

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

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August 26, 2008

Mr. Chris Borchert
Assistant Director of Community Development
City of Victorville
14343 Civic Drive
Victorville, CA 92395-5001

Dear Mr. Borchert:

RE: Review of the City of Victorville's Draft Housing Element

Thank you for submitting Victorville's draft housing element received for review on June 27, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation with you on August 14, 2008, facilitated the review.

The Department commends Victorville on its progress in addressing the City's Regional Housing Needs Allocation (RHNA) in the current planning period. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should include a detailed list and analyses of potential sites that will be used toward meeting Victorville's remaining RHNA. In addition, the City should strengthen and expand programs to address identified housing needs within the City. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department would be happy to arrange a meeting in either Victorville or Sacramento to provide any assistance needed to facilitate your efforts to bring the element into compliance. If you have any questions or would like assistance, please contact James Johnson, of our staff, at (916) 323-7271.

Sincerely,

Cathy E. Creswell
Deputy Director

Enclosure

cc: Jon Roberts, City Manager, City of Victorville
Bill Webb, AICP, Development Director, City of Victorville
Joann Lombardo, Housing Consultant

APPENDIX

CITY OF VICTORVILLE

The following changes would bring Victorville's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at http://www.hcd.ca.gov/hpd/housing_element/index.html, the Department's publication, *Housing Element Questions and Answers (Qs & As)*, and the Government Code addressing State housing element law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element (Section 65588 (a) and (b)).

The review requirement is one of the most important features of the housing element update. The review of past programs should analyze the City's accomplishments over the previous planning period. This information provides the basis for developing a more effective housing program. The element indicates (page 71) goals from the City's previous planning period, including: 1) improve and conserve existing neighborhoods; 2) promote and encourage affordable housing; and 3) encourage a variety of housing types. However, a program-by-program review is necessary to evaluate Victorville's performance in addressing housing goals. As part of this analysis, the element should describe the actual results of the prior element's programs, compare those results to the objectives projected or planned, and, based on an evaluation of any differences between what was planned versus achieved, provide a description of how the objectives and programs of the updated element incorporate changes resulting from the evaluation. This information and analysis will provide the basis for developing a more effective housing program.

B. Housing Needs, Resources, and Constraints

1. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households (Section 65583(a)(1)).*

Extremely Low-Income: In accordance with Chapter 891, Statutes of 2006, the element must identify the number of existing and projected extremely low-income households and analyze their housing needs. The element indicates (page 53) the number of projected needs for extremely low-income households, however, the element must also include the number of existing extremely low-income households. The element may either use available census data to calculate the percentage of very low-income households that qualify as extremely low-income households, or estimate 50 percent of very low-income households qualify as extremely low-income households. To assist in

the analysis of housing needs of this income group, please refer to the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element/screen06_hn.pdf and the enclosed Comprehensive Housing Affordability Strategy (CHAS) data with information on various characteristics such as overpayment and housing situations for extremely low-income households. This data should be utilized to formulate specific policies and programs to assist in the development of housing for extremely low-income households.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition (Section 65583(a)(2)).*

Overpayment and Overcrowding: While the element includes some information on the total number of households overpaying by tenure, it should quantify the level of overpayment for lower-income households and analyze the impact on housing needs. While the element notes 16,401 households in Victorville overpay for housing, Census data indicates 83 percent of lower-income renters and 73 percent of lower-income owners are overpaying.

The element must also report data for overcrowding and include overcrowding information by tenure. For your information, Census data reports that 498 owner households and 854 renter households live in overcrowded conditions. This information should be incorporated into the housing element. As tenure affects the nature of housing problems encountered by these populations, this information will be useful in determining appropriate programmatic actions.

Housing Stock Characteristics: While the element uses Census data on the incidence of substandard factors (i.e., lack completed plumbing facilities, including substandard conditions) in estimating the number of substandard owner and rental units (page 30), this information should be supplemented by local estimates to demonstrate the total number of units in need of rehabilitation and replacement. The City could use information from a recent windshield survey or sampling, estimates from the local building department, or other sources in the community. The City could also provide additional information on target areas. Additional information, including a sample windshield survey form, is included in the *Building Blocks'* section on Housing Stock Characteristics at http://www.hcd.ca.gov/hpd/housing_element/screen07_hn.pdf.

3. *Include the locality's share of regional housing need in accordance with Section 65584.*

The element includes information on units built, permitted and approved between January 1, 2006 and March 20, 2008 to credit towards Victorville's Regional Housing Need Allocation (RHNA). However, to credit these units toward the City's share of the regional housing need, the element must demonstrate the affordability of the units (for very low-, low- and moderate-income units) based on actual rents and sales prices or other mechanisms ensuring affordability in the planning period. While the element includes some information on the affordability of the Casa Bella Family Apartments Phase II and III funded through tax credits, additional information is necessary to

demonstrate the appropriateness of crediting the remaining units as outlined in Table 17 (pages 55-56) against the City’s remaining very low-, low- and moderate-income RHNA. Please note, densities of approved or constructed housing developments do not describe affordability for the purposes of crediting units against the jurisdiction’s RHNA; rent or sales price is needed to establish affordability.

Based on the information provided in the element (pages 54-57) the following chart demonstrates the allocation of units permitted or built versus Victorville’s current RHNA and also indicates the remaining RHNA for the current planning period.

	Total RHNA	Casa Bella II	Casa Bella III	Inclusionary Bear Valley	Inclusionary VVEPA	Other Above Moderate Units	Remaining RHNA
Very Low	986	56	77	34	14	-	805
Low	987	24	34	13	57	-	859
Moderate	1,401	-	-	-	21	-	1,380
Above Moderate	3,614	-	-	-	-	3,688	0
Total	6,988	80	111	47	92	3,688	3,044

4. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

As outlined above, accounting for units under construction or approved since 2006, the City has a remaining RHNA of 3,044 housing units, of which 1,664 units are for lower-income households. To address this need, the element indicates a potential for mixed use and multi-family development, as well as development areas in Victorville’s expanded sphere of influence. However, to demonstrate the adequacy of these strategies to accommodate the City’s identified remaining RHNA, particularly for lower-income households, the element must include more detailed analyses, as follows:

Sites Inventory: The element must include an inventory of sites available for residential development to accommodate the City’s RHNA as follows:

1. A parcel-specific listing of sites, including the parcel number or other unique reference such as address.
2. The general plan and zoning designations of sites.
3. A description of parcel size; this is important as parcel size can be a key factor in determining development viability, capacity and affordability.
4. A map showing the location of sites. In terms of scale, a jurisdiction’s general plan land-use diagram or map is appropriate.

Suitability of Mixed-Use and Underutilized Sites: In addition to vacant sites, the City may need to consider additional strategies to increase total residential development capacity of sites within the existing City boundaries, including identifying opportunities for redevelopment or mixed-use development. For example, the element identifies the potential for mixed-use development on large infill parcels within existing areas (page 57). If needed to demonstrate sufficient sites to accommodate the City's RHNA, the element must list these sites by parcel number or unique reference, size, zoning, general plan designation, including a description of any existing uses on the site. The list of existing uses should be sufficiently detailed to demonstrate the feasibility for redevelopment on identified sites within the planning period. The analysis should also consider interest from property owners, applications in the planning stage or recent redevelopment activity. For additional information on strategies and needed analysis required to demonstrate the adequacy of City actions to address the City's shortfall of sites, please refer to the *Building Blocks*' section on Sites Inventory and Analysis at http://www.hcd.ca.gov/hpd/housing_element.

Realistic Capacity: The element must demonstrate the realistic development capacity of sites identified in the element. If the City has established a minimum density regulation, the element may use the minimum density for the site capacity calculation. Otherwise, the element should describe the methodology used in calculation of anticipated capacity on the identified sites. This analysis must adjust the calculation based on land-use controls and site improvements. The analysis could also incorporate typically built densities of the community.

Environmental Constraints: The element describes (page 51) areas within the City which are subject to flooding and portions where slopes exceed 15 percent. The element should include a discussion of how these conditions relate to sites identified in the element, particularly those targeted to accommodate housing for lower-income households, and identify any known environmental constraints which could impede residential development during the planning period.

Zoning to Encourage Housing for Lower-Income Households: The element indicates a maximum density of 20 units per acre in the High Density Residential district and indicates the City's proposed Mixed Use District will have a maximum density of 60 units per acre. Pursuant to Section 65583.2(c)(3)(A) and (B), the element must identify sites with zoning and densities appropriate to encourage and facilitate the development of housing for lower-income households. To identify sites and establish the number of units that can accommodate the City's share of the regional housing need for lower-income households, the element must demonstrate the identified zones and how these densities can encourage and facilitate the development of housing for lower-income households based on factors such as market demand, financial feasibility and development experience within the zones.

For communities with densities that meet specific standards this analysis is not required. For the City of Victorville, densities which allow at least 30 units per acre are deemed adequate to accommodate the facilitation of housing for lower-income households (Section 65583.2(c)(3)(B)) without further analysis and as an alternative to preparing the analysis as described above. This density, however, must be achievable

without the benefit of any additional density bonuses. Density bonuses for qualifying developments are required under State law and cannot be used as a substitute for identifying adequate sites to accommodate the City's regional housing need for lower-income households.

Zoning for a Variety of Housing Types: The housing element must demonstrate the availability of sites, with appropriate zoning, that will *encourage and facilitate* a variety of housing types. An adequate analysis should, at a minimum, identify whether and how zoning districts explicitly allow the uses, analyze whether zoning, development standards and permit procedures encourage and facilitate these housing types. If the analysis does not demonstrate adequate zoning for these housing types, the element must include implementation actions to provide appropriate zoning. Additional information on this requirement, including a sample analysis, is available in the *Building Blocks*' website at http://www.hcd.ca.gov/hpd/housing_element/screen20_varhsytypes.pdf.

- Emergency Shelters: Please note, the City must comply with Chapter 633, Statutes of 2007 (SB 2), requiring, among other things, the identification of at least one zone(s) where emergency shelters are permitted without a conditional use permit (CUP) or other discretionary action within one year of the beginning of the planning period. To address this requirement, the City could amend an existing zoning district, establish a new zoning district or overlay zone for an existing zoning district. While the element includes a program action "shelters" in Table 21, the element must identify zones where emergency shelters will be allowed by right and provide information to demonstrate the appropriateness of the zone to accommodate the City's identified need for emergency shelters. For example, the zone must provide sufficient opportunities for at least one new emergency shelter in the planning period, including opportunities available in suitable locations near services and facilities. In addition, the element must demonstrate that existing or proposed permit processing, development, and management standards encourage and facilitate the development of, or conversion to, emergency shelters. A memo on SB 2 describing the new requirements is available on the Department's website at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf
- Transitional and Supportive Housing: In addition, pursuant to SB2, transitional and supportive housing must be treated as residential use and subject to the same permitting processes as other housing in the subject zone (e.g., multifamily housing, group homes, etc.) without undue special regulatory requirements. The element must be revised to describe zones which allow these uses pursuant to State law and include any necessary program actions to allow for these uses in the identified zones within the planning period.
- Single Room Occupancy: While the element indicates (page 44) Victorville allows SRO development, the element should be revised to include zones which allow the use and how development standards and permit procedures encourage and facilitate the use.

5. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Land-Use Controls: While the element describes (page 44) the City's zoning and development standards, it should also analyze these standards for their impact on the supply and affordability of housing. For example, the element should evaluate the cumulative effect of development standards such as lot coverage, height limit, enclosed garage requirements and minimum floor areas on the ability to achieve maximum permitted densities. In addition, the element should describe the following:

- Parking standards, including any guest parking and requirements for garaged/enclosed spaces for multifamily and mixed use developments.
- Clarify allowable densities within the Mixed-Use High Density Residential (MU) zone. Page 45 indicates a maximum of both 40 and 60 units per acre.
- The City should also review its density bonus ordinance for compliance with statutory amendments (Chapter 1928, Statutes 2004) to State density bonus law (GC Section 65915). A copy of the current law is available at <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=65001-66000&file=65915-65918>.

Fees and Exaction: The element lists (page 47) some fees and includes a general discussion of fees and exactions. It must also describe all relevant planning and impact fees and exactions and analyze the impact of these fees and exactions. This analysis should identify total typical fees for both single- and multi-family housing. For additional information, refer to the sample analysis in the *Building Blocks'* section on Fees and Exactions at http://www.hcd.ca.gov/hpd/housing_element/screen24_constraints.pdf.

Local Processing and Permit Procedures: The element must thoroughly describe and analyze the City's permit processing and approval procedures by zone and housing type. To address this requirement, the element should discuss typical processing procedures and time for single- and multi-family projects including type of permit, level of review, including any discretionary approval procedures (i.e., CUPs and design review requirements). In addition, the City should describe the mix-use PUD approval process. The element should also clarify the statement "certain applications require approval by the City Council".

On/Off-Site Improvements: The element did not address this statutory requirement. The element must be revised to describe and analyze specific on- and off-site improvements for residential development such as requirements for street widths, sidewalks, water and sewer connections and circulation improvements required for residential developments and assess their impact on the cost and supply of housing.

Codes and Enforcement: The element should also discuss the type and degree of code enforcement activities including any efforts to link code enforcement activities to housing rehabilitation programs.

Constraints on Persons with Disabilities: The element did not address this statutory requirement. The element must include a detailed analysis of zoning, development standards and approval procedures for the development of housing for persons with disabilities and include programs as appropriate to address any identified constraints. For example, among other things, the element should identify and analyze the following:

- Include a description of which zones allow for group homes with seven or more residents and any discretionary or conditional approvals required for development in those zones.
- Any site planning requirements that may constrain housing for persons with disabilities.
- Description of parking requirements or reductions for housing for persons with disabilities.

Please refer to the *Building Blocks*' section on Constraints for Persons with Disabilities at http://www.hcd.ca.gov/hpd/housing_element/screen27_sb520.pdf. In addition, the element indicates the City is in the process of preparing a reasonable accommodation ordinance. To assist the City in developing its process, a sample ordinance is available at http://www.hcd.ca.gov/hpd/housing_element/Screen27_sb520.doc.

6. *Analyze any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and person in need of emergency shelter (Section 65583(a)(7)).*

Special needs are those associated with specific demographic or occupational groups which call for very specific program responses, such as preservation of SRO hotels or the development of units with larger bedroom counts. While the element includes some information on the number of households and/or individuals for each special needs group, the element should include an analysis of specific housing needs and resources available to address identified needs for each group.

Among other things, the element must estimate the number of elderly and large households by tenure and analyze the specific housing needs and resources available for elderly, disabled and female-headed households and provide a more detailed description of farmworker households including the housing needs of seasonal workers.

7. *Analyze the opportunities for energy conservation with respect to residential development (Section 65583(a)(8)).*

The element states the City addresses energy conservation goals through enforcement of Title 24 standards into new construction. Given the importance of promoting strategies to address climate change and energy conservation, this analysis should facilitate adoption of housing and land-use policies and programs in the housing element that meet housing and conservation objectives. Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can

contribute to reduced housing costs for homeowners and renters. For example, the element could include incentives to promote higher density housing along transit, encourage green building techniques and materials in new and resale homes, promote energy audits and participation in utility programs, and facilitate energy conserving retrofits upon resale of homes. Additional information on potential policies and programs to address energy conservation objectives is available in the *Building Blocks'* technical assistance tool.

8. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions (Sections 65583(a)(8) through 65583(a)(9)(D)).*

The element identifies (page 38) Rodeo Drive and Sherwood Apartments as at risk of converting in the planning period. Table 14, however lists several apartment complexes with a "N/A" expiration date. Further analysis should include more definitive information regarding dates units are at risk of converting to market rate. In addition, the element must include the following:

- Address for each project included in Table 14, as well as the total number of elderly and non-elderly units.
- An assessment of risk and an analysis of replacement cost versus preservation cost.
- A list of potential non-profit organizations with an interest in maintaining affordable housing in Victorville. According to information provided to the Department, entities which may be interested in such developments in San Bernardino County are indicated on a roster which is available in *Building Blocks'* technical assistance tool at <http://www.hcd.ca.gov/hpd/hrc/tech/presrv/hpd00-01.xls>. The element should reference this or other appropriate resource for this information.

C. Housing Programs

1. *Include a program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land-use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions (Section 65583(c)).*

To fully address the program requirements of Government Code Section 65583)(c)(1-6), and in order for the City's proposed housing development and assistance strategies to be effective during the planning period, programs and corresponding actions should demonstrate the City's commitment to implementation. Effective programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; and (3) identification of responsible agencies and officials. Programs to be revised and strengthened include, but are not limited to the following:

Housing Rehabilitation Program: How will the program be marketed?

Senior/Disabled Repair Grant Program: How will Victorville promote this program to its residents?

Housing Subsidies: How many units will Victorville build using housing subsidies?

Programs and Policies: The element outlines programs and policies on pages 74 through 78 and on pages 80 through 82 contain a “Housing Implementation Plan Table” which outlines programs and timelines. It is unclear, however, how these relate. For example, while page 76 includes four implementation programs related to fair housing issues, the implementation plan table lacks specificity as to how these programs will be implemented. The element should be revised to develop consistency between Victorville’s programs and policies.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in finding B4, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or strengthen programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

Where there is a shortfall of sites to meet the City’s RHNA, the element must include a program to make sites available in accordance with subdivision (h) of 65583.2 to meet 100 percent of the remaining lower-income housing need with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site. Also, at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses. In addition, at a minimum, the element should be revised as follows:

- If the City is relying on mixed-use and underutilized sites, the element should detail how the Victorville will encourage such development. For example, Victorville could develop incentives including: organizing special marketing events geared towards the development community, posting the sites inventory on the local government’s webpage, identifying and targeting specific financial resources and reducing

appropriate development standards to encourage and facilitate mixed-use development. Based on these incentives and strategies to encourage mixed-use development, the element should include an estimate realistic mixed-use development potential in the planning period.

- As noted in finding B4, the element should include a program to amend the zoning ordinance to expressly create a zone where emergency housing is permitted in accordance with SB2.
3. *The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of extremely low-, low- and moderate-income households (Section 65583(c)(2)).*
- While the element includes some programs to preserve existing housing opportunities, and assist the development of low- and moderate-income households, programs should be included to specifically assist in the development of a variety of housing types. For example, on page 52 of the element, the City states a need for more affordable rental housing to meet the needs of extremely low-income and special needs households. The element should contain a program to address this need.
4. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding B5, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

5. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (8) of subdivision (a) (Section 65583(c)(6)).*

The element identifies (page 38) at least three projects at-risk of converting to market-rate uses in the planning period and includes Program 3.3.1 to address those at-risk units. Preserving the existing stock of housing affordable to lower-income households is of the utmost importance and this program should be strengthened to include more proactive efforts. Specifically, the City could commit to specific actions to strengthen relationships with nonprofits and develop a plan or strategy for quickly moving forward in the case units are noticed to convert to market-rate uses in the planning period including efforts to ensure tenants receive proper notifications. Additional information and resources are available at the California Housing Partnership Corporation (<http://www.chpc.net/>). Sample programs are included in the *Building Blocks'* section on Preserve Units At-risk of Conversion to Market Rate Uses at http://www.hcd.ca.gov/hpd/housing_element/screen34_atriskprogram.pdf.

D. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(7)).

While the element describes outreach efforts to the community for public participation, the element should also describe the nature of the input from the community and how the information was used in the housing element.