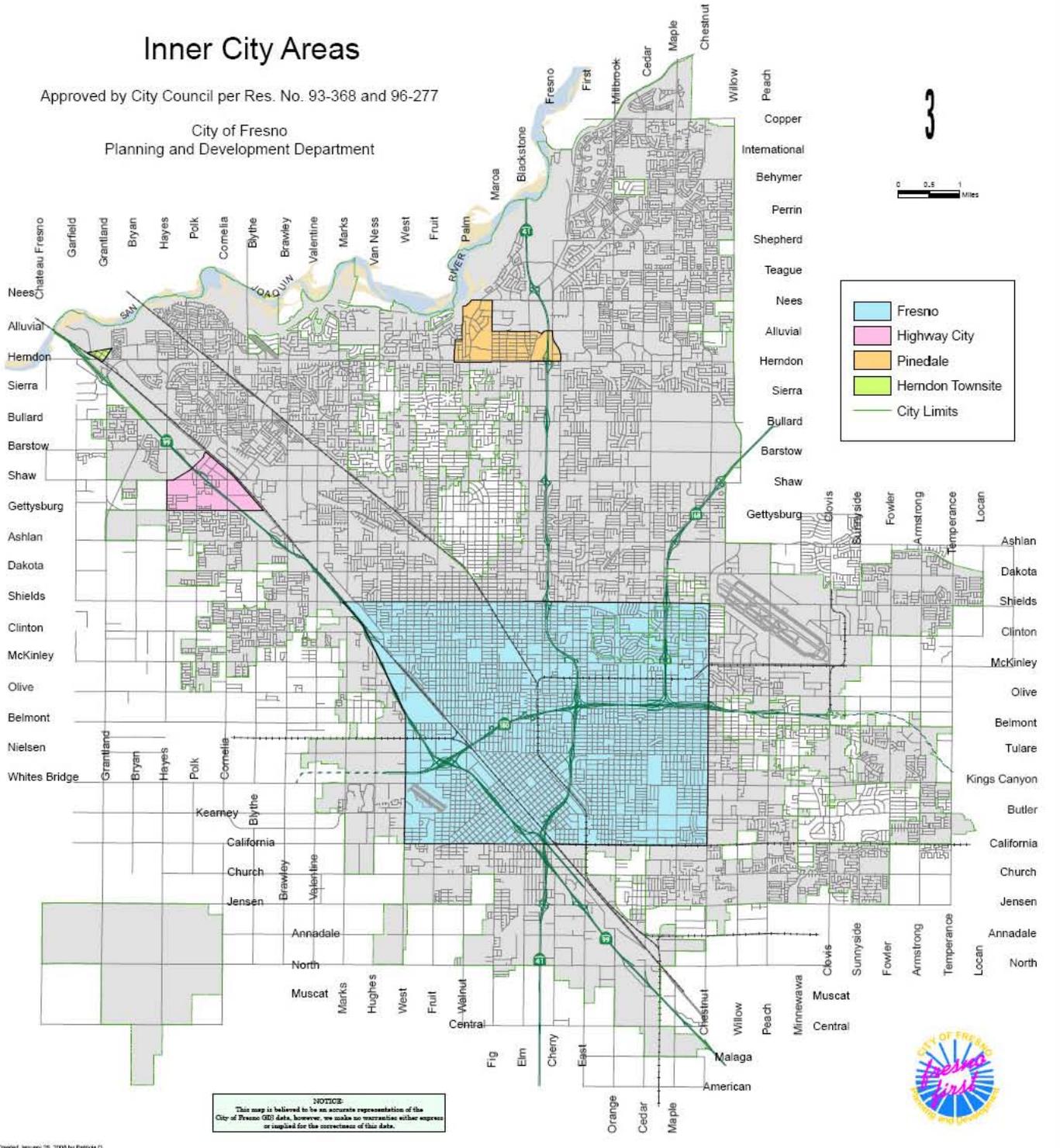
CUP for a one acre development	\$4,190
Parks Dept.	\$56
Fire Dept.	\$247
Police Dept.	\$210
Traffic Div.	\$91
Finding of Conformity (CEQA)	\$1,210
County filing fee (CEQA)	\$50
City filing fee (CEQA)	\$25.50
TOTAL	\$6,079.50

Inner City Areas

Approved by City Council per Res. No. 93-368 and 96-277

City of Fresno
Planning and Development Department

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NOTICE
This map is believed to be an accurate representation of the City of Fresno GIS data. However, we make no representation either express or implied for the correctness of this data.



Created January 26, 2008 by Patricia O

The City also has several economic development programs that offer financial incentives to owners or tenants doing business within selected geographical areas with the City.

Although the various fees account for a significant portion of the development cost, the fees collected are necessary to pay for much needed infrastructure and to help mitigate new growth throughout the City.

Typical development fees may include, but are not limited to the following:

Parks and Recreation	Law Enforcement Facilities
Schools	Fire Facilities
Traffic Fees	Library Facilities
Streets and Signals	Water Facilities
Waste Water Treatment	Waste Water Collection
Drainage Facilities	Community Development Fees
General Facilities	Public Facilities
Environmental	Facilities Assessment

There have been several City sponsored affordable housing developments completed during the past five years. Many were affordable multifamily housing projects. Self-Help Enterprises, a non-profit developer, has recently completed several single-family housing units using sweat equity. Although the number of projects requesting a City subsidy has decreased, the projects eligible to receive a subsidy are requiring larger amounts. During 2003-2004, the City provided subsidies in the low one million dollar range. In more recent years, the City's subsidy to a project has nearly tripled. Most, if not all, developers consider any fee a significant constraint to the development of affordable housing. Although the fees charged are somewhat considerable considering the total project cost, the City's subsidy to the project can mitigate increases to the rent. Also, since a majority of the City sponsored affordable housing projects use some form of state or federal assistance, rents are set through the funding program. So the fees can not and do not increase the rents.

Table 4-4 provides a comparison of planning and development fees on recent City sponsored multi-family residential developments.

**Table 4-4
Fee Comparison of Recent Multifamily Projects**

Fee Category	Oak Senior 65 units	Park Villas	Sandstone 69 units	Geneva Village 142 units	Sierra Gateway 80 units
Planning					
Annexation	-0-		-0-	-0-	-0-
Variance	-0-		-0-	-0-	-0-
Conditional Use Permit	\$14,760		\$14,851	\$20,930	\$14,851
General Plan Amendment	-0-		-0-	-0-	-0-
Zone Change	-0-		-0-	-0-	-0-
Site Plan Review	-0-		-0-	-0-	-0-
Architectural Review	-0-		-0-	-0-	-0-
Planned Unit Development	-0-		-0-	-0-	-0-
Miscellaneous	\$39,500		\$49,986	\$20,849	\$14,133
Plan Check	\$9,757		\$6,731	\$16,635	\$9,041
Permit Fees	\$23,914		\$28,877	\$45,743	\$25,140
Subdivision					
Certificate of Compliance	-0-		-0-	-0-	-0-
Lot Line Adjustment	-0-		-0-	-0-	-0-
Tentative Tract Map	-0-		-0-	-0-	-0-
Final Parcel Map	-0-		-0-	-0-	-0-
Vesting Tentative Map	-0-		-0-	-0-	-0-
Environmental					
Initial Environmental Study/EA	\$2,929		\$4,300	\$2,089	\$4,349
Environmental Impact Report	-0-		-0-	-0-	-0-
Negative Declaration	-0-		-0-	-0-	-0-
Mitigated Negative Declaration	-0-		-0-	-0-	-0-
Impact					
Police	\$42,223		\$43,056	-0-	-0-
Fire	\$47,337		\$40,144	\$19,836	\$11,008
Parks	\$220,870		\$234,462	-0-	\$2,132
Water and Sewer	\$154,688		\$8,708	\$7,579	\$13,708
Traffic	\$30,919		\$32,569	\$47,109	\$26,540
Flood	-0-		-0-	-0-	-0-
School	\$20,258		\$157,044	\$363,214	\$24,933
Street	\$25,246		\$2,401	\$9,200	\$8,834
Total	\$632,401		\$623,129	\$553,184	\$154,669

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Two of the earlier developments have the lowest per unit cost ranging from 1.5 to 1.9 percent. The more recent developments show a high per unit cost due to recent adjustment to impact fees. Developments requiring a review of other planning, subdivision, and environment assessments and processes could increase considerably. For example, an Environmental Impact Report ranges from \$15,760 to \$22,140, a General Plan amendment for a large scale development ranges from \$10,000 to \$12,500, and a rezone ranges from \$520 to \$7,460.

A list of all of the City special permit and related application fees are provided in this Chapter 4. All other application fees are listed in the City’s Master fee schedule.

**Table 4-5
Proportion of Fee in Overall Development Cost for
Recent Multi-family Residential Developments**

Development Cost for a typical unit	Oak Park	Sandstone	Geneva Village	Sierra Gateway
Total est. fees per unit	\$9,793	\$9,031	\$3,896	\$1,933
Typical estimated cost of development per unit	\$153,846	\$182,450	\$195,000	\$128,120
Est. proportion of fee cost to overall development cost per unit	6.37%	4.95%	1.9%	1.5%

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Table 4-6 provides estimated planning and development cost for a typical 86-unit single-family development. These costs are outlined in the City’s Special Permit & Related Application Fees.

**Table 4-6
Planning and Development Fees
Single-Family Development Sample**

Fee Category	Fee Amount
Planning and Application Fee	Maple Valley 86 units
Planning	
Variance	-0-
Conditional Use Permit	\$6,600
General Plan Amendment	-0-
Zone Change	\$9,956
Site Plan Review	-0-
Planned Unit Development	-0-
Miscellaneous	\$22,216
Plan Check	\$9,719
Permit Fees	\$27,026
Subdivision	
Certificate of Compliance	-0-
Lot Line Adjustment	\$22,216
Tentative Tract Map	-0-
Final Parcel Map	-0-
Vesting Tentative Map	-0-
Environmental	
Initial Environmental Study	\$1,927
Environmental Impact Report	-0-
Negative Declaration	-0-
Mitigated Negative Declaration	-0-
Impact	
Police	\$53,664
Fire	\$46,354
Parks	\$292,228
Water and Sewer	\$246,312
Traffic	\$37,843
Flood	-0-
School	\$339,023
Street	\$247,889
Other	-0-
Total	1,362,973

May 2008

Table 4-7
Proportion of Fee in Overall Development Cost for
Recent Single-family Residential Development

Development Cost for a typical unit	Maple Valley
Total est. fees per unit	\$15,849
Typical estimated cost of development per unit	\$186,047
Est. proportion of fee cost to overall development cost per unit	8.52%

Development of a one-unit single-family home would not require any of the mentioned application fees if no variance or other development standard modifications were necessary. The only fees associated with this type of project are building permit and related impact fees. Building permit fees vary and are based on square footage of the unit.

Table 4-8 shows average fees for special permits and planning applications for both single- and multi-family units. For the City, entitlement fees now cover the full cost of processing by City staff. Although the fees themselves have increased by about \$5,000 per unit, the percentage of fee cost as a part of total production cost has remained reasonably stable. While not a major constraint factor, increased fees have played a measurable role in increasing housing costs.

LANDSCAPING ORDINANCE 88-33(Parks)

Plan Review	\$110.00
Field Inspection	\$245.00

LANDSCAPING TRAFFIC DIVIDER ISLANDS

Dirt Surface Island	\$4.33 Sq. Ft.
Asphalt Surface Island	\$5.35 Sq. Ft.

COVENANTS, Preparation & recording

Minor	\$250.00
Standard	\$520.00
Major	\$940.00
<u>Release of covenant</u>	
Standard	\$370.00
	(Plus County recording fee)
Major	\$640.00
	(Plus County recording fee)

ADMINISTRATIVE TIME EXTENSION

Special Permit	\$210.00
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MEETINGS/ACTION FOR CONDITIONS OF ZONING APPROVAL

Neighborhood meeting	\$210.00
Planning Commission	\$520.00
City Council	\$320.00

SECURITY WIRE PERMIT

	\$140.00
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HOUSE MOVING/STREET USE

	\$54.00
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EASEMENT ENCROACHMENT

	\$420.00
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DIRECTOR'S CLASSIFICATION

	\$790.00
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ZONING ORD. TEXT AMENDMENT

SIGNS

Master sign program	\$ 370.00
Sign (Master)	\$ 35.00
Revision to Master sign program	\$ 150.00
Sign Review	\$ 150.00
Banner Review	\$ 35.00

GENERAL PLAN AMENDMENT

1 ac or less	\$5,000.00
Over 1 to 5 ac	\$7,500.00
Over 5 to 10 ac	\$10,000.00
Over 10 ac	\$12,500.00
Inner-city	\$1,060.00

Traffic review	\$163.00
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REZONE

Inner-city	\$520.00
Modifications to zoning conditions	\$2,100.00
Applications for R-1, R-1-C, R-1-B, R-1-A, R-1-AH, R-A, Open Conservation & Exclusive Ag	
Under 1 acre	\$5,990.00
Over 1 acre	\$7,460.00

When a general plan amendment and rezoning application are concurrently processed for the same property, the rezoning fee shall be \$2,000.00

ALL OTHER DISTRICTS

Under 1 acre	\$5,990.00
1 to 5 acre	\$7,460.00
Over 5 acre	\$7,460.00+
Each acre over 5 acres	\$74.00/ac
Maximum	\$10,510.00
Traffic review	\$ 110.00
Fire Department	\$ 134.00

TENTATIVE TRACT MAP

Per Map	\$12,030.00
Per Lot	\$ 105.00
Traffic	\$ 470.00
Fire	\$134.00
Parks	\$ 124.00
Police	\$ 210.00

SUBDIVISION SALES TRAILER

Minor Amendment	\$ 2,520.00
Traffic	\$91.00
Fire	\$ 247.00

LOT LINE ADJUSTMENT

	\$ 1,900.00
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ANNEXATION

(LAFCO Fees must be paid by the applicant)

The City of Fresno has an Inner City Development Policy which includes fee reductions for new development in inner city areas. These fee reductions are noted below in Table 4-9.

**Table 4-9
Inner City Fee Reductions for New Development**

▪ Voluntary Pre-application Review	\$105
▪ Plan Amendments	\$1,060
▪ Rezonings	\$520
▪ Parcel Maps	\$50 % of normal fee
▪ Conditional Use Permits	\$50 % of normal fee
▪ Site Plan Review Applications	\$50 % of normal fee
▪ Grading Permits	\$50 % of normal fee
▪ Voluntary Change of Occupancy	\$50 % of normal fee
▪ (when not a result of code enforcement)	
▪ Variance to Review Development Standards	\$110
▪ Environmental Assessments (*included in above flat fees)	*
▪ Director-Initiated Rezonings in Case of	\$0
▪ Injustice of Hardship	
▪ Minor Deviation	\$320
▪ Relocation Inspection Within Inner City Area	\$50 % of normal fee

Permits

The permit process is a ministerial function that begins as soon as all plans have been approved and there is evidence to indicate the applicant meets all permit issuance requirements (i.e., has a contractor's license or is an owner-builder), has workman's compensation insurance, etc. The typical time period for subdivision approval (including environmental) is 50 days from the date the maps were received. Plan amendments are approved in between 90 and 120 days. Rezones, including environmental review and Planning Commission and City Council approval take between 60 and 90 days. Site plans, a CUP, and variances take approximately 35 days from intake to Director's signature.

Standards, Dedications, and Improvements

Typical dedications and improvements required by the City within the urbanized area include the adjacent streets, extension of sewer and water lines within the adjacent street and construction of curbs, gutters and sidewalks. Improvements can also include the installation of streetlights. Within the Urban Growth Management (UGM) area, any additional dedications and improvements are based on a case-by-case determination of the improvements needed to provide a full level of urban services to the site.

City standards regarding public improvements in non-UGM areas have been viewed by the construction industry as a constraint to the production of lower-cost housing. In response to industry concerns, the City substantially reduced the cross section width and improvements

required for local residential streets. The reduced standards permit rights-of-way as narrow as thirty (30) feet, and sidewalks are optional in some cases.

Within the UGM area, the cost of required dedications, fees and improvements can be a primary determinant of the feasibility of new residential development. If development is feasible, high improvement costs are often passed on to future residents of an area in the form of higher housing costs.

Building Codes

While building codes are intended to ensure the health and safety of building occupants, the fixed standards contained in these codes can at times limit innovation in new construction techniques intended to reduce costs.

The Cities of Fresno and Clovis, the County of Fresno, along with the Fresno City and County Chambers of Commerce, and the Building Industry Association have an effective review committee that meets yearly. That committee reviews electrical, plumbing and mechanical codes of the three jurisdictions. The goal is to develop uniform codes and other processes as the need arises.

Building Code Enforcement

The Code Enforcement staff of the City responds to all complaint calls within three days. As stated in Chapter 5 (Accomplishments), the City Planning and Development Department, Code Enforcement Division set a goal of assertively conducting targeted neighborhood inspections of 34,000 housing units for potential health and safety issues. The Division met its goal for the 2002-2007 planning period by completing inspections on more than 34,000 housing units.

The majority of housing cases (estimated at 80%) received by Code Enforcement are nuisance cases - open vacant properties, blighted (rubbish, junk and debris), fire hazards (dry weeds and grass). The remaining 20% of the housing cases addressed by Code Enforcement include structural deficiencies; this equates to approximately 6,800 housing inspections addressed during the planning period for these types of cases.

The neighborhood inspections are scheduled to continue into the 2008-2013 planning period.

Development Review – Development Partnership Center

The City is currently reorganizing its one-stop processing by creating a central area for developers and City staff from various Departments to meet and discuss project related requirements. The new one-stop center is entitled the Development Partnership Center (DPC). It is anticipated that the DPC will be fully operational by mid 2008.

The following focuses on aspects related to the DPC processing of development projects:

- 1) Spatially arranged services within a single area by the order of applicants' needs;
- 2) A seamless, fast moving process for reviewing proposed projects;

- 3) A system devoid of purposeless requirements, overlaps and inconsistencies;
- 4) Modified building and development requirements if found to be unnecessary or excessive;
- 5) Reduced project review time to protect the public interest;
- 6) Pre-application conferences are held and explanatory materials on the application and review process are provided.

The DPC will facilitate team counter services (application intake, permit issuance, etc.) in an effort to operate efficiently and effectively and provide developers with complete planning services.

Planning and Policy Constraints

Policies related to the location of areas designated for housing development and the density of that development are set through the City's planning process. The quantity of land designated for residential uses within the Fresno Community Plan Areas and Sphere of Influence (SOI) is adequate to accommodate the City's anticipated growth through 2013 and beyond. Locational choice is broad, and a significant amount of vacant land has been designated medium density to accommodate five to ten units per acre, and medium-high density to accommodate ten to eighteen units per acre.

Land Use Controls

The General Plan sets forth policies that guide new development, including new residential development. These policies, together with existing zoning regulations, serve to control the amount and distribution of land allocated for different uses. Existing land use designations provide for a range of development densities, ranging from rural densities (one dwelling unit per two acres) to high density multiple-family residential (43 dwelling units per acre). Table 4-10 shows City of Fresno Development Standards by zoning district.

Note that all new development has an obligation to provide open space. Fresno City Code requires that a minimum of 3 acres per 1,000 population be set aside for parks. Pursuant to State law, in-lieu fees may be paid instead of land dedication. The parkland requirement amounts to .00933 acres per single-family residence, and .00759 acres per multi-family unit.

Table 4-10
City of Fresno
Development Standards by Zoning District

Zoning District	Bldg Height	Lot Width	Minimum Yard Setback			Minimum Lot Area	Minimum Lot Area (sq.ft.)	Lot Area per DU	Parking Spaces Per DU	Permitted Uses
			Front	Side	Rear					
R-1	35	50	15	5	20	5,000	50x90	50%	1	SF*
R-2	35	50	15	5	20	5,000	50x90	50%	1	SF*
R-3	40	60	15	5	15	7,500	60x110	50%	1.5	MF*
R-4	40	65	15	5	15	10,000	65x110	60%	1.5	MF*
R-A	35	130	35	15	20	36,000	130x170	30%	1	SF*
R-P	30	65	15	10	10	7,500	65x110	50%	1.5	SF/MF*
T-P	N/A	30	15	5	10	3 Acres	30x110	N/A	1.5	Trailer Park

Source: City of Fresno Zoning Ordinance

*See City of Fresno Zoning Ordinance for additional uses.

Residential Development Standards

The type, location and density of residential development are primarily regulated through the zoning ordinance. The zoning regulations serve to protect and promote the health, safety, and general welfare of the residents of the community while also serving to implement the goals and policies of the General Plan. Reflective of the diversity of the residential offerings in Fresno, the minimum lot size for single-family residential zoning districts ranges from 5,000 to 90,000 square feet. This translates to densities ranging from one-half a residential unit per net acre to six-plus residential units per net acre. The allowable density in multiple family residential zoning districts ranges from 15 residential units per acre up to 29 units per acre. Housing types permitted in each zone are shown on Table 4-11.

All single-family residential districts have established development standards for minimum lot area, building setbacks, lot width and depth and building height. The multiple-family residential districts have additional standards for building coverage and open space areas.

All residential projects, including projects for special needs housing which require a CUP, Variance or Minor Deviation may be approved by the Planning Director without review by the Planning Commission or City Council, unless appealed. Processing of such permits normally does not exceed 60 days unless appealed. All other projects that are considered “Permitted” may be approved through the City’s Site Plan Review procedure.

**Table 4-11
Housing Types Permitted by Zoning District**

Housing Types Permitted	Single-Family Residential Zoning Districts		
	R-1*	R-A	T-P
<i>Residential Uses</i>			
<i>Single-family detached</i>	P	P	P
<i>Single-family attached</i>			
<i>Second units</i>	C	C	C
<i>Mobile Home</i>	P	P	P
<i>Manufactured Home</i>	P	P	P
<i>Special Needs Housing</i>			
<i>Transitional Housing</i>	C	C	C
<i>Emergency Shelter</i>	C	C	C
<i>Supportive</i>	P/C(7+)	P/C(7+)	P/C(7+)
<i>Single Room Occupancy</i>	N/A	N/A	N/A

Housing Types Permitted	Multiple Family Residential Zoning Districts			
	R-2	R-3	R-4	R-P
<i>Residential Uses</i>				
<i>Single-family detached</i>	P	P	P	P
<i>Single-family attached</i>	P	P	P	P
<i>Multiple family (3 or more)</i>	P	P	P	P
<i>Duplex</i>	P	P	P	P
<i>Second units</i>	C	C	C	C
<i>Mobile Home</i>	P		P	P
<i>Manufactured Home</i>	P		P	P
<i>Special Needs Housing</i>				
<i>Transitional Housing</i>	C	C	C	C
<i>Emergency Shelter</i>	C	C	C	C
<i>Supportive</i>	P/C(7+)	P/C(7+)	P/C(7+)	P/C(7+)
<i>Single Room Occupancy</i>	N/A	N/A	N/A	N/A

Table Key: P = Permitted Use. C = Use subject to issuance of a Conditional Use Permit
P/C(7+) = Permitted/CUP for 7 or more people

Source: City of Fresno Planning and Development Department

* Includes all R-1 categories as listed in the Municipal Code.

Flexibility with regard to development standards is available through use of the Planned Unit Development (PUD) District, mixed-use developments, and use of density bonuses. The PUD process allows for the flexibility to establish specific residential development standards and plans. The City permits planned unit development in the R-1-B, R-1-C, R-1, R-2, R-3 zones and on most commercially zoned property as mixed-use projects.

In the area downtown, vertical integration of uses is encouraged (e.g., residential uses located above commercial uses). For larger specific planned parcels, the uses may be side-by-side as well as, or instead of, vertically integrated.

Additionally, residential development is permitted in commercially zoned land. Table 4-12 identifies where housing is permitted in the office and commercial zone districts (note that all office and commercial zone districts are identified, with the exception of the C-M zone district which is defined as a Commercial and Light Manufacturing District per the Fresno Municipal Code (FMC)) and indicates the maximum dwelling units per acre, maximum building height and

lot coverage, and open space and setback requirements applicable per zone district. The following zone districts are found throughout the nine community plan areas, with the exception of the C-4 zone district which is limited to the downtown area, bordered by State Route 180 on the north, State Route 99 to the west and south, and State Route 41 to the east and south.

Table 4-12

Office and Commercial Zone District Property Development Standards for Residential Uses

Zone District	R-P¹	C-P	C-1	C-2	C-3	C-4	C-5	C-6
Residential permitted as part of a mixed use project?	No, however, residential projects are permitted	Yes						
Maximum Density	17.42 du per acre	29.04 du per acre	No maximum density					
Maximum Height (ft.)	30	35 ²	30	35	50	75	35 ³	35 ⁴
Maximum Lot Coverage	50%	No requirements	Determined as part of the CUP process					
Floor Area Ratio	No requirements	No requirements	No requirements	No requirements	No requirements	No requirements	No requirements	No requirements
Open Space	25%	No requirements	Determined as part of the CUP process					
Minimum Lot Area	7,500 sq. ft.	10,000 sq. ft.	1 acre	10 acres	15 acres	No requirements	No requirements	No requirements
Minimum front yard setback (ft.)	15	10	Determined as part of the CUP process					
Minimum corner side setback (ft.)	10	10	Determined as part of the CUP process					
Minimum side yard setback (ft.)	10 ⁵	10	Determined as part of the CUP process					
Minimum rear yard setback (ft.)	10	10	Determined as part of the CUP process					
Unit Size	No requirements	No requirements	No requirements	No requirements	No requirements	No requirements	No requirements	No requirements
Required Parking	Determined as part of the CUP process	Determined as part of the CUP process	Determined as part of the CUP process	Determined as part of the CUP process	Determined as part of the CUP process	Determined as part of the CUP process	Determined as part of the CUP process	Determined as part of the CUP process

Parking Lot Shading	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided	1 tree per every 2 parking stalls provided
Required Bicycle Parking Spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces	10% of the required off-street vehicle parking, not to exceed 10 spaces

¹ The R-P zone district is an office zone district that does not permit mixed use projects, however, it does permit sites to be 100% developed with residential uses. The property development standards in this table are for sites in the R-P zone district that may be developed with residential uses.

² Buildings up to 60 feet may be constructed subject to obtaining a CUP and within defined areas of the City.

³ Buildings up to 60 feet may be constructed subject to obtaining a CUP and within defined areas of the City.

⁴ Buildings up to 60 feet may be constructed subject to obtaining a CUP and within defined areas of the City.

⁵ If adjacent to a commercial use, it may be reduced to 5 ft.

As illustrated in the table above, the City’s mixed use ordinance provides extraordinary flexibility of the property development standards which are determined through the Conditional Use Permit (CUP) process and by the Planning and Development Director.

A mixed-use project in any of the office and commercial zone districts would be processed under a CUP. A CUP is a discretionary permit and may only be approved upon making the following findings (per Section 12-405-A-2 of the FMC):

- a. All applicable provisions of this [i.e., FMC] Code are complied with and the site of the proposed use is adequate in size and shape to accommodate said use, and accommodate all yards, spaces, walls, and fences, parking, loading, recycling areas, landscaping, and other required features; and,
- b. The site for the proposed use relates to streets and highways adequate in width and pavement type to carry the quantity and kind of traffic generated by the proposed use; and,
- c. The proposed use will not be detrimental to the public welfare or injurious to property or improvements in the area in which the property is located. This third finding shall not apply to uses which are subject to the provisions of Section 12-306-N-30 of this Code [Section 12-306-N-30 pertains to adult oriented businesses].

In order to obtain a CUP, an applicant would need to submit a conditional use permit application, pertinent documents and a filing fee of \$2,774.50, for areas defined as Inner City per the FMC, or \$5,379.50 (for a one acre site), for a site located in a non-Inner City area. The typical conditional use permit is approved in two months and does not require review by an Architectural Review Committee. However, it is noted that the newly formed Development Partnership Center, which is outlined in Program 1.1.2 (Chapter 6), is anticipated to reduce the processing and approval time of a typical CUP.

Furthermore, the City does not have adopted growth control measures besides the Urban Growth Management program, nor has the City ever adopted any moratoria and prohibitions against multi-family family housing or mixed-use projects. Rather, the City encourages the development

of mixed-use projects by providing flexible property development standards; including parking, open space, setbacks, etc., with the exception of building height. As a result, the City has experienced a recent influx of mixed-use projects, albeit a relatively small number. This is largely credited to the flexible property development standards and the City’s willingness to modify standards in an effort to create vibrant, walkable communities, while simultaneously providing a variety of housing options.

Given that the City is divided into nine community plan areas, there may be some plan policy standards that are not part of the FMC which may only be modified through the plan amendment process. However, as part of the adoption of the 2025 Fresno General Plan, the City did update the policies of these community plans to reflect contemporary planning practices. It is noted that these particular policies are not overwhelmingly more restrictive, but are reflective of the desires of the particular community plan area noted. In addition, although some of the items identified below may require greater setbacks in comparison to the FMC, they are not considered burdensome or prohibit projects from being developed, given the flexibility of all of the other requirements, including density, which is not restricted.

Table 4-13
Community Plan Areas
Potential Regulations that may Affect Mixed-Use Projects

Community Plan*	Potential Regulations that may Affect Mixed-use Projects
Bullard Community Plan	<p><i>Setbacks:</i></p> <p>The Bullard Community Plan requires larger setbacks in comparison to the FMC. These include the following:</p> <ol style="list-style-type: none"> 1. Multiple family residential buildings greater than one story shall not be permitted within 25 feet of single family residences. 2. A landscape setback of 20 feet is required for all commercial properties when adjacent to single family residences. 3. No commercial or office building shall be constructed within 50 feet of residential uses. 4. A 15 foot landscape setback along the following streets: Shaw Avenue between Brawley and the Southern Pacific Railroad tracks, Bullard Avenue west of Figarden Drive, Milburn Avenue, between Figarden Drive and Alluvial Avenue, Brawley Avenue between Figarden Drive and Herndon Avenue. 5. A 20 foot landscape setback along the following streets: Shaw Avenue between West and Brawley Avenues, Figarden Drive between Shaw and Barstow Avenues, Figarden Drive along its entire length, Marks Avenue between Fairmont and the Santa Fe Railroad tracks, West Avenue for a distance of 630 feet north of Shaw Avenue, Forkner Avenue for a distance of 300 feet north of Shaw Avenue.
Woodward Park Community Plan	<p><i>Setbacks:</i></p> <p>The Woodward Park Community Plan requires larger setbacks in comparison to the FMC. These include the following:</p> <ol style="list-style-type: none"> 1. A landscape setback of 20 feet is required for all commercial properties when adjacent to single family residences. 2. No commercial or office building shall be constructed within 50 feet of residential uses. 3. Expressways and arterials shall be developed with a 20 foot landscape setback. 4. Audubon Drive shall be developed with a 50 foot landscape setback. 5. Shepherd Avenue shall be developed with a 30 foot landscape setback.

West Area Community Plan	<p><i>Setbacks:</i></p> <ol style="list-style-type: none"> 1. Grantland Avenue, between the Southern Pacific Railroad tracks and Shields Avenue, shall be developed with a 30 foot landscape setback. 2. Arterial streets shall have a 20 foot landscape setback. 3. Collector streets shall have a 15 foot landscape setback. 4. No nonresidential structure taller than two stories or 35 feet shall be constructed or enlarged within 40 feet of residential uses. 5. Nonresidential structures that are less than two stories or 35 feet may be constructed within 20 feet of residential uses.
Hoover Community Plan	This Community Plan area does not provide for additional property development standards in comparison to the Fresno Municipal Code in terms of building height, setbacks, open space, dwelling units per acre, etc.
McLane Community Plan	This Community Plan area does not provide for additional property development standards in comparison to the Fresno Municipal Code in terms of building height, setbacks, open space, dwelling units per acre, etc.
Edison Community Plan	This Community Plan area does not provide for additional property development standards in comparison to the Fresno Municipal Code in terms of building height, setbacks, open space, dwelling units per acre, etc.
Roosevelt Community Plan	<p><i>Setbacks:</i></p> <ol style="list-style-type: none"> 1. A 15 foot landscape setback is required along arterial and collector streets south of Belmont Avenue and east of Chestnut Avenue 2. A 20 foot landscape setback is required along Kings Canyon Road, east of Chestnut Avenue. 3. A 20 foot landscape setback is required for all office buildings over one story in height. 4. Development of office designated parcels, located on the south side of East Kings Canyon Road, between Willow and Peach Avenues, shall occur in a manner that preserves the existing on-site trees to the maximum extent possible. 5. No commercial or office building shall be constructed within 50 feet of the property line of abutting properties zoned or planned for residential uses, unless alternative measures are approved (this is part of the CUP process).
Central Area Community Plan	This Community Plan area does not provide for additional property development standards in comparison to the Fresno Municipal Code in terms of building height, setbacks, open space, dwelling units per acre, etc.
Fresno High-Roeding Community Plan	This Community Plan area does not provide for additional property development standards in comparison to the Fresno Municipal Code in terms of building height, setbacks, open space, dwelling units per acre, etc.

*Table 2-1 identifies 11 community plan areas, however, the North Growth Area is considered part of the Woodward Park Community Plan area while the Southeast Growth Area Plan is currently being drafted and has not been adopted.

The City’s mixed use property development standards in office and commercial zoned districts are intended to be conducive to residential development, especially given the flexibility of the property development standards that are applicable to these projects. Given the flexibility of the property development standards and the expeditious processing of the CUP applications, costs are minimized. The flexible property development standards allow applicants to maximize their land and design options given that the City does not restrict/mandate floor area ratios, parking, which is costly, given that it limits building space, or open space. Rather, all property development standards are flexible, providing a great degree of options which allows applicants to be creative in the design process. Even more so, given the flexibility of the dwelling units per acre, applicants are afforded the option of increasing the number of dwellings to minimize their costs while concurrently providing a variety of housing options.

Additionally, in accordance with State law and Fresno's residential Density Bonus Ordinance, density bonuses are provided for qualified residential projects. Government Code Section 65915 requires cities to grant a density bonus of at least 25 percent over base zoning density and additional incentives to a developer of a housing development agreeing to construct at least:

1. Twenty percent of the units for low- and very low-income households; or
2. Five percent moderate-income households; or
3. Fifty percent of the units for senior citizens.

In general terms, the City's residential development standards do not act as a constraint to the development of new housing and affordable housing. The overriding constraint to the provision of affordable housing is the lack of available funding to make projects affordable to very low-income households with gap subsidies.

Special Constraints

HOUSING TYPE PREFERENCE

The preferred housing type for a large majority of Fresno area residents is the owner-occupied, single-family, detached home. In 2000, the Department of Finance (DOF) estimated that 67.5 percent of all housing in the City of Fresno was single-family. This strong demand for single-family housing has tended to keep housing costs somewhat higher than they would be if alternative housing types such as condominium units or planned unit developments were in greater demand.

SEASONAL OCCUPANCY PATTERNS

There are two distinct sources of seasonal housing occupancy patterns within the Fresno area. A total of approximately 42,000 full-time students attended Fresno City College and California State University, Fresno in 2006. An unknown, but substantial percentage of these students are residents of the Fresno area only during the school year. This uneven occupancy pattern puts pressure on the local rental housing market in the fall, and results in a higher vacancy rate during the summer. The second source of seasonal occupancy is migrant farmworkers who enter the area during harvest time and leave when the harvest is over (typically spring through fall).

HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

Procedures for Ensuring Reasonable Accommodations

In 2006, the City adopted Section 12-406.5 into the Fresno Municipal Code which provides a process to give exceptions from the City's zoning and land use requirements for individuals with disabilities "to modify regulatory barriers and provide an individual with a disability equal opportunity to the use and enjoyment of the housing of their choice." The process is streamlined and the application may be made by a person with a disability or his or her representative. Additionally, the City is required to help assist the applicant in preparing the application if needed. Generally, an application for a reasonable accommodation shall be granted in thirty days and **must** be granted if the following findings are made:

- a. The housing, which is the subject of the request for reasonable accommodation, is to be used by an individual protected under fair housing laws; and
- b. The requested accommodation is necessary to make specific housing available to an individual protected under fair housing laws; and
- c. The requested accommodation does not impose an undue financial or administrative burden on the City; and
- d. The requested accommodation does not require a fundamental alteration in the nature of a City plan, policy, rule, regulation or code.

Under the reasonable accommodation ordinance, the City is required to post notices of the ability to apply for a reasonable accommodation. The City has posted this notice at the public counters in the Planning Division and Code Enforcement Division. Since adoption of the ordinance, the City has processed approximately six requests for accommodation. All of these have been granted without appeal resulting in waivers of various development standards such as fencing and parking requirements.

Zoning and Other Land Use Regulations

During the previous planning period, the City conducted a review of its zoning ordinance and policies and practices for compliance with fair housing laws. As a result, the Reasonable Accommodation Ordinance was approved as part of the Fresno Municipal Code. Aside from the items clarified in the ordinance, the City has not identified any other regulatory processes that discriminate against persons with disabilities and/or impede the availability of such housing for disabled persons.

Examples of ways that the City seeks to promote and facilitate housing for persons with disabilities are:

- a. On-site parking requirements are reduced to 1 parking space for every 3 dwelling units for senior housing, in comparison to 1.5 parking spaces for each unit in a conventional multiple family housing development (i.e., apartment complex).
- b. The City permits housing for special needs groups, including for individuals with disabilities, without regard to distances between uses or the number of uses in any part of the City.
- c. Assisted or Congregate Living Facility for Senior Citizens, Housing for Senior Citizens, Rest Homes, Home for the Aged or Convalescent Homes, as defined in Subsections 12-105-A-20, 12-105-H-14, and 12-105-R-6 respectively, of the FMC, the maximum population density for any such facility shall be determined by multiplying the maximum population density that would otherwise be permitted by the district in which such facility is proposed to be located by a factor of 3.33. These facilities are permitted in all residential zone districts. Parking requirements are subject to Subsection 12-306-I-6(d)

(Group Homes), except that parking requirements for Housing for Senior Citizens shall be in accordance with Subsection 12-306-I-6(e). Nothing stated herein, is intended to conflict with California Government Code Sections 65915 through 65917 related to Density Bonuses for senior citizen housing developments. If the State Density Bonus provision allows for additional density, and/or incentives, State law controls.

- d. The City does not impose special permit procedures or other special property development standards for group home facilities of six or fewer persons. Rather, the use is considered a by right use by the Fresno Municipal Code. In addition, for seven or more individuals, an applicant would need to obtain a Conditional Use Permit and is subject to compliance with several regulations, however, it has been the City's experience that they do not hinder development nor are burdensome, given the minimal requirements for a CUP, as outlined above. In addition, all residential projects in the City require the same amount of review, while no special processes have been established that would require a greater degree of review in comparison to conventional types of development.

Permits and Processing

The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The City's requirements for building permits and inspections are the same as for other residential projects and are straightforward and not burdensome. City officials are not aware of any instance in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

As discussed above, the City allows group homes of six or fewer persons by right, as required by State law. No CUP or other special permitting requirements apply to such homes. The City does require a CUP for group homes (e.g. residential care facilities) of more than six persons in all districts. The process and findings for a group housing CUP can be found in Chapter 3 (in the context of emergency shelters). It is not expected that obtaining a Group Housing CUP makes housing infeasible for people with disabilities. The City has processed group home CUP applications since adoption of the ordinance in 2006 and no project has been found to be infeasible because of the conditions imposed by the City. Additionally, a reasonable accommodation request may be processed with any Group Housing CUP. As the reasonable accommodation provisions of the Zoning Ordinance require waiver of development standards and conditions which make housing unavailable for individuals with disabilities upon meeting its findings, it is unexpected that the City's development standards or the typical condition imposed on a CUP would make it so the Group Housing CUP requirement would constrain individuals with disabilities from obtaining housing.

Additionally with the adoption of program 2.1.11 (Chapter 6), the City is committing to providing certain by right zoning for emergency shelters, transitional and supportive housing. Therefore, through this program, to the extent that there are needs for emergency shelters and transitional and supportive housing for people with disabilities, there will be zoned land that will allow it without a CUP requirement.

Family Definition

In accordance with the Fresno Municipal Code, family shall mean one of the following:

- a. An individual or two or more persons related by blood, marriage or adoption.
- b. Six (6) or fewer persons living together within the meaning of California Health and Safety Code Sections 1267.8, 1530.5, 1566.3, 1569.85 or any other statute or regulation which expressly requires that six (6) or fewer persons living together shall be considered a family for the purposes of any law or zoning ordinance which is related to the residential use of property.
- c. Two or more unrelated persons living together as a single housekeeping unit. Unless otherwise defined by Federal or State laws, a single housekeeping unit shall mean a non-transitory group of persons jointly occupying a single dwelling unit, including the joint use of common areas, for the purpose of sharing household activities and responsibilities such as meals, chores and expenses. The existence of individuals to facilitate the functions of a single housekeeping unit does not disqualify the group from being a single housekeeping unit.

This definition was amended with the adoption of the Group Home Ordinance in 2006 to ensure that it did not impermissibly prohibit unrelated individuals from residing together and living in a group home, such as a residential care facility or emergency shelter. Therefore, this definition is not a constraint upon development of housing for persons with disabilities.

Universal Design Element and Retrofit Assistance

The City of Fresno is developing a universal design ordinance governing construction or modification of City-subsidized housing using visitability and aging in place as guiding principles. The program is currently being drafted by staff and is expected to include the following 4 items: 1) one “no step” entry, 2) accessible interior routes, 3) accessible kitchen counter space, and 4) ground floor facilities for units over 750 square feet in size. The Fresno City Council will review this program for approval within the next Housing Element planning period.

Additionally, in 2007, the City’s Housing and Community Development Division initiated the Disabled Accessibility Grant Program. The program is available to individuals with physical disabilities to make accessible improvements to their homes. Funds for the grant program are made available through the U.S. Department of Housing and Urban Development (HUD), Home Investment Partnerships (HOME) Program. Grant amounts vary from \$4,000.00 to \$10,000.00.

CONSERVATION OF AT-RISK HOUSING

Section 65583(a) of the Housing Element Law requires that there be an analysis of existing or potential “at-risk” assisted housing developments, which are eligible to convert to market-rate housing over the next ten (10) years. The conversion may be due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. “Assisted housing

developments” are multi-family rental housing projects that receive or have received government assistance under federal programs (i.e., State and local multi-family revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, Home Investment Partnerships Program or local in-lieu fees programs).

“AT-RISK” HOUSING UNITS

Table 4-14 lists U.S. Department of Housing and Urban Development (HUD) assisted housing development projects within the Fresno City limits. The table lists the name, address, program Section Number, assisted, market, and total units, opt-out date, and at-risk status. The opt-out date is the earliest date at which the project owner can opt-out of the contract. Over the next five years, 804 housing units in the City of Fresno will be “at-risk”.

**Table 4-14
HUD Federally Assisted Projects, 2008**

NAME	ADDRESS	Program Number	Assisted Market			Total	Opt-Out	At-Risk
			Units	Units	Units	Units	Date	
Bigby Villa	1329 E. Rev. Chester Riggins Ave., Fresno, CA 93706	8	177	3	180	06/30/2008	Low Risk	
Chestnut Apartments	4825 E. Filmore St., Fresno, CA 93727	n/a	90	0	90	01/13/2008	At-Risk	
Delno Terrace Elderly Housing	1480 N. Delno Ave., Fresno, CA 93728	202	60	1	61	06/19/2008	At-Risk	
El Cazador Apartments	4851 Cedar Ave., Fresno, CA 93726	8	64	36	100	05/31/2008	At-Risk	
Garland Gardens	3726 N. Pleasant Ave., Fresno, CA 93705	n/a	51	0	51	07/23/2020	Low Risk	
Glen Agnes Elderly Housing	530 W. Floradora Ave., Fresno, CA 93728	n/a	149	0	149	04/02/2019	Low Risk	
Kearney-Cooley Plaza	720 W. Hawes Ave., Fresno, CA 93706	8	139	11	150	06/30/2008	At-Risk	
Kings Canyon Apartments	5271 E. Kings Canyon, Fresno, CA 93727	8	65	9	74	10/31/2007	At-Risk	
Lula Haynes Plaza	855 E. Lorena St., Fresno, CA 93706	202/811	46	0	46	06/02/2008	At-Risk	
Martin Luther King SQ	816 E. Florence Ave., Fresno, CA 93706	n/a	57	35	92	04/30/2008	Low Risk	
Masten Towers	1240 Broadway Plaza, Fresno, CA 93721	n/a	204	0	204	07/31/2022	Low Risk	
Millbrook Park Apartments	7077 N. Millbrook Ave., Fresno, CA 93720	8	75	0	75	01/17/2008	At-Risk	
Mono Hilltop Manor	750 Mono St., Fresno, CA 93706	8	59	0	59	08/01/2012	At-Risk	
Pleasant View Apartments	3513 N. Pleasant Ave., Fresno, CA 93705	8	60	0	60	12/31/2007	At-Risk	
Pleasant Village Apartments	3665 N. Pleasant Ave., Fresno, CA 93705	8	90	10	100	09/30/2007	At-Risk	
Renaissance Apartments	5669 Fresno St., Fresno, CA 93710	n/a	56	222	278	08/07/2008	At-Risk	
Silvercrest Fresno	1824 Fulton St., Fresno, CA 93721	202/811	158	0	158	08/31/2008	Lower Risk	
Sunnyside Glen Apartments	5700 E. Balch Ave., Fresno, CA 93727	n/a	74	0	74	06/30/2008	Low Risk	
The Californian	851 Van Ness, Fresno, CA 93721	8	217	0	217	06/30/2008	Low Risk	
Westgate Gardens	846 E. Belgravia Ave., Fresno, CA 93706	n/a	100	0	100	09/30/2007	Low Risk	

Source: California Housing Partnership

HUD FEDERALLY ASSISTED PROJECTS

These projects were originally built or renovated with commitments of Section 8 under various HUD Programs. Under the Section 8 contracts, the federal government provides the project owner with the difference between a tenant’s rent contribution (which is limited to 30 percent of income) and a higher rent set by HUD. Unlike the Section 8 Certificate Program, the Section 8 subsidies are tied to the project and cannot be used by the tenant if they move elsewhere. These Section 8 contracts were set for a number of years, ranging from five to 40; however, most of the contracts allow owners to opt out after every five years. If the owner decides not to renew for the subsequent five-year term, the tenants would lose their rent assistance.

Of the projects listed above, those at Low Risk have not indicated interest in opting out of the Section 8 program. Those showing “at-risk” have an opt-out date within the last six months. The City will follow up with each of these facilities to coordinate efforts to keep them affordable.

STATE ASSISTED PROJECTS

The Low Income Housing Tax Credit (LIHTC) Program was created by the Tax Reform Act of 1986 to help as an alternate method of funding housing for low- and moderate-income households, and has been in operation since 1987. The per capita cost for 2007 is \$1.95. These credits are used to leverage private capital for development of new construction or acquisition and rehabilitation of affordable housing.

The total amount of tax credits is determined by the development costs, and is used by the owner of a project. However, often, because of Internal Revenue Service (IRS) regulations and program restrictions, the owner of the property will not be able to use all of the tax credits, and therefore, many LIHTC properties are owned by limited partnership groups that are put together by syndications. In this manner, a variety of companies and private investors participate, investing in housing development and receive credit toward their federal tax liability in return.

Tax Credits must be used for new construction, rehabilitation, or acquisition and rehabilitation, and projects must also meet the following requirements:

- Twenty percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 50 percent or less of area median gross income or 40 percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 60 percent or less of area median gross income.
- Properties receiving tax credits must remain affordable for up to 55 years.

Table 4-15 lists all projects reported in 2008 by LIHTC that utilized the Tax Credit Program during the period 1988-2005. Every project placed in service prior to 1992 was eligible for opt-out during the previous planning period. Newer State tax credit projects require 55-year affordability covenants to be recorded on the land.

Table 4-15
Low Income Housing Tax Credit Program Projects
City of Fresno, 1988 - 2005

HUD ID				Census Tract	Total	Total Low-	Placed-In
Number:	Project Name	Project Address	Zip Code	Number	Units	Income Units	Service Year
CAA0000065	230 W. Fir	230 W. Fir	93650	44.04	1	1	1988
CAA0000075	2525 S. Tenth	2525 S. Tenth	93725	12.01	1	1	1988
CAA0000125	3126 E. Illinois	3126 E. Illinois	93702	26.01	1	1	1988
CAA0000150	3613 Clay	3613 Clay	93702	25.02	1	1	1988
CAA0000165	4746 E. Hamilton	4746 E. Hamilton	93702	13.02	1	1	1988
CAA0000175	4828 E. Hedges	4828 E. Hedges	93727	29.01	6	6	1988
CAA0000230	925 N. Palm	925 N. Palm	93728	21.00	3	3	1988
CAA0000640	Fresno Emerald Palms	4418 W. Avalon	93722	42.12	18	18	1988
CAA0000645	Fresno Emerald Palms	4923 W. Regency	93722	42.12	24	24	1989
CAA0000650	Fresno Emerald Palms	4402 W. Avalon	93722	42.12	33	33	1989
CAA0000655	Fresno Four-Plex	4833 E. Lane	93727	14.05	4	4	1987
CAA0000670	Gato Construction	4715 E. Lane	93702	13.01	1	1	1988
CAA0000875	Kings View Manor/Kings Est.	2705 Martin Luther King	93706	10.00	222	222	1989
CAA0001060	Minarets	262 W. Minarets	93650	44.04	1	1	1988
CAA0001170	Peachbrook	815 N. Peach	93727	29.01	38	38	1988
CAA0001395	339 W. Eden	339 W. Eden	93706	7.00	1	1	1988
CAA0001555	Van Dyck Estates	P.O. Box 7676	93747	30.02	16	16	1989
CAA1990045	Sierra Meadows	107 E. Sierra	93710	45.04	220	44	1990
CAA1991025	Fresno Arms Apartments	2264 N. Marks Avenue	93722	20.00	120	120	1991
CAA1992240	Sequoia Knolls	3207 W. Shields Avenue	93722	38.05	100	20	1992
CAA1994335	Ross Gardens Apartments	2531 N. Marks Avenue	93722	38.05	140	140	1994
CAA1994390	Sunshine Financial Group II	3460 N. Brawley	93722	38.01	14	14	1994
CAA1997365	Plaza Mendoza Apartments	1725 N. Marks Avenue	93722	38.06	131	131	1997
CAA1997465	Sunshine Financial Grp II-Dakota	3780 W. Dakota Avenue	93722	38.01	4	4	1997
CAA1998530	The Village at 9 th Apartments	5158 N. 9 th Street	93710	54.03	240	239	1998
CAA1998545	The Village at Shaw Apartments	4885 N. Recreation Avenue	93726	53.04	204	203	1998
CAA1998550	The Winery Apartments	1275 S. Winery Avenue	93727	14.05	248	248	1998
CAA1999105	Cedar Tree Apartments	1755 E. Roberts Avenue	93710	54.04	143	143	1999
CAA1999730	Whispering Woods	5241 N. Fresno Street	93710	45.05	406	402	1999
CAA2000165	Del Monte Pines	4085 Fruit Avenue	93705	48.00	365	365	2000
CAA2001390	Park West Apartments	2825 W. Alamos Avenue	93705	47.01	256	180	2001
CAA2002040	Bigby Villa Apartments	1329 E. Florence Avenue	93706	9.00	180	179	2002
CAA2002455	Villa Del Mar	3950 N. Del Mar Avenue	93704	49.00	48	37	2002
CAA2003635	Westgate Gardens Apartments	846 E. Belgravia Avenue	93706	9.00	100	99	2003
CAA2004060	Canyon Springs Apartments	6185 N. Fig Garden Drive	93722	42.11	138	29	2004
CAA2005550	Summercrest Apartments	1160 E. Church Avenue	93706	9.00	72	70	2005
CAA2005600	The Village at Kings Canyon	962 S. Pierce Avenue	93727	14.05	48	47	2005

Source: HUD, LIHTC Database, 2008

Table 4-16 lists the State subsidized housing facilities that have submitted notice of intent to convert these affordable units. When such notices are forwarded to the City, they are provided to other agencies that have indicated an interest in acquiring to own, manage and maintain as affordable units.

**Table 4-16
State Subsidized Housing Facilities with Intent to Convert These Affordable Units**

Notice Received	Project Name	Address	City	Zip	County
4/2/03	Arbors Apartments	5669 N. Fresno	Fresno	93710	Fresno
2/3/04	Windemere Apartments	7087 North Thorne	Fresno	93650	Fresno
7/9/04	Lakeview I Apartments	920 W. Griffith Way #101	Fresno	93705	Fresno
3/7/05	Lakeview I Apartments	920, 1050 W. Griffith Way	Fresno	93705	Fresno
3/23/06	Riverview Garden Apartments	8070 N. Poplar Ave.	Fresno	93711	Fresno
10/1/06	River Park Place (River Garden)	260 W. Nees Ave.	Fresno	93711	Fresno
2/5/07	Lakeview I Apartments	970 & 1050 Griffith Way	Fresno	93705	Fresno
2/5/07	Lakeview II Apartments	970 & 1050 Griffith Way	Fresno	93705	Fresno
3/23/07	Lakeview I Apartments	970 & 1050 Griffith Way	Fresno	93705	Fresno
4/2/07	Lakeview I Apartments	970 & 1050 Griffith Way	Fresno	93705	Fresno
4/2/07	Lakeview I Apartments	970 & 1050 Griffith Way	Fresno	93705	Fresno

Source: HCD prsv_notice.xls

ENTITIES INTERESTED IN PARTICIPATING IN CALIFORNIA'S FIRST RIGHT OF REFUSAL PROGRAM

An owner of a multi-family rental housing development with rental restrictions (e.g., is under agreement with federal, State, and local entities to receive subsidies for low-income tenets), may plan to sell his/her “at risk” property. The California First Right of Refusal Program allows these owners to accept a bona fide offer to purchase the property from one who does not intend to maintain required affordability and use restrictions (nonqualified entity), subject to the “First Right of Refusal” process. This process requires the owner to, a) notify each qualified entity (bidder who intends to maintain affordability and use restrictions) of the terms and conditions on the pending offer, b) provide each qualified bidder 30 days to respond to the owner’s notice (e.g., counteroffer), and c) accept a bid from the qualified entity (that is the same as that offered by the nonqualified bidder), unless the nonqualified entity agrees to maintain affordability and use restrictions. In addition, if the owner (now getting out-of-State affordability restricted agreements) must notify the State one year in advance of intention to become market rate units or otherwise remove the affordability of the units. The State notifies the jurisdiction of location which in turn notifies and works with interested housing agencies to save the “at-risk” units.

The California Department of Housing and Community Development has listed eleven entities that may be interested in participating in California's First Right of Refusal Program.

ACLC, Inc.
42 N. Sutter Street, Suite 206
Stockton, CA 95202

Foundation for Affordable Housing, Inc.
2847 Story Road
San Jose, CA 95127

Long Beach Affordable Housing Coalition, Inc.
110 W. Ocean Boulevard, #350
Long Beach, CA 90802

Affordable Homes
P.O. Box 900
Avila Beach, CA 93424

Fresno Co. Economic Opportunities Commission
3120 W. Nielsen Avenue, Suite 102
Fresno, CA 93706

Self-Help Enterprises
P.O. Box 351
Visalia, CA 93279

Christian Church Homes of Northern California, Inc.
303 Hegenberger Road, Suite 201
Oakland, CA 94621

Fresno Housing Authority
P.O. Box 11985
Fresno, CA 93776

The East Los Angeles Community Union (TELACU)
5400 E. Olympic Boulevard, Suite 300
Los Angeles, CA 90022

Community Housing Developers, Inc.
255 N. Market Street, Suite 290
San Jose, CA 95110

Housing Assistance Corporation
P.O. Box 11863
Fresno, CA 93775

There are over 70 additional organizations, the majority of which are based in California that are interested in participating in California's First Right of Refusal Program.

PRODUCTION OF NEW/ REPLACEMENT RENTAL HOUSING

Housing Element Law requires an analysis of "at-risk" units and an estimate of the total cost to produce new rental housing comparable in size and rent levels to replace units that could change from affordable low-income to market-rate housing. The Housing Element Law also requires an estimated cost of preserving the units versus the construction of new units for replacement of assisted housing developments. A cost analysis of constructing a 20-unit apartment complex which averages 950 square foot per unit in 2007 is estimated below based on information provided through local real estate sales averages.

1. Land Cost	\$ 300,000
Zoned R-2: 3,500 square feet per unit (approximately 1.5 acres) \$100,000/acre	
2. Construction Cost	\$ 2,097,200
47.50 per square foot x 950 square foot per unit x 20 units	
3. Infrastructure Improvements and fees	\$ 180,000
4. Architecture and Engineering	\$ 157,000
5. Financing of Profit	\$ 365,000
 Total	 \$ 3,099,200

Based on figures used in 2002, the total costs for replacement of an "at risk" housing unit averaged \$82,975. Using figures provided by the Affordable Housing Development Corporation, in March of 2008, these costs have risen to \$154,960 per unit. Despite the fact that the figures provided are very conservative, the estimated replacement costs increased about 46 percent in about six years. Subsidies, to be used by low-income and very low-income households, could be at least partially met by a combination of tax credits, low cost financing, land write down, or other combinations of available resources. The precise financing plan would have to be determined at the time such units become "at-risk" since State, federal and local authorization for such assistance changes from year to year.

The City's plan for preserving these units is as follows:

The City will monitor the units to determine if the owner desires to pre-pay the mortgages and/or convert the units to market-rate. The City has monitored these projects since September of 1995. Under the Low Income Housing Preservation and Residential Homeownership Act (LIHPRHA)

owners are required to provide a notice to the City of the intent to pre-pay at least one year in advance of the proposed conversion. The City Planning and Development Department, Housing and Community Development Division will monitor such notices.

In the event such notice is given, the City will assist with an application for possible funding from housing programs to preserve the units. The City continues to support tax credit applications and consider the use of HOME, Redevelopment Agency Set-Aside, and CDBG funds to assist with gap financing. The City has also been proactive in creating community revitalization areas to make tax credit applications more competitive.

The City will work with the owner and interested community agencies to maintain the affordable housing stock. This could be in the form of subsidies, direct purchase and resale to an interested non-profit housing organization, the provision of technical assistance or a combination of methods aimed at preserving affordable housing.

ACQUISITION AND MANAGEMENT

Housing Element Law states that the analysis shall also identify public and private non-profit corporations known to the local government which have legal and managerial capacity, and interest in acquiring and managing assisted housing developments. Following is a representative list of such agencies. Other agencies may also be interested in participation and this list may expand over time.

Fresno City/County Housing Authority. The Housing Authority owns hundreds of housing units and manages thousands more within the City. In Fresno County, the Housing Authority owns, manages, or provides assistance to persons living in their managed housing units. The Housing Authority also has a non-profit housing production and management organization known as Silvercrest, inc.

Fresno Redevelopment Agency (RDA). The RDA utilizes redevelopment increment low- and moderate-income housing set aside funds to acquire, construct and rehabilitate housing for lower- income households.

City of Fresno Housing and Community Development Division (HCD). HCD administers the HOME Program and a portion of the CDBG Program funds to provide a multitude of programs including an owner-occupied housing rehabilitation program, and down payment assistance program. HCD also administers a Rental Rehabilitation Program that provides funds to property owners to rehabilitate their multi-family complexes provided that a set number of units are available to lower-income tenants. HCD staff also manages large-scale affordable housing development projects.

Neighborhood Opportunities for Affordable Housing (NOAH). This nonprofit corporation was established for the purpose of constructing new residential affordable owner-occupied housing units for lower income households within the community. NOAH constructs new homes and provides housing rehabilitation to income-eligible residents.

Coalition for Urban Renewal Excellence (CURE). Blighted homes in troubled neighborhoods are purchased, and in some cases donated, then rehabilitated with the help of the developer and building trade's partners in the coalition. Once rehabilitated the homes are sold to low and moderate-income families. CURE is positioned to rehabilitate six to ten houses per year.

Self Help Enterprises (SHE). SHE provides a variety of housing assistance programs to lower income households, including a weatherization program, extensive rehabilitation program, a new housing construction program utilizing sweat-equity down payment assistance, and helps in seeking funding for water and wastewater systems. SHE also develops and owns multi-family projects.

Better Opportunity Builders (BOB). BOB is a non-profit is an affordable housing production and management organization.

National Farmworker Service Center. This non-profit housing corporation provides housing and ancillary services for farmworkers and other related persons.

Of these agencies, the Housing Authority, NOAH, CURE, SHE and BOB are regularly involved in the construction, management and oversight of multi- and single-family housing development projects and could manage "at-risk" units in order to preserve the units if the need existed. Other agencies that are involved in acquisition and management include the Fresno County Economic Opportunities Commission, West Fresno Coalition for Economic Development, One by One Leadership, and EAH, Inc.

Funding Sources

Finally, Housing Element Law states that the analysis shall identify and consider the use of all federal, State, and local financing and subsidy programs which can be used to preserve assisted housing developments for lower-income households. The following funding sources are available to the City for this purpose as replacement and new housing becomes necessary.

Community Development Block Grant (CDBG) Program. HUD provides an annual allocation to the City of Fresno of approximately \$7,538,236 (in 2008). These funds can be utilized for the replacement of substandard housing, rehabilitation of lower income owner-occupied and rental-occupied housing units, and other programs that assist households with incomes at or below 80 percent of median income.

Redevelopment Tax Increment Housing Set-Aside Funds. These funds can be utilized to provide acquisition, construction and rehabilitation of housing developments that are available to very low-, low-, and moderate-income level households. Twenty (20) percent of the incremental tax revenues derived from redevelopment project areas must be used for the provision of affordable housing within the community to residents whose incomes do not exceed 120 percent of median income.

Home Investment Partnerships (HOME) Program. The City anticipates receiving a HOME allocation of approximately \$3,567,141 in fiscal year 2008/09 from HUD. These funds may be used for rehabilitation, acquisition and/or new construction of affordable housing. The City must

use 100 percent of its HOME funds to assist families with incomes below 80 percent of area median income.

Low Income Housing Preservation and Residential Homeownership Act (LIHPRHA). LIHPRHA requires that all eligible HUD Section 236 and Section 221(d) projects “at-risk” of conversion to market-rate rental housing through the mortgage prepayment option be subject to LIHPRHA Incentives. The incentives to owners include HUD subsidies that guarantee owners an eight percent annual return on equity. Owners must file a Plan of Action to obtain incentives or offer the project for sale to a) non-profit organizations, b) tenants, or c) public bodies for a 12-month period followed by an additional three-month sale to other purchasers. Only then are owners eligible to prepay the subsidized mortgages. The LIHPRHA requirements will be coordinated locally through the RDA should property owners opt for prepayment of these loans.

Local Housing Trust Funds. The City has allocated \$500,000 dollars to establish a Housing Trust Fund. Additional monies will be added as resources, both public and private, are allocated and sought. The City 10x10 Committee has drafted regulations and guidelines for the use of Housing Trust Fund dollars. The Fund is expected to be fully operational late 2008.

California Housing Finance Agency (CalHFA). The mission of the various homeownership programs are to provide affordable housing opportunities by offering below market interest rate mortgage programs to very low-to-moderate income first-time homebuyers. There are several programs offered to the prospective buyer:

1. Conventional Loans – CalHFA programs offer interest only PLUS, 30- and 40-year fixed mortgages, and 30-year fixed government insured mortgages.
2. Down payment assistance – CalHFA offers a number of programs designed to assist with down payments for homebuyers, such as the Affordable Housing Partnership program, the CalHFA Housing Assistance program, the California Homebuyers Down payment Assistance Program, the Extra Credit Teachers Home Purchase Program, the High Cost Area Home Purchase Assistance program, and the School Facility Fee Down payment Assistance program
3. Other programs – CalHFA manages programs to provide help to builders, borrowers who are disabled, home-buying assistance to Section 8 voucher recipients and the Self-Help Builder Assistance program.

California Low-Income Housing Tax Credit Allocation Committee. The California Tax Credit Allocation Committee (TCAC) administers two Low-Income Housing Tax Credit Programs – a federal 9 percent program, and a State 4 percent program. Both programs were created to encourage private investment in affordable rental housing for households meeting certain income requirements.

The TCAC also administers a Farmworker Housing Assistance Program and a Commercial Revitalization Deduction Program.

California Debt Limit Allocation Committee (CDLAC). Federal law limits how much tax-exempt debt a State can issue in a calendar year, with the cap determined by a population-based formula. CDLAC was created to set and allocate California's annual debt ceiling, and administers the tax-exempt bond program to issue the debt.

Allocation is distributed among six program areas. The Qualified Residential Rental Project Program assists developers of multifamily rental housing units, the Single-Family Housing Program assists first-time homebuyers with their home purchase, the Exempt Facility Program helps finance solid waste disposal and waste recycling facilities and an Industrial Development Bond Project Program helps construct or expand manufacturing facilities.

Additionally, CDLAC allocates to the Extra Credit Home Purchase Program, which helps teachers and school staff purchase a home and the Student Loan Program to help students and families pay for their higher education.

California Community Reinvestment Corporation (CCRC). CCRC provides long-term and bond financing for new construction, acquisition and rehabilitation and investment funds to acquire at-risk housing. Programs are available for family, senior, mixed-use and special needs housing.

Affordable Housing Program (AHP). AHP provided through member banks of the Federal Home Loan (FHL) system, subsidizes the cost of owner-occupied housing for individuals and families with incomes at or below 80 percent of the Area Median Income (AMI), and rental housing in which at least 20 percent of the units are reserved for households with incomes at or below 50 percent of AMI. The subsidy may be in the form of a grant or a below-cost or subsidized interest rate on an advance. AHP funds are primarily available through a competitive application program at each of the FHL Banks.

Multifamily Housing Program (MHP). The State Department of Housing and Community Development (HCD) provides deferred payment loans through the MHP. The cost is based on 3 percent simple interest on the unpaid principal over a 55 year term. Local public entities, for-profit and non-profit corporations, and others are eligible applicants through the program's Notice of Funding Availability process. Under this program, funds awarded may be utilized for new construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing, and the conversion of nonresidential structures to rental housing. Projects are not eligible if construction has commenced as of the application date, or if they are receiving 9% federal low income housing tax credits.

Proposition 1C (Prop 1C) funding from the State of California. Prop 1C extended the nation's largest state-funded affordable housing assistance effort. The State's voters approved the measure by a substantial margin, authorizing \$2.85 billion in State General Obligations bonds to continue several housing assistance programs, and to begin new programs to improve infrastructure to support housing.

Implementation / Recommendations

In the event replacement housing is needed, the RDA or City Council, in conjunction with recommendations from the Housing and Community Development Commission, other advisory committees, and the Planning Commission, would review and approve the preservation of projects and the construction of new or replacement housing developments on a case-by case basis.