
HOUSING ELEMENT

INTRODUCTION

PURPOSE AND CONTENT

The purpose of the Housing Element of the Redding General Plan is to identify and analyze the City's housing needs, to establish reasonable housing goals and objectives based on those needs, and to develop a program of action which, over the stated planning period, will advance the City toward achieving the established goals and objectives.

LEGISLATIVE AUTHORITY

The State Legislature has determined that the availability of housing is of vital importance to the well-being of the state's populace and has mandated the preparation of community housing elements as part of local general plans (Government Code Sections 65302 and 65580, et seq.). Under current law, the code specifies, in brief, that the Housing Element shall contain:

1. An assessment of local housing needs and an inventory of resources and constraints relevant to the meeting of these needs.
2. A statement of the community's goals, policies, quantified objectives, and financial resources relative to the maintenance, improvement, and development of housing.
3. A program which sets forth a schedule of actions that the local government is undertaking, or intends to undertake, over the planning period to implement the policies and achieve the goals and objectives of the Housing Element.

Current State Housing Element Law, as contained in Section 65588 of the Government Code, mandates that each local government shall review its Housing Element as frequently as appropriate to evaluate the following: (1) the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal; (2) the

effectiveness of the element in attainment of the community's stated housing goals and objectives; and (3) the progress made in implementation of the Housing Element.

CONSISTENCY WITH OTHER ELEMENTS OF THE GENERAL PLAN

Government Code Section 65300.5 states that the goals and policies of the Housing Element must be consistent with other elements of the General Plan. This is accomplished through the process of annual reviews of the implementation of this Element, as well as the Annual Report on the General Plan prepared for the Governor's Office of Planning and Research.

Redding adopted a complete revision of its existing General Plan in 2000. This included an update of the Housing Element (Element), necessary to ensure that the Element was consistent with the rest of the General Plan, even though the Element was not required to be updated until 2003. Specific attention was given to those portions of the Element that were affected by changes made in the City's General Plan Diagram and related development policies. The Element was updated again in 2004 and 2009 to comply with the schedule established by state law.

The City has reviewed the goals, policies, and action programs of this Element relative to its consistency with the other elements of the Redding General Plan. Although recent changes in state law require that the City establish a rezoning program to increase allowable densities in certain multiple-family districts and to accommodate emergency shelters as a permitted use (no use permit required), these and similar minor changes have not lead to inconsistencies with other goals, policies, or programs within the General Plan.

FOCUS OF 2009 UPDATE

This 2009 update primarily focuses on the following areas, although other sections of the Element have been updated as well:

1. Changes to State Housing Law that have been adopted since 2004, including an expanded

housing needs analysis and discussion of provisions for emergency shelters, transitional housing, and supportive housing serving the homeless.

2. Updating the Regional Housing Needs Allocation Plan to be consistent with data developed by the State Department of Housing and Community Development (HCD).
3. Updating and providing the required analysis of sites suitable to meet the housing needs for all income segments of the community.
4. Assessing the accomplishments of programs undertaken in the previous planning period (2003–2008) and formulating new programs and objectives to respond to identified community needs over the next 5-year planning period (2009–2014).

COMMUNITY PARTICIPATION

The City hosted two public workshops to solicit community input on the Housing Element and housing issues. The first was held in January 2009, the second in February 2009. Various local housing/service providers, business groups, contractors with experience in providing housing for low income (LI) households, and other individuals and groups that indicated interest in participating in the update of the Housing Element were invited to attend the January workshop. During the workshop, the accomplishments of the previous planning period were reviewed. Further, those in attendance provided input on the effectiveness of existing programs, how those programs could be modified to better suit the needs of the community, and whether new programs were warranted. Their recommendations were broad, but also pragmatic. Clearly, members understood that funding limitations restrict the ability to "solve" housing problems in the community. However, they suggested that the City examine other programs, such as: (1) considering adoption of an inclusionary Zoning Ordinance; (2) relaxing the City's "Second Dwelling" ordinance to allow larger second units to be constructed; (3) considering modification of the

Zoning Code to establish specific standards for lower income single-family housing that address reduced lot sizes, setbacks, and other standards that will assist in making a single-family product affordable to more households; and (4) considering establishment of a program that, at least on a periodic basis, would allow the Redding Redevelopment Agency (Agency) to provide significant funding (\$3–5 million) for a single affordable project, rather than continuously funding smaller projects.

The February workshop solicited input on housing programs from the general public. During this broadly advertised event, attendees were introduced to various housing issues and programs via a set of large display boards and handouts. Staff of the Redding Redevelopment Agency and Housing Division of the City were available to discuss the various programs and to answer questions. Survey forms were provided and the following suggestions made:

1. Increase transitional-housing opportunities for homeless families and individuals.
2. Develop more affordable rental units.
3. Rezone larger parcels of land within the core of the City to higher residential densities.

The Action Program of this document includes a number of activities designed to either implement or determine the appropriateness of these and other suggestions.

On March 16, 2009, the City Council and Redding Redevelopment Agency conducted a joint special meeting to review existing housing element goals and basic programs as well as proposed modifications to those programs. The Council and Agency indicated their concurrence with the approach.

On January 12, 2010, the Redding Planning Commission held a noticed public hearing to receive comments on the draft Housing Element. At the conclusion of the hearing, the Commission recommended adoption of the Element by the City Council. The Council adopted the Element on February 2, 2010.

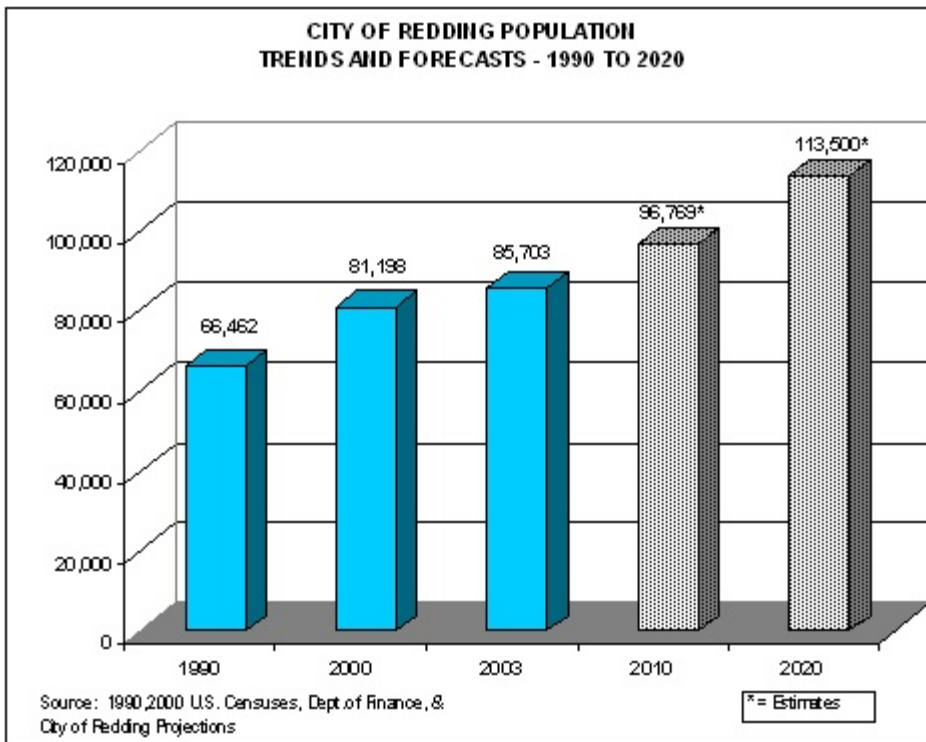
COMMUNITY PROFILE

HISTORIC AND CURRENT POPULATION PROFILE

The 1990 Census reported a population of 66,462 (or 26,105 households), an increase of over 58 percent since 1980. The 2000 Census reported a population of 81,198 (or 32,191 households), an increase of over 22 percent since 1990. The California Department of Finance (DOF) provides annual population estimates for California counties and cities. The Department of Finance population estimate for the City of Redding was 90,491 as of January 1, 2008. This figure implies an average growth rate of about 1 percent each year since 2003.

The City's General Plan estimates that the City of Redding's population may reach 113,500 by the year 2020 based on a study conducted in October 1998 by The Economic Sciences Corporation. The projection included numerous factors which could affect population growth, such as fertility, mortality, in-migration, annexations, etc. Assuming all factors were to remain predictable, Redding's population is projected to reach 113,500 by the year 2020, reflecting an annual average growth rate of about 1.8 percent per year. Figure 1 shows Redding's historical population

FIGURE 1



from 1980–2000 and its projected population through 2020. As discussed below under "General Plan and Zoning Capacity," recent trends indicate that the above growth assumptions may be too high and that a more realistic rate for the planning period may be closer to 1.4 percent.

INCOME

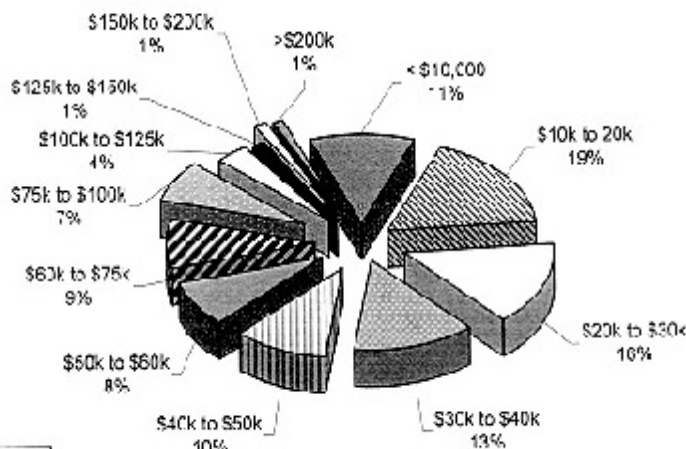
The 2000 Census indicates that the median household income in the City of Redding for a 4-person household was \$34,194. In comparison, the state median household income as indicated in the 2000 Census was \$46,561. The State Department of Housing and Community Development (HCD) publishes an annual determination of household incomes for all counties in the state. Income data for Shasta County indicates that the 2008 median income for a 4-person household was \$53,800.

For demographic purposes, household income can be further broken down into several distinct income levels. The standard terminology used for these various income levels is: extremely low, very low, low, moderate, and above moderate income. These terms are used to describe relative income ranges tied to the median income of all households within a given community. Thus, *extremely low income* (ELI) means an income below 30 percent of the median income; *very low income* (VLI) means an income below 50 percent of the median income; *low income* (LI) means an income between 51 and 80 percent; and *moderate income* (MI) means an income between 81 and 120 percent (for federal programs, between 81 and 95 percent of median). *Above moderate income* (AMI) refers to an income that is generally 121 percent and above (federal programs, 96 percent and above). The term *lower income* includes low income, very low income, and extremely low income, or all households that do not exceed 80 percent of median household income.

Figure 2 shows the distribution of household income for Redding as reported by the 2000 Census.

FIGURE 2

**PERCENTAGE DISTRIBUTION OF HOUSEHOLD INCOME
CITY OF REDDING
2000**



Source: Census 2000

Information provided by HCD, based on the 2000 Census, indicates the following breakdown by percentage of each income group within the community:

- ▶ Very Low Income 24 percent
- ▶ Low Income 16 percent
- ▶ Median Income 18 percent
- ▶ Above Median Income 42 percent

However, in order to better balance the various income groups among unincorporated Shasta County and its cities, HCD has required that for Housing Element purposes, the following breakdown be used by Redding as provided in the Final Allocation Plan for Shasta County’s Regional Needs:

- ▶ Very Low Income 23.7 percent
- ▶ Low Income 16.5 percent
- ▶ Moderate Income 18.6 percent
- ▶ Above Median Income 41.3 percent

Extremely Low Income Households

Changes made to state law in 2006 require that the number of ELI households be estimated and that the Element analyze potential programs to address the needs of this income group. Extremely low income is defined as households with income less than 30 percent of area median income. The area median income in the county is \$53,800. For extremely low

income households, this results in an income of \$16,140 or less for a 4-person household. Households with extremely low income have a variety of housing situations and needs. For example, most families and individuals receiving public assistance, such as social security insurance (SSI) or disability insurance, are considered extremely low income households. At the same time, a minimum wage worker could be considered an extremely low income household with an annual income of approximately \$16,000 or less. The

following are examples of occupations with wages that could qualify as extremely low income households depending on the number of hours worked during the year. The nature of these jobs is often part-time and/or seasonal.

OCCUPATION TITLE	MEDIAN HOURLY WAGE
Cashier	\$8.98
Housekeeper	\$8.67
Hair Dresser	\$8.84
Host and Hostess	\$8.32
Waiter and Waitress	\$8.33
Food Preparation- and Serving-Related Worker	\$8.00

Source: Employment Development Department, Occupational Employment Projections

Existing Needs

In 2000, approximately 3,603 extremely low income households resided in the city. Most (76.9 percent) extremely low income households are renters and experience a high incidence of housing problems. For example, 86.5 percent of extremely low income households faced housing problems (defined as cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities) and 84.5 percent were in overpayment situations. Even further, 73.5 percent of extremely low income households paid more than 50 percent of their income toward housing costs,

compared to 27 percent for all households. Based on the ratio of very low income households to total population of the city, it is estimated that there were 4,330 ELI households in 2008.

Projected Needs

To calculate the projected housing needs for the current planning period, the City assumed that 50 percent of its very low income regional housing needs are extremely low income households. As a result, from the very low income need of 1,785 units, the City has a projected need of 893 units for extremely low income households. Many extremely low income households will be seeking rental housing and most likely facing an overpayment, overcrowding, or substandard housing condition. Some extremely low income households could be with mental or other disabilities and special needs. To address the range of needs, the City will employ a housing strategy that facilitates a variety of housing types (i.e., single-room occupancy/efficiency units and supportive housing) and provides rental assistance through the HUD Section 8 Rental Assistance Program. With respect to single-room occupancy units, the City considers this development type to be no different than any other multiple-family use. Thus, single-room occupancy (SRO) units are allowed in the "RM" Residential Multiple Family Districts, as well as the "GC" General Commercial Districts, subject to meeting the "efficiency unit" requirements of the California Building Code.

Supportive housing is generally defined as permanent, affordable housing with on-site services that help residents transition into stable, more productive lives. Services may include childcare, after-school tutoring, career counseling, etc. Most transitional housing includes a supportive-services component. The City regulates transitional and supportive housing as residential uses. The Zoning Code does not limit the number of unrelated individuals that may live together as a single housekeeping unit.

ETHNICITY

The U.S. Census Bureau provides population, demographic, and housing unit estimates through its "American Community Survey" (ACS) effort between the census years. The 2005–2007 ACS 3-year estimates for Redding indicate that minorities, excluding Hispanics, comprise approximately

8.7 percent of Redding's population: Black (1.8 percent); American Indian or Alaska Native (4.4 percent); and Asian (3.5 percent). Hispanics of any race comprise approximately 7.4 percent of the population.

Lower income minority families, along with all lower income households of the community, face common problems and hardships in regard to meeting their housing needs.

HISTORIC AND CURRENT EMPLOYMENT TRENDS

The unemployment rate for the Shasta County Labor Market Statistical Area, which includes the City of Redding, averaged 7.3 percent between 2003 and 2007, as follows:

- ▶ 2003 7.6 percent
- ▶ 2004 7.6 percent
- ▶ 2005 7.3 percent
- ▶ 2006 6.6 percent
- ▶ 2007 7.5 percent

The average 2008 unemployment rate was 10 percent, reflecting the impacts of the nationwide recession.

Redding's employment opportunities are greatest in the lower-paying industries (i.e., service industries associated with tourism and business services and the wholesale and retail trade industry.) In addition to paying lower overall wages, service and/or retail industries typically have a higher percentage of persons working part-time or seasonally than do other types of industries. Higher-paying jobs associated with the construction trades have been significantly impacted by the downturn in new housing starts and commercial construction activities that began in 2006.

HISTORIC AND CURRENT HOUSING PROFILE

According to the "2005–2007 American Community Survey," there were 37,827 housing units within the City of Redding. Of the 35,621 occupied units, 19,731 were owner-occupied and 15,890 were renter-occupied. The State Department of Finance has estimated the total number of dwelling units within the City of Redding as of January 2008 to be 38,018, an increase of 4,191 units, in available housing units. An additional 229 dwelling units were constructed in calendar year 2008, for a total of 38,247 dwelling units.

According to figures compiled by the City of Redding Development Services Department, new housing units constructed from January 2007 through December 2008 had the following characteristics:

- ▶ 83 percent were single-family homes
- ▶ 17 percent were multiple-family units

TYPE, AGE, AND CHARACTERISTICS OF HOUSING STOCK

The 2000 Census indicates that Redding's housing stock consists of approximately 43 percent multiple-family structures and 57 percent single-family units.

As reported in the 2000 Census, Redding has 25,734 housing units, that were built prior to 1990. These +20-year-old structures comprise 67.3 percent of Redding's housing stock. Of these units, 19,650 were built between 1960 and 1989; 5,070 were built between 1940 and 1959; and 1,014 were built prior to 1940. Overall, approximately 33 percent of Redding's available housing stock is less than 20 years old.

Generally, there is a correlation between the age of a community's housing stock and the relative condition of that housing stock. Typically, dwelling units over 40 or more years of age are the most likely to need both moderate and major rehabilitation work to elevate them to a "standard" condition.

Condition

In order to more accurately assess the true condition of the community's housing stock, the City conducted a housing-conditions survey in 2004. That survey, which utilized both statistical sampling and field verifications, focused on census tracts where residential structures were predominantly constructed prior to 1960. As noted above, housing age can serve as an indicator of the potential housing rehabilitation need within the city. Unless scrupulously maintained, the older housing stock can pose health, safety, and welfare problems for occupants. Even with normal maintenance, dwellings over 40 years of age can deteriorate, necessitating significant rehabilitation.

The following ranking system was utilized to determine the condition of the housing stock:

Good. No more than 2 minor defects (i.e., needs painting, nonstructural repairs, minor roofing repairs, or similar work).

Fair. No more than 3 minor defects.

Substandard. No more than 4 minor defects or one major defect (i.e., obvious foundation problems, open holes in walls, fire/water damage, and similar defects).

Dilapidated. Five or more minor defects, 2 or more major defects, or one or more critical defect (i.e., major fire damage, or severe structural damage requiring total demolition/reconstruction).

Extrapolating the results of the sampling and accompanying visual assessment of the physical condition of the housing units within the sampling areas, it is estimated that approximately 2.1 percent (820 units) may be in a dilapidated condition and in need of major rehabilitation or replacement. Approximately 250 units (less than 1 percent of the housing stock) are estimated to be in a substandard condition and in need of major rehabilitation. Approximately 200 units are anticipated to be in fair condition and require minor rehabilitation. Together, this represents 3.3 percent of Redding's 2008 housing stock.

VACANCY RATES

According to the 2000 Census, Redding's vacancy rate for all types of owner-occupied dwelling units was reported to be approximately 1.9 percent. For rental units alone, the reported vacancy rate was approximately 4.6 percent.

Vacancy rates, as an indicator of market conditions, typically run a fine line between an overbuilt market (typically considered above 7 percent vacancy) and an underbuilt market (generally anything under 3 percent). In a healthy market, there should be some number of vacant units in all sizes, locations, and price ranges.

Vacancy rates for the planning period are projected to be 1.8 percent for homeowners and 5 percent for rentals based on information developed by the Department of Finance and provided by HCD as part of the RHNA process. In 2008, however, information obtained from Real Property Management, a firm representing over 600 rental units, estimated an

overall rental vacancy rate of 6 percent in November 2008.

Vacancy rates are an important tool used in market analysis; however, in order to fully analyze the effect of vacancies upon a specific housing market, it is necessary to delve deeper into vacancy issues by type, location, price range, number of bedrooms, and size of unit. There could exist a surplus of units at one level and a scarcity of units at another that, when averaged together, indicate a vacancy rate indicative of neither. There is no information currently available that compares variation in the vacancy rate based on price of unit or size of unit in the Redding area.

High vacancy rates, however, do not necessarily mean that rental units will become more affordable as a private-market reaction. Experts suggest that during periods of high vacancies, owners of rental properties will utilize financial incentives, such as reduced deposits and move-in allowances, even offering periods of free rent, in order to entice prospective renters, rather than actually lowering rental rates.

Based upon information gathered from its clients in their search for rental housing in the Redding area, the Redding Housing Authority has indicated that the local rental market improved in 2008 for all unit sizes in an affordable price range. However, affordable +3-bedroom units continue to be scarce for lower income families. Approximately 17.5 percent of the households currently on the Housing Authority waiting list qualify by family size for units of this size. According to City of Redding Building Division records, of the 31 multiple-family units that received building permits during the period January 2007 through December 31, 2008, 17 units were constructed with 3 or more bedrooms.

LOW INCOME (LI) ASSISTED HOUSING

As of December 2008, 1,528 very low income (VLI) households within the City of Redding were receiving government-assisted housing subsidies administered through the Redding Housing Authority.

All subsidies administered by the Redding Housing Authority are under the Section 8 Housing Choice Voucher Program. Assisted units are scattered throughout the City, with the highest concentration in neighborhoods with lower-priced, multiple-unit complexes available. Another 287 site-specific HUD

rental subsidies are available for use at 10 multiple-family rental complexes in Redding that utilized HUD 811, 202, 231, or 236 financing assistance. These complexes are Redding Pilgrim House, Butte House, Cottonwood House, Kutras Gardens, Treehouse Senior Apartments, Wilshire Place, Della Williams Gardens, Whispering Oaks, and the Lorenz Hotel. Of the available subsidies, 230 are reserved for seniors and 57 for disabled individuals.

In addition, there are more than 280 HOME-assisted rental units scattered throughout the community, which also offer project-based subsidies to lower income tenants with affordability periods ranging from 5, 10, 20, to even 55 years. An estimated 20 units become available annually through the HOME Program.

Currently, priority for rental assistance is determined by date of application to the waiting list as well as City of Redding residency or employment within the city limits and veteran status. Priority is also given to those households that have been displaced by local government action. In 2006, the RHA amended its Administrative Plan to add victims of domestic violence who are also experiencing a housing need as a local ranking. The Redding Housing Authority has maintained an open waiting list since October 1, 1998. Approximately 2,186 households are now on the waiting list. As of December 2008, all available subsidies had been completely allocated to eligible households. The Redding Housing Authority estimates that the average length of time between application date and receipt of rental assistance ranges from one to 3 years for City of Redding residents.

AFFORDABLE HOUSING UNITS ELIGIBLE TO CONVERT TO OPEN MARKET DURING 2003–2013

The State Government Code requires that a community's Housing Element contain analysis and program efforts for preserving assisted-housing developments in the community that are eligible to convert to non-low-income use within 10 years of the statutory adoption "due date" of the Housing Element. The purpose of the analysis is to identify actions the jurisdiction can take to preserve at-risk units, to adequately plan for preventing or minimizing tenant displacement, and to preserve the local affordable housing stock. State law requires that the inventory include all multiple-family rental units that are assisted under any of the programs listed below:

1. HUD Programs:
 - ▶ Section 8 Lower Income Rental Assistance project-based programs.
 - ▶ New Construction.*
 - ▶ Substantial or Moderate Rehabilitation.
 - ▶ Property Disposition.*
 - ▶ Loan Management Set-Aside.
 - ▶ Section 101 Rent Supplements.*
 - ▶ Section 213 Cooperative Housing Insurance.*
 - ▶ Section 221(d)(3) Below Market Interest Rate Mortgage Insurance Program.
 - ▶ Section 236 Interest Reduction Payment Program.
 - ▶ Section 202 Direct Loans for Elderly or Handicapped.
 - ▶ Community Development Block Grant Program.*
2. FmHA Section 515 Rural Rental Housing Loans.*
3. State and local multiple-family revenue bond programs.*
4. Redevelopment programs.*
5. Local in-lieu fee programs or inclusionary programs.*
6. Developments which obtained a density bonus and direct government assistance pursuant to Government Code Section 65916.*

All categories marked with an asterisk (*) do not have units in the community which are considered at-risk during the subject 10-year period.

Table 1 illustrates the projects that contain affordable units in the community which were identified as being at-risk in the City of Redding during the 10-year period. The listed at-risk units are subject to a variety of different regulatory requirements which, when combined with market conditions, determine the actual likelihood of loss of the affordable units. Following the table is a summary of the current status of those units that are considered to be at-risk through July 2013.

TABLE 1

INVENTORY OF LOW INCOME RENTAL UNITS IN THE CITY OF REDDING SUBJECT TO TERMINATION OF FEDERAL MORTGAGE AND/OR RENT SUBSIDIES BY JULY 2013				
JULY 2003 – JUNE 2013				
PROJECT NAME AND ADDRESS	TYPE OF PROGRAM	EXPIRATION DATE	NUMBER OF ELDERLY UNITS	NUMBER OF NON- ELDERLY UNITS
Della Williams 3221 Bechelli Lane Redding, CA 96002	Section 811	07/31/2001 ¹	-0-	22
Kutras Gardens 540 South Street Redding, CA 96001	231 Elderly Section 8	12/31/1999 ¹	84	-0-
Redding Pilgrim Housing 900 Canby Road Redding, CA 96002	Section 202 Elderly	12/01/2006 ¹	50	-0-
Redding/RHIF Housing, Inc. 2142 Butte Street Redding, CA 96001	Section 202 Elderly	06/06/2002	12	-0-
The Lorenz 1509 Yuba Street Redding, CA 96001	PD/Section 8 Existing	08/31/2009	78	-0-

¹ Original expiration date. Thereafter on an annual basis.

Current Status of Units Identified as At Risk Through 2013:

- ▶ *Della Williams*. This Section 811 Supportive Housing for Persons with Disabilities complex is already renewing annually its Project Rental Assistance Contract. The Housing Manager clearly stated their intentions to maintain this site as affordable housing for the disabled. There are additional affordability restrictions imposed by the Redding Redevelopment Agency. The affordability period actually extends to 2032.
- ▶ *Kutras Gardens*. According to the on-site manager, Kutras Gardens' management will not continue to process yearly renewals to maintain the affordable housing for seniors. Management has already initiated the appropriate steps to terminate its HUD contract by May 31, 2010. The Redding Housing Authority will be in contact with the local HUD office to determine if preservation vouchers are available to assist the affected households.
- ▶ *Redding Pilgrim House*. The Foundation which owns Pilgrim House is committed to maintaining affordable housing for seniors. Although its initial 20-year contract with HUD has expired, according to its manager, it will continue to accept annual renewals from HUD.
- ▶ *Redding/RHIF Housing, Inc.* This complex provides 12 beds for developmentally disabled adults as a board and care facility. The manager stated that the annual renewal process is in place, and they are committed to maintaining their contract with HUD.
- ▶ *The Lorenz Hotel*. This facility provides project-based Section 8 benefits to its tenants. According to the Administrator, the management fully intends to participate in any renewal of benefits offered by HUD when the initial contract expires in 2010.

Current Status of Units Previously Identified as At Risk Through 2008:

- ▶ *Moderate Rehabilitation, Increments 1 through 5*. In 2006, the last remaining Moderate Rehabilitation complex, consisting of 25 units, was sold. At the appropriate time, the Redding Housing Authority offered to the new owner the

option of remaining in the Moderate Rehabilitation Program or converting the 25 units to the Section 8 Housing Choice Voucher Program. The owner selected to terminate the Moderate Rehabilitation Program. By the end of 2006, the Moderate Rehabilitation Program ceased to exist. All units (227) covered by that program had been converted to the tenant-based Section 8 Housing Choice Voucher Program.

In addition to the above-listed units, the units rehabilitated under the HOME program also have affordability periods that will be expiring. During this report period, 11 units will no longer have to meet the HOME-prescribed rent factors. At this time, there no programs in place to protect the tenant if the owners of these units elect to raise the rents to market rate.

Cost Analysis of Preserving Versus Replacing At-Risk Units

According to Section 65583(a)(8)(B) of Housing Element Law, the cost of producing new rental housing, comparable in size and rent levels to replace the "at-risk" units and the cost of preserving all the units for the planning period, must be included in the Housing Element.

The at-risk units range in size from 1 to 3 bedrooms and are comprised of multiple-family units in 2- to 5-unit configurations and single-family homes. It is assumed that if replacement units were to be developed, multiple-family units would be utilized, not single-family homes. For that reason, the following analysis only considers the cost for replacement through multiple-family development.

General development costs for multiple-family projects are discussed in detail in the sections entitled: "Governmental Constraints on Maintenance, Improvement, and Development of Housing" and "Nongovernmental Constraints on Maintenance, Improvement, and Development of Housing." Based upon a low average construction cost for multiple-family units of \$100 per square foot; a low average land cost of \$15,000 per unit; indirect costs (construction interest, off-site and on-site improvements, architectural, and civil engineering) of \$5,000 per unit; and average per-unit fees of \$19,500, each 800-square-foot, 1-bedroom unit would cost approximately \$119,500. Replacement cost for each 900-square-foot, 2-bedroom unit would be

approximately \$129,500; and each 1,000-square-foot, 3-bedroom unit would cost approximately \$139,500. The estimated cost to replace the remaining 246 "at-risk" units would be approximately \$29,397,000, assuming that all units were single-bedroom units.

As stated previously, many of the units are older and some are in need of rehabilitation work. Projected acquisition costs must include the cost of any rehabilitation work necessary to bring the units up to a standard level. Basic acquisition cost for units of comparable age and condition would be approximately \$155,000 for a single-family unit and approximately \$65,000 per unit for the multiple-family structures. The rehabilitation staff with the City's Housing Division, drawing from many years of experience with rehabilitation programs targeting similar rental units, estimates that the average per-unit rehabilitation cost for units of comparable size, age, and condition is approximately \$20,000. Using an average acquisition cost of \$65,000 per multiple-family unit, coupled with an average rehabilitation cost of \$20,000 per unit, the cost of acquiring and preserving the 246 "at-risk" units is approximately \$20,910,000.

The cost of keeping the rents at an affordable level for units which have been either acquired or newly constructed is dependent upon the type of financing used to purchase or construct the units. Market-rate financing would require a much larger monthly revenue stream to cover the higher cost of the financing. It is likely that revenues from affordable rents would not be sufficient to cover the cost of debt service on the units. A substantial part of either construction or acquisition cost would need to be underwritten by some form of deep subsidy. A full pro forma on each individual project would be necessary to arrive at more than a broad estimate of costs involved. The following rent subsidy cost estimate is based upon the 2008 average annual Section 8 subsidy. Using the average monthly Section 8 subsidy cost for 2008 (\$382 per unit), the estimated annual subsidy cost necessary to keep similar units affordable for VLI households would require an annual subsidy of \$1,127,664.

Resources for Preservation

A number of separate entities have expressed interest in being notified, under the first right of refusal option, if affordable housing projects become available in the Redding area. These include the

Redding Housing Authority (RHA) and the Community Revitalization Development Corporation, as well as two housing development organizations from outside the area. In addition, Northern Valley Catholic Social Service Inc., a local not-for-profit housing service provider, has the ability to acquire and manage assisted housing projects. In order to ensure continued affordability of the units, acquisition by any of these entities would very likely require continued rental assistance by HUD or a deep subsidy from federal, state, or local sources applied towards the acquisition costs.

It is unlikely that sufficient local funding sources will be available to fully subsidize acquisition, rehabilitation, or development of new affordable units to replace those at risk of being lost over the remaining 4-year period. The City receives approximately \$1.6 million in combined Federal Community Development Block Grant (CDBG) and HOME funds annually. Many of these funds are allocated through a highly competitive process and have historically been utilized for a variety of community projects, including housing.

The Redding Redevelopment Agency generates approximately \$3 million in its Low and Moderate Income Housing Fund (LMIHF) annually. This fund is utilized locally in a variety of ways to improve the housing opportunities for the area's lower and moderate income households.

The Redding Housing Authority administers approximately 1,528 rental subsidies for which it receives administrative fees. During Calendar Year (CY) 2008, the RHA received approximately \$1 million in administrative fees. These fees are utilized by the Housing Authority to cover the cost of administering the Section 8 rental-assistance program in the community. Over the next 4 years, it is anticipated that approximately \$4.4 million will be received through this source. It is not anticipated that funds in excess of the amount needed to run the program will be available, since HUD did change its methodology in paying housing authorities the administrative fees. For a period of 2 years, housing authorities received a fixed amount based on a HUD formula. In comparison, in CY 2007, the Redding Housing Authority received \$832,369 in administrative fees, which is considerably lower than the amount earned in 2008 with a formula based on the units leased on the first of each month.

Currently, there are a limited number of other funding sources available for affordable-housing projects. All have highly competitive application processes. It is unclear in the current economic climate whether these mostly state-administered resources will be available over the next planning period. In addition, various mortgage-bond programs and federal tax credits might be accessed to enhance a project's affordability. Another avenue for reducing the cost of development is the use of the local Density Bonus Program.

It is anticipated that by July 2009, a new funding tool, the Redding Affordable Housing Fund, will be in place. An ad hoc committee, along with representatives from Shasta Regional Community Foundation and Northern California Community Loan Fund, has developed the initial framework for the fund and has augmented the initial balance of \$1 million by

the addition of financial commitments of \$1.5 million from Catholic Healthcare West and \$1 million from Northern California Community Loan Foundation. The intent of the fund is to provide a short-term loan to a developer.

In summary, creative projects—whether acquisition or new development, which combine a variety of local, state, federal, and private dollars—have a greater likelihood of success in the current housing market. The City is committed to working towards enhanced housing affordability for the community's lower income households and, as it has in the past, will consider commitment of housing funds, such as the redevelopment low income housing set-aside and its Community Development Block Grant, as well as HOME funds, toward that end.

HOUSING NEEDS ASSESSMENT

State Housing Element Law requires that a community analyze both its existing housing needs and its projected housing needs for the required planning period. Such existing and projected-needs analyses must include consideration of the locality's share of the regional housing need as provided by the local Council of Governments (CoG) or, in Redding's case where there is not a CoG, as provided by the State Department of Housing and Community Development (HCD).

This section includes an analysis of local housing-market characteristics for both renters and homeowners; an analysis of the special housing needs of the area's population, particularly for the following identified groups—the elderly, the handicapped, large families, families headed by a single-female parent, minorities, and the homeless; and an analysis of the projected new construction housing needs of the Redding area, utilizing the regional housing share figures provided by HCD in 2008. It concludes with an inventory of residentially classified land based upon property zoning.

Much of the basis for this section is statistical data provided through the U.S. 2000 Census.

HOME OWNERSHIP/HOUSING COSTS/ABILITY TO PAY

In 2000, the Census reported that out of a total of 32,137 households, 56.8 percent (18,247 households) resided in housing units that they owned. The 2000 Census data showed that approximately 27 percent (4,927) of all homeowner households surveyed were overpaying for housing. Table 2 shows the distribution, by income, of those owner-occupied households paying 30 percent or more of their income for housing costs. Among the lower income

homeowners (\$35,000 or less), approximately 60 percent (2,911 households) were overpaying for housing.

A commonly accepted definition of "affordable," as it relates to housing costs, is when a household pays no more than 30 percent of its gross monthly income for housing expenses. For a homeowner, these expenses are principal and interest payments for mortgages, as well as property taxes and homeowner's insurance. For a renter, housing expenses include the basic monthly rent, plus utility costs. Housing payments totaling more than 30 percent of the household's income constitute "overpaying." A household with monthly housing costs totaling more than 50 percent of income is considered extremely cost-burdened.

In Redding, as throughout the country, the dream of homeownership is an integral part of American life. It continues to be a goal for many citizens and, historically, has been used as an indicator of status and prosperity.

Based on information provided by the Shasta County Board of Realtors, the median price of a new single-family home built in the City of Redding in 2008 was \$359,000. The median selling price of all single-family detached homes within the City of Redding was reported to be approximately \$240,000.

In 2008, interest rates in the Redding area generally ranged between 5.5 percent and 6.5 percent on a 30-year fixed rate mortgage. Even though these rates are favorable, the tightness in the credit market resulting from the nationwide mortgage problem resulted in the sales of new and pre-owned homes dropping in 2008 from that seen in the recent past.

TABLE 2

NUMBER OF HOMEOWNERS PAYING 30 PERCENT OR MORE OF HOUSEHOLD INCOME FOR MONTHLY COSTS BY INCOME CATEGORY		
ANNUAL INCOME	NUMBER OF REPORTING UNITS	PERCENT OF INCOME CATEGORY
Less than \$10,000	446	86.6 percent
\$10,000 to \$19,999	986	64.4 percent
\$20,000 to \$34,999	1,479	50.0 percent

Source: 2000 Census

TABLE 3

MAXIMUM HOME PURCHASE AFFORDABILITY CHART				
INCOME GROUP	PURCHASE PRICE	REQUIRED 3% DOWNPAYMENT	INTEREST RATE	FIRST MORTGAGE*
<i>LOW</i> (<80% of median) Maximum annual income for family of 4 = \$43,050 Maximum monthly income for family of 4 = \$3,588 Maximum "affordable" (30% of gross income) housing payment = \$1,076	\$154,000 \$142,000 \$120,000	\$4,620 \$4,260 \$3,600	6% 7% 8%	\$149,380 (\$1,092 PITI) \$137,740 (\$1,097 PITI) \$116,400 (\$1,088 PITI)
<i>MEDIAN</i> (81 - 100% of median) Maximum annual income for family of 4 = \$53,800 Maximum monthly income for family of 4 = \$4,483 Maximum "affordable" (30% of gross income) housing payment = \$1,345	\$174,000 \$162,000 \$152,000	\$5,220 \$4,860 \$4,560	6% 7% 8%	\$168,780 (\$1,355 PITI) \$157,140 (\$1,352 PITI) \$147,440 (\$1,356 PITI)
<i>MODERATE</i> (101-120% of median) Maximum annual income for family of 4 = \$64,600 Maximum monthly income for family of 4 = \$5,383 Maximum "affordable" (30% of gross income) housing payment = \$1,615	\$212,000 \$200,000 \$187,000	\$6,360 \$6,000 \$5,610	6% 7% 8%	\$205,640 (\$1,623 PITI) \$194,000 (\$1,644 PITI) \$181,390 (\$1,650PITI)

* Assume a 30-year, fixed-rate, conventional mortgage.

Table 3 presents the affordability of homes in several price ranges, under several different interest-rate scenarios for low, median, and moderate income households. It illustrates that homeownership opportunities are more limited as incomes decrease and as interest rates increase. In addition to generally being unable to support the level of monthly mortgage payment required for all but the least expensive homes available, lower income households have a more difficult time accumulating the amount necessary for the required downpayment and closing costs.

RENTALS/ABILITY TO PAY

According to the 2000 Census, 43.2 percent (13,890) of all occupied housing was classified as renter-occupied. The Census also reported that approximately 48 percent (6,667) of all renter households were overpaying for housing. Among the lower income renter households (less than \$35,000 income), approximately 70 percent (6,454) were paying in

excess of 30 percent of the household's monthly income for housing as shown in Table 4. There is a continuing need for rental-assistance programs targeting extremely low and very low income renter households. There is also a need for the continuation of program assistance, which serves to increase the affordability of rental units occupied by lower income households.

The 2000 Census reported that the median contract rent in Redding to be \$464. Information obtained from Real Property Management, a property management firm in Redding that represents over 600 units, indicates that modest 2-bedroom apartments

TABLE 4

NUMBER OF RENTAL HOUSEHOLDS PAYING 30 PERCENT OR MORE OF HOUSEHOLD INCOME FOR RENT BY INCOME CATEGORY		
ANNUAL INCOME	NUMBER OF REPORTING UNITS	% OF INCOME CATEGORY
Less than \$10,000	2,277	83.9
\$10,000 to \$19,999	2,829	81.2
\$20,000 to \$34,999	1,348	38.9
\$35,000 to 49,999	158	9.0
\$50,000 to 74,999	24	2.1

Source: U.S. 2000 Census

rented for approximately \$550 to \$650 per month at the close of 2008. During that time frame, rent for a modest 3-bedroom, 2-bath single-family home ranged from \$950 to \$1,050 per month. The yearly income necessary to afford a \$600-per-month apartment is \$24,000, assuming that the rent amount does not exceed 30 percent of the household's gross income. The yearly income necessary to afford rent on a modest single-family home at \$1,000 per month is \$40,000.

OVERCROWDING

According to the 2000 Census, approximately 5 percent (1,607 housing units) are considered overcrowded. An overcrowded household is one in which more than 1.01 persons occupies each room of a dwelling unit. The Census further documents that of the overcrowded households, 75.3 percent (1,210 households) are renters and 24.7 percent (397 households) are homeowners.

Based upon the scarcity and cost of larger (3+ bedrooms) rental units within the City of Redding, it is likely that some larger families are forced to accept smaller units than what would be the ideal for the family size. The Redding Housing Authority reports that a majority of the families on the +4-bedroom waiting list for subsidies end up renting smaller units due to the scarcity of appropriately sized units.

OPPORTUNITIES FOR EXTREMELY LOW INCOME HOUSEHOLDS

Extremely low income (ELI) households, with income less than 30 percent of area median income, result in an income of \$16,140 or less for a 4-person household. ELI households have a variety of housing situations and needs. For example, most families and individuals receiving public assistance, such as social security insurance (SSI) or disability insurance, are considered ELI households. At the same time, a minimum-wage worker could be considered an ELI household with an annual income of approximately \$17,000 or less. As indicated above, it is projected that during the planning period, a total of 4,464 households will fall into this income category. Based on the Regional Housing Needs Allocation Plan (RH NAP), the need to accommodate ELI households during the current planning period is approximately 893 units under the assumption that ELI households represent 50 percent of all VLI households.

The City has a variety of tools that can assist in providing housing for ELI households. These include single-room occupancy (SRO) units that are allowed in the "RM" Residential Multiple Family District and the "GC" General Commercial District, as well as supportive housing, which is an allowed use in all residential districts. ELI households may also take advantage of the rental subsidy program administered by the City of Redding Housing Division.

SPECIAL HOUSING NEEDS

Some population subgroups—such as the elderly, persons with disabilities, large families, female-headed households, farm workers, and the homeless—have special housing needs which may not be addressed by the conventional housing market. As required by state guidelines, the shelter needs of these special groups are discussed in this section.

Elderly. According to the Census, 25.3 percent (8,136 households) of Redding's households are headed by persons 65 years of age and older. Approximately 73.5 percent are homeowners (5,980 households) and 26.5 percent are renters (2,156 households).

The 2000 Census figures indicate that 14.3 percent of all households living below the poverty level in the City of Redding had a head of household 65 years of age or older. The census does not break down household income in a manner that correlates with the various income categories (i.e., very low income, low income, moderate income) used under Housing Element Law. The City, therefore, is not able to allocate the above percentage by income group.

Another housing issue which faces many elderly households is the deterioration of their existing shelter. Homes purchased when incomes were in a higher bracket are now unable to be maintained with a smaller retirement income. Many single elderly householders find themselves facing the loss of their home due to a financial inability to maintain it. There is an ongoing need for continued rehabilitation assistance targeting lower income homeowners, in general, and the elderly component of that population, in particular.

Elderly households also have a special need for housing accessible to public transportation, community medical facilities, and retail centers, possibly with greater-than-normal security. This

group, on the whole, is less mobile than the general population, and accessibility of the above-listed facilities and services is crucial to their ability to reside in any particular location.

Several housing complexes located in Redding have been developed specifically for the elderly population. Two complexes—Redding Pilgrim House, with 49 units, and Tree House Senior Apartments, with 63 units—reserve all units for VLI seniors or disabled persons due to requirements of the complexes’ long-term financing (the HUD 202 program). In 2006, River Oaks Retirement Center fulfilled its obligation to keep available 20 percent of its units for lower income seniors. In addition, two Downtown hotels, the Lorenz and Hotel Redding (which are owned and operated by Christian Church Homes of Northern California), offer 78 and 47 units, respectively, to seniors seeking affordable 1-bedroom and efficiency apartments. The rent structures are subsidized through tax-credit financing and federal vouchers. Congregate meals and supportive services for the Lorenz residents are available on-site, while both hotels are in close proximity to medical, retail, and other resources.

The three most recent senior facilities that offer affordable units are: Mountain Vistas, a 57-unit HUD 202 Seniors project sponsored by Southern California Presbyterian Homes (completed in 2004); Mountain Vistas II, a similar 39-unit project completed in 2006; and Mercy Oaks, a 63-unit HUD 202 Seniors project sponsored by Mercy Housing California (completed in 2006). Even with the high volume of affordable senior-housing production over the past several years, there remains an ongoing need for continued community support for the development of additional rental units, coupled with supportive services targeted to the VLI elderly population.

Accommodation of employees needed for the on-site/in-home care of the elderly should also be considered. Because Redding does not limit unrelated individuals from occupying a residence and also allows the construction of second dwellings and guesthouses in its residential districts, adequate opportunities for employee housing are provided.

Persons With Disabilities. The special housing needs of the handicapped/disabled population of the area are primarily concentrated in two areas: (1) availability of affordable units and (2) accessibility within the housing unit based on individual disabilities. Far Northern Regional Center (FNRC) and Independent Living Services of Northern California, two not-for-profit agencies in the Redding area that work exclusively with the disabled population, have stated that these are the two most pervasive housing problems facing the area's handicapped population.

It has been difficult to find accurate data that represents the total handicapped population in Redding with special housing needs. Most agencies that serve this population specialize in a particular type of disability or age group and do not have the capacity to collect overall population data. Information gathered by the Census is somewhat limited and is shown in Tables 5 and 6.

TABLE 5

PERSONS WITH DISABILITIES BY EMPLOYMENT STATUS (2000)		
	NUMBER	PERCENT
Age 5–64, Employed Persons with a Disability	4,095	5.5
Age 5–64, Not Employed Persons with a Disability	3,092	4.1
Persons Age 65 Plus with a Disability	5,555	7.4
TOTAL PERSONS WITH A DISABILITY	18,008	24.1
TOTAL POPULATION (CIVILIAN NONINSTITUTIONAL)	74,731	100.0 ¹

Source: Census Bureau (2000 Census SF 3:P42)

¹ Total does not equal 100 percent due to independent rounding.

FNRC reports 1,239 active clients residing in Shasta County as of November 2008. Approximately 43.75 percent of these persons reside in the homes of private guardians, while another 24 percent reside in independent living facilities. Approximately 32 percent live in some form of community care unit. Nearly 49 percent of these clients possess some form of mild mental retardation. The FNRC also works with other housing providers, such as Catholic Healthcare West/Mercy Housing California and Northern Valley Catholic Social Service to increase consumer access to subsidized, accessible, and affordable housing.

All handicapped/disabled individuals do not have special housing needs. However, it is generally accepted that many individuals with a disabling

TABLE 6

PERSONS WITH DISABILITIES BY DISABILITY TYPE (2000)		
	NUMBER	PERCENT OF ALL DISABILITIES
TOTAL DISABILITIES TALLIED	31,718	100.0
TOTAL DISABILITIES FOR AGES 5–64	20,923	66.0
Sensory Disability	1,776	5.6
Physical Disability	4,770	15.0
Mental Disability	4,188	12.9
Self-Care Disability	1,400	4.4
Go-Outside-Home Disability	2,729	8.6
Employment Disability	6,060	19.1
TOTAL DISABILITIES FOR AGES 65 AND OVER	10,795	34.0
Sensory Disability	2,099	6.6
Physical Disability	3,857	12.2
Mental Disability	1,375	4.3
Self-Care Disability	1,134	3.6
Go-Outside-Home Disability	2,330	7.3

Source: Census Bureau (2000 Census SF 3:P41)

physical handicap require some degree of modification to their housing unit based upon the limitations of their individual handicap.

In 1984, Title 24 of the State Uniform Building Code mandated that all multiple-family residential construction projects containing in excess of 5 units under construction after September 15, 1985, would conform to specific disabled adaptability/accessibility regulations. In 1988, the federal government enacted the U.S. Fair Housing Amendment Act, also with the intent of increasing the number of rental units being built that would be accessible to handicapped individuals. In July 1993, the State of California issued "California Multifamily Access Requirements" based upon the Act. Unfortunately, the actual increase in the number of handicapped-accessible units available on the current rental market has been small. According to City Building Division officials, less than 2 percent of the multiple-family units being constructed are, in fact, handicapped-accessible. In today's rental market, little, if any, actual incentives exist to encourage a landlord to cover the extra expense of converting these "adaptable" units to "accessible" units.

An increasing number of accessible affordable apartments in a variety of sizes (single-room occupancy units, 1- and 2-bedroom), rental homes, first-time homebuyer opportunities, and direct rental subsidies are needed to address the needs of this population. There is also a need for retrofitting units for handicapped accessibility for both renters and homeowners.

The Emergency Repair Program (ERP) has been designed, in part, to address these needs by providing affordable loans to assist, among other things, disabled tenants to improve their rental units to meet their physical needs.

The housing needs of several other categories of disabled persons, including those with HIV/AIDS; developmentally disabled persons, including the mentally retarded; and the mentally ill are typically not addressed by Title 24 regulations. The housing needs of persons with these types of disabilities, in addition to basic affordability, range from needing slight modifications of existing units to the need for a variety of supportive housing arrangements. Some of this population can only live successfully in housing which provides a semi-sheltered, semi-independent living state, such as clustered group housing or other group-living quarters; others are capable of living independently if affordable units are available.

Group-home living quarters for a variety of specific disabled clientele groups have traditionally been found intermixed within Redding's residential neighborhoods. Larger single-family homes are purchased or leased by the supporting agency and house a small group of handicapped clients, along with support personnel. The availability of these larger (4–5 bedroom) homes is diminishing, as well as becoming cost-prohibitive to purchase and/or lease. Consistent with state law, residents are limited to 6 or fewer in number per facility if located within standard single-family-zoned neighborhoods.

A fact that compounds the housing problems of the disabled population is that many fall into several of the special-needs categories. Many of Redding's disabled are also elderly and/or single individuals. Many of these households require units with a second bedroom for live-in attendant care. The larger units are correspondingly more expensive to rent, making housing costs excessively expensive for fixed-income households. Standard move-in costs for rental units in this area include first and last month's rent and a substantial security deposit. These amounts are prohibitive to a lower income household, even if an affordable unit is located.

Large Families. HUD defines "large family" as a family consisting of 5 or more members. According to the 2000 Census, large families make up 7.7 percent (1,405 households) of the owner-occupied households and 9.5 percent (1,320 households) of the renter households in the City. The Census does not break down household income in a manner that correlates with the various income categories (i.e., VLI, LI, MI) used under Housing Element Law. The City, therefore, is not able to allocate the above percentages by income group. As discussed in the previous section on "Overcrowding," as income decreases and family size increases, more and more families reside in overcrowded conditions. There exists in Redding a shortage of large (3+ bedrooms), affordable rental units suitable for housing a "large" family. The current rent figures for the few units of this size make them unaffordable to lower income families.

The primary housing need for large families is the development of additional affordable housing units with 3 and 4 bedrooms. Development of these units is encouraged through the neighborhood-revitalization programs being undertaken in target neighborhoods.

Female-Headed Households. According to the 2000 Census, 32.5 percent of all households in Redding were reported to be headed by a female (10,425 households). Of these households, 27.2 percent (2,836 households) have minor children in the household. The Redding Housing Authority reports that approximately 60 percent of the households currently on the waiting list for subsidies are headed by females.

According to the housing report, "Grasping at the Dream, California Housing: Who Can Afford the Price?" prepared by the California State Senate Office of Research in June 1990, several expert sources

stated that female-headed families are disproportionately affected by high housing costs and are possibly the group with the most extensive housing needs.

In addition to affordability issues, much of this group has an added burden of locating units which are suitable for raising children. Features such as an adequate number of bedrooms, play yards, fencing, and a physically safe neighborhood are critical issues to the well-being of a family. As noted above, most new apartments are being built with 2 or fewer bedrooms.

Continuation of programs, such as Family Self-Sufficiency and affordable-housing construction efforts, will help address this group's need for decent, affordable larger units, as well as provide access to supportive services, such as child care, which is vital to families with children.

Minorities. The breakdown of Redding's population by ethnic group is presented in an earlier section of this document, "Income and Ethnicity." The housing needs of these groups are, for the most part, identical to those of nonminorities in Redding. All LI and MI persons, regardless of ethnicity, face the major problem of housing affordability and, secondly, the issue of housing availability. Housing problems existing solely because of race do not appear to be an issue in the community.

Farm Workers. Redding is located at the northern end of the Sacramento Valley, which is above the major agricultural areas of California. In 1990, agricultural employment comprised only 2 percent of the total wage and salary employment in the entire county. This category of employment, in addition to containing traditional farm work, includes those individuals employed in the forestry industry. Individuals employed in the forestry industry typically have permanent housing they return to on a daily basis or are housed by the company at the various job sites, the majority of which are located in the mountainous areas outside the county. The primary types of traditional farm work in Shasta County are jobs related to strawberry-plant processing, potato harvesting, and apiary (bee-keeping) work.

Data supplied from the 1997 Census of Agriculture indicates that more than 80 percent of the farm workers in Shasta County worked less than 150 days

per year. Farm labor employment in Shasta County has declined by approximately 18 percent since 1990, based on information supplied by the State Employment Development Department.

According to the State Employment Development Department's (EDD) Agricultural Specialist for Shasta County, within the Planning Area of the City of Redding, there are no agricultural operations which use temporary seasonal farm workers. The Region 2 Office of Migrant Child Education also reports that it does not perceive a need for specific housing for farm workers in the immediate Redding area. Both of these service providers stated that the vast majority of farm workers residing in this area are permanent, not migratory, residents. According to both sources, EDD and Migrant Education, many of the families employed in farm work are of Hispanic or Southeast Asian heritage. Because these ethnicities tend to have larger families, the difficulties described in "Large Families" and "Overcrowding" would apply. These problems would be compounded with any communication difficulties related to non-English-speaking households. In order to mitigate this last difficulty on City-sponsored programs, the Redding Housing Authority has access to translators for many of the commonly spoken Southeast Asian dialects, as well as Spanish, if needed. It appears that except for those problems noted above, the housing needs of households employed in agriculture do not differ from other households of comparable income employed elsewhere in this area. As with all other segments, farm workers have access to lower-cost housing provided by available second dwelling units and mobile homes, both of which are allowed in all residential districts. Health and Safety Codes, including Sections 17021.5 and 17021.6, are applied to all such housing.

PERSONS OR FAMILIES IN NEED OF EMERGENCY SHELTER, TRANSITIONAL HOUSING, AND SUPPORTIVE HOUSING

Government Code Section 65583(a)(7) requires that the Housing Element include an analysis of the needs of homeless persons and families. The analysis must include: (1) estimates of the number of persons lacking shelter; (2) where feasible, a description of the characteristics of the homeless (i.e., those who are mentally ill, developmentally disabled, substance abusers, runaway youth); (3) an inventory of resources available in the community to assist the

homeless; and (4) an assessment of unmet homeless needs, including the extent of the need for homeless shelters.

The law also requires that each jurisdiction address community needs and available resources for special housing opportunities, known as transitional and supportive housing. These housing types provide the opportunity for families and individuals to "transition" from a homeless condition to permanent housing, often with the assistance of supportive services to assist individuals in gaining necessary life skills in support of independent living.

The following discussion addresses the requirements of Government Code Section 65583(a)(7). It should be noted that data on homeless families and individuals is not developed based on jurisdictional boundaries. While the majority of homeless individuals and families may choose to locate in Redding because many of the services offered in the City are not available in nearby jurisdictions, it should be noted that the estimates below are provided at a county level. The estimates may overstate Redding's homeless population counts by an estimated factor of 10 to 15 percent. However, it should also be noted that the survey process itself has an error factor of 5 to 10 percent and misses many "hidden homeless" who may stay in vehicles, unfinished garages, sheds, or other places not intended for habitation. For these and other reasons, it is extremely difficult to obtain accurate data regarding homeless individuals and families. However, through the efforts of the City of Redding/Shasta County Homeless Continuum of Care (CoC) Council, estimates have been developed that address the requirements of state law to the extent feasible.

As the primary coordinating body for homeless issues and assistance for a geographic area encompassing the entire county, the CoC accomplishes a host of activities and programs vital to the community, including the following:

- ▶ Completing an annual point-in-time "snapshot" survey to identify and assess the needs of both the sheltered and unsheltered homeless.
- ▶ Preparing an annual action plan that helps direct community resources and actions in the form of comprehensive programs and activities.

- ▶ Tracking homeless demographics using local service providers throughout the calendar year.
- ▶ Providing an annual Line Staff Resource Expo for Shasta County service providers to share information and opportunities to assist disadvantaged persons.
- ▶ Maintaining a website at www.shastacoc.org, which offers a definitive host of services and opportunities for the homeless, as well as other essential information for the general public.
- ▶ Meeting regularly each month with community members to accomplish annual work-plan goals.
- ▶ Establishing liaisons with other statewide CoC jurisdictions on a quarterly basis to share information, improve services, and advocate for the homeless.
- ▶ Providing community presentations to service clubs, educational institutions, and other interested groups or organizations to increase public awareness about homelessness.
- ▶ Maintaining a comprehensive Community Resource Guide.
- ▶ Helping facilitate the creation of a rental-deposit guarantee program.
- ▶ Coordinating with other community players in the creation of CoC Crisis Outreach Teams to assist the homeless during extreme weather events.
- ▶ Hosting an annual Homeless Memorial Day event to honor those without homes who have passed away during the year and to create better community awareness about what it is to be homeless.
- ▶ Coordinating with the Parole and Community Team (PACT) to address ex-offender re-entry issues.
- ▶ Coordinating with local law enforcement officials and legal stakeholders in the creation of an equitable homeless camping ordinance and protocol.
- ▶ Facilitating SSI/SSDI Outreach, Access, and Recovery (SOAR) training for countywide implementation of a training curriculum for case

managers to assist homeless persons to effectively access mainstream benefits.

HOMELESS ESTIMATES

An estimate of the homeless population in Redding was undertaken in concert with the requirements of the U.S. Department of Housing and Urban Development (HUD) for participating CoCs nationwide. Those mandates require that a "point-in-time" census be taken during the last week of January. This census allows service agencies and local governments to spot trends in homelessness and to evaluate the success of existing programs. It is also a tool for agencies and their partners to plan for programs and services to meet the needs of homeless individuals and families in the community and to use in applying for grant and other funding.

On January 30, 2008, a one-day point-in-time homeless census was conducted by the CoC using a network of volunteers, service providers, and other community agencies. Results of the count are as follows:

- ▶ A total of 342 households, comprising 486 individuals, were surveyed as homeless.
- ▶ Of all homeless people, 109 (or 22 percent) were children (under 18 years of age).
- ▶ There were 80 persons (16 percent) designated as unsheltered, living in camps, vehicles, on the street, or someplace not meant for human habitation. Four were children.
- ▶ Households with dependent children in an emergency shelter—7 percent.
- ▶ Households with dependent children in sheltered transitional housing—6 percent.
- ▶ Households with dependent children who are unsheltered—1 percent.
- ▶ Households without dependent children in an emergency shelter—42 percent.
- ▶ Households without dependent children in transitional housing—22 percent.
- ▶ Households without dependent children who are unsheltered—21 percent.

- ▶ Of those surveyed, 65 percent were reported to be male and 35 percent were female.

A census taken at this particular point in time (i.e., winter months) is particularly important in Shasta County if the magnitude of the local homeless population is to be understood. Unlike other jurisdictions that may see seasonal homelessness fluctuations based on itinerant farm-worker populations or other factors, the demand for homeless services in Shasta County usually peaks in the winter months due to inclement weather conditions.

It is acknowledged that the point-in-time survey information only provides a snapshot of homelessness in Shasta County, albeit at its peak level. The CoC also conducts an annual homeless survey. Utilizing the 2 surveys provides a more complete understanding of *countywide* trends. Listed below is additional information/analysis resulting from the Shasta County homelessness survey conducted for calendar year 2007:

- ▶ At some point during the year, 3,316 total individuals, representing 1,986 households, were homeless. Another 2,332 individuals, representing 939 households, were imminently at risk of becoming homeless.
- ▶ There were 1,092 (33 percent) homeless children and another 995 children were imminently at risk of becoming homeless.
- ▶ Of the households that were homeless, 61 percent (1,203) had only one person and 29 percent (569) had children.
- ▶ The top three reasons for becoming homeless appear to be: (1) job loss (24 percent); (2) loss of other income (14 percent); and (3) domestic violence (14 percent). Other causes include eviction, release from jail or prison, medical bills or health problems, substance abuse issues, mental health issues, rent increase, fires or building condemnation, and other issues.
- ▶ Due to the transitory nature of homelessness, 36 percent of those surveyed have lived in Shasta County for less than 6 months, while 64 percent have resided in the area for one or more years.

As can be seen by comparing the point-in-time census and the 2007 survey, a number of families and

individuals move in and out of homelessness throughout the year. As shown below, adequate emergency facilities exist to accommodate individuals; however, additional "family beds" are needed to meet a growing demand.

HOMELESS POPULATION CHARACTERISTICS

Characteristics of the subpopulations from the point-in-time survey are as follows:

- ▶ Chronically homeless—40 percent. This is defined as an unaccompanied homeless individual with a disabling condition who has either been homeless continuously for a year or more or has had at least 4 episodes of homelessness in the past 3 years.
- ▶ Severely mentally ill—17 percent.
- ▶ Veterans—18 percent.
- ▶ Persons with HIV/AIDS—0.5 percent.
- ▶ Victims of domestic violence—15 percent.
- ▶ Persons on parole—20 percent.
- ▶ Persons on probation—13 percent.

EMERGENCY SHELTER, TRANSITIONAL, AND SUPPORTIVE HOUSING RESOURCE INVENTORY

The most recent inventory of resources available within the community for emergency shelters, transitional housing, and permanent supportive housing units comes from the 2008 Continuum of Care Plan, which provides the following data:

Emergency Shelters. The following year-round primary emergency shelters offer 112 shelter beds:

PROVIDER	CLIENT TYPE	BEDS
Good News Rescue Mission—House of Hope	Women with children	18 family beds
Good News Rescue Mission—Men’s Shelter	Single men	68 individual beds*
Shasta Women’s Refuge—Emergency Shelter	Women with children	26 family beds

* The facility can also accommodate an additional 100 seasonal/overflow beds.

During the 2008 point-in-time survey, both emergency shelters for the Good News Rescue Mission were at a 100 percent bed-utilization rate (seasonal/overflow capacity was not utilized), while the Shasta Women’s Refuge was at 81 percent capacity.

Transitional Housing. Ten facilities provided services in 2007, for a total of 233 beds as shown below.

PROVIDER	CLIENT TYPE	BEDS
Good News Rescue Mission—House of Grace	Women with children	14 family beds
Good News Rescue Mission—Men’s Transitional Housing	Men	14 individual beds
Northern Valley Catholic Social Service (NVCSS)—Pine Street Place	Men	10 individual beds
Veterans’ Recovery Project—Transitional Housing	Men	6 individual beds
Visions of the Cross—Transitional Housing	Women with children	72 family beds
Redeemed Ministries—End Times	Men	15 individual beds
Meredith—Ministries for Christ	Men	21 individual beds
Saint Jude’s—Transitional Housing	Men	15 individual beds
Samaritan Homes—Transitional Housing	Men	30 individual beds
FaithWorks Community Coalition—Francis Court	Families with children	36 family beds

All transitional-housing providers were at the 100 percent bed-utilization rate during the point-in-time survey except for Redeemed Ministries (93 percent), Meredith (67 percent), Saint Jude’s (87 percent), and Samaritan Homes (93 percent).

Permanent Supportive Housing. In 2007, Redding had one permanent supportive housing provider that offered the following bed counts:

PROVIDER	CLIENT TYPE	BEDS
NVCSS—New Path Housing	Chronic homeless	14 individual beds
NVCSS—Partners in Housing	Chronic homeless	11 individual beds

The bed-utilization rates for both projects were 100 percent in 2008.

EMERGENCY SHELTER, TRANSITIONAL HOUSING, AND SUPPORTIVE HOUSING ASSESSMENT OF NEED

Based on the available information, there is an unmet need for additional beds for homeless families and individuals. Overall, the average bed-utilization rate for emergency shelters is 94 percent; 94 percent for

transitional housing; and 100 percent for permanent supportive housing, according to the point-in-time survey information. Although there are seasonal fluctuations in bed counts, these figures demonstrate a strong demand for ongoing shelter, transitional, and supportive housing. According to the 2008 Continuum of Care Plan’s Housing Inventory Chart for Unmet Need Totals, Shasta County has the following shortfalls, which were determined by

provider opinion through the discussion of surveys, assessment of waiting lists, and other evaluation information:

FACILITY TYPE	INDIVIDUAL BEDS	FAMILY BEDS	UNMET NEED
Emergency Shelter	168*	44	35 family beds
Transitional Housing	111	122	56 family beds; 35 individual beds
Supportive Housing	25	n/a	45 individual beds

* Includes 100 seasonal/overflow beds

Current Inventory/Unmet Needs

The CoC has identified a number of critical barriers and challenges that currently impact progress for stabilizing the homeless. These include the following:

- ▶ There is no effective system of discharge planning for homeless patients leaving hospitals that coordinates shelter/housing, nursing care, and supportive services.
- ▶ The only designated drop-in resource center, Living Hope Compassion Ministries, lacks adequate resources to complete a remodel of its

existing facility to provide necessary hygiene, showers, clothes washing, bathrooms, and case management.

- ▶ There is a lack of employment opportunities with adequate wages.
- ▶ The tremendous demand for affordable housing continues to outstrip the local production of this resource. More subsidized rental housing is needed for low income people.
- ▶ There is a critical gap of after-care services for people leaving prison, particularly in the areas of housing, employment, job training, life-skills training, and other educational opportunities.
- ▶ There is a need for legalized homeless overnight parking as an interim alternative for persons without shelter.
- ▶ There is no jurisdictional Ten-Year Plan to End Chronic Homelessness in Shasta County.
- ▶ There is a need for more permanent-housing beds for the chronically homeless and for willing landlords to participate in the program.
- ▶ More preventative activities are needed to arrest homelessness (i.e., utility assistance, case management, eviction prevention, legal assistance, and budget counseling).
- ▶ Mental health services for homeless persons needs to be increased.
- ▶ There continues to be a lack of understanding regarding homeless issues within the community.

Zoning for Emergency Shelters and Transitional and Supportive Housing Facilities

Homeless Shelters

Background. Senate Bill 2, which became effective on January 1, 2008, requires the identification of one or more zoning districts where emergency shelters are allowed without a discretionary permit, such as a use permit. Local jurisdictions must comply with the law within one year of adoption of the Housing Element update. Redding was proactive in this effort and amended its Zoning Ordinance prior to adoption of the Element. The Homeless Shelter Ordinance allows

emergency shelters in the "HC" Heavy Commercial District as a permitted use, subject to standards that were developed in accordance with the law. These standards are intended to encourage development of homeless shelters while ensuring that they meet basic development standards and promote neighborhood compatibility. These parameters include:

- ▶ Allowing "by right" homeless shelters up to 24 beds.
- ▶ Establishing a 500-foot "overlay buffer" from residential zoning districts to address issues of loitering and noise.
- ▶ Establishing a 300-foot "buffer" from another shelter.
- ▶ Providing minimal, yet necessary, off-street parking.
- ▶ Requiring a facility manager to be on-site whenever the facility is open.
- ▶ Establishing a maximum length of stay of 180 days.

These facilities are subject to the same physical development standards (i.e., lot size, building height and setback, landscape, design, and performance criteria) as other allowed uses in the district. The proposed buffer areas operate in much the same manner as other zoning overlays, including the building height, floodplain, planned development, and the design review overlays that are applied in specific locations throughout the city. These overlays put in place additional or alternate development standards from those that exist in the base zoning district.

It is important to note that shelters which do not meet the requirements of the "by right" Homeless Shelter Ordinance (e.g., shelters that are located within a buffer area and/or contain more than 24 beds), may still be established in the "HC" District subject to first obtaining a use permit. The use permit requirement is not unique to homeless shelters. Other uses requiring use permits in the "HC" District include, but are not limited to, community social-service facilities, public-safety facilities, residential hotels, and recreational-vehicle parks.

Section 18.17.020 of the Zoning Ordinance also addresses emergency shelters and activities. During a declared emergency, temporary emergency shelters or activities are *allowed in any zoning district* provided that the facilities are approved by the Building Official and Fire Marshal prior to use.

Appropriateness/Capacity of the "HC" District. The "HC" District was selected as the appropriate zoning district in which to establish emergency shelters for the following reasons:

- ▶ The "HC" District accommodates a variety of uses, such as retail, food services, alternative transportation options, and similar uses and services that can serve a residential population.
- ▶ These districts are located in areas that do not have physical features, such as flooding, steep slopes, or other constraints, that would limit the potential for establishing emergency shelters.
- ▶ The City's largest shelter (Good News Rescue Mission), which provides many services beyond overnight stays, is located within the "HC" District, and many homeless persons utilize the parks, library, and transit facilities, which are also located within or adjacent to the "HC" District.
- ▶ "HC" Districts are located throughout the community, which provides numerous options for locating new facilities and helps to reduce community concerns that an overconcentration of these facilities may occur in any single neighborhood. As of December 2008, there were approximately 760 parcels representing over 1,000 acres of land in the City are zoned "HC" District. Of this amount, approximately 135 acres were undeveloped.
- ▶ The "HC" District as a whole includes a wide range of parcel sizes from approximately 4,400 square feet to 10 acres and larger, allowing the developers of homeless shelters to find suitably sized properties to meet their particular needs.
- ▶ There are ample opportunities to develop new shelter facilities "by-right" on vacant lands outside of the residential buffer overlay areas noted above. There are 33 undeveloped parcels outside of the buffer areas, which together contain over 85 acres. These parcels have the following size

characteristics, which lend themselves to a variety of shelter sizes and configurations:

PARCEL SIZE	NO. OF PARCELS
4,440 to 12,000 square feet	12
12,001 to ½ acre	7
½ acre to 1 acre	4
1 acre +	10

- ▶ Opportunities for property reuse are numerous as the "HC" District includes a mix of existing nonconforming residential structures, small retail and service establishments, and large industrial/warehouse buildings. In most instances, reuse is a more cost effective approach than building a new structure, depending on the needs of the service provider. Over 200 developed/underdeveloped parcels are located outside of the residential buffer area and could accommodate shelters of various sizes without having to obtain a use permit.

An estimate of probable building and parcel size has been made to determine if the "HC" District includes a sufficient number of appropriately sized parcels to accommodate "by right" shelters based on the parameters of the City's Zoning Code. A 24-bed facility generally will require a minimum of 4,800 square feet based on California Building Code requirements (200 square feet of floor area per occupant.) Based on an assumed floor-area ratio (FAR) of .50, a 9,600-square-foot lot would accommodate this size of shelter, including outdoor common areas. The assumed FAR is appropriate given the limited parking required for this use, as well as the minimal building setbacks required in the "HC" District.

Based on the above analyses, it has been determined that the wide range of parcel sizes (both developed and undeveloped) and the number and type of existing structures in the "HC" District will easily facilitate the development of additional shelters. While the above analysis is useful, it must be recognized that there is not a "one-size-fits-all" shelter. The size of a facility is predicated on such factors as the total number of number of beds desired, the arrangement of the sleeping area(s), and whether or not the facility contains space for the provision of additional services, recreation, and similar activities.

Appropriateness of Development Standards. There is no recognized optimal set of development standards for homeless shelters. The needs of each community are different, as are those of individual service providers. Whether dictated by a provider's financial resources, desired client type or mix, or type of construction (i.e., new construction or a retrofit of an existing building), the options are virtually endless. The standards contained in the Homeless Shelter Ordinance, relating to the number of beds, intake areas, length of stay, common areas, and other requirements, are patterned after the City of Sacramento's successful "Small Temporary Residential Shelter Ordinance," as well as the City of Santa Monica's Homeless Shelter provisions. With respect to Sacramento's provisions, we understand that this particular ordinance was cited in SB2-stakeholder discussions as having an appropriate set of development standards for implementing the law. Further, Santa Monica's ordinance is referenced in HCD's *Building Blocks for Effective Housing Elements*. We believe that the experience gained by these jurisdictions over the years provides a solid foundation for the development standards contained in Redding's Homeless Shelter Ordinance.

Accommodating the Unmet Need. As noted in the preceding section (*Emergency Shelter, Transitional Housing, and Supportive Housing Assessment of Need*), the current unmet need for emergency-shelter beds is estimated to be 35 family beds. Based on the ratio of beds to land-area utilized for the existing emergency shelters in the City, approximately 0.50 acre of land is needed to accommodate the currently identified unmet need. This land area represents 0.05 percent of all heavy commercial-zoned lands, 0.4 percent of vacant heavy commercial-zoned lands, and 0.6 percent of vacant lands outside of required buffer areas. Further, a single 24-bed "by-right" facility will satisfy 69 percent of the community's unmet need. Based on the analyses above, Redding has determined that sufficient capacity exists to accommodate the unmet.

The effectiveness of the Homeless Shelter Ordinance will be evaluated as part of the required annual General Plan/Housing Element progress report. Should those evaluations indicate the need to modify it to improve its effectiveness in facilitating the expansion of homeless shelters in Redding, needed steps will be specifically noted to the Planning Commission and City Council who will provide

direction regarding amendment of the Homeless Shelter Ordinance.

Transitional and Supportive Housing

The Zoning Ordinance also includes provisions designed to encourage transitional and supportive housing to assist individuals and families in preparing for more permanent-housing opportunities as they arise. Transitional and supportive housing constitute a residential use under the Zoning Ordinance and are only subject to the same development standards as may apply to other residential uses in the same type of structure. These housing types may be established in all districts that accommodate the same residential-housing type. For instance, a transitional- or supportive-housing facility that is essentially a single-family residence can be established in any "RS" Residential Single Family District. Those facilities that constitute a multiple-family development, such as an apartment building, are allowed in the "RM" Residential Multiple Family District, as well as the "GC" General Commercial District.

ZONING FOR A VARIETY OF HOUSING TYPES

In addition to providing opportunities to establish homeless shelters, transitional housing, and supportive housing within the community as discussed above, the Zoning Code also accommodates a variety of other housing types in order to provide as many opportunities as possible for persons and families with differing needs as addressed below:

Mobile Homes and Factory-Built Housing. These housing types are allowed outright in all zones that allow single-family residences. These include all "RS" Residential Single Family Districts, as well as the "RM" Residential Multiple Family Districts. The same development standards that apply to conventional single-family residential dwellings, including setbacks, height, yard requirements, access, parking, etc., apply to these housing types as well. Minor architectural embellishments, such as skirting and roof overhangs, are required to ensure compatibility with the surrounding neighborhoods.

In addition to these housing types on single-family lots, mobile home parks provide additional affordable housing opportunities. The development standards for mobile home parks are set by the state, with limited ability for local jurisdictions to regulate the design of the facilities. Such parks may be located in the

"RM-6" through "RM-10" Residential Multiple Family Districts.

Single-Room Occupancy (SRO) Units. These units, also known as "efficiency dwelling units," can provide a valuable form of affordable housing for lower income individuals, seniors, and persons with disabilities. An SRO unit is usually small (not less than 220 square feet) and is often a product of hotel renovations in instances where the hotel can no longer effectively compete in the transient-lodging market. Single-room occupancy units are generally considered as a type of multiple-family use and are allowed in the "RM" Residential Multiple Family districts as well as the "GC" General Commercial District.

Housing for Agricultural Employees. Farmworker housing may be provided in any residential district, as well as the "GC" General Commercial District.

Multiple-Family Rental Housing. Multiple-family units are allowed in all "RM" Residential Multiple Family Districts, as well as the "GC" General Commercial Districts. Densities range from as low as 6 units per acre in the "RM-6" District to 30 units per acre in the "RM-30" District. Multiple-family densities within the Downtown core are unlimited.

PROVIDING HOUSING FOR ALL INCOME GROUPS

HCD REGIONAL HOUSING NEEDS ALLOCATION PLAN

The Department of Housing and Community Development (HCD) has prepared a RHNAP for the City of Redding pursuant to Section 65584 of Article 10.6 of State Housing Element Law. The planning period for which housing needs have been determined extends from January 1, 2007, through June 30, 2014. The normal time period for preparation of a housing element is based on a 7½-year time frame, with the first 2½ years devoted to preparation and adoption of the Element. The Housing Element itself covers a 5-year period. This Housing Element for the City of Redding covers a 5-year period ending June 30, 2014.

Table 7 describes the RHNAP numbers for all of Shasta County, including the City of Redding, for the

housing units for all jurisdictions in the county and is the largest allocation given to any of the jurisdictions. This number is far in excess of historical experience and projected average housing production for the period. Further, it significantly exceeds the number of housing units needed to accommodate projected population increases.

Units built during the preparation of the document (calendar years 2007 and 2008) can be credited toward meeting the allocation numbers established by HCD for the 5-year housing element period.

In the period 2007 through 2008, 454 new units were constructed or were under construction in the City of Redding. Therefore, Table 8 shows the number of units approved since January 1, 2007, through December 30, 2008, by income category and how corresponding adjustments have been made to the RHNAP for the City of Redding. Estimates of housing units constructed, or mobile/modular homes installed, were based on information generated by the City's electronic permit tracking system. The income

TABLE 7

REGIONAL HOUSING NEEDS ALLOCATION BY INCOME GROUP FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2014					
JURISDICTION	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTALS
City of Anderson	165	123	141	338	767
City of Redding	1,785	1,242	1,399	3,112	7,538
City of Shasta Lake	165	118	136	323	742
Unincorporated Area of County	970	666	729	1,593	3,958
TOTALS	3,085	2,149	2,405	5,366	13,005

period January 1, 2007, to June 30, 2014, as prepared by HCD. As noted in this table, the City of Redding's share of the regional allocation is 7,538 units. This portion constitutes roughly 58 percent of the total

allocation estimates are based on the information in Table 8.

Very Low/Low Income. Allocation of units among the 2 lower income groups was determined based on

TABLE 8

RHNAP ADJUSTMENTS FOR APPROVED PROJECTS - CITY OF REDDING JANUARY 2007 TO DECEMBER 30, 2008					
	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
RHNAP	1,785	1,242	1,399	3,112	7,538
APPROVED UNITS		2	101	351	454
ADJUSTED HOUSING NEEDS	1,785	1,240	1,298	2,761	7,084

information obtained from the City’s Redevelopment Agency and Housing Division. Only those affordable units constructed through, or with the assistance of, these City agencies were allocated to the very low, and low income categories, based on the type of project reviewed/approved by the City.

Moderate Income. Allocation of units constructed for the moderate income category were estimated using the following methodology:

1. All newly constructed multiple-family units, except those specifically developed for very low and low income individuals as reported above, were included in the moderate income category. Thirty-nine units were developed.
2. Newly constructed single-family residences, with a square footage of 1,500 square feet or less (62 units), were considered as serving this income category. These homes are generally built on existing lots that are not part of recent subdivision development that appears to be geared to larger homes or are within newer, medium-density "cluster home" subdivisions. As indicated above, the median-sized new single-family residence currently being constructed in Redding was 2,048 square feet in 2008. Presumably, these larger homes are being constructed for the higher income groups.

The adjustments made to the RHNAP, based on these permits, are reflected in Table 8.

GENERAL PLAN AND ZONING CAPACITY

Fundamental to a housing element is the ability of the jurisdiction to ensure that adequate residential districts

exist in which to accommodate the forecasted housing needs as set forth in an RHNAP. An analysis of the General Plan’s residential areas indicates that a variety of such areas in the city have the potential to accommodate approximately 200,000 persons at full buildout. (Redding’s 2008 population of 90,491 persons is based on Department of Finance (DOF) estimates.) While multiple-family housing is often the most viable source of affordable housing for the low income groups, local market trends indicate only a limited interest by local developers for such projects. No requests have been proposed for General Plan amendments or rezoning applications seeking to expand the amount or number of areas designated for these categories needed to accommodate higher residential densities during the past 5 years.

For purposes of estimating the number of units that will be constructed during the planning period, the population for the City is forecasted to be 99,300 in 2014. This represents an increase of approximately 8,809 persons over the estimated 2008 population of 90,491, based on an average growth rate of approximately 1.4 percent. At 2.47 persons per household predicted by the General Plan, this would translate into a housing demand for approximately 530 new housing units per year, for a 5-year total of 2,650 dwelling units.

Based on market forces in the community, the City believes that without significant subsidies, the new development of affordable housing units for the VLI and LI groups will not meet the RHNAP projections.

Housing Targets - 2009–2014

Table 9 provides the quantified objectives of the City’s housing goals for the period 2009–2014. The

TABLE 9

CITY OF REDDING HOUSING TARGETS PROGRAM PERIOD 2009–2014						
	ELI	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
RHNAP Adjusted Housing Needs—2009	892	893	1,240	1,298	2,761	7,084
City of Redding Housing Goals						
New Construction	20	43	114	515	2,135	2,827
Rehabilitation Activity Nos.	85	410	190	15	–	700
Conservation *	764	1,010	–	–	–	1,774
TOTAL PROPOSED UNITS	869	1,463	304	530	2,135	5,301

* Includes 1528 Section 8 Vouchers and conservation of 246 "at risk" units.

number of units for each income group is divided among new construction, rehabilitation, and conservation. The City has considered the potential impact of supply and demand factors, type of units available on the local market, economic characteristics of the local and regional economy, and family incomes that will ultimately dictate the outcome of the City's housing efforts. This analysis also includes an evaluation of past program efforts, realistic assumptions regarding the productivity capacity of the local housing market, and probable funding support. The targets are discussed below under the categories of New Construction, Rehabilitation, and Conservation. Within each category, units have been distributed among the 4 income groups. Note that for the MI and AMI groups, the new construction estimates primarily reflect the private market, not program efforts of the City.

NEW CONSTRUCTION

The City's housing goals indicate 2,827 newly constructed units—4,257 fewer units than the adjusted RHNAP estimates—will be constructed during the next 5-year housing period. The allocations among income groups generally represent the characteristics of past housing activities.

Private Sector (Moderate/Above Moderate Income Construction)

New construction related to AMI households is presumed to consist solely of detached single-family dwellings.

The components of new construction in the moderate income category include the following:

1. Approximately 225 new market-rate apartments are forecast to be constructed during the planning period. This represents a decrease over past trends and is based, in part, on the number of unit entitlements that were obtained by developers during the period of 2003 through 2008.

2. Approximately 265 small lot and cluster style single-family units are forecast to be constructed for this income category. The units would be affordable to those households making up to 120 percent of the median income.

Assisted Construction Activities

The programs described in the 2009–2014 action program are expected to result in the construction of 20 ELI units, 43 VLI units, 114 LI units, and 23 MI units.

Rehabilitation

Three sources of funding will be utilized for rehabilitation activities. The principal source is HOME funds. However, CDBG funds and the LMIHF also play a role in the program to a lesser degree. As indicated in Table 9, 700 dwellings are anticipated to undergo some level of rehabilitation during the new planning period, ranging from minor to substantial in scope. Based upon current income statistics of households residing in units rehabilitated utilizing program assistance, it is anticipated that 85 (12 percent) of the 700 units will be occupied by ELI households.

Conservation

The 2009–2014 goals for housing conservation are also tied to the success of maintaining, if not expanding, the levels of funding for rental subsidies experienced during the past decade. This is especially critical if the housing needs of the lower income groups are to be met. Therefore, conservation of affordable units will rely heavily on the City's Section 8 Voucher program or similar funding programs. A total of 1,528 Section 8 units are forecasted for conservation during the new housing period. This represents a continuation of recent program efforts. There is nothing on the immediate horizon to suggest that a larger infusion of funding will be forthcoming to substantiate a greater number of housing units being served.

LAND INVENTORY AND SITE AVAILABILITY

RESIDENTIAL CLASSIFICATIONS' HOLDING CAPACITY; LAND AVAILABILITY; INVENTORY OF MAJOR VACANT SITES

State law requires that the Element contain an identification (i.e., inventory) of land in the community that is suitable for residential development commensurate with the community's share of the regional housing need for all income levels. This Element addresses land availability for these income segments in 2 ways: (1) "residential holding capacity," based on vacant lands that are currently zoned for residential uses; and (2) an analysis of specific sites that are appropriate for accommodating the needs of the various income groups within the current planning period.

RESIDENTIAL ZONING DISTRICT HOLDING CAPACITY

Residential holding capacity is a method commonly used to estimate the number of new dwelling units that can be accommodated in the community based on the manner in which vacant properties are zoned. This analysis takes into consideration parcel size and the assumed residential density based on underlying zoning districts. While deductions are made to account for lands prone to flooding, it does not account for other site characteristics, such as slopes, infrastructure limitations, the presence of wetlands, or other factors that may limit development potential. Neither does it predict market forces that may influence the residential products that are ultimately planned for these lands. Even with these inherent limitations, it provides an indication of the overall ability of the community to accommodate future residential growth. As can be seen from Table 10, approximately 20,800 units could be developed on currently vacant land designated for residential uses.

Generally speaking, the various "RS" Residential Single Family Districts serve to accommodate housing opportunities for AMI households, although lesser income households can also take advantage of opportunities within those districts. As indicated in Table 10, vacant "RS" zoned lands could accommodate approximately 11,800 dwelling units.

TABLE 10

VACANT RESIDENTIAL LAND INVENTORY (by Zoning District)			
SINGLE-FAMILY ZONING DISTRICT	VACANT ACRES	ALLOWABLE DENSITY	TOTAL DWELLING UNITS
RE-1	590	1 du/ac	590
RE-2	116	2 du/ac	232
RS-2	939	2 du/ac	1,878
RS-2.5	1,118	2.5 du/ac	2,795
RS-3	1,685	3 du/ac	5,055
RS-3.5	290	3.5 du/ac	1,015
RS-4	68	4 du/ac	272
SUBTOTAL	4,806		11,837
MULTIPLE- FAMILY ZONING DISTRICT	VACANT ACRES	ALLOWABLE DENSITY	TOTAL DWELLING UNITS
RM-6	270	1 du/5,500 sq ft (8 du/ac)	2,160
RM-9	261	1 du/4,500 sq ft (10 du/ac)	2,610
RM-10	59	1 du/3,500 sq ft (13 du/ac)	767
RM-12	180	1 du/3,000 sq ft (15 du/ac)	2,700
RM-15	233	1 du/2,500 sq ft (18 du/ac)	4,194
RM-18	9	1 du/2,225 sq ft (20 du/ac)	180
RM-20	1	1 du/1,850 sq ft (24 du/ac)	24
RM-30	0	1 du/1,450 sq ft (30 du/ac)	0
SUBTOTAL	1,013		12,635
TOTAL	5,819	N/A	20,800¹

Source: City of Redding Geographic Information Systems (GIS) Division, January 2009

¹ Assumes 15 percent reduction in total units due to steep slopes and/or floodplain.

Moderate income households often reside in housing that is somewhat more compact than the standard single-family lot. Whether this is in "small-lot" subdivisions or apartments, properties zoned "RM-6" through "RM-10" Residential Multiple Family Districts offer excellent opportunities for new homeownership and affordable rental units for these households. The higher-density "RM-12" through "RM-15" Districts also provide opportunities for these households at appropriate locations. As indicated in Table 10, approximately 5,500 dwellings could be accommodated in "RM-6" through "RM-10" zoning districts.

VLI and LI households have fewer choices in housing. For a variety of reasons noted below, it is assumed that these income segments will generally find new housing in developments constructed at higher overall densities. These include the "RM-12" through the "RM-30" zoning districts. Table 10 indicates that over 7,000 dwellings can be accommodated in these districts.

Under the Zoning Ordinance regulations, local development standards addressing parking, landscape, setbacks, or open space do not require a deduction from gross acreage for these items when calculating the actual development potential of an individual site. Therefore, the assumptions made regarding the development potential indicated in Table 10 are appropriate.

Clearly, the City has an ample supply of residentially zoned lands to accommodate projected needs through, and beyond, the current planning period for the Housing Element. But in addition to the opportunities afforded by vacant residentially zoned lands, the City's Zoning Code offers a number of other opportunities for housing. These opportunities are shown in Table 10.

Commercial Zoning Districts. Unlike many communities, Redding allows housing not only in its residential districts, but also in its primary commercial district, known as the "GC" General Commercial District as well as the "GO" General Office District. Approximately 300 acres of vacant "GC" and "GO" zoned land is found within the city. If as little as 10 percent of these lands were developed with residential uses at allowable densities of 15 units per acre, an additional 450 dwellings could be provided.

Mixed-Use Neighborhoods. The General Plan identifies 2 specific areas for future mixed-

use/pedestrian-oriented development. Together, these areas represent approximately 480 acres. Development up to 24 dwellings per acre is permitted in each identified neighborhood. Although development as mixed-use neighborhoods is optional for these areas under the City's General Plan, significant incentives are provided to make such development attractive to investors. These incentives include allowing up to 100,000 square feet of commercial development on the otherwise residentially classified property and providing residential densities that are significantly greater than those otherwise allowed in the area. If developed to their full residential potential, these neighborhoods could realistically accommodate approximately 11,500 dwellings, 10,000 more units than would be allowed under the base zoning district.

Senior Apartments—Bonus Density. The Zoning Ordinance includes provisions to allow senior citizen projects to be constructed at twice the density otherwise allowed by the zoning of the property if the development is limited to VLI, LI, or MI seniors.

Planned Development Overlay. This district allows residential development at the top of the density range allowed by the underlying General Plan classification for the property. For instance, a development on property that is zoned "RM-10" (10 dwellings per acre) in a "Residential, 10- to 20-unit-per-acre" General Plan classification could be approved in the Planned Development Overlay District at a density of up to 20 dwelling units per acre, an increase in density of 100 percent.

Second Dwellings. The City's provisions for second dwellings allow these second units on all single-family and multiple-family parcels that have been developed with a single-family residence. A limited number of requests for this dwelling type have been made since adoption of the ordinance allowing this type of dwelling. Therefore, second dwellings are not currently seen as an important source of additional affordable housing opportunities in Redding.

Manufactured Housing/Mobile Homes. Mobile homes are allowed in single-family residential districts as long as they are installed on an approved foundation system, have skirting, and comply with the City's parking requirements. Mobile home parks are allowed by use permit in the "RM-6" through "RM-10" zoning districts. Construction of the parks is under the authority of the California Housing and Community Development Department.

Density Bonus Ordinance. In 2008, the City adopted a new Residential Density Bonus Ordinance that goes beyond the limits provided under the Government Code. Specifically, the ordinance does not include a "cap" on the number/ratio of bonus units that can be requested by a developer. Important also is that the ordinance does not contain a cap on the number of incentives, concessions, or development-standard waivers that can be requested and approved by the City. Applied appropriately, this flexibility allows the City to approve projects that provide more affordable units than would otherwise be the case.

Small-Lot Subdivisions. Section 18.31.050 of the Zoning Code includes basic standards for the development of small-lot subdivisions. In addition to allowing reduced lot sizes, it also provides for reductions in building setbacks, lot coverage, and covered-parking requirements. The intent of the provisions is to encourage infill development through the construction of a single-family product at higher densities, and perhaps commensurate lower sales prices, than would otherwise occur.

The City's inventory of vacant residential properties, together with the above tools that allow for significant residential development in the Redding, far exceeds Redding's share of the regional housing needs for the current planning period and beyond.

LAND INVENTORY AND SITE SUITABILITY ANALYSIS

In addition to broadly identifying the capacity for residential development in the community, the Housing Element must identify specific sites or parcels that are available for residential development during the current planning period. The inventory must include all of the following information regarding each identified site:

1. The General Plan and zoning classifications.
2. Acreage.
3. A description of any known environmental constraints.
4. A general description of existing or planned infrastructure to serve the sites.
5. A map or maps depicting the locations of each identified site.

Appendix "A" includes detailed tables which provide the required information, as well as a series of maps

that depict each site identified in the land inventory. It should be noted that while Table 10 reflects all vacant residential land within the community and estimates development potential at "buildout," the following tables, as well as those contained in Appendix "A," reflect the subset of those vacant lands that are intended to demonstrate that Redding has an adequate supply of land zoned for all income groups for the current element's planning period.

Land Available for Above Moderate Income Households

For purposes of the inventory and site analysis, it is assumed that standard single-family developments already approved (but not yet constructed as of December 2008) and those that are in the tentative subdivision map application "pipeline" will be affordable primarily by AMI households. At that time, there was an inventory of 31 approved tentative subdivision maps accommodating 1,952 single-family residential lots that had been approved by the City. None of these maps had yet to record. While these maps have varying expiration dates, their approval clearly establishes: (1) their allowable and feasible density, (2) the availability of necessary infrastructure, and (3) the lack of environmental constraints.

In addition to approved tentative subdivision maps, in December 2008, the City was processing an additional 15 tentative subdivision maps, representing a conservative potential for an additional 984 lots. As part of the application process, the City requires a number of studies, including wetland, biological, traffic, noise, flooding, and grading, as may be appropriate for a given project site. These studies serve to identify potential constraints up-front in the process, with the proposed development taking them into consideration before an application is submitted to the City. This process limits, to a large degree, major changes in project design or proposed density as proposed developments progress through the approval process. As addressed below, several of these tentative maps also propose development of a significant number of small lot and cluster/courtyard single-family developments that will be affordable to those with moderate incomes. That analysis assumes that a minimum of 296 of those lots will be affordable to that income group. These lots are in addition to the 2,936 lots allocated to AMI households.

The assumed total AMI single-family lot count utilizing these two sources is 2,892 units as illustrated

in Table 11 and is sufficient to accommodate this income group and exceeds the adjusted RHNA by 131 units.

TABLE 11

APPROVED AND PENDING TENTATIVE SUBDIVISION MAPS	
UNIT TYPE	ABOVE MODERATE INCOME
Approved SF lots	1,952
Pending SF Lots	984
Total	2,936
ADJUSTED RHNA	2,761

Appendix "A" includes a table and associated maps that identify the specific projects included in the above analysis and includes information regarding the zoning and General Plan classifications of the project sites and the total number of units approved or pending approval.

Land Available for Moderate Income Households

Land available for moderate income households is represented by two development types:

Small-Lot/Cluster Single-Family Lots and Townhomes. As noted above, a number of "pending" subdivision maps include a mix of unit types including typical suburban lots of 6,000 square feet and larger to small lot developments with lot sizes of 1,500 to 4,500 square feet. It should be noted that these sites are currently zoned for medium density residential uses. For purposes of this analysis it has been assumed that approximately 296 of these units will be affordable to moderate income households. Sales data for representative units in the first half of 2009 indicate that *new* three and four bedroom units, ranging in size from 1,340 square feet to 1,623 square feet, had an average sales price of \$198,777 with a median price of \$199,900. Also of note is that in the first seven months of 2009, 204 single-family residences in Redding sold for prices between \$100,000 and \$200,000. This represents 40 percent of all home sales during that period. As indicated in Table 3, such units are affordable to moderate income households even at substantially higher interest rates than were available during the first half of 2009.

Apartments. The second source reflects the potential to construct apartments on vacant medium density multiple family lands generally zoned "RM-6" and

"RM-9", Multiple Family Districts. The assumed capacity for each of development site identified in Table 2 of Appendix "A" is based on analyses that utilize a number of data sources available to the City. These include the following:

- ▶ Aerial photographic imagery.
- ▶ Floodplain mapping.
- ▶ Topographic mapping (2-foot contour intervals).
- ▶ Vernal pool mapping (General Plan scale).
- ▶ Wetland mapping (as available).
- ▶ Utility master plans.
- ▶ Transportation plans.
- ▶ General Plan and Specific Plan environmental impact reports.

Development estimates for each identified site were made based on information obtained from the above sources and examples of recent residential projects constructed within these zoning districts. In the opinion of the City, the estimates represent a realistic development potential of each identified site. As illustrated below, sufficient vacant lands exist in the aforementioned zoning districts to accommodate housing needs of MI households based on development estimates made by the City. Additionally, the City has approved a yet-to-be constructed 72-unit mixed-use project within the

TABLE 12

VACANT MEDIUM-DENSITY LANDS		
DISTRICT	ACRES	UNITS
RM-6 through RM-15	175	1,242*
GC-VR	7.0	72
Total	145	1,314
ADJUSTED RHNA		1,298

* Includes 296 small lot/cluster home single family units

"GC-V/R" General Commercial Visitor/Retail District and a 135-unit senior complex within an "RM-15" zoning district, which are reflected in the dwelling unit count in Table 12 and Appendix "A," Table 2.

Appendix "A" (Table 2) provides site-specific details, as well as a series of maps that identify specific sites available for development of MI units.

Land Availability for Very Low and Low Income Households

The development of housing affordable to LI households is generally considered to be more likely to occur at higher densities. Development at higher densities, under most circumstances, can result in overall lower per-unit costs. These savings would be the result of potentially lower per-unit/per-acre land costs; possible lower per-unit on-site costs for shared building components, such as common walls, common tenant areas, parking, landscape; and potentially lower per-unit costs for required off-site infrastructure, such as street improvements or utility extensions. The savings, conceivably, could be passed down to future residents as correspondingly lower housing costs.

Sites that would be appropriate for development for lower income housing are assumed to be those in the higher-density zoning categories. These sites are generally located adjacent to major streets; have water, sewer, and other necessary facilities available; and have acceptable topography (less than 20 percent slopes). These sites are typically unconstrained by airport land use plans, conservation easements, and wetlands. The highest-density sites are generally located near existing or future employment centers and retail sites. The same data sources and analyses that were utilized to estimate land available for moderate income households were used for this income group as well. Further, the City’s development standards will support development at the densities proposed for these sites. While no apartment projects (other than subsidized "senior" projects that have received density bonuses) have been developed in Redding at densities of 20 units per acre and higher in the past 30 years, the City has "tested" whether its current development standards related to building and parking setbacks, parking ratios, allowable building height, maximum lot coverage, etc., will accommodate development at these higher densities. Based on these hypothetical projects, the City has determined that the standards are not an impediment to such development. Additionally, 20 out of the 33 parcels identified in Appendix "A," Table 3, exceed 5 acres in size, which allows considerable design flexibility. The remaining thirteen parcels average over 2 acres in size, which also facilitates design options.

The experiences of affordable housing developers in Redding, such as Northern Valley Catholic Social Services (NVCSS), Christian Church Homes (CCH), LINC Housing, Southern California Presbyterian Homes (SCPH), Community Housing Improvement Program (CHIP), and others indicate that while there can be advantages to constructing affordable housing projects at densities above 20 dwelling units per acre (du/ac), in order to economize on land costs (e.g., higher densities translate into the need to purchase less land per housing unit), these organizations have successfully constructed a number of affordable housing projects in Redding at significantly lower densities. All of the following projects have required subsidies of various forms, in order to achieve feasibility, regardless of project density. The experience in Redding over the past two decades has been that, with the exception of senior apartment projects, affordable projects are developed at densities ranging from approximately 8 units per acre to 17 units per acre.

Project	Units	Density	Land Cost	Acres	Cost/Unit
Mtn. Vista’s I*	56	32u/a	\$300,000	1.7	\$5,357
Mtn. Vista’s II*	39	45u/a	\$160,000	0.85	\$4,103
Francis Court	12	17u/a	\$30,000	0.7	\$2,500
Linden Apts.	29	16u/a	\$178,800	1.8	\$6,138
LINC Housing*	21	21 u/a	\$354,000	1	\$16,857
St. Clair Court	14	12u/a	\$350,000	1.2	\$25,000

* Senior apartment developments

It should be noted that the raw cost of land for each of the projects varies widely and is a factor of project location, the real estate market at any given time, off-site costs that may be associated with development of a given property, and other variables.

Additional information obtained from recent appraisals in Redding indicate that over the past two years only two multiple-family parcels changed hands, both at market rate. One of the vacant parcels included 7 acres zoned for 15 units per acre that was valued at \$200,000, or approximately \$2,500 per potential unit. The other property, a 4-acre site zoned for 12 units per acre, sold for \$1,580,000, or

\$3,292 per potential unit. These costs are comparable to the Mountain Vista’s II and the Francis Court developments noted in the table above.

Analysis of the above projects, as well as other affordable projects that have been developed in Redding over the past 10 years, indicates that, with the exception of senior apartment projects, affordable housing developers are able to construct developments in Redding at densities less than 20 units per acre. The principle factor could well be that land prices in Redding are, and for the current planning period are anticipated to remain, low compared to other regions in the state. Based on land costs per unit, recent experience in multiple-family zones and conversations with for-profit and not-for-profit developers, densities at 12 to 20 units per acre can encourage the financial feasibility of development of housing affordable to lower income households.

As illustrated below and in Appendix "A"(Table 3), sufficient capacity currently exists in the "RM-12" through "RM-18" zoning districts to accommodate the need of VLI and LI households. To further facilitate the development of housing for lower income households, the City will amend the "RM" District zoning regulations to establish a "base density" of 20 units per acre for projects that are affordable to lower income households. This is consistent with the "default density" requirements established by state law for Redding relative to providing adequate sites with appropriate zoning to encourage and facilitate affordable housing. The assumed capacity of the sites indicated in Appendix "A" is not based on theoretical maximum development assumptions but, instead, represents a very conservative estimate that equates to approximately 12 units per acre.

TABLE 13

VACANT HIGH-DENSITY LANDS		
ZONING	ACREAGE	UNITS
RM-12	76.5	918
RM-15	238.2	2, 770
RM-18	5.4	64
Total	320.1	3, 752
ADJUSTED RHNAP		3, 025

SITES FOR SPECIAL-NEEDS HOUSING

Sites included in the land inventory that can accommodate alternative and special-needs housing are:

- ▶ Mobile home parks—"RM-6," "RM-9," and "RM-10" zones. Approximately 590 acres were vacant as of December 31, 2008.
- ▶ Residential care facilities—all residential zones and the "GC" General Commercial District.
- ▶ Transitional housing—all "RS" Residential Single Family and "RM" Residential Multiple Family Districts and "GC" General Commercial Districts.
- ▶ Supportive Housing—all "RS" Residential Single Family and "RM" Residential Multiple Family Districts and "GC" General Commercial Districts.
- ▶ Emergency shelters—all "HC" Heavy Commercial Districts. There are approximately 135 acres of vacant land within this zoning district.
- ▶ Second units—all residential districts and "GC" General Commercial Districts that allow single-family residences.
- ▶ Farmworker housing—all residential districts and "GC" General Commercial Districts subject to the same standards as other housing.

IDENTIFICATION OF SITES APPROPRIATE FOR INTENSIFICATION OF USE

Downtown

The City’s Downtown area provides a significant opportunity for redevelopment to higher-density residential uses. The City has adopted a specific plan for Downtown that emphasizes mixed-use development and the introduction of higher-density housing opportunities. In 2003, the City approved the "Downtown 300" plan, which will result in a concerted effort to develop at least 300 dwelling units in the Downtown area over the next several years. These would be a combination of market-rate and lower income housing units.

Additionally, the General Plan classifies the Downtown area as "Mixed Use Core." This classification allows unlimited residential densities. Under the "Mixed Use Core" designation, residential uses could be combined with a variety of nonresidential uses within a single multistoried

building. Given increased density, there would be an emphasis on strong pedestrian orientation, with all amenities located conveniently within walking distance. It is anticipated that in order to achieve this density and optimum configuration, redevelopment of existing Downtown land uses would be necessary.

Mixed-Use Neighborhood Overlay

Two "Mixed-Use Neighborhood" areas, totaling 240 acres, are identified on the General Plan Diagram. While the zoning will allow single-family development, utilization of the overlay district would permit residential densities up to 24 units per acre.

INFRASTRUCTURE STATUS AND LIMITING FACTORS

The City of Redding provides the majority of utility services to residential units within the city limits, including water, electrical service, solid waste disposal, and wastewater services. A summary of the current status of these services and future capacity is provided below.

Domestic Water

The City of Redding has two major sources of drinking water—surface water and groundwater. The Sacramento River and Whiskeytown Lake provide 71 percent of the water used (approximately 5.61 billion gallons per year.) The remaining 29 percent, or 2.32 billion gallons per year, is groundwater which comes from 14 wells drilled into the Redding Groundwater Basin.

Redding has a substantial water-right diversion from the Sacramento River that dates back to 1886. Currently, Redding's contract with the Bureau of Reclamation (USBR) allows a maximum annual diversion of 21,000 acre feet (af), or 18.7 million gallons per day (mgd). In addition, the City also has a smaller contract with the USBR for water to serve the Buckeye area—the northwest portion of its service area. Currently, this contract allows for a maximum annual diversion of 6,140 af, or 5.4 mgd, from Whiskeytown Lake. All surface water is treated at one of the two conventional water treatment facilities owned by the City of Redding.

The City's 14 wells are located in the southwest and southeast portions of our service area—the Cascade and Enterprise zones. These wells pump water from an underground aquifer—rock formations through

which water filters slowly. These wells are used primarily during the summer when demand is high. Water pumped from the groundwater basin is of good quality, and only minimal disinfection and treatment are necessary before the water enters the distribution system.

The City operates two water treatment plants: the Foothill Water Treatment Plant (a 24 mgd plant with expansion capabilities of 42 mgd) and the Buckeye Water Treatment Plan (a 7 mgd plant with expansion capabilities of 28 mgd).

The above water sources and treatment facilities are ample to provide for residential, commercial, and industrial growth as envisioned in the General Plan. These resources provide a capacity far in excess of that required through the current planning period of the Element and, in fact, are sufficient to allow for "buildout" of the General Plan.

State law requires that a copy of the Housing Element be provided to all water- and sewer-service providers in the community to assist in complying with Government Code Section 65589.7. These regulations are intended to ensure that housing developments for lower income households receive service priority. As noted below, sewer service in the city is provided solely by the City of Redding. However, water service is provided by the City and three "community service districts." All providers received a copy of the Housing Element in 2006. The City of Redding adopted written policies and procedures to grant priority service to proposed development that includes housing affordable to lower income households. These policies became effective on July 1, 2006.

Wastewater

The City of Redding provides all wastewater services within the city limits. The City currently relies upon 2 wastewater-treatment facilities—Clear Creek Treatment Plant and the Stillwater Treatment Plant—for all its wastewater-treatment needs. The two plants have a current combined capacity to process 12.8 million gallons of wastewater daily, or 42,200 residential household equivalents. The Clear Creek Plant has been designed for future expansion up to 19.4 million gallons per day (mgd) (8.8 mgd currently) as city growth requires additional capacity. Expansion to that facility began in 2008. The Stillwater plant has been designed for future expansions to 8.0 mgd as future growth requires

additional capacity. With proposed future expansions, the two systems will have sufficient capacity to accommodate population growth forecasted to occur during the planning period.

Electric

The City of Redding owns, operates, and maintains a power generation, transmission, and distribution system within its city limits. The City purchases or produces wholesale power and delivers it to its customers. All the power is received at three delivery points: the Western Area Power Administration's (Western) Keswick Dam 115kV switchyard, the Western/City Airport 230/115kV Substation, and the City-owned 13.8kV Redding Power Plant. Power is transmitted from these delivery points over the City-owned 115kV bulk transmission lines to the City's distribution substations. Approximately 85 percent of Redding Electric Utility customers (based on meters) are residential units. To continue to provide electric service to both current and anticipated residents and businesses at the lowest possible rates, while maintaining system reliability in an environmentally responsible manner, the City actively pursues the development of new power resources. Sufficient capacity exists to serve anticipated development through the planning period.

Solid Waste

Solid waste disposal services are provided by the City at competitive rates for all city residents. Shasta County has contracted with the City for the management and operation of a jointly used landfill facility. Under existing state permits, the landfill has sufficient capacity to accommodate the disposal of solid waste at least to the year 2017. In 1995, the City completed construction of a new solid waste transfer station. The facility also has the capability of processing materials collected by curbside recycling programs and contains a household hazardous waste drop-off area and temporary storage facility, a drop-off area for recyclable materials, a green waste drop-off and processing area, and a composting area. The facility is designed to operate at a 750-ton-per-day (tpd) throughput, which is the anticipated peak tonnage at approximately 20 years of operation.

Schools

All school districts within the City of Redding charge school fees to developers to assist with the cost of buildings and facilities to accommodate a growing student population. School capacity will continue to be an issue throughout the planning period. Several overcrowded area school districts have attempted recent bond issues to help finance facility expansion with mixed success. Several other school districts have reported declining enrollments. These latter districts typically are serving a student population drawn from both inside and outside the Redding Planning Area and have little new development occurring within their respective district.

Infrastructure

The City requires developers of all types of projects to contribute to the cost of providing streets; streetlighting; curb, gutter, and sidewalk improvements; parkland; and other infrastructure impacted by the development, such as storm drains and sewer lines. Developer contributions can be in the form of impact fees or actual construction or improvement of affected infrastructure. The City also pursues all available state and federal funds for these projects.

In summary, while cost factors to provide utility and other services, educational services, and an adequate transportation system will continue to increase over the planning period, all these elements will have adequate capacity to serve the anticipated growth during the same period, as long as adequate funding is available for necessary improvements and extensions. Housing affordability is influenced by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in the city. Land use controls, such as the implementation of the City's General Plan, zoning, Building Code enforcement, and on- and off-site improvement requirements, as well as fees and exactions, permit processing, and other local actions intended to improve the overall quality of housing, may serve as a constraint to housing development. This chapter discusses these possible constraints to development and the actions the City will take or has taken to mitigate the negative effects.

GOVERNMENTAL CONSTRAINTS ON MAINTENANCE, IMPROVEMENT, AND DEVELOPMENT OF HOUSING

The City's role in the housing market is to facilitate and promote the provision of housing affordable for all economic segments of the community. The facilitation of affordable housing can be constrained by a number of factors inherent in the municipal structure. Some governmental regulations can increase the cost of development, thus constraining the availability of affordable housing. Although there are several components of housing production which are beyond the control of local government, such as the cost and availability of mortgage capital, labor and materials, there are key elements which are directly controlled by local government and are thus legitimate subjects of inquiry for the Housing Element. Governmental constraints are those imposed by the government which either limit the number of housing units to be built or significantly increase the costs of those units which are built. Governmental constraints can be classified in three basic categories: those which impose regulation, those which add direct costs and those which result in time delays. Regulations and time delays result in increased costs, but they cannot be calculated as easily as direct costs such as fees. The most obvious and significant factors falling within the influence of local government are addressed below.

LAND USE CONTROLS

General Plan

The City of Redding General Plan sets forth policies applicable to nearly all development. The Community Development and Design (CDD) Element of the General Plan and corresponding zoning provide for a full range of residential types and densities spread throughout the city. Each residential category of the General Plan includes a density range (minimum and maximum densities). Within the residential categories, density ranges from 1 unit per 5 acres to 30 units per acre. Within the "Mixed Use Core" designation, residential density is unlimited. Variations in density and private market conditions will determine the types of housing produced. Within any given General Plan density range, actual density assigned by the City's Zoning Ordinance and Zoning Map is dependent upon site characteristics and surrounding land uses.

The CDD Element of the General Plan contains 22 broad goals, each with specific underlying policy statements. The goals and policies, in conjunction with the Zoning Ordinance, will direct the form and substance of development activities occurring within the city through the year 2020.

Most importantly, the General Plan sets forth a number of bold goals and policies that will ensure long-term stability in the housing market in Redding. Key among these are:

Goal CDD1. This goal and its corresponding policies establish primary and secondary urban growth boundaries. The boundaries are based on the City's ability to feasibly provide services, both from physical and financial standpoints. The continuation of the "leap frog" style development of the past was determined not to be sustainable in the long term.

Goal CDD2. This goal and policy set ensures that new growth will pay the cost of providing necessary public services. A number of mechanisms are addressed, but fundamentally, it is acknowledged that growth must be self-sustaining if new housing and commercial development are to continue.

Goal CDD10. Under this goal, development emphasis is placed on mixed-use and infill development. This will allow the City to more fully utilize prior infrastructure investments and will have positive impacts for transportation and air quality.

Other goals and policies address livability and quality of new neighborhoods and the protection and enhancement of older neighborhoods. But it is within the backdrop of sound physical and financial planning that these efforts will be successfully fulfilled.

Finding of No Constraints The various policies of the General Plan have been adopted to support the development of housing and necessary services and do not constitute a development constraint.

ZONING ORDINANCE

Zoning Districts

The Zoning Ordinance is the City's principal tool for implementing the General Plan. Redding's Zoning Ordinance establishes 4 "base" residential zoning districts (3 single-family districts and one multiple-

family district), 7 office and commercial districts, 2 industrial districts, a "Public Facilities" District, and an "Open Space" District. These zoning districts control land use, residential density, and development standards. Additionally, a number of "overlay" districts, such the Planned Development Overlay District and the Mixed Use Neighborhood Overlay District, have also been established.

Table 14 depicts the City’s residential zoning districts and the maximum density allowed in each, expressed

TABLE 14

RESIDENTIAL DENSITIES			
BASE DISTRICT	MAXIMUM DENSITY	BASE DISTRICT	MAXIMUM DENSITY
RL-5	5 a/u	RS-4	6 u/a
RL-2	1 a/u	RM-6	10 u/a
RL	0.7 a/u	RM-9	10 u/a
RE-1	2 u/a	RM-10	20 u/a
RE-2	2 u/a	RM-12	20 u/a
RS-2	3.5 u/a	RM-15	20 u/a
RS-2.5	3.5 u/a	RM-18	20 u/a
RS-3	3.5 u/a	RM-20	30 u/a
RS-3.5	6 u/a	RM-30	30 u/a

in "dwelling units per acre." As noted below, there are several programs offered by the City that will allow a development to exceed the "base density" of a given zoning district.

Table 15 indicates those residential uses, by zoning district, that are permitted by the Zoning Ordinance, either outright or by discretionary permit.

Finding of No Constraints. The City’s residential zoning districts accommodate a wide range of residential densities, as well as a wide variety of housing types from standard single-family and multiple-family dwellings, to residential care facilities, transitional housing, and supportive housing opportunities. Further, the "GC" General Commercial District also provides several options for residential development. Given the range of densities and uses allowed, the City has determined that the zoning districts/use classifications of the Zoning Code are not a constraint on housing.

Development Standards

The development standards of the Zoning Ordinance address such things as minimum lot size, building height and setbacks, usable open space, and similar development standards. These standards establish the basic building parameters for single-family and multiple-family development. Appendix "B" illustrates the general development standards required for the various residential districts. In addition to those items shown in Appendix "B," the Zoning Ordinance also requires that off-street parking be provided for all uses, including residential projects. As it pertains to housing, the ordinance requires that two covered spaces be provided for each single-family residence. For multiple-family developments, uncovered spaces are required in the following amounts: 1.5 spaces for each 1-bedroom unit; 1.75 spaces for each 2-bedroom unit; and 2 spaces for each 3-bedroom unit. One guest space for each 5 units must be provided beyond the initial 30 units. Recreational vehicle spaces must be provided, totaling at least 5 percent of the total spaces required. Parking for senior developments may be reduced by 50 percent.

TABLE 15

USE CLASSIFICATION	RE	RS	RM	GC	HC
Single Family	P	P	P	—	—
Duplex	—	S ¹	P	S	—
Manufactured Home	P	P	P	—	—
Manufactured Home Park	—	—	U	S	—
Multiple Family	—	—	P ²	S	—
Group Residential (Boarding House)	—	—	S	—	—
Second Dwellings	P	P	P	—	—
Residential Care (6 or fewer)	P	P	P	S	—
Residential Care Facility	S	S	S	S	—
Transitional Housing	P	P	P	P	S
Supportive Housing	P	P	P	P	S
Homeless/Emergency Shelters	—	—	—	—	P

¹ Only in "RS-3.5" and "RS-4" Districts

² Up to 4 units. Five or more units require site development permit.

P = Permitted use

S = Requires site development permit

U = Requires use permit

Finding of No Constraints. The City’s development standards are viewed as necessary to protect public health, safety, and welfare and to maintain the quality of life and are comparable to those adopted by other communities. Further, given the ability to reduce both the number and size of off-street parking spaces, modify building setbacks, modify open-space requirements, etc., using the tools noted below (i.e., Zoning Exceptions, Variances, and the Planned Development Overlay District), the City’s parking and other development standards are not considered a constraint to development of housing.

Design Criteria

The City Council adopted by resolution a set of "Design Criteria" that provides project applicants with information regarding the City’s clear, yet flexible, expectations relative to the physical design of projects. The intent of the criteria is not to dictate design, colors, and materials, etc., but to foster more attractive and liveable neighborhoods by listing and illustrating basic design solutions that can lead to better projects throughout the city. The City Council recognizes the importance of gaining broad community acceptance for residential projects of all types. The advantage of using design review to promote affordable housing is that it addresses a major concern of neighbors—the fear that the development will be ugly, too bulky, and out of character with the neighborhood. Since their adoption, the standards and criteria have increased community acceptance of higher-density residential projects, as well as provided a better living environment for those living in and adjacent to these developments.

The criteria was formulated by a task force made up of private-sector representatives from the engineering, architecture, land use planning, and development communities. The effort focused on ensuring that the criteria was clear, yet flexible; not administratively burdensome; and would not appreciably increase the cost of development.

The criteria provides numerous examples of ways in which the design intent can be met, rather than dictating a single treatment. It includes photographs of Redding-area buildings that embody the design concepts covered, as well as numerous diagrams that assist those reviewing the criteria to understand its basic concepts. The criteria includes guidance on a number of topics, including:

- ▶ Facade and roof articulation
- ▶ Unit clustering
- ▶ Project entries
- ▶ Parking
- ▶ Pedestrian access
- ▶ Open space
- ▶ Mechanical equipment

Finding of No Constraints. Administration of the design criteria is seamless and works within the same process as all permits. That is, a separate design review hearing is not required, nor are additional fees, and no special design review board has been established. Consistency with the design criteria is reviewed as part of the permit application, with the approving authority authorized to determine whether the City’s criteria has been satisfied. The City’s experience is that adoption and publication of the design criteria have reduced, rather than increased, application processing times and have added more certainty to the project-approval process. There is no indication in the seven years that the criteria have been in use that they are an impediment to development or have an effect on project costs.

Relief from Standards

The Zoning Ordinance allows administrative relief for numerous standards in the form of *zoning exceptions, variances, and planned developments*.

- ▶ *Variances/Zoning Exceptions.* Unlike variances, which must be approved by the Planning Commission after a public hearing, zoning exceptions are administrative in nature, resulting in a streamlined approval process (approximately 20 days) for relief from a number of standards, including setbacks, required parking, height, lot size, and similar requirements that may impede otherwise acceptable development on a given property. In the years 2007 and 2008, the City approved nine requests for Zoning Exceptions. No requests were denied.
- ▶ *Planned Development Overlay District.* The ordinance allows the maximum density allowed by the applicable General Plan density range to be achieved, regardless of the density prescribed by the underlying zoning in districts combined with the "PD" Planned Development Overlay. Further, the "PD" overlay provides additional flexibility to allow streets with narrower right-of-ways, reduced

sidewalk requirements, building setbacks, increased heights, and other modifications to standards that can serve to reduce overall development costs.

Incentives for Residential Development

An important tool to ensure development of adequate housing is providing a range of incentives to develop needed residential units. The following tools are included in the Zoning Ordinance and Subdivision Ordinance as incentives to development and as a means to counteract any real or perceived constraints to development:

- ▶ *Second Units.* Second units are allowed in single-family and multiple-family residential districts without discretionary review. Further, duplexes and other residential dwelling types are allowed within certain single-family zoning districts when in character with the neighborhood.
- ▶ *Density Increase.* Residential density may be doubled for affordable senior housing projects in the "RM" Residential Multiple Family Districts. This eliminates the need to use the Density Bonus provisions of the ordinance, which can add time to the approval process.

Further, maximum General Plan densities in single-family developments may be allowed if a project contains a number of amenities designed to lead to the development of more livable and attractive neighborhoods. Using the amenity package is optional, and the items will not increase development costs when compared to the value of the additional lots.

- ▶ *Reduced Parking.* Parking for senior citizens' developments may be reduced by 50 percent from that required of nonsenior projects.
- ▶ *Net vs. Gross Density.* Density in the "RM" Districts is based on a "net" rather than "gross" acreage. The ordinance factors in the density that would normally be attributable to public streets, easements, etc. For instance, this allows up to 15 units per acre to be developed in the "RM-12" District; 18 units per acre in the "RM-15" District, and 20 units per acre in the "RM-18" District.

- ▶ *Density Bonus Ordinance.* The City's ordinance was amended in 2008 to provide as much flexibility as possible in approving "affordable" projects. The ordinance does not establish a cap on density, nor does it limit the number of concessions, incentives, or waivers of development standards that can be granted. This approach will facilitate development of more affordable units than would have been possible under the basic limitations of state law or the City's previous Density Bonus Ordinance.
- ▶ *Condominium Conversion Ordinance* (Redding Municipal Code Chapter 17.50). Conversions in order to assist in maintaining an adequate supply of rental housing are discouraged.

Finding of No Constraints. Given the above, it can be seen that many of the provisions of the Zoning Ordinance were crafted to have a positive effect upon the number of dwellings constructed in Redding, including affordable multiple-family developments. The intent is also to increase overall project quality, improve accessibility, and increase on-site amenities, such as open space, parking, storage, landscape, and recreational facilities. As noted above, the standards and design criteria do not act as a constraint to the development of housing. Further, the various provisions identified above that are intended to increase allowable density can serve to offset increased costs that may result from other aspects of zoning requirements or criteria.

Subdivision Ordinance

Subdivision applications have the most extensive and technical requirements for a complete submittal. Applicants who utilize the "preapplication" process are usually better able to determine the extent of information required for a complete submittal because of the initial review with staff and utility representatives. Once a complete subdivision application is submitted, state law requires the City to make an environmental determination within 30 days if exempt, or 50 days to take action after determination, and 180 days for a Negative Declaration, and one year for an EIR. The Planning Commission usually considers a subdivision map 30 days after environmental review has been completed and noticed for public review. Extension of the processing time beyond 50 days may occur only with the consent of the applicant.

Finding of No Constraints. The land division process and associated timelines are governed by the State Subdivision Map Act, as well as CEQA requirements. The City's ordinance establishes local authority and processes for the subdivision of land as required by the Map Act and does not constitute a constraint on development of housing.

Building Code Enforcement

Building construction standards in Redding are based upon the 2007 California Building Code. The City also utilizes the 2007 California Plumbing Code, Electrical Code, and Mechanical Code and enforces Title 24, regarding accessibility and energy provisions. Generally, the City does not require stricter construction standards than are contained in these codes. However, a variety of code revisions have been implemented which address unit security, energy conservation, fire safety, and increased structural requirements based upon the area's winter climate. These revisions are not considered constraints to development, since the cost factors in meeting the heightened requirements are minor. Redding does not enforce a stricter seismic code than required by state law.

Over the past several years, the City has established a proactive approach to the enforcement of Building Code standards for existing dwelling units. In the past, existing units were inspected only when complaints were received by the City or when an owner sought a permit for additional construction. In 1998, the City amended the Redding Municipal Code to reflect the community's desire to address the problem of blight and unsafe buildings scattered throughout the community. The Code Enforcement staff of the Building Division is charged with the responsibility of identifying commercial and residential properties citywide that pose a serious threat to the health, safety, and welfare of the community and resolving the situation. Property owners are expected to comply with requests to cure identified code violations within a reasonable time frame. To the extent possible, all existing program resources are made available to interested owners to help resolve the code-violation issues.

Code-enforcement efforts support the stated General Plan goals of preserving and enhancing existing neighborhoods; maintaining Redding's basic quality of life, including the availability of affordable and

decent housing; and reversing the trend of deterioration in some of Redding's neighborhoods.

Since 2005, the Code Enforcement Division has taken action on over 6,000 individual cases. The vast majority of these units were brought into compliance with applicable codes, resulting in improved living conditions for tenants and owners. Of those cases, less than ½ of 1 percent have resulted in abatement by demolition. Demolition is always a last-resort action. The City makes every effort to gain compliance without demolition and has been successful in its efforts.

Finding of No Constraints. Given the City's track record in working with property owners to resolve building code issues without requiring demolition of residential units, the activities of the Code Enforcement Division are not considered a constraint to housing.

On- and Off-Site Improvements

Redding, like most cities in California, requires developers to provide a full complement of on- and off-site improvements. The cost of these improvements is passed on to the eventual buyers or tenants in the purchase price or rent that they pay. The typical residential street is required to incorporate a minimum of 36 feet of pavement, curb, gutter, and 4-foot-wide sidewalks. Storm-drainage systems, fire hydrants, and sewer and electric systems must also be provided. Street widths and pedestrian amenities, however, may be modified under the provisions of the Planned Development Overlay District or by requesting modifications of development standards through the City's density bonus program.

Finding of No Constraints. The City's improvement requirements are similar to most other jurisdictions of comparable size in the state. Given the ability to modify the basic requirements utilizing the programs noted above, potential constraints to the development of housing are mitigated.

FEES AND EXTRACTATIONS

Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities, such as utilities, schools, and infrastructure. Infrastructure fees are based on a nexus study conducted by the City to determine the actual cost of providing improvements or facilities.

The nexus study concludes that the City of Redding fees are appropriate and justified and also that the impact fee program complies with state law regarding development impact fees. Clearly these fees contribute to the cost of housing and may constrain the development of lower-priced units. In order to mitigate this effect on affordable housing projects, other programs—such as density bonuses, density increases, use of the Planned Development District, state and federally funded construction programs, and tax free Mortgage Revenue Bond Financing, which all serve to greatly reduce overall production costs—are promoted by the City. Further, beginning in 2008, the City started deferring utility impact fees until a certificate of occupancy is requested, rather than at the time of application. Deferral of the fees lowers the amount of up-front financing that would otherwise be required.

TABLE 16

PROJECTED FEES FOR SINGLE-FAMILY DWELLING CONSTRUCTION		
Fee Description	1,200 s.f.	1,500 s.f.
Building Fees		
Building	\$ 1,041	\$1,174
Electric	96	183
Plumbing	179	179
Mechanical	74	74
Plan Check	768	763
SMIP/microfilm	66	68
Development Fees		
Parks	3,764	3,764
Electric	100	100
Fire	602	602
Storm Drain	840	840
Traffic	5,160	5,160
Water/Sewer		
Sewer	6,517	6,517
Water Meter	96	96
Water Connect	6,488	6,488
School Impact		
Technology surcharge	3,564	4,455
	107	119
TOTAL	\$ 29,372	\$30,512

December 2008

TABLE 17

ESTIMATED FEES FOR MULTIPLE-FAMILY PROJECT (2-story, fourplex with 1,000 sq. ft. units—600 sq. ft. on bottom, 400 sq. ft. on top, 2-bedroom, 2-bathroom)			
	Sq Ft	\$ Cost/Sq Ft	Valuation
Multiple-Family	4,000	x \$100	= \$400,000
FEES			
Permit			
Building		\$ 2,167	
Plan check		1,408	
Electrical		232	
Mechanical		256	
Plumbing		506	
SMIP/Micro Film		62	
Fire Plan Check		260	
SUBTOTAL			\$ 4,891
Development			
Fire Facilities		\$ 2,785	
Electric		500	
Storm Drain		1,752	
Parks		12,747	
Traffic		12,926	
SUBTOTAL			\$30,437
Water and Sewer			
Water Meter		\$ 115	
Water Connect		10,343	
Sewer Connect		20,504	
SUBTOTAL			\$30,962
School			
School		\$ 11,880	
SUBTOTAL			\$ 11,880
TOTAL			\$ 78,170

Table 16 presents typical development fees associated with the construction of a single-family house of 2 sizes. The fees are increased yearly to reflect any increases in the cost of living. Similarly, Table 17 summarizes the typical development fees associated with the construction of a fourplex. The fees include various building permits and plan check fees, development fees, water and sewer fees, traffic impact fees, and school impact fees.

Fees collected on zoning and subdivision applications presently do not cover staff costs for processing the application and are subsidized by the City's General Fund by approximately 75 percent. Building fees represent the estimated cost of service for processing, plan check, inspection, etc. In addition to building and development, zoning, and subdivision application fees, subdividers are required to dedicate land to be developed into neighborhood parks or pay a per-unit fee in lieu thereof (or both) as a condition of approval of a final map or parcel map (Redding Municipal Code Chapter 17.42).

Source: Development Services Department - Building Division - January 15, 2009

Finding of No Constraints. While fees can have an impact on the cost of housing, the City has implemented a number of programs, as noted above, to mitigate the impact to the extent feasible. Further, the aforementioned nexus study determined that to be legally defensible, projects must be assessed in a manner that represents the "fair share" of the projects' impacts on the City's street and utility infrastructure system. Given the above, the City has determined that its fee structure does not represent a constraint on development that is dissimilar to other jurisdictions in California.

Processing and Permit Procedures

Development within the City of Redding is subject to a review process overseen by the City's Development Services Department. Some form of discretionary approval (tentative subdivision map, site development permit, use permit, variance, etc.) must be obtained prior to initiation of many construction activities. Historically, residential development proposals are approved at the requested density level, provided that the request is consistent with the site's General Plan land use classification and zoning. The City is seeing increasing interest in the development of projects at the highest density allowed by the property's General Plan density range under the authority of the Planned Development Overlay District and the Density Increase provisions of Section 18.31.040 of the Zoning Ordinance, as discussed above.

The review process in Redding is governed by 4 levels of decision-making authority: the City Council, Planning Commission, Board of Administrative Review, and the Development Services Director. In order to expedite the processing of routine and simple discretionary permits (i.e., site development permits and zoning exceptions), the City utilizes an administrative permit procedure. These permits may be processed and approved by the Development Services Director, instead of the Board of Administrative Review or Planning Commission, and do not require a public hearing. Approval typically can be obtained in 2 to 4 weeks. Appendix "C" addresses the processing requirements and procedures for these discretionary permits. Appendix "D" lists the application fees in effect on December 31, 2008, for such permits. The City has also initiated a "preapplication" process that allows staff to advise program proponents on various City requirements, potential site problems, and other issues early in the application process. This serves to provide more

certainty in the development process and can lead to shortened processing timelines.

Residential developments of up to 4 dwelling units are considered to be ministerial in nature, and no discretionary permit is required. To ensure that larger developments conform not only to the regulations of the Zoning Ordinance, but also address the above-noted Design Criteria, a *site development permit* is required for developments that exceed this threshold. The Board of Administrative Review is the hearing body for these projects, resulting in faster approval than would be required at the Planning Commission level.

It should be noted that the City's practice has been to handle permits expeditiously. The permit process is not used to disallow residential uses, rather to provide a process whereby residential uses can be facilitated in a manner that will result in projects that are compatible with surrounding land uses. The vast majority of commercial/industrial uses also require that a site development permit be obtained for the same reason. It is important to note that a site development permit pertains to how a site is developed. The *uses* subject to these permits are not in question. The process is the same for all uses requiring a site development permit. Therefore, the process does not unduly constrain the development of residential uses.

Most permits can be approved in 2 to 4 weeks, although larger, more complicated projects may take up to 4 months. If an Environmental Impact Report (EIR) or other study is required, the time frame is considerably longer. This processing time is well within the time limits established by the Permit Streamlining Act (Public Resources Code Section 21100, et seq.). The City has developed a set of explanatory handouts regarding each type of application and its review process. Checklists of needed information/materials to be provided are included.

The City Building Division has established a 2-week turnaround for processing building permits that do not require engineering review. This typically applies to single-family dwelling units. Where engineering review is necessary, as is the case for most multiple-family development, a 4-week review period is generally required. Approximately 90 percent of permit requests are processed within the allotted time.

Finding of No Constraints. Due to the City's efforts to expedite the approval process, including allowing concurrent applications processing, it is not felt that the amount of time necessary for processing applications and following existing permit procedures is a constraint to development of housing.

CONSTRAINTS—PERSONS WITH DISABILITIES

Under Senate Bill (SB) 520, which became effective January 1, 2002, a housing element is required to analyze potential and actual constraints upon the development, maintenance, and improvement of housing for persons with disabilities and to demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities (California Government Code Section 65583(a)(4)). In accordance with the provisions of SB 520, the following section analyzes constraints on housing for persons with disabilities.

Actual and Potential Constraints

Constraints can take many forms, including inflexibility within zoning and land use regulations, unduly restrictive permit processing or procedures, and outdated building codes. The City's analysis of actual and potential governmental constraints in each of these areas is discussed below.

Zoning and Land Use

In general, the land use and zoning regulations of the City support reasonable accommodations for the disabled as described below:

Group Homes. The City allows group homes consistent with the Community Care Facilities Act, serving 6 or fewer persons, regardless of age, in all residential zones. Group homes for more than 6 persons (also known as residential care facilities), unrestricted by age, are permitted with a site development permit in all residential districts and in the "GC" General Commercial District. There are no standards in the zoning regulations that specify a minimum distance between group homes; however, concentrations of such facilities in any one neighborhood or area could be a consideration during the permitting process.

Supportive Housing. Supportive housing facilities also provide a valuable source of housing for those with

various disabilities. The Zoning Code allows such facilities as permitted uses in all residential districts.

Definition of Family. The definition of "family" under the zoning regulations does not restrict those living in a residence to occupants related by blood or marriage and is consistent with the Fair Housing Law. Neither is the number of unrelated individuals living together regulated by the code.

Reasonable Accommodation. The zoning regulations establish setback-encroachment standards for stairs and similar architectural features. However, in recognition of the need to provide for "reasonable accommodations," the Zoning Code allows the Development Services Director to waive setback requirements for ramps, lifts, or other structures required for access by those with disabilities.

Permits and Processing. The permit process to retrofit a building to add ramps or other changes to remove architectural barriers to access by a disabled person (e.g., widen doorways, modify bathroom facilities, and redesign kitchen sinks and countertops) is the same as for other building alterations—an application for a building permit is required and plans may be necessary depending on the scope of the work; and the construction is inspected for conformance with the building regulations. To further assist persons in need of access modifications, Section 18.04.030 of the Zoning Code provides the Development Services Director with the authority to grant encroachments into required building-setback areas.

As previously noted, group homes for more than 6 persons will require the proponent of the facility to obtain a site development permit. This is a discretionary permit process and requires a showing that the proposal conforms to the General Plan; is consistent with the zoning regulations, including development standards; and is not detrimental to public health, safety, or welfare. Environmental review under the provisions of CEQA may also be required. While this process does subject the project to neighborhood review and involves some added time and expense, the permitting process is a legitimate and necessary function of local government. To ensure that such developments proceed smoothly through the approval process, the City works closely with project proponents to encourage development of a project that anticipates and addresses—through scale and operational controls—all legitimate neighborhood concerns up-front.

Building Codes and Regulations

The City has adopted and follows the 2007 California Building Code and follows state accessibility standards and guidance regarding ADA compliance. The City has developed and implemented several programs to assist those with accessibility problems. These include:

1. *Express Permit Program.* This program gives permit priority to projects needed to provide accessibility to a building (commercial or residential). Permits are issued within 7 days.
2. *Building Inspections.* Building inspectors are available at no charge to visit sites and make recommendations on how access problems can be resolved.
3. *Complaint Action.* If accessibility complaints are received, a building inspector is dispatched to work with the property owner to achieve compliance with accessibility laws.

4. *Consultation on Demand.* Questions regarding accessibility are given priority at the Permit Center, which makes staff available to answer accessibility questions.

Finding of No Constraints. The flexibility provided by the Zoning Code with respect to housing persons with disabilities (including provisions for group homes, supportive housing facilities, and administrative waivers of setback requirements to meet access needs) indicates that the provisions of the Zoning Code are not an impediment to housing persons with disabilities. Further, the programs identified above that have been established to assist those with disabilities during the building permit process successfully mitigate any constraints associated with that process.

NONGOVERNMENTAL CONSTRAINTS ON MAINTENANCE, IMPROVEMENT, AND DEVELOPMENT OF HOUSING

Nongovernmental or "market" constraints are those factors which limit the availability and affordability of housing, but over which the local government has little or no control. State law requires that the Housing Element contain a general analysis of these constraints as a basis for possible actions by the local government to offset the effect of these constraints. The 3 market factors which directly affect the availability and cost of housing in Redding are the price of land, the cost of construction, and the availability of financing.

PRICE OF LAND

Residential land prices within the City of Redding vary considerably depending upon several factors. The primary factors are: (1) the specific location of the property, (2) the availability of utility services to the property, (3) the topography of the property, and (4) the existence of adequate paved access.

Based on listings of land for sale in the Redding area, the cost can vary significantly. For instance, an average 10,000-square-foot finished residential lot generally sells for \$75,000 to \$105,000, although some locations and developments command even higher prices.

Information developed by the City of Redding Redevelopment Agency suggests that the average price for multiple-family land was approximately \$15,000 per unit in 2008, although that price will vary depending on the particular site and the number of units that can be constructed on a given property. The cost per unit generally declines as the unit count increases.

COST OF CONSTRUCTION

The cost of construction is comprised of four major components: fees, material, labor, and financing. Of these, material and labor costs make up the bulk of the development cost, followed by fees and financing costs. However, other factors also affect the cost of building; these include the type of construction, custom versus tract development, site conditions, finishing details, amenities, square footage, and structural configuration. These factors create a wide variation in construction costs, from as little as \$95 per square foot to as much as \$200 per square foot, or more. Table 18 illustrates the typical construction costs for various-sized homes in the City of Redding. These same development factors would affect development of multiple-family units as well.

AVAILABILITY OF FINANCING

Competitive financing was generally available for properties within the City of Redding, regardless of

TABLE 18

COST OF CONSTRUCTION IN REDDING						
	BASIC CONSTRUCTION		AVERAGE CONSTRUCTION		HIGH-QUALITY CONSTRUCTION	
	Tract Home	Custom Home	Tract Home	Custom Home	Tract Home	Custom Home
Cost/sq ft	\$95-105	\$105-115	\$115-135	\$135-155	\$155-175	\$175-200
1,200 sq ft	\$108,000– 126,000	\$126,000– 138,000	\$138,000– 162,000	\$162,000– 186,000	\$186,000– 210,000	\$210,000– 240,000
1,700 sq ft	\$153,000– 178,500	\$178,500– 195,500	\$195,500– 229,500	\$229,500– 263,500	\$263,500– 297,500	\$297,500– 340,000
2,000 sq ft	\$180,000– 210,000	\$210,000– 230,000	\$230,000– 270,000	\$270,000– 310,000	\$310,000– 350,000	\$350,000– 400,000

Source: City of Redding, January 2009

location, for both residential construction projects and home purchase. Private financing is the primary source for most potential homeowners. Home-purchase loan data for the Redding Metropolitan Statistical Area (MSA) from the Home Mortgage Disclosure Act (HMDA) indicates that only 23 percent of loans were denied in both 2006 and 2007, indicating that financing is available. There has been no indication of discriminatory lending practices based on property location within the city limits. The interest rates for financing the cost of construction, as well as for long-term home financing, have widely fluctuated over the past 20 years. From 17–18 percent during the 1980s to the dramatically low rates (5.5 to 6.5 percent) of 2008, this single factor plays a major role in the affordability of housing. In the previous section on Housing Cost, the effect various interest rates have on the ability of LI and MI households to purchase a home is explored.

As with financing for new construction, financing for remodeling or rehabilitation of existing structures is readily available to qualified borrowers throughout the city, although that type of financing has also been hampered by the banking crisis that took hold in the fall of 2008. Standard factors taken into consideration for this type of loan are: (1) existing equity in the property and (2) ability of the loan recipient to repay the increased debt. Many older homes in need of repair are owned by lower income families. These families, in many instances, have a difficult time meeting commercial lenders' debt-to-value criteria, as well as having difficulty meeting the income requirements necessary for repayment of the loan. In order to mitigate this constraint, the City offers a variety of rehabilitation loan programs to assist the lower income homeowner with necessary repairs. The funding sources for these programs include local redevelopment LMIHF, CDBG, and HOME funds.

ENERGY-CONSERVATION OPPORTUNITIES

Redding Electric Utility (REU) provides virtually all the electricity supplied to customers within the Redding city limits; a very small number of customers are served by Pacific Gas & Electric Company. The City has a well-planned transmission and distribution system, as well as the ability to produce a significant portion of citywide electric demand.

Since 1998, REU has provided more than \$20 million in rebates and incentives programs to increase the energy efficiency in the Redding community. These programs have raised customer awareness and improved energy efficiency with the installation of high-efficiency measures through increased education. REU's programs have reduced peak demand by more than 12 megawatts, with an associated cumulative annual energy savings of 30,000 megawatt-hours. More than 80 percent of the incentives and associated savings have been directed to and achieved from the residential sector of REU's customers.

REU ENERGY-EFFICIENCY PROGRAMS TARGETED TO THE RESIDENTIAL SECTOR

- ▶ High-Efficiency Heating Ventilation and Air-Conditioning (HVAC) Rebate Program. REU provides financial incentives for HVAC systems that exceed federal and state standards with a Seasonal Energy Efficiency Ratio (SEER) of 14 or greater and a minimum SEER of 12. These incentives also include requirements for duct pressure-testing results above Title 24 standards. In addition, REU's HVAC program provides incentives for duct repair/replacement and HVAC servicing, as well as installation of evaporative coolers and whole-house fans.
- ▶ ENERGY STAR® Appliances. To date, REU has provided more than 18,000 rebates to its customers for their purchase of ENERGY STAR-approved dishwashers, clothes washers, refrigerators, and windows, as well as high-efficiency electric water heaters.
- ▶ Weatherization Programs. REU supports the installation of insulation, caulking, weatherstripping, water heater wraps, radiant barrier roof sheathing, and window treatments to improve the thermal integrity of building

envelopes through rebate programs for all its customers. Further, REU offers the Community Assistance Weatherization Program (CAWP) in coordination with Redding's Housing Division to income-qualified customers.

- ▶ Earth Advantage® Green Building Program. REU's Green Building program includes many environmental benefits. All homes that are built to Earth Advantage standards must be at least 20 percent more efficient than Title 24 requirements. In addition to this feature and the many sustainable building products and measures that can be included in these homes, REU performs blower-door and duct-pressurization testing and verification of all Earth Advantage homes to ensure that they meet the program criteria and will provide long-term energy savings and comfort to the occupants. Of the homes completed in Redding during 2007 and 2008 combined, 25 percent were built to Earth Advantage standards.

In addition to these programs, which can result in a significant reduction on utility bills for both renters and homeowners, other opportunities are provided by the City that can result in overall reductions in energy use per dwelling. These include the higher density allowed in the Downtown core, mixed-use developments, and planned developments. This is because higher densities can reduce the "per unit" amount of energy required to construct each unit, while attached dwelling (i.e., common wall) construction is generally more energy-efficient in terms of heating and cooling demands than stand-alone units.

In addition to the efforts of REU, other programs/opportunities exist within the City's regulatory framework to encourage energy conservation. These include the following:

- ▶ Density increases can be granted for single-family developments that include participation in the Earth Advantage, LEED, or similar programs.
- ▶ Use of density bonus and planned development provisions to increase density and to allow zero lot line construction.
- ▶ Allowing unlimited residential density Downtown.

PROGRAM/ACTIVITY
ACCOMPLISHMENTS 2003—2008

This section presents a summary of activities and accomplishments that occurred under various programs between 2003 and 2008.

1.1 Activity. Moderate/Substantial Rehabilitation, Owner-Occupied Units

Objective. To rehabilitate 15 single-family homes per year. Of these, approximately 3 (14 percent) were anticipated to be very low income (VLI) homeowners and 12 (86 percent) were anticipated to be low income (LI) homeowners.

Accomplishments. During the reporting period, 44 single-family units were rehabilitated at an average per-unit cost of approximately \$46,290. The annual average of 8.8 units fell short of the stated goal of 15 units per year. Over the past 5 years, the rehabilitation programs were marketed primarily within the target neighborhoods. The majority of units assisted were within these areas. A significant amount of the available funding was utilized for the new construction of affordable units and to provide home-purchase loans to first-time homebuyers.

Proposed Changes. It is anticipated that revitalization plans for the Lake Boulevard area and for residential areas adjacent to the Downtown area will be completed during 2009. Rehabilitation of existing owner-occupied units within both of these areas will be a priority. In addition, a companion rehabilitation loan will be available to be used in conjunction with any of the City/Agency loans for home purchase in the near future. It is anticipated that a minimum of 10 households will utilize the companion loan on an annual basis over the planning period. Of these, 50 percent (5) are anticipated to be lower income and 50 percent (5) are anticipated to have incomes between 81 and 120 percent of AMI. The Housing Division staff will continue to market the previously identified target neighborhood-rehabilitation programs, as well as the regular rehabilitation programs, on a citywide basis. It is anticipated that 10 units per year will be rehabilitated through these efforts, all of which will be occupied by lower income households.

1.2 Activity. Moderate/Substantial Rehabilitation, Rental Units

Objective. To rehabilitate 20 rental units per year, utilizing all funding sources. Of these, approximately 11 (53 percent) were anticipated to be occupied by VLI households and 9 (47 percent) by LI households.

Accomplishments. During the reporting period, 46 units were rehabilitated at an average cost of \$73,126 per unit. The annual average of 9.20 units fell short of the stated goal of 20 units per year. As stated under the report on the rehabilitation activity for homeowners (1.1 above), a greater emphasis was placed on the construction of new affordable units over the past 5-year period, rather than the rehabilitation of existing units. The majority of units rehabilitated were within the target neighborhoods.

Proposed Changes. Over the next 5-year period, it is anticipated that increased activity will be seen in the rehabilitation area. Real estate prices on existing rental units have dropped below the average per-unit cost of new construction, making it extremely cost-effective for investors to consider the purchase and rehabilitation of existing units, rather than construction of new units. Staff will continue to market the existing programs, both inside the target neighborhoods and citywide.

1.3 Activity. Minor Rehabilitation, All Units

Objective. To rehabilitate a minimum of 8 units per year through the Emergency Repair Program (ERP) and assist a minimum of 80 senior households with minor repairs through the Minor Home Repair Program for Seniors (SRP). It was anticipated that 90 percent of these would be VLI households.

Accomplishments. During the reporting period, 63 ERP units were rehabilitated. The annual average of 12.60 exceeded the stated goal of 8 ERP units per year. Additionally, 614 repairs were completed through the SRP. The 614 units far exceeded the 80 units stated as the goal for the reporting period.

Proposed Changes. In March 2009, staff will be proposing minor modifications to the ERP and Senior Repair Programs, including increases in the annual amounts available per household in both programs and expansion of the SRP to include persons with disabilities as eligible applicants. With these changes, it is anticipated that a minimum of 10 ERP loans and 90 SRP repairs will be accomplished on an annual basis.

1.4 Activity. Code Enforcement

Objective. To minimize the number of dwellings demolished through the abatement process by working closely with property owners and to provide program assistance, where appropriate and available.

Accomplishments. The Code Enforcement Division works closely with property owners to resolve Building Code violations in a manner that preserves the housing stock of the city to the fullest extent feasible. To highlight the success of the effort, it should be noted that at the end of December 2008, the Code Enforcement Division had over 6,000 active cases ranging from minor blight and nuisances to major health and safety violations. During the period of 2003 through 2008, fewer than 5 residential units were demolished as a result of code-enforcement efforts. The Division works closely with the City Housing Division's housing rehabilitation program to assist property owners in rehabilitating properties, where without subsidy, it would not make economic sense to do so. Code-enforcement activities within the target neighborhoods have been able to achieve in excess of a 95 percent compliance rate on all cases.

Proposed Changes. None contemplated.

1.5 Activity. Conservation of At-Risk Units

Objective. To conserve 246 affordable rental units. The City will develop an early warning system and monitor at-risk units through interaction with the affordable complexes' project managers and owners. This will be done in order to establish which affordable-housing units may convert to market-rate units. To accomplish this, property owners will be contacted on an annual basis to confirm program participation. Any property at risk will be assessed and identified for preservation assistance. The City will identify possible funding resources that could be used to preserve at-risk units. The City will respond by contacting owners regarding any federal and/or staff notices, including *Notice of Intent to Prepay*, owner *Plans of Action*, or *Opt-Out* notices filed on a project within the City's jurisdiction, and discuss opportunities and possible City preservation efforts.

Accomplishments. Annually, owners/managers of the identified at-risk units are contacted by staff to determine ongoing program participation. In early 2009, the Housing Division was notified that one of the projects, Kutras Gardens, a 231-Mortgage Insured Rental Housing for the Elderly, will be opting out of

its program in December 2009. Housing staff has been in direct contact with the manager of the complex and will coordinate any HUD subsidies, such as enhanced voucher program benefits that may become available.

Proposed Changes. No changes are anticipated.

2.1 Activity. Development of New Affordable Rental Units

Objective. To facilitate the development of 50 new units of multiple-family housing affordable to lower and moderate income households annually. It is anticipated that all development will be in conjunction with either a for-profit or not-for-profit development partner. The City will continue its ongoing outreach to not-for-profit and other providers as potential projects in the target neighborhoods are identified.

Accomplishments. During the reporting period, 144 new units of multiple-family housing were developed at an average local assistance amount of approximately \$45,417 per unit. These included 103 new units for VLI seniors, 40 units for families, and a congregate-living facility for 6 disabled individuals. The Housing Division and the Redding Redevelopment Agency collaborated with a number of development partners to accomplish this goal.

Proposed Changes. While the actual number of units developed was significantly lower than the stated objective of 250 units, there still is a large amount of interest in continuing development of additional affordable units over the upcoming planning period. The significant challenge will be in identifying and securing sufficient outside financial resources to be coupled with available local funding. Local resources are simply insufficient to be the sole source of financing on new construction projects. It is unknown at this point whether one of the most commonly used outside funding sources for new construction of affordable rental units—federal and state tax credits—will be viable over the next couple of years. Lack of readily available sources of financing sufficient to develop new units will negatively impact the actual number constructed. Currently, an additional 39 affordable units have been approved for construction in the near future, including 20 additional senior units. Over the planning period, the LMIHF is likely not to be available for use on the development of additional age-restricted units due to regulatory restrictions dictating proportionality. Regardless, to the extent additional funding sources are identified,

staff believes priority will continue to be given to development of new affordable rental units. With adequate funding, it is anticipated that an average of 25 affordable units per year might be developed. All of the units will be affordable to LI and VLI households.

2.2 Activity. Partnerships with Local Not-for-Profit Housing Development Entities

Objective. To enter into mutually beneficial partnerships with a wide range of housing providers serving a broad spectrum of the community. This effort may include supporting grant applications, identifying available sites for housing development, and City involvement in the development of such sites. The City will continue ongoing outreach with not-for-profit providers as potential projects are identified to solidify partnerships as early in the planning and development process as possible.

Accomplishments. The City has established working partnerships with a variety of entities, including Access Home; Community Revitalization and Development Corporation (CRDC); Habitat for Humanity; Innovations Housing; Northern Valley Catholic Social Service, Inc.; Mercy Housing California; Christian Church Homes; and Southern California Presbyterian Homes.

Proposed Changes. None

2.3 Activity. HUD Section 8 Rental Assistance Program

Objective. To maintain a lease-up rate between 95 and 100 percent of allocated subsidies. With the Board of Commissioners' consent, the RHA will apply for additional vouchers if vouchers become available under a Notice of Funding Availability.

Accomplishments. During the reporting period, the Department of Housing and Urban Development (HUD) changed its method of allocating funds to local housing authorities. During a portion of the period, local authorities received a set amount of funds to cover the rental assistance payment paid to owners on behalf of eligible low income households. The RHA expended funds, as received, but could not assist the number of units (1,528) addressed in its Annual Contribution Contract with HUD. However, in 2008, with another budget change from HUD, the RHA engaged in a massive outreach program to engage additional eligible households in the

Section 8 Housing Choice Voucher Program. At year's end, the RHA was fully leased, assisting 1,528 households each month. No new vouchers were made available by HUD.

Proposed Changes. At this time, the 2009 Calendar Year budget for the rental assistance program has not been published. The RHA will continue to monitor lease-up activity, and when the budget is known, it will make adjustments, as necessary, to the number of participating households. In 2010, the RHA will seek additional vouchers, if available, to assist those households that currently reside in the previously identified HUD 231 complex that may be converted to market-rate during the planning period.

2.4 Activity. New Construction of Ownership Units

Objective. To facilitate the development of 180 new ownership units in the target neighborhoods over the planning period by seeking out both for-profit and not-for-profit developers to assist in housing construction as opportunities, such as land consolidation by the City, present themselves.

Accomplishments. Over the planning period, a total of 42 new single-family units were constructed utilizing local funding assistance at an average cost of \$88,034 per unit. All of these units were subsequently sold to income-eligible households, with long-term resale restrictions to ensure continued affordability over 45 years. Significant issues that affected the number of units constructed included the lack of private construction funding available at a reasonable cost; the development costs, in general, associated with the development of new single-family units; and the limited public resources available for this purpose.

Proposed Changes. The LMIHF is the primary local funding source for development of new ownership units. While this is likely to continue over the planning period, it is proposed that new development opportunities and partnerships be explored on a citywide basis, rather than restricting them to the target neighborhoods. In this way, it is anticipated that additional private not-for-profit developers may be encouraged to consider the development of affordable units within larger subdivision developments throughout the community. Conceptual approval has been provided by the Agency for 10 new single-family units, which will be constructed outside of the target neighborhoods as part of mixed-income subdivisions during the upcoming planning period.

All of these will be sold at prices affordable to lower income households and have long-term resale restrictions recorded. Due to the relative higher cost per single-family unit for new construction, compared to all forms of rehabilitation activities and to new construction of rental units, a smaller amount of funding over the next budget cycle is likely to be dedicated to this activity. For that reason, a lower target goal of 15 new ownership units per year will be established for the planning period. Of these, it is anticipated that 85 percent will be affordable to lower income households and 15 percent will be affordable to households with incomes not exceeding 120 percent of AMI.

2.5 Activity. Provide Incentives for the Development of Affordable Housing Units

Objective. To evaluate the appropriateness of establishing the following programs as a means of facilitating the development of affordable housing.

- ▶ Giving zoning and building permit priority for new housing developments proposed for LI and VLI individuals.
- ▶ Reducing impact and/or other City fees, either citywide or as an incentive for infill development.

Accomplishments. The zoning permit and building permit processes were reviewed internally to determine whether changes in those processes could materially affect project-approval timing. It was determined that: (1) adequate processes and staff were available to ensure that projects were not delayed and that projects were assigned to appropriate staff, typically within 3 days of receiving an application; and (2) the turnaround time for building permit application review (maximum of 3 weeks) was the minimum time needed to route the applications to, and receive comments from, all required personnel in the Department. This typically includes "life and safety," zoning compliance, structural engineering, and civil engineering.

Impact fees and other fees are based on the "impact" that proposed projects have on the community, both in terms of the cost of processing discretionary and ministerial permits and the project's use of the City's existing infrastructure system. The City has not been able to distinguish between the cost implications (i.e., impacts) of affordable projects compared to market-based products. Both types of projects require the same amount of staff resources to process and

utilize the same capacities of the City's utility system. While "infill" projects typically can make use of existing sewer, water distribution, and collection infrastructure, the cost of domestic water treatment and effluent are equivalent to market-rate units. Where infrastructure necessary to serve a "greenfield" project is either lacking or requires an increase in capacity, those improvements are typically required to be provided by the developer and not utility ratepayers. This essentially "levels the playing field" between "infill" development and "greenfield" development, except that any infrastructure costs associated with the latter will be passed on to homebuyers, generally making identical units relatively more expensive.

Proposed Changes. Activity completed.

3.1 Activity. Develop Inventory of Vacant Land and Sites Suitable for Reuse

Objective. To stimulate additional private investment in targeted neighborhoods through the identification of vacant land and sites suitable for reuse. The vacant and underutilized site analyses will be undertaken for each target neighborhood (see *Activity 4.2*).

Accomplishments. By the close of 2008, the City had identified four specific neighborhoods on which revitalization efforts would be focused (Parkview; Martin Luther King, Jr.; Lake Boulevard; and Downtown.) Vacant and underutilized sites were identified as part of the process of developing a revitalization plan for these neighborhoods. The Redding Redevelopment Agency has been involved in the purchase of such sites and in marketing them for development by for-profit as well as not-for-profit developers.

Proposed Changes. None identified.

3.2 Activity. Support Creative Reuse of Existing Facilities and Land

Objective. To provide updated information regarding the condition of the community's housing stock. This activity will be completed in FY 2004–2005.

Accomplishments. The City contracted with Bay Area Economics (BAE) in 2004 to conduct an analysis of the condition of Redding's housing stock. That study focused on homes generally constructed prior to 1960, since the age of these units often indicates that various levels of rehabilitation may be warranted. The results

of that study are reflected in the section "Type, Age, and Characteristics of Housing Stock" of this document.

Proposed Changes. Activity completed.

4.1 Activity. Increase Homeownership Opportunities

Objective. To assist 12 low to moderate income homebuyers per year to purchase homes.

Accomplishments. During the reporting period, 58 homebuyers were assisted in the purchase of a home. During late 2007 and throughout 2008, with the downturn in the general housing industry, home prices on existing single-family homes in Redding dropped significantly. The lower prices created many more opportunities for households previously priced out of the market to purchase homes. Over this period, a large increase in requests for homebuyer assistance through the Downpayment Assistance Program (DAP) was experienced. During the final 12 months of the planning period, FYE 2008, 26 DAP loans were closed, compared to 8 DAP loans during FYE 2004, representing the first 12 months of the planning period.

Proposed Changes. In March 2009, staff will be proposing several modifications to DAP. These changes include lowering the maximum loan amounts for households with incomes over 81 percent of AMI, adding a new acquisition/rehabilitation activity, and offering an incentive grant of \$2,500 if a bank-owned property is purchased. It is anticipated that for at least the first 2 years of the planning period, the current high level of activity will continue. To the extent that home prices begin to climb upward, activity levels may slow as lower-priced homes become more scarce. It is believed that setting a goal of processing an average of 20 loans per year is reasonable given the current housing market and funding availability. Of these, approximately 50 percent (50 households) will be lower income and 50 percent (50 households) will be between 81 and 120 percent AMI.

4.2 Activity. Target Neighborhood Master Planning

Objective. As warranted, to undertake the development of neighborhood plans for one to two identified neighborhoods during approximately FY 2005–06 and FY 2006–07.

Accomplishments. It is anticipated that revitalization plans for the Lake Boulevard area and for the residential neighborhoods surrounding the Downtown will be completed in 2009.

Proposed Changes. Additional areas of the community will continue to be identified for revitalization over the upcoming planning period.

4.3 Activity. Target Neighborhood Incentive Package

Objective. To provide an incentive for existing and future property owners within the target neighborhoods to participate in the neighborhood revitalization process as allowed by available funding.

Accomplishments. Since 2002, a total of \$14,445,538 in LMIHF, HOME, and CDBG funds have been expended within the target neighborhoods, the majority occurring during the most recent planning period. Activities included, but were not limited to, the following: 63 units were rehabilitated, 95 new units were constructed, 367 units received paint vouchers, and 19 homebuyers received downpayment loans. In addition, a variety of infrastructure improvements (such as improved lighting; installation of fire hydrants; waterline upgrades; and curb, gutter, and sidewalk improvements) were accomplished.

Proposed Changes. LMIHF, CDBG, and HOME resources will continue to be made available for incentive-package activities within the target neighborhoods.

5.1 Activity. Acquisition and Assembly of Key Parcels Within Target Neighborhoods

Objective. In a timely manner, acquire, assemble, and develop key parcels in the target neighborhoods needed to implement the adopted neighborhood plans.

Accomplishments. Over the planning period, both LMIHF and HOME funds were utilized for the acquisition of parcels within the target neighborhoods. Reassembly and resubdivision of some of the acquired land resulted in the creation of 60 new single-family parcels, of which 36 were designated for development of affordable single-family units.

Proposed Changes. None.

6.1 Activity. Fair Housing Referral and Information Program

Objective. To educate the public regarding the Fair Housing Law, including antidiscrimination regulations.

Accomplishments. Since 1998, it has been the policy of the City to maintain and support educational outreach to the public, real estate, and lending and property management companies in the promotion of fair housing activities and the reduction of the impediments to fair housing choice. Outreach activities include public-service announcements, referral services, display booths at local exhibitions, public notices, provision of website information, and copartnership with Legal Services of Northern California (LSNC) for an annual fair housing workshop. From 2003 through 2008, the program assisted approximately 720 households with fair housing information.

Proposed Changes. The City plans no changes to this activity. The Housing Division has been an active participant in the dissemination of information to the public regarding fair housing issues.

6.2 Activity. Homeless Assistance

Objective. To assist in the provision of shelter and services to the area's homeless population.

Accomplishments. Initiated in 1999, the local Continuum of Care Council (CoC), comprising area providers of services to the homeless population, meets on a regular basis to coordinate and collaborate in the provision of homeless services throughout the community. The CoC facilitates year-round planning, coordination of services, access to funding resources, and ongoing data collection and survey information to evaluate local performance. In July 2005, the operational aspects of the CoC were transferred to a consultant who is paid by the City of Redding and Shasta County to perform all required activities to ensure that meetings are held in a timely manner and to coordinate the funding-application cycle. To date, the local CoC has been successful in partnering with local organizations to develop outreach groups that address the needs of the recent parolees, housing for the chronic mentally ill, and dissemination of information to the community regarding homeless issues. During the reporting period, a total of \$422,448 in Community Development Block Grant funding was expended on various activities/agencies

benefitting the homeless: (1) Women's Refuge—\$146,036, (2) HART Center—\$45,000, (3) FaithWORKS—\$34,331, (4) Veteran's Recovery Project—\$35,000, and (5) Living Hope—\$68,681. Additionally, \$93,000 was expended on Continuum of Care administrative costs. During the reporting period, the 12-unit transitional facility, owned and managed by FaithWORKS, was completed. It has remained fully occupied, with a number of successful graduating families. Annually, the CoC conducts a community-needs assessment meeting to glean from services providers the gaps in homeless services. In 2007, the CoC conducted its first Line Staff Training regarding general services available in the community. A detailed resource manual was developed and posted on the CoC website. The workshop was so successful, a second resource training was held in November 2008 that targeted services for the youth in the community. A third session is planned for 2009.

Proposed Changes. The City plans to continue the services of a consultant to oversee the operational aspects of the Continuum of Care Council.

6.3 Activity. Transitional Housing for Homeless Families

Objective. To develop 12 units of transitional housing for homeless families with children. It is anticipated that the construction of the transitional facility will begin by the end of 2004 and be completed by the end of 2005.

Accomplishments. During the reporting period, the 12-unit transitional facility owned and managed by FaithWORKS was completed. Total project cost was \$2,343,570, of which \$1,952,230 was a combination of HOME and LMIHF funding. Since its opening day, the facility has been fully occupied and has provided its program participants with a variety of skill sets to ensure their successful transition into life outside the transitional-living arrangements.

Proposed Changes. Project completed during the planning period.

6.4 Activity. Ensure Adequate Sites for Homeless Shelters and Emergency Shelters

Objective. Amend the Zoning Ordinance regulations for the "PF" Public Facilities District to allow the establishment of emergency and homeless shelters by use permit.

Accomplishments. The Zoning Ordinance was amended to allow homeless shelters, subject to securing a use permit in all "HC" Heavy Commercial zoning districts. This district was selected in place of the "PF" Public Facilities District, because transportation, retail, and other services needed by residents of shelters are typically available within this commercial district. These services may not be available in or near most "PF" Public Facilities Districts.

Proposed Changes. Based on changes to state law, the City will consider amending the Zoning Code to allow homeless shelters in the "HC" Heavy Commercial District "by right."

6.5 Activity. Provide Exceptions to Zoning Ordinance Standards to Accommodate Access Needs of Disabled Individuals

Objective. To complete amendment of the Zoning Ordinance in FY 2004–2005 to exempt the construction of ramps and similar structures for disabled persons from zoning setback provisions where it is the only feasible design and provides a "reasonable accommodation" consistent with the Americans With Disabilities Act.

Accomplishments. The Zoning Code was amended in 2005 to allow ramps and similar structures required to provide reasonable accommodation for access by disabled persons to encroach into required building setbacks. The encroachment may be approved by the Development Services Director. A discretionary permit is not required.

Proposed Changes. Completed.

6.6 Activity. Formalize a Process for Reasonable Accommodation for Persons with Disabilities

Objective. To prepare and adopt a formal process to assist those with disabilities. The formal process may encourage the development, maintenance, and improvement of housing for persons with disabilities, including maximizing ministerial activities. Materials describing the process will be made available to the public.

Accomplishments. Staff improved its Section 504 process—owners are contacted annually for their input, and a listing of accessible units that have been rehabilitated is maintained.

Proposed Changes. Completed.

6.7 Activity. Utility Deposit/Delinquent Payment Programs

Objective. Consider the development and implementation of program(s) that will assist low-income individuals in paying required utility deposits and delinquent accounts, so that their housing opportunities are expanded.

Accomplishments. \$20,160 in CBDG funds was allocated to Restoration Enterprises in 2008 to provide a housing-assistance program that would be used to meet housing costs, such as deposit and/or first month's rent. The recipient is expected to repay the loan.

Proposed Changes. Completed.

7.1 Program Name. Family Self-Sufficiency (FSS) Program

Objective. To assist all participants in achieving the highest possible level of self-sufficiency and economic independence, free from public assistance.

Accomplishments. The Redding Housing Authority maintains the Family Self-Sufficiency Program (FSS) for 50 households. During the reporting period, 23 participants have successfully graduated from FSS. In order to graduate, the household must be free from public-assistance benefits for a 12-month period preceding their graduation. More than \$165,000 in escrow disbursements were made to the graduates for meeting their FSS goals. Three of the graduates became homeowners.

Proposed Changes. At this time, the Redding Housing Authority does not anticipate any changes to its FSS program.

GOALS AND POLICIES

Housing Element Law requires that a community set forth in the Housing Element a statement of its goals and policies relative to the maintenance, improvement, and development of housing. This section identifies eight primary goals and related policies. These goals and policies will serve to guide the actions of the City of Redding over the next planning period in regard to its identified housing needs.

For the most part, these goals and policies reflect those adopted for the previous planning period. The City has found them to be sufficiently broad to accommodate a large variety of program activities and to allow the City to respond to changing conditions throughout the planning period that may result from funding uncertainties, changes in the ownership or rental market, etc. For instance, based on changing market conditions relative to lower interest rates, declining property values, a sizeable inventory of bank-owned properties, etc., the City was able to use a combination of its goals, policies, and action programs to capitalize on these changing circumstances. The result, reflected in Activity 4.1, reflects a combination of acquisition through DAP and the rehabilitation program. This new program will allow significantly more properties to be eligible for DAP than has been the case in the past. The strategy will also serve to help stabilize neighborhoods that may become impacted by bank-owned/foreclosed properties. Prior to this program change, each property participating in DAP was required to meet stringent requirements, which not only limited the inventory of available properties, but also resulted in those properties being more expensive than those that need limited rehabilitation.

GOAL H1

PRESERVE AND IMPROVE THE EXISTING HOUSING STOCK

Policies to achieve this goal are to:

- H1A. Encourage the private rehabilitation of housing.
- H1B. Develop and maintain effective housing rehabilitation programs funded through federal, state, and local funding sources,

requiring that assisted units remain affordable for the longest feasible time.

- H1C. Support effective code-enforcement activities in existing residential neighborhoods.

GOAL H2

FACILITATE THE CREATION OF NEW AFFORDABLE HOUSING OPPORTUNITIES

Policies to achieve this goal are to:

- H2A. Develop and maintain efficient and effective Rental Assistance Programs.
- H2B. Develop and maintain funding sources for new affordable housing development.
- H2C. In accordance with state law, provide density bonuses and other incentives as cost-saving development concessions to encourage the private development of affordable housing.
- H2D. Develop working partnerships with other community providers of housing services in order to increase affordable housing opportunities.
- H2E. Develop and maintain funding programs that are responsive to identified community housing needs.
- H2F. Ensure that adequate residentially classified lands at all density levels are identified on the General Plan Diagram and zoned appropriately to meet existing and projected housing needs.
- H2G. Continue to permit "second dwellings" as a viable means of providing affordable housing.
- H2H. Promote infill development where adequate public services exist.

GOAL H3

SUPPORT CREATIVE REUSE OF EXISTING FACILITIES AND LAND

Policies to achieve this goal are to:

- H3A. Support opportunities and partnerships that leverage outside resources, along with public funds, to accomplish reuse/redevelopment.

- H3B. Develop, maintain, and periodically update an inventory of existing structures, as well as vacant or underutilized land which would be appropriate for specialized residential uses (i.e., shelters, group homes,).
- H3C. Use redevelopment powers or other appropriate mechanisms to acquire and/or assemble sites for residential purposes.

GOAL H4
ENHANCE THE QUALITY OF LIFE WITHIN
RESIDENTIAL NEIGHBORHOODS

Policies to achieve this goal are to:

- H4A. Promote and encourage homeownership for all income levels and utilize available federal, state, and local resources to achieve this end.
- H4B. Support neighborhood-based efforts, such as community-oriented policing, neighborhood clean-up drives, and watch programs.
- H4C. Develop and maintain programs that support the development of culturally diverse, integrated, safe, healthy, and attractive neighborhoods.
- H4D. Develop neighborhood revitalization plans for target neighborhoods.
- H4E. Implement comprehensive redevelopment programs for each target neighborhood using the revitalization plans as framework.

GOAL H5
ACT AS A CATALYST FOR INCREASED
PRIVATE INVESTMENT IN THE COMMUNITY

Policies to achieve this goal are to:

- H5A. Identify opportunities for new private investment in targeted neighborhoods.
- H5B. Encourage and promote the development of projects that leverage housing funds into needed public improvements and

infrastructure. Where feasible, these efforts should help facilitate mixed-use and economic development objectives of the General Plan.

GOAL H6
IDENTIFY AND ADDRESS THE HOUSING NEEDS OF
SPECIAL POPULATION GROUPS WITHIN THE
COMMUNITY

Policies to achieve this goal are to:

- H6A. Develop and maintain programs that ensure a wide range of housing choices to all in the community.
- H6B. Develop and maintain effective linkages with community service providers to special populations.

GOAL H7
PROMOTE ACHIEVEMENT OF ECONOMIC SELF-
SUFFICIENCY FOR ALL PROGRAM PARTICIPANTS

Policies to achieve this goal are to:

- H7A. Support program efforts that assist in the elimination of barriers to economic self-sufficiency.
- H7B. Support program efforts that are "hand-up" rather than "hand-out" oriented.

GOAL H8
PROVIDE OPPORTUNITIES FOR ENERGY
CONSERVATION IN NEW AND EXISTING
RESIDENCES

Policies to achieve this goal are to:

- H8A. Continue existing programs that provide incentives for energy conservation.
- H8B. Seek opportunities to broaden energy-conservation programs to include retrofit of existing residences.

FYE 2009–2014 ACTION PROGRAM

IMPLEMENTATION PROGRAMS AND QUANTIFIED OBJECTIVES FYE 2009–2014

The following section sets forth the schedule of actions that the City of Redding is undertaking or intends to undertake within the current planning period in order to implement the previously listed policies and achieve the community's stated housing goals. Included within most action/program descriptions is a quantified objective, which the City anticipates being able to accomplish over the planning period; a description of anticipated funding levels and sources; and other information pertinent to the specific activity.

Table 19 is a summary of the number of units expected to be constructed, rehabilitated, or conserved through implementation of the activities described in this section over the planning period. In order to achieve the stated quantified objectives, the City will utilize funding from a variety of sources. The current funding sources utilized by the City on a regular basis for its housing activities include Federal Community Development Block Grant (CDBG) funds, Federal Home Investment Partnerships (HOME) program funds, Federal Section 8 funds, and local redevelopment Low and Moderate Income Housing Funds (LMIHF). The combined total available from these sources is approximately \$12.3 million annually. To the extent that these and/or other funding sources

remain available at the anticipated levels, the listed objectives are believed to be achievable. *However, the availability of funding is not within the City's direct control and will adversely impact the City's ability to meet its program targets if anticipated funds are not available.* A brief description of the primary local sources follows:

- ▶ *Federal CDBG Funds.* The Community Development Block Grant program was created by Congress in 1974 to permit local government to devise flexible and constructive approaches to prevent and/or correct physical, economic, and social deterioration. The program is directed toward neighborhood revitalization, creation of housing opportunities, economic development, and the provision of improved community facilities and services. Activities funded through this source must meet one of the following three national objectives: (1) primarily benefit lower income persons, (2) eliminate slums or blight, or (3) meet other urgent local community development needs. The City is considered an "entitlement" community by HUD for this program. This means that CDBG funding is received by the City on a formula basis and does not require a competitive application. Approximately \$1 million annually is available from this source.

- ▶ *Federal HOME Funds.* The HOME program was included as part of the Cranston-Gonzalez National

Affordable Housing Act of 1990. The legislation authorized funding to state and local governments to

TABLE 19

SUMMARY OF PROJECTED HOUSING ACTIVITIES FYE 2009–2014						
Type	# Units With Program Assistance	Affordable to				
		ELI	VLI	Low	Mod	Above
Housing New Construction (Programs 2.1, 2.4)	200	20	43	114	23	0
Housing Rehabilitation (Programs 1.1, 1.2, 1.3)	700	85	410	190	15	0
Housing Conservation (Programs 1.5, 2.3)	1,992	764	1,228	0	0	0
Direct Assistance for Home Purchase (Program 4.1)	100	0	0	50	50	0
Direct Assistance for Home Purchase (Program 4.1)	100	0	0	50	50	0

provide incentives to develop and support affordable rental housing and homeownership opportunities. Eligible activities include: real property acquisition, rehabilitation, and construction of affordable housing. Distribution of HOME funds is, by formula, based upon a variety of measures, including local housing market factors, local housing stock conditions, cost of producing housing in the local market, and the extent of poverty in the community. Since 2003, the City has participated in the HOME Program as a Participating Jurisdiction (PJ). The conversion from applicant status to PJ was to obtain greater program flexibility and autonomy. Annual HOME funding as a PJ is anticipated to be \$540,130. To date, the required 25 percent local match has been provided by the Redding Redevelopment Agency.

- ▶ *Federal Section 8 Funds.* These funds make up the largest portion of funds available to the City for housing purposes. However, the funds are restricted for the administration of the Section 8 Program and direct rental assistance payments on the 1,528 Section 8 rental subsidies administered through the Redding Housing Authority. Approximately \$8.8 million is available annually through this program. Administrative funds total approximately 15 percent of the funds available. To the extent that administrative costs do not total the full 15 percent, the excess funds are able to be utilized on other types of housing activities. It is not anticipated that excess administrative funding will be available over the planning period.
- ▶ *Low and Moderate Income Housing Fund (Redevelopment Set-Aside Funds).* State law requires redevelopment agencies to provide a minimum of 20 percent of their tax-increment income to increase, improve, and preserve affordable housing opportunities for LI to MI persons. This fund is known as the Low and Moderate Income Housing Fund, or LMIHF. Additionally, redevelopment agencies are required to adopt a 10-year housing production plan which ensures that the housing obligations of the specific redevelopment area are met on a 10-year basis throughout the effective life of the redevelopment plan for the area. The Housing Production Plan adopted for each project area describes in detail the regulatory requirements governing the use of the LMIHF. A primary obligation of the Agency is to ensure that the LMIHF is utilized to assist affordable housing activities in a proportional manner relative to the demographics of the local

community, particularly as they pertain to age and income levels. For example, expenditures from the LMIHF in support of affordable housing that is age-restricted (senior housing) must not exceed the proportional size of that population within the general low income population. The 2000 Census indicates that approximately 31 percent of Redding's low income households are made up of persons over 65 years of age. Therefore, Agency LMIHF expenditures for housing that are age-restricted would be limited to no more than 31 percent of the total LMIHF expenditures. In addition, pursuant to Health and Safety Code Section 33334.4, the Agency targets the use of its LMIHF for specific income levels consistent with the percentages expressed within the RHNA allocations for VL, LI, and MI households. Currently, there are no regulatory obligations to use the LMIHF specifically to assist ELI households, however, to the extent that LMIHF resources are utilized on tax-credit projects and/or projects funded through either the HUD 202 or 811 programs, it is anticipated that units affordable to ELI households will be included. The Redding Redevelopment Agency has adopted long-range housing goals, which are identical to those stated in this Housing Element. The Housing Production Plans for the Canby-Hilltop-Cypress Project Area and for the Market Street Project Area were adopted in 2005 and are effective through 2014. The Agency pursues its adopted housing goals through a multifaceted strategy that includes both moderate and substantial rehabilitation of the City's existing housing stock, direct financial assistance in support of homeownership, and construction of new affordable housing units.

Approximately \$3.7 million in tax-increment funding accrues on an annual basis in the Redding Redevelopment Agency's LMIHF. The Redding Redevelopment Agency oversees the allocation of these monies which, collectively, are received from all of its active redevelopment project areas, including 2 cooperative projects which serve geographic areas outside the city limits. A portion of the LMIHF generated from the cooperative project areas must be utilized on housing activities in conjunction with Shasta County and the City of Anderson. It is unknown at this time how much the funding levels will be negatively affected over the next planning period by the current decline in property valuations and increased foreclosure rates. Staff anticipates that less increment is likely to be

received starting in 2010. In addition, the LMIHF has been targeted in the recent past by the state as a source of revenue that it might reduce in order to meet state budget needs. It is anticipated that the LMIHF will continue to be at risk over the next planning period.

THE FOLLOWING ACTIVITIES PERTAIN TO GOAL H1, PRESERVE AND IMPROVE THE EXISTING HOUSING STOCK:

See also Activities 4.2, 5.1

1.1 Activity. Moderate/Substantial Rehabilitation, Owner-Occupied Units

Description. Rehabilitation loans are available to owner-occupants citywide. Three types of secured loans—low-interest, fully amortized, or deferred-payment—are provided to eligible ELI, VLI, LI and MI homeowners to upgrade residential property. Repairs may include roofing, pest control work, plumbing, electrical, flooring, painting, and some types of general property improvements. Energy-conservation work (i.e., weatherstripping and insulation) is also encouraged. The CDBG-funded rehabilitation activity was established in 1975, with Redevelopment LMIHF added in 1987 and HOME funds in 1992. Other federal, state, and local funding is utilized as it is made available. Approximately 1,614 homes have been rehabilitated to date through this activity. A new acquisition/rehabilitation activity is anticipated to be adopted by both the Redding Redevelopment Agency and the City and a budget dedicated to this activity starting in FY 2009-2010. The activity will allow income-eligible households receiving assistance through any of the existing home-purchase loan programs to qualify for a companion loan specifically to address deficiencies in the purchased unit. It is anticipated that this new activity will encourage households to purchase homes which previously would not meet minimum standards for the existing home-purchase programs. It is further anticipated that many of the units may be bank-owned due to recent foreclosure activities in the community.

Objective. To rehabilitate 20 single-family homes per year. Of these, approximately 10 percent are anticipated to be ELI homeowners, 10 percent are anticipated to be VLI homeowners, 65 percent are anticipated to be LI homeowners, and 15 percent will be between 81 and 120 percent of AMI.

Funding/Administration. FY 2008–09 funding for the

activity comes from CDBG (\$240,000) and a portion of HOME funds that have been designated for housing projects (\$486,119). The CDBG fund consists of amortized payments and lump-sum payoffs on existing CDBG rehabilitation loans. The LMIHF is anticipated to be the primary source of funds for rehabilitation activities within the target neighborhoods and for the new acquisition/rehabilitation companion loan activity. In addition, Cal-Home funds may also assist with the acquisition/rehabilitation activity for lower income households. It is not anticipated that other sources of funding for homeowner rehabilitation will be available during the planning period. Local administration is through the City’s Housing Division, in conjunction with redevelopment staff.

1.2 Activity. Moderate/Substantial Rehabilitation, Rentals Units

Description. Rehabilitation of the community’s existing rental stock is accomplished through several different initiatives. Owner-investors may access low-interest financing for upgrading rental units occupied by lower income tenants. Long-term affordability covenants are recorded on the assisted properties to ensure affordability into the future. Approximately 214 units throughout the city have been rehabilitated under the current HOME-funded program. Since implementation of the program in 1993, over \$4.9 million in loans has been committed, along with over \$554,789 in private funding. Funding is also available to assist in the acquisition of rental units, with or without subsequent rehabilitation, in return for long-term affordability. LMIHF resources can be combined with HOME funds for this purpose. Not-for-profit organizations providing permanent or transitional-living opportunities may also utilize the existing funding. Over the past year, real estate prices have dropped significantly on older existing rental units. For this reason, staff anticipates that there may be an increase in interest in the acquisition activity, in particular, coupled with rehabilitation, as needed, on individual properties. It is anticipated that a revitalization plan for the Lake Boulevard area will be completed in 2009. There exist many older rental units within this planning area, and it is likely that existing landlords, as well as prospective landlords, will be interested in pursuing rehabilitation as part of the revitalization effort.

Objective. To rehabilitate 20 rental units per year. Of these, approximately 25 percent are anticipated to be occupied by VLI households and 75 percent by

LI households.

Funding/Administration. Local administration of the activity is through the City's Housing Division. As described above, both HOME and LMIHF are anticipated to be available through the planning period.

1.3 Activity. Minor Rehabilitation, All Units

Description. Since 1996, the City has offered 2 programs that provide funds for minor repairs. The Minor Home Repair Program for Seniors (SRP) assists lower income senior-citizen (62+) homeowners (including owners of mobile homes) in need of minor property repairs who do not have the financial resources to complete the repairs. Typical repairs include plumbing problems (leaking, broken, non-operating sinks, toilets, and faucets); small electrical hazards (lights, outlets, and switches); maintenance repairs to evaporative coolers, furnaces, roofing, gutters, steps, railings, and hazardous trees; and weatherization assistance that may include weatherstripping and caulking around doors. The maximum grant currently is \$300; however, it is anticipated that this will be increased to a yearly per-household maximum of \$500, with a lifetime cap of \$1,500. In addition, it is anticipated that the SRP eligibility will be expanded in 2009 to include income-eligible persons under 62 years of age with disabilities. The second rehabilitation program in the minor category is the Emergency Repair Program (ERP). The ERP is designed to provide small deferred loans to eligible lower income owners, including mobile home owners, as well as small grants to owner-investors of rental properties with lower income tenants. The purpose of the ERP is to provide assistance to homeowners who are otherwise unable to obtain other financing to fix basic health and safety problems. The ERP loan is unsecured at 3 percent simple interest up to a maximum of \$2,500. Under most conditions, loan repayment is deferred with continued occupancy. Landlords participating in the program may receive a grant of up to \$4,000 to assist with costs of accessibility improvements to a unit occupied by a lower income disabled tenant in exchange for a good-faith effort to continue to rent to disabled individuals. The maximum for both types of ERP assistance is anticipated to be increased in 2009 to \$5,000 to address the higher cost of many repairs. *Objective.* To rehabilitate a minimum of 10 units per year under the ERP program and complete a minimum of 90 repairs per year under the SRP effort. It is

anticipated that 15 percent of these (75 households) will be ELI, 75 percent (375 households) will be VLI, and 10 percent (50 households) will be LI.

Funding/Administration. Current funding for this effort is through the CDBG program (2009–\$50,000). The activity is administered by the City's Housing Division.

1.4 Activity. Code Enforcement

Description. The Redding Municipal Code provides for City abatement of hazardous properties/structures through a multiphased hearing process. For residential properties, the goal is to restore units to a livable condition if at all possible. Upon initiation of the abatement process, owners are instructed to cure subject properties/structures of the hazardous conditions. Ultimate action by the City upon noncompliance of the owner is to remove the offending structure or condition from the property. The great majority of code-enforcement cases are able to be resolved prior to abatement of the structure.

Objective. To minimize the number of dwellings demolished through the abatement process by working closely with property owners and to provide program assistance, where appropriate and available.

Funding/Administration. The code-enforcement activity is administered by the Code Enforcement Section of the City's Building Division and by the City Attorney. Funding for the citywide effort is through the City's General Fund. The CDBG program and LMIHF have, in the past, contributed toward an accelerated code-enforcement effort in the City's target neighborhoods. Targeted code enforcement is coupled with intensive marketing efforts regarding the financial incentive loans and grants available to accomplish the needed repairs, which are provided through the various affordable housing activities. As additional target neighborhoods are identified, it is likely that the targeted code-enforcement effort will continue to be utilized as an effective revitalization tool.

1.5 Activity. Conservation of At-Risk Units

Description. At this time, those sites identified in Table 1, *Inventory of Low Income Rental Units in the City of Redding Subject to Termination of Federal Mortgage and/or Rent Subsidies by July 2013*, are planned to continue providing assisted housing at

those locations. The 48 units listed under the Section 8 Moderate Rehabilitation Program were all converted to Section 8 Housing Choice Vouchers. Housing staff recently contacted the managers of the other complexes listed and all will continue participating in its HUD program. The exception is Kutras Garden. Housing staff has been notified that Kutras Garden will no longer maintain its Section 231 Rental Program for the Elderly. Forty of its 84 units have been subsidized by this program. It is anticipated that HUD will provide additional vouchers to the Redding Housing Authority to preserve lower rent for the affected households

Objective. To conserve 246 affordable rental units. The City will develop an early warning system and monitor at-risk units through interaction with the affordable complexes' project managers and owners. This will be done in order to establish which affordable housing units may convert to market-rate units. To accomplish this, property owners will be contacted on an annual basis to confirm program participation. Any property at risk will be assessed and identified for preservation assistance. The City will identify possible funding resources that could be used to preserve at-risk units. The City will respond by contacting owners regarding any federal and/or staff notices, including *Notice of Intent to Prepay*, owner *Plans of Action*, or *Opt-Out* notices filed on a project within the City's jurisdiction, and discuss opportunities and possible City-preservation efforts.

Funding/Administration. The activity will be undertaken by the City's Housing Division. See discussion in the *Community Profile, Affordable Housing Units Eligible to Convert to Open Market During 2003–2013*, regarding several possible funding sources for activity.

THE FOLLOWING ACTIVITIES PERTAIN TO GOAL H2, FACILITATE THE CREATION OF NEW AFFORDABLE HOUSING OPPORTUNITIES:

See also Activity 4.1

2.1 Activity. Development of New Affordable Rental Units

Description. The City will continue to actively support the development of new affordable multiple-family housing units throughout the community, with a priority on new development occurring within its target neighborhoods.

On all projects, the City and Agency actively partner with both for-profit and not-for-profit housing developers in order to accomplish its housing goals. Not-for-profit partners on past and present development projects include Northern Valley Catholic Social Service; Mercy Housing California; Community Housing Improvement Program, Inc.; FaithWORKS Community Coalition, Inc.; Resources for Rural Community Development/Access Home; Community Revitalization and Development Corp.; Wesley Neighborhood, Inc.; Southern California Presbyterian Homes; Christian Church Homes, Inc.; Innovations Housing, and Habitat for Humanity Shasta Cascade.

Objective. To facilitate the development of 25 new units of multiple-family housing affordable to lower and moderate income households annually. It is also the goal of the City of Redding to leverage resources that may become available, such as tax credit and HUD financing, in the following prioritization: 16 percent (20 units) of the potential unit production of affordable units to ELI households; approximately 34 percent (43 units) to VLI households; 40 percent to LI households; and 10 percent to households with incomes above 81 percent of AMI. It is anticipated that all development will be in conjunction with either a for-profit or not-for-profit development partner. Projects serving ELI households will receive priority weighting in the City's project application-scoring process. The City will continue its ongoing outreach to not-for-profit and other providers as potential projects both in the target neighborhoods and citywide are identified.

Funding/Administration. As funding is available, the LMIHF is the most common source of local financial assistance for affordable new construction projects supplemented with federal HOME, CDBG, HUD 202 and 811 program funds, and state and federal tax credits. To the extent that these funding sources remain available at the needed levels, the new construction goals stated above are believed to be realistic. Strong consideration is given to projects which target special groups, such as large families, the homeless, the mentally or physically disabled, or other at-risk populations.

Private lenders have also developed several types of financing that might be able to be accessed for affordable housing projects. Many banks have joined together in lender consortiums, specifically to fund projects that would not be able to access standard

sources of funds due to affordability requirements, higher levels of risk, lower cash flow, etc. In addition, the City established a community revolving loan fund that is available to developers of affordable housing to assist with costs related to all stages of development. It is anticipated that the fund will be available for use by summer 2009. Administration of the fund will be through an outside agency, with City oversight. The administration of these efforts will be through the Redding Redevelopment Agency and the City's Housing Division.

2.2 Activity. Partnerships with Local Not-for-Profit Housing Development Entities

Description. The City actively partners with a number of not-for-profit housing service providers in order to accomplish its housing goals. During the upcoming planning period, it is anticipated that these organizations will undertake a variety of activities to increase the availability of affordable housing in the community. These efforts include acquisition and/or rehabilitation of existing housing units, development of new housing units, and the provision of homeownership opportunities. Partnerships with appropriate organizations will allow limited resources—both staff and money—to be maximized.

Objective. To enter into mutually beneficial partnerships with a wide range of housing providers serving a broad spectrum of the community. This effort may include supporting grant applications, identifying available sites for housing development, and City involvement in the development of such sites. The City will continue ongoing outreach with not-for-profit providers as potential projects are identified to solidify partnerships as early in the planning and development process as possible. For many activities, the City and/or the Agency will utilize a Request for Qualifications (RFQ) or a Request for Proposals (RFP) process to identify interested and qualified developers. Both for-profit and non-profit developers are solicited through the RFQ or RFP notices. The notices may be very specific, such as soliciting interest in development of a well-defined project at a certain location, or simply requesting ideas on conceptual development. In addition, the City and Agency maintain an open application policy for affordable-housing proposals. An online application is available, which can be completed and submitted for any prospective project for which the developer anticipates requesting City- or Agency-funding assistance.

Funding/Administration. These groups will pursue development and administrative funding from all appropriate local, state, federal, and private sources. Each entity will administer its individual projects.

2.3 Activity. HUD Section 8 Rental Assistance Program

Description. The HUD Section 8 Rental Assistance Program provides direct rental assistance to VLI individuals and families. It can be anticipated that between 50 and 55 percent of eligible households will initially qualify as an ELI household. Assistance is offered to eligible applicants based on the date and time of application. City of Redding residents are offered assistance before all other residents. In addition, preference is provided for veterans and local households displaced through government actions. As a result of the Violence Against Women's Act, in 2006, the Redding Housing Authority amended its Administrative Plan to add as a local ranking applicants who are victims of domestic violence and are experiencing a housing need.

Objective. To maintain a lease-up rate between 95 and 100 percent of allocated subsidies. With the Board of Commissioners' consent, the RHA will apply for additional vouchers if vouchers become available under a Notice of Funding Availability.

Funding/Administration. Funding is received directly from HUD for the rental subsidy paid on behalf of eligible participants. Local administration of the program is through the Redding Housing Authority. The 2008–09 budget for the RHA was \$7.5 million. A total of 1,528 rental subsidies are currently administered by this office, and 345 project-based rental subsidies are administered directly by HUD. The RHA has experienced continuous growth over the past several years.

2.4 Activity. New Construction of Ownership Units

Description. As part of the neighborhood revitalization effort, the City and the Agency have set a high priority on the development of quality new single-family owner-occupied units within the target neighborhoods. Homeownership has been identified as an important stabilizing factor within residential areas. Within 2 of the target neighborhoods, Martin Luther King, Jr. and Parkview, homeownership levels were documented to be some of the lowest in Redding. It is the City and Agency's belief that increasing the

number of homeowners within the target areas is vital to the success of the redevelopment process. To this end, the City and Agency will support, through several program designs, the development of new homes in these neighborhoods. It is the City and Agency's goal to assist both private and public entities to undertake development of new single-family for-sale units. An infill construction loan program for small developers is currently available in these neighborhoods, as well as an infill self-help construction program. These two activities support development of affordable ownership units on infill lots within the target neighborhoods. During the planning period, the City and Agency also anticipate participating with private developers interested in undertaking subdivision-level development both within the target neighborhoods and on a citywide basis.

Objective. To facilitate the development of 15 new ownership units annually throughout the community by seeking out both for-profit and not-for-profit developers to assist in housing construction as opportunities present themselves. Approximately 85 percent of the units are anticipated to be affordable to LI homebuyers and 15 percent to MI homebuyers. Due to the nationwide financial crisis occurring in the housing industry, it is anticipated that new construction activities, especially in the single-family area, will be slow during at least the early years of the planning period.

Funding/Administration. It is anticipated that the LMIHF will be the primary source of local public financing for the new development efforts. Private financing is anticipated to be difficult to secure in the near future; however, to the extent that it is available, it will also be utilized for construction financing, with long-term conventional mortgages secured separately by the home purchasers. The administration of the activities will be through the Redding Redevelopment Agency and the City's Housing Division.

2.5 Activity. Streamline the Development Approval Process for Affordable Housing Projects

Description. Uncertainty in the development approval process can impact proposed projects, including those with affordable components. This relates both to the time it takes for project approval and to the concerns of lenders as to whether the project will be approved as originally proposed. Providing more certainty by establishing specific standards for the development of

affordable, single-family ownership units, may result in a more efficient process and encourage the development of additional affordable units.

Objective. To evaluate the appropriateness of modifying the Zoning Ordinance to establish specific development standards for affordable, single-family ownership units in infill areas. Such standards may include reductions in minimum lot sizes and street frontage requirements, building setbacks, and covered parking. The activity is to be completed in FY 2010-2011.

Funding/Administration. No additional funding will be required to evaluate the appropriateness of this activity.

2.6 Activity. Review and Consider Amendments to the "Second Dwellings" Provisions of the Zoning Code

Description. The City adopted a "second dwellings" ordinance in an effort to encourage the development of additional affordable rental units in the community. However, only one building permit for a second dwelling has been issued in the 3 years since its adoption, suggesting the need to reevaluate the Zoning Code provisions related to this housing type.

Objective. To evaluate the second dwelling regulations of the Zoning Code to determine if certain provisions provide a deterrent rather than an incentive for the construction of second dwellings. The evaluation should focus on the specific development standards contained in the code. The activity is to be completed in FY 2009-10.

Funding/Administration. No additional funding will be required to evaluate existing development standards and adopt, as necessary, amendments to those standards.

2.7 Activity. Zoning Code Amendment ("RM" Districts)

Description. The Government Code establishes "default densities" that a local jurisdiction can use to establish that they have sufficient lands zoned at densities that will facilitate the development of housing affordable to lower income households. That default density for Redding is 20 units per acre. Redding has demonstrated in this Element that it has sufficient vacant lands to accommodate new residential development, but current zoning does not

allow density at 20 units per acre.

Objective. To amend the "RM" District regulations to establish a "base density" of 20 units per acre for high density multiple-family projects where at least 35 percent of the units will be affordable to lower income households. The activity is to be completed in FY 2009–10.

Funding/Administration. No additional funding will be required.

2.8 Activity. Consider Adoption of an "Inclusionary Ordinance"

Description. Inclusionary zoning ordinances can be a viable way to provide housing for lower income households. However, there is not necessarily a "one size fits all" approach since the percentage of units required to be set aside in a development project varies by jurisdiction, while some cities allow a fee to be paid in lieu of providing affordable housing within a development project.

Objective. To evaluate the appropriateness of adopting an "inclusionary zoning ordinance" taking into consideration the local political and economic environment. The City should consider the following topics:

- Appropriate geographic growth areas
- Minimum project-size thresholds
- Feasible affordable set-aside requirements
- Alternatives building on-site
- Types of effective incentives

The activity will be completed in FY 2012–13.

Funding/Administration. No additional funding will be required for the initial program evaluation. Additional funding may be needed to implement the program if it is determined to be an appropriate mechanism in Redding.

THE FOLLOWING ACTIVITY PERTAINS TO GOAL H3, SUPPORT CREATIVE REUSE OF EXISTING FACILITIES AND LAND:

See also Activities 1.5, 2.2, 4.2

3.1 Activity. Develop Inventory of Vacant Land and Sites Suitable for Reuse

Description. Typically, as part of the City's neighborhood revitalization planning, vacant or underutilized land is identified; and within the scope of the neighborhood master plan, alternative uses may

be proposed. The master plans are developed utilizing extensive community involvement to identify neighborhood deficiencies and potential opportunities for revitalization. Following plan adoption, the City will assist in the promotion of the identified investment opportunities to the development community in order to facilitate the revitalization effort.

Objective. To stimulate additional private investment in targeted neighborhoods through the identification of vacant land and sites suitable for reuse. The vacant and underutilized site analyses will be undertaken for each target neighborhood (see *Activity 4.2*).

Funding/Administration. The development of the targeted neighborhood master plans is overseen by the Housing Division, Redevelopment Agency, and/or the Planning Division.

THE FOLLOWING ACTIVITIES PERTAIN TO GOAL H4, ENHANCE THE QUALITY OF LIFE WITHIN RESIDENTIAL NEIGHBORHOODS:

See also Activities 1.1, 1.2, 1.3, 1.4, 2.1, 2.4, 5.1.

4.1 Activity. Increase Homeownership Opportunities

Description. Since July 1988, with the implementation of the Downpayment Assistance Program (DAP), the City has recognized the need for homeownership assistance for eligible first-time homebuyers. The existing program offers assistance with the downpayment required when purchasing a home. Eligible participants must be first-time homebuyers buying a home in the City of Redding and be MI or less. Assistance is in the form of an equity-sharing mortgage recorded as a second lien on the newly purchased property. Since 1988, approximately 600 families have been able to purchase their first home utilizing this program. All payoffs on existing DAP loans go into a revolving loan fund in order to be utilized in support of City and Agency housing activities.

Even though mortgage interest rates remain relatively low, DAP loan assistance continues to be needed by most lower income homebuyers and by a portion of the homebuyers with incomes over 81 percent of AMI. The median sales price for resale units in the community has dropped significantly during 2008, providing more opportunities for lower income households to become homeowners than has been

seen over the past 10 years. Due to the greater availability of reasonably priced units, current maximum loan amounts for households above 81 percent AMI are anticipated to be reduced from \$45,000 to \$25,000 for households with incomes between 81 and 100 percent of AMI and from \$30,000 to \$10,000 for households with income between 101 and 120 percent of AMI. Maximum assistance to lower income households is anticipated to remain at \$60,000. It is anticipated that DAP assistance will continue to be available throughout the planning period. As stated previously, homeownership has been identified as an important tool to be utilized in the stabilization of older, declining neighborhoods. Over the planning period, the current efforts will continue in selected target neighborhoods in order to increase the number of owner-occupants residing in these neighborhoods.

Additionally, the DAP effort has been expanded to include several variations of the original program. These include DAP Plus, offering first-time homebuyers additional financial incentives if they purchase within one of the City's target neighborhoods, and New Futures, a DAP-type loan program specifically designed to assist households purchase units developed with redevelopment financing. In addition, to encourage the purchase of homes that initially are not able to meet program housing-conditions standards, a companion rehabilitation loan program has been established. At the time of an eligible purchase utilizing DAP assistance, a rehabilitation assessment is completed and postrehabilitation value is determined. A rehabilitation loan can be provided that will assist in bringing the home up to housing standards. While not restricted to bank-owned property, it is anticipated that the combined acquisition/rehabilitation activity will act as an incentive for prospective homebuyers to consider the purchase of these homes. As a further incentive, a companion grant of \$2,500 per homebuyer is provided upon purchase of bank-owned single-family homes through the new Homebuyer Incentive Program.

Objective. To assist 20 households to purchase homes annually. Of these, it is anticipated that 50 percent will be LI households and 50 percent will have incomes between 81 and 120 percent AMI. To the extent home prices and interest rates on primary mortgages remain relatively low over the planning period, this objective may be exceeded.

Funding/Administration. Current funding for DAP activities is through the LMIHF and HOME, as well as other state funding that has been made available for this purpose, such as ADDI funds and Cal-Home funding. The program is locally administered by the City's Housing Division staff in conjunction with redevelopment staff.

4.2 Activity. Target Neighborhood Master Planning

Description. Since 1999, in support of the stated General Plan goal of preserving and improving existing residential neighborhoods, the City and Agency have prioritized the development of neighborhood revitalization strategies, or "master plans," for specific areas of the community. To date, plans have been developed for three of Redding's older neighborhoods: the Parkview Neighborhood; the Martin Luther King, Jr., Neighborhood; and Redding's Downtown. The development of the plans involved a high level of community participation, both in the identification of neighborhood deficiencies and in the development of potential solutions. All three of these plans are now in the implementation phase. Over the planning period, it is anticipated that a revitalization plan will be completed for the Lake Boulevard area and for residential areas adjacent to the existing Downtown. It is also anticipated that additional neighborhoods may be identified as appropriate for similar designation as a target area.

Objective. As warranted, to undertake the development of neighborhood plans for one to two identified neighborhoods over the planning period.

Funding/Administration. The development of any targeted neighborhood plans will be overseen by staff in the Housing Division and Redevelopment Agency.

4.3 Activity. Target Neighborhood Incentive Package

Description. Since 2000, the City and Agency have provided funding for a package of financial incentives designed to encourage private investment in the target neighborhoods. The package consists of enhancements to several existing programs as well as programs available only within the target neighborhoods. The intent is to provide financial assistance to those property owners who desire to participate in the revitalization of their neighborhood. Programs within the package include below-market-rate rehabilitation-loan assistance for both

homeowners and rental-property owners; painting grants; downpayment assistance loans for first-time homebuyers wanting to purchase homes in the neighborhoods; lease-option assistance to encourage homeownership; and construction loans for residential development on infill lots. Many of the programs feature forgivable loan portions; minimal interest; flexible repayment/amortization terms; minimal owner-contribution requirements; and flexible underwriting.

Objective. To provide incentives for existing and future property owners within the target neighborhoods to participate in the neighborhood revitalization process as allowed by available funding.

Funding/Administration. Funding for Incentive Package activities will be a combination of LMIHF, HOME funds, and CDBG funds. All Incentive Package activities are administered jointly by the Housing Division and Redevelopment Agency.

THE FOLLOWING ACTIVITIES PERTAIN TO GOAL H5, ACT AS A CATALYST FOR INCREASED PRIVATE INVESTMENT IN THE COMMUNITY:

See also Activities 2.1, 2.4, 4.3

5.1 Activity. Acquisition and Assembly of Key Parcels Within Target Neighborhoods

Description. The City and the Redevelopment Agency anticipate the acquisition of property within the targeted neighborhoods for the purpose of facilitating the redevelopment of such property in accordance with a neighborhood revitalization plan. Following such acquisition, development partnerships will be solicited to carry out the redevelopment envisioned by the plan.

Objective. In a timely manner, acquire, assemble, and develop key parcels in the target neighborhoods needed to implement the adopted neighborhood plans.

Funding/Administration. This activity will be administered by both the Housing Division and Redevelopment Agency. It is anticipated that, primarily, the LMIHF will be utilized for the property acquisition; relocation of tenants, if necessary; and any costs related to preparing the property for redevelopment; however, as appropriate, CDBG and HOME funding may also be utilized for these activities.

THE FOLLOWING ACTIVITIES PERTAIN TO GOAL H6, IDENTIFY AND ADDRESS THE HOUSING NEEDS OF SPECIAL POPULATION GROUPS WITHIN THE COMMUNITY:

See also Activities 1.3, 2.2

6.1 Activity. Fair Housing Referral and Information Program

Description. The program provides basic information about fair housing rights to both landlords and tenants. Referrals are made for discrimination in housing complaints to the State Department of Fair Employment and Housing. Special outreach efforts are made to include groups likely to experience discrimination in housing, including minorities, the elderly, the handicapped, and lower income families.

These efforts include: (1) co-sponsoring an annual fair housing workshop with Shasta County and Legal Services of Northern California (LSNC) that highlights various local issues; (2) placing newspaper display ads and advertisements in the Redding Community Access Television bulletin board regarding Fair Housing Month and community workshops; (3) participating in the REDDING REACH-OUT telephone information system, which describes a variety of City services, programs, referrals, and complaint procedures; (4) providing display booths at local exhibitions (Homebuyers and Housing Fair in the Mt. Shasta Mall); (5) placing a Fair Housing banner in anticipation of Fair Housing Month in the Downtown area; (6) making public-service announcements in April for Fair Housing Month; (7) mailing a fair housing brochure out to the Shasta County Board of Realtors and participating landlords in the HUD Section 8 Rental Assistance Program (over 1,100 pamphlets); and (8) maintaining a website which provides a wealth of information, including enforcement rules and resources, various fair housing topics, and legal/general research avenues. In addition, the Fair Housing Information and Referral Program is also provided by the Redding Housing Authority regarding complaints, education, and general information for the general public and all tenants and landlords participating in the HUD Section 8 Rental Assistance Program.

Objective. To educate the public regarding the Fair Housing Law, including antidiscrimination regulations.

Funding/Administration. Funding for this program is through the City's Community Development Block Grant Program. Local administration is by the City's Housing Division.

6.2 Activity. Homeless Assistance

Description. Since 1999, areawide homeless services providers have come together under the City of Redding and Shasta County Homeless Continuum of Care Council (CoC), which meets on a regular basis to promote comprehensive planning and coordination efforts for delivery of homeless services. The CoC maintains a website; conducts homelessness surveys; and is responsible for the development of a comprehensive plan for addressing homeless issues, including housing countywide. The purpose of the plan is to actively manage emergency services, homeless programs, and supportive services to assist homeless families and individuals transition to a stable and self-sufficient lifestyle with permanent housing.

Objective. To assist in the provision of shelter and services to the area's homeless population.

Funding/Administration. Several local and nonlocal funding sources are currently available to developers of projects designed to shelter homeless persons or families, including those with special needs, such as substance abusers and the physically or mentally handicapped, on an emergency, transitional, or permanent basis. It is anticipated that over the planning period, a variety of local not-for-profit service agencies will apply for nonlocal monies from state or federal sources, such as the State Emergency Shelter Program, Emergency Housing Assistance Program (EHAP), and/or McKinney-Vento Act funded programs. Even if successful in receiving a funding award from these sources, most projects will also require some level of local funding. The LMIHF and HOME have been utilized in the past to support development of both transitional facilities and permanent housing, with supportive services for homeless families, veterans, and single homeless individuals suffering from mental illnesses. These same sources are anticipated to be available for similar activities over the planning period.

The City's CDBG funds will also continue to be utilized for a variety of homeless programs. In the past, applications have been funded for costs related to operating a seasonal homeless emergency shelter, mortgage assistance to purchase a transitional facility, costs related to operation of a battered women's

emergency shelter, supportive services related to food provision at an emergency shelter, etc. It is expected that these types of programs will continue to be funded on an annual basis.

6.3 Activity. Occupancy SRO Units

Description. Single-room occupancy units can be a valuable source of housing for ELI households within a community. These units by their very nature are smaller than a typical apartment and, for this reason, are generally more affordable than a typical apartment or small single-family residence.

Objective. To continue to support the development of SROs within the "RM" Residential Multiple Family District and the "GC" General Commercial District. The City will prioritize and leverage federal, state, and local funding for the development of SRO units. This is an ongoing program.

Funding/Administration. City-funded staff; state, federal, and local funding, as available.

THE FOLLOWING ACTIVITY PERTAINS TO GOAL H7, PROMOTE ACHIEVEMENT OF ECONOMIC SELF-SUFFICIENCY FOR ALL PROGRAM PARTICIPANTS:

See also Activity 4.1

7.1 Activity. Family Self-Sufficiency (FSS) Program

Program Description. Family Self-Sufficiency is a component of the HUD Section 8 rental assistance activity that strives to assist VLI households achieve financial independence through a combination of rental subsidies and supportive services.

Objective. To assist all participants achieve the highest possible level of self-sufficiency and economic independence, free from public assistance.

Funding/Administration. During the period of competitive applications, the RHA had developed a program size of 94 households. With passage of the Quality Housing and Work Responsibility Act of 1998, the FSS Program was modified. A participating jurisdiction may reduce the size of its mandatory program by each successful graduate. Since October 1998, the RHA has reduced its FSS Program from 94 participants to 50 households. The RHA remains committed to this program and will maintain a program size of 50 households.

THE FOLLOWING ACTIVITIES PERTAIN TO GOAL H8, PROVIDE OPPORTUNITIES FOR ENERGY CONSERVATION IN NEW AND EXISTING RESIDENCES"

8.1 Activity. Energy Efficiency

Program Description. (1) Continue to enforce energy standards required by the State Energy Building Regulations for residential development and reduce long-term housing costs through planning and applying energy-conservation measures; (2) Promote energy-efficient building techniques by providing incentives to developers who incorporate green building techniques and energy-efficient appliances into their projects; (3) Continue the HVAC, weatherization, and "Earth Advantage Green Building Program," or similar program geared to reducing energy costs for homeowners and renters.

Objective. To provide the means to lower energy costs, thereby reducing housing costs.

Funding/Administration. Funding for the rebate

program is through Redding Electric Utility (REU). Local administration is by REU, as well as the Development Services Department.

8.2 Activity. Low Income Residences Retrofit Program

Program Description. Energy-efficiency upgrades to existing homes has been determined by the state to be the single most efficient means to reduce energy consumption. Not only does this help to address the global aspects of energy use, but more energy-efficient homes will result in real savings to low income households. The pilot program will focus on community outreach, conducting energy audits and retrofits, and providing training opportunities.

Objective. To obtain program funding

Funding/Administration. Public/private partnership between the City of Redding and the Shasta Builders' Exchange. Funds will be sought beginning in Fiscal Year 2009-10.