

City of Desert Hot Springs

**Housing Element
of the General Plan**

**for review by:
City Council**

April 7, 2009

Section 1
Introduction

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A. INTRODUCTION**1. Scope and Content**

Government Code Section 65583 states:

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

The Housing Element Law requires every city and county to prepare and adopt a Housing Element of the community's General Plan. The Housing Element must include four major components:

- An assessment of the City's housing needs.
- An inventory of resources to meet needs and of the constraints that impede public and private sector efforts to meet the needs.
- A statement of the City's goals, quantified objectives and policies relative to the construction, rehabilitation, conservation and preservation of housing.
- An implementation program which sets forth a schedule of actions which the City is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

2. Background and Authorization

Housing elements of the general plan were first mandated by State legislation enacted in 1967. In 1977, the State Department of Housing and Community Development (HCD) published "Housing Element Guidelines". The "guidelines" spelled out not only the detailed content requirements of housing elements, but also gave HCD a "review and approval" function over this element of the general plan. In 1981, Article 10.6 of the Government Code was enacted, which placed the guidelines into statutory language and changed HCD's role from "review and approval" to one of "review and comment" on local housing elements.

This update complies with the housing element planning period from January 1, 2006 through June 30, 2014.

Section 2
Housing Strategy

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A. INTRODUCTION

Section 2 presents the City's Housing Strategy. The Housing Strategy describes the efforts the City will undertake during the planning period to address the community's housing needs within the framework of the Housing Element Law.

With respect to program administration, Section 2 describes: 1) land use and development controls that encourage and facilitate affordable housing; 2) regulatory concessions and incentives and 3) the funding resources that will most likely be utilized to meet housing needs.

In addition, the Housing Strategy explains 1) the agencies responsible for program implementation; 2) the consistency of the Housing Element with the General Plan; and 3) the public participation efforts undertaken during the development of the Housing Element.

This section also describes the goals, policies and quantified objectives of the Housing Element. Of particular importance are the quantified objectives which represent numerical targets for the construction, rehabilitation, conservation and preservation of housing.

The Housing Strategy also describes 16 specific housing programs that will be implemented during the planning period. The 16 programs are organized according the six categories that are required by the Housing Element Law.

B. PROGRAM ADMINISTRATION AND UTILIZATION OF FINANCING PROGRAMS

Section 65583(c) requires that the housing element include:

"A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a Low and Moderate Income Housing Fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law." (emphasis added)

1. Land Use and Development Controls

Housing is permitted at densities up to a maximum of 14 dwelling units per acre. The City's residential densities have facilitated the development of a variety of housing types meeting a broad range of housing needs. Housing has been developed, is under construction or approved that meet the needs of lower income, moderate income and above moderate income households. However, the City does not have a residential zone with a minimum density of 20 dwelling units per acre. A zone with this minimum density will be established as part of the Adequate Sites Program.

Federal and State Low Income Housing Tax Credits
 CalHFA HELP (Housing Enabled through Local Partnerships) Program
 Housing Authority of the County of Riverside -- Section 8 Rental Assistance
 County of Riverside Economic Development Agency -- HOME Funds
 Desert Hot Springs Redevelopment Agency -- Housing Set-Aside Funds

Each of these funding sources is likely to contribute to creating additional affordable housing opportunities for lower income, elderly, disabled and other special needs populations.

The Redevelopment Agency's Housing Set-Aside Fund is a key funding source for housing rehabilitation and new affordable housing opportunities. The Agency's Housing Plan earmarks these funds for housing rehabilitation, developer incentives for affordable housing, and other housing initiatives. Table 2-1 shows the Agency's Housing Set-Aside Fund through 2014 based on the estimates contained in the Agency's most recent plan.

Table 2-1
Desert Hot Springs Redevelopment Agency
Housing Set-Aside Fund – 2006 to 2014

Year	Fund Balance	Annual Revenue Increase	Cumulative Revenue Increase
June 30, 2006	\$2,102,377		
2006-2007		\$2,042,923	\$4,145,300
2007-2008		\$2,198,099	\$6,343,399
2008-2009		\$2,200,000	\$8,543,399
2009-2010		\$2,000,000	\$10,543,399
2010-2011		\$2,000,000	\$12,543,399
2011-2012		\$2,100,000	\$14,643,399
2012-2013		\$2,150,000	\$16,793,399
2013-2014		\$2,200,000	\$18,993,399

Source: Desert Hot Springs Redevelopment Agency, Housing Set-Aside Fund, 2006-2014.

The planned uses and amounts of the LMIHF are as follows:

Housing Rehabilitation	\$2,000,000
Homebuyer Assistance	\$1,800,000
Developer Incentives	\$4,000,000
Other Programs	\$10,000,000
Foreclosure Programs	\$500,000
Front Yard Beautification Program	\$600,000

2. General Plan Consistency

The City's General Plan was adopted in 2000. The Housing Element Update is consistent with the current General Plan, including the Land Use Element. The sites inventory described in Technical Appendix D reflects the land use designations on individual sites as well as adopted Specific Plans. The Adequate Sites Program, as it is implemented during the planning period, will generate a need to amend both the Land Use Element and Zoning Code.

3. Public Participation Effort

During the development of the Draft Housing Element, the City completed an extensive public participation effort. A meeting was held with the Housing Committee in the summer of 2007. A Planning Commission Public Workshop was conducted in January 2008. Additional opportunities for public participation will occur as the Planning Commission and City Council hold Public Hearings during the adoption phase of the Housing Element Update.

Additional public participation efforts include a senior housing survey that was distributed at the Desert Hot Springs Senior Center. Fixed income seniors were surveyed to estimate needs and the types of assistance and programs they might need. The survey results (pg. A-24) indicated the seniors require help with home repairs and maintenance. Few seniors were frail to the point that they felt they needed in-home health care or need assisted living facilities.

The survey results are discussed in the special housing needs section of the Housing Needs Assessment (Technical Appendix A).

The City's public participation efforts also included interviews and data collection from County of Riverside Departments that address the needs of the homeless, low income, elderly and disabled persons. Interviews also were conducted with non-profit housing developers as well as churches, homeless shelters and agencies addressing the needs of disabled persons. Technical Appendix E includes a summary of the interviews.

As previously stated, Technical Appendix E describes the City's efforts to engage organizations and residents in the development of the Housing Element. Numerous organizations were contacted for purposes of providing a qualitative assessment of housing needs and the types of assistance and programs needed by low and moderate income households.

It is important to note that the City's efforts to obtain public participation were based on the advice provided at the June 26, 2007 Housing Element Workshop held at Palm Desert. One of the strategies discussed at the Workshop was contacting the clergy (outreach to churches). In addition, the HCD Housing Element PowerPoint presentation identifies four Public Participation Strategies. To obtain public input on the development of the Draft Housing Element, the City employed Strategy #3:

Outreach to advocacy, church, community, housing developers (both for- and non-profit), and service groups.

Section 65583(b)(2) states:

*The quantified objectives shall establish the **maximum number of housing units** that can be constructed, rehabilitated, and conserved over a five-year period.*

[emphasis added]

HCD defines quantified objectives as follows:

Quantified objectives are the maximum actual numbers of housing units that the jurisdiction projects can be constructed, rehabilitated, conserved and preserved over a five-year time frame. In order to more realistically plan for the implementation of housing programs, it is useful for localities to establish objectives for each housing program which will be implemented during the time frame of the element. Objectives may therefore be short-term in outlook compared to community's goals." (emphasis added)

The Housing Element Law states that needs may exceed resources and, therefore, allows cities to set forth objectives less than the total housing needs. More exactly, Section 65583(b)(2) states:

"It is recognized that the total housing needs ... may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in article 6 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs."

This interpretation is confirmed by Opinion No. 03-104 (May 18, 2005) of the Office of the Attorney General that states:

"We conclude that a community may establish its maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over the next five-year period below the number of housing units that would meet the community's goal of achieving its share of the regional housing needs established pursuant to the Planning and Zoning Law if the community finds its available resources in the aggregate, including but not limited to federal and state funds for its housing programs, its own local funds, tax or density credits, and other affordable housing programs, are insufficient to meet those needs." (pgs. 7 and 8)

As required by Section 65583(b), quantified objectives *by income group* for the 2006-2014 program period are stated in this Section. State law defines the income groups in terms of the percentage of the Riverside County median income.

Chart 2-1
Hot Springs
Housing Element Update – 2006-2014
List of Programs by Category

Program Category	Specific Program
Category 1 – Adequate Housing Sites	1. Adequate Sites Program
	2. Zoning Code Amendments Program
	3. Energy Conservation Program
Category 2 – Assist in the Development of Low and Moderate Income Housing	4. Section 8 Rental Assistance Program
	5. Revise Density Bonus Ordinance
	6. Prepare Inclusionary Housing Ordinance
	7. Redevelopment Agency Housing Programs
	8. County Downpayment Assistance Program
Category 3 – Removal of Governmental Constraints	9. Reasonable Accommodation Procedure Program
	10. Housing for the Disabled Zoning Code Amendments Program
Category 4 – Conserving Existing Affordable Housing	11. Housing Code Enforcement Program
	12. Redevelopment Agency Housing Rehabilitation Program
	13. County Housing Repair and Rehabilitation Programs
	14. Abandoned Residential Property Registration
Category 5 – Fair Housing	15. Fair Housing Services
	16. Fair Housing Information

Chart 2-2 describes each program as follows:

- Specific Programs
- Responsible Implementing Agency
- Quantified Objective
- Time Schedule and
- Funding Source

**Chart 2-2-continued
City of Desert Hot Springs
Housing Program Summary**

Specific Programs	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
13. County Housing Repair and Rehabilitation Programs	County Economic Development Agency	28 rehabilitated housing units	2008-2014	County HOME Funds
14. Abandoned Residential Property Registration	Community Development Department	Maintain quality of 990+ homes in foreclosure	2008-2014	Registration Fees
15. Fair Housing Services	Fair Housing Council of Riverside County	Services Provided	2008-2014	County CDBG Funds
16. Fair Housing Information Program	Community Development Department	Information provided in flyers and on City's website	2008-2014	General Fund for Department Staff

2. Goals, Policies and Quantified Objectives

The *italicized* goals and policies were adopted as part of the 2000-2005 Housing Element and are considered appropriate for the 2006-2014 planning period.

a. Goals

Accommodate a portion of the housing needs of all income groups as quantified by the Regional Housing Needs Assessment.

A variety of housing types that meet the diversity of needs within the City.

b. Policies

Facilitate the construction of the maximum feasible number of housing units for all income groups.

The General Plan shall provide for a mixture of residential densities dispersed throughout the City.

Promote the development of housing with convenient access to commercial land uses and employment centers to provide for special needs households, particularly elderly and handicapped households.

c. Quantified Objectives

Housing production through 2014 is projected to meet the housing needs of moderate and above-moderate income households. Therefore, the quantified objective is:

1,871 moderate income housing units
4,322 above moderate income housing units

The sites inventory (Technical Appendix D) shows development and sites that accommodate 467 of the 3,730 "lower" housing need allocated to the City. The "lower" income housing that remains *unaccommodated on zoned sites* is as follows:

Extremely Low Income	1,036
Very Low Income	815
Low Income	<u>1,412</u>
	3,263

[When the term "lower" income is used, it refers to the three income groups below 80% of the median income – extremely low, very low and low.]

The City's objective is to designate an estimated 165 vacant acres at a minimum density of 20 dwelling units per acre. This acreage would provide enough sites to physically accommodate the City's share of the regional housing need for extremely low, very low and low income households.

Table 2-4
City of Desert Hot Springs
Adequate Sites Program – Inventory of Vacant Properties
With General Plan and Zoning Designations of R-H Residential High Density

Assessor Parcel Number	Address	Parcel Size (sq. ft.)	Rezoning Density (dus/ac.)	Capacity (Housing Units)
Portions of 663-020-001, - 014	S of Pierson, E of Indian RANCH OASIS	55.8 ac	20-24	1,116
664-090-018	SWC Mission Lakes & Indian VISTA DEL MONTE	47.15 ac	20-24	943
638-340-003, - 005, -006, - 007 638-330-001, - 002, -003 638-270-006	NEC Pierson & Foxdale TUSCAN HILLS	8 Planning Areas totaling 107.64 ac	20-24	2,152
656-030-004	W side of Palm, N of 15 th Ave	35 ac	20-24	700
644-180-010	E of Mountain View, N of Two Bunch	2.36 ac	20-24	47
Portion of 667- 030-001 All of 667-130- 002 and 667- 140-006	Eastern Edge of Highland Falls SP	-001 = 49.29 ac -002 and -006 = 53.3 ac	20-24	2,051
667-040-001 667-050-001	Mission Creek Trails SP	74 ac	20-24	1,480
667-060-001, - 004, -005 667-070-001	Rancho Royale SP	4 Planning areas = 43.56 ac	20-24	871

Complete the environmental review process on the specific sites – either individually or in the aggregate -- pursuant to the requirements of the California Environmental Quality Act (CEQA) and the City of Desert Hot Springs policies and procedures.

b. Zoning Code Amendments Program (Program #2)

The Zoning Code Amendments Program will meet the following requirement:

Zones to accommodate the need for emergency shelters

Zones for transitional and supportive housing

The City does not have:

“... a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit.”

Under these circumstances, Government Code Section 65583(a)(4)(A) states:

“If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element.”

By June 30, 2009, the City will identify a zone where emergency shelters are allowed as a permitted use. The development standards of the zone will be guided by Government Code requirements, Health and Safety Code definitions, and HCD's Technical Assistance Memorandum.

The R-H Residential High and C-G General Commercial Zones are being considered as zones permitting emergency shelters. The R-H Zone currently permits apartments, SROs and senior congregate care housing. The City's General Plan, adopted in 2000, designates 1329 acres as R-H. In 2000, 1,215 of the 1,329 acres were vacant. The current estimate of vacant acres is more than 800 acres. The C-G General Commercial Zone conditionally permits group homes, multi-family dwellings and SROs. In 2000, 661 of the 841 acres designated C-G were vacant. The current estimate of vacant acres is more than 500 acres.

The City's homeless population is 75 persons, according to the 2007 Riverside County homeless count. The Western Coachella Valley Multi Service Center (located at McLane/I-10, north of Palm Springs) is currently under development. This facility will provide shelter and services to the homeless of Western Coachella Valley.

The City's Community Development Department will be responsible for implementation of the Energy Conservation Program. The Community Development Department may add other actions following its review and evaluation of best practices.

PROGRAM CATEGORY #2:

ASSIST IN THE DEVELOPMENT OF ADEQUATE HOUSING TO MEET THE NEEDS OF EXTREMELY LOW-, VERY LOW-, LOW-, AND MODERATE- INCOME HOUSEHOLDS

Government Code Section 65583(c)(2) states that a housing program shall:

"Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate- income households."

The term "development" includes providing for affordability covenants in existing housing and construction of new affordable housing units.

The City's Housing Rehabilitation Program, which is described in another section, also contributes to "adequate housing" by helping to improve housing quality and maintain affordability.

1. Housing Need Summary

Overpaying is defined as the number of lower income households that spend 30% or more of their income on housing costs. Severe overpaying occurs when households pay 50% or more of their gross income for housing.

In 2000, overpaying – also known as cost burden -- was adversely affecting just over 1,500 lower income renter households and 820 lower income owners. In addition, the City's was allocated 3,730 housing units as its share of the regional housing need.

2. Goals, Policies and Quantified Objectives

The *italicized* goals and policies were adopted as part of the 2000-2005 Housing Element and are considered appropriate for the 2006-2014 planning period.

a. Goals

Expanded housing opportunities for all residents of Desert Hot Springs.

City housing stock which meets the needs of the City's lower income households.

b. Policies

Affordable housing developments shall be encouraged in all areas of the City. Clustering of affordable housing shall be discouraged.

3. Housing Programs

a. Rental Assistance (for Existing Cost Burdened Households) (Program #4)

Desert Hot Springs is a participating city with the Housing Authority of the County of Riverside. As a result, the Housing Authority can administer the Section 8 Housing Choice Voucher Program within the City limits.

The Housing Choice Voucher Program is HUD's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

In general, a family's income may not exceed the very low income limits (50% of the median income) for Riverside County. By law, the Housing Authority must provide 75% of its vouchers to applicants whose incomes do not exceed 30% of the County median income.

Under the provisions of the Voucher Program, the tenant pays approximately 30% of his/her income towards rent, and the Housing Authority pays the balance of the rent to the property owner, who participates in the program on a voluntary basis. HUD annually sets rent ceilings by bedroom size; the FY 2008 rent ceilings are:

<u>Bedrooms</u>	<u>Maximum Monthly Rent</u>
0	\$715
1	\$825
2	\$925
3	\$1,294
4	\$1,512

The Housing Authority assists 270 lower income families, seniors and disabled householders. The objective maintains this number of assisted households given the uncertainty of funding in the future for the Section 8 Housing Choice Voucher Program.

The City will provide input to the Housing Authority by transmitting the results of the apartment housing survey completed in 2007, and reviewing and commenting on the Authority's 5-Year and 1-year Action Plans.

b. Revise Density Bonus Procedures (Program #5)

The City will prepare an ordinance describing its procedures for implementing the revised density bonus law. The procedures will be adopted by June 2009.

SB 1818, which took effect on January 1, 2005, revised the State density bonus law – Government Code Section 65915-65918. The law requires all cities to adopt procedures that describe how compliance with Section 65915-65918 will be implemented. Density bonuses may be given for affordable housing, senior housing, land donations for affordable housing, and child care facilities.

households." [emphasis added]Health and Safety Code Section 33413(b)(2)

The Agency has the legal authority to require developers of residential developments to produce the 15% inclusionary housing units on a project-by-project basis. The City/Agency will adopt an inclusionary housing program that will apply to housing developments within the Redevelopment Project Area. The program also may be applied to housing developments located outside the Project Area.

d. Redevelopment Agency Housing Programs (Program #7)

The on-going implementation of the Redevelopment Agency's Housing Programs will contribute to the production of 350 affordable housing units. The Redevelopment Agency has adopted a *Ten-Year Affordable Housing Compliance Plan* that spans the period through FY 2013-2014. A major housing program is *Developer Incentives for Affordable Housing* which states:

The Agency will provide financial assistance where necessary and appropriate to secure restricted covenants on privately developed new single family and multi-family housing units.

The Redevelopment Agency also has adopted the following policies:

The Agency will support the development of affordable housing by supporting the City's mandated efforts to meet the Regional Housing Needs Assessment.

The Agency will continue its efforts to seek motivated property owners, developers and builders to partner and meet the affordable housing standards set for the Agency by CRL [California Redevelopment Law].

During the 2006-2014 planning period, the Agency will contribute to the production of 408 affordable housing units, as follows:

A recent development supported by the Agency is the Arroyo de Paz; a 94-unit rent restricted affordable apartment community. Phase 1 opened in December 2006 and Phase 2 opened in June 2007.

Development of 54 single-family homes for lower income families.

The Agency also is supporting the development of a 60+/-affordable housing project located at Hacienda and Flora.

The Adequate Sites Program incorporates actions of the Redevelopment Agency to acquire one or more sites to accommodate the housing need for 200 lower income households.

The Redevelopment Agency projects to accrue \$12.2 million during the planning period. This funding supports housing rehabilitation and homebuyer assistance. Most importantly, however, the LMIHF fund supports developer incentives for affordable housing and other program efforts (e.g., site acquisition pursuant to the Adequate Sites

Adopt a reasonable accommodation procedure.

Revise the Zoning Code definition of "family."

Include "residential care facilities" – as required by State law – among the uses permitted in zones that allow single-family dwellings.

Add a land use category of residential care facilities for seven or more persons.

Program Category 1 includes actions that respond to the first two constraints -- minimum residential densities and the CUP requirements.

2. Goals, Policies and Quantified Objectives

The *italicized* policy was adopted as part of the 2000-2005 Housing Element and is considered appropriate for the 2006-2014 planning period.

a. Goals

Remove existing governmental constraints to the maintenance, preservation, improvement and development of housing.

Remove existing governmental constraints that may hinder addressing the housing needs of disabled persons.

b. Policies

Maintain Zoning Code development standards and requirements that address the housing needs of special populations such as the homeless and disabled persons.

The City Council shall consider, as an additional incentive, the reduction, subsidizing, deferring or waiving of development fees to facilitate the development of affordable housing.

Establishing maximum housing unit sizes as a condition of the City's/Agency's participation in funding affordable, multifamily rental housing developments. in order to reduce construction costs.

Enforce the maximum housing unit sizes through a development agreement or other comparable enforceable agreement.

Permit reduced parking standards based on the results of a parking study correlating the need for parking to the housing unit/bedroom mix of the proposed project.

Complete research on Federal and State laws and policies that require adoption of a reasonable accommodation procedure.

Review and evaluate at least three to six reasonable accommodation procedures adopted by California cities.

Conduct outreach with the disabled populations to review initial drafts of the procedure and gather input.

Process the reasonable accommodation procedure through a Zoning Code Amendment.

Display brochures/flyers of the procedure at the Community Development Department counter.

Advertise the procedure and application requirements on the City's Website.

b. Housing for the Disabled Zoning Code Amendments (Program #10)

The analysis of governmental factors (Technical Appendix B) identifies three amendments that the City will adopt to affirmatively further adequate housing opportunities for disabled persons. The Zoning Code amendments are to:

Revise the City's definition of "family." A definition of family should refer to a housekeeping or household instead of distinguishing between related and unrelated persons, as the City's current definition does.

Include the licensed residential care facilities that are required by State law to be permitted uses in the zones that allow single-family dwellings. (This is a technical revision, as the Zoning Code currently refers to community care facilities.)

Add a land use category of residential care facilities for seven or more persons.

The City will complete these Zoning Code amendments by the June 30, 2009.

**PROGRAM CATEGORY #4:
CONSERVE AND IMPROVE THE CONDITION OF THE EXISTING STOCK OF
AFFORDABLE HOUSING**

Government Code Section 65583(c)(4) states that a housing program shall describe actions to:

"Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public and private actions."

c. Quantified Objectives

The quantified objectives include:

Housing code enforcement at an average level of 200 new cases per year for all income levels during the 2006-2014 program period.

Rehabilitation of 228 housing units during the 2006-2014 program period -- 53 occupied by extremely low-, 118 occupied by very low- and 37 occupied by low-income households and 20 occupied by moderate income households.

3. **Housing Programs**a. Housing Code Enforcement Program (Program #11)

The City's Code Enforcement Program involves the enforcement of all Municipal Codes and Ordinances, various State and local laws and health and Safety regulations as they relate to conditions or activity within the City. The primary method that the City uses to obtain code compliance is Voluntary Compliance. If this method does not attain compliance, then other actions are taken such as a Notice of Violation and Administrative Citation. Technical Appendix B describes more specifically the code enforcement program and the methods the City employs to resolve issues.

b. Redevelopment Agency Housing Rehabilitation Program (Program #12)

The Agency conducts a single-family rehabilitation program geared toward repairs and renovations such as roofing, HVAC, electrical and plumbing deficiencies. The program is available to homeowners residing within the Merged Project Area. The Redevelopment Agency's *Affordable Housing Compliance Plan* allocates annually \$200,000 to this program. This means that an estimated \$1.7 million would be allocated to this program during the 8½ planning period. The funding amount supports the rehabilitation of 200 housing units based on an average per unit rehabilitation loan of \$8,500.

Based on recent trends the income distribution of the assisted households would be:

Extremely Low	45
Very Low	110
Low	25
Moderate	20

c. County Housing Repair and Rehabilitation Programs (Program #13)

Desert Hot Springs is a CDBG/HOME cooperating city with the County of Riverside. Through this cooperative effort, City residents and projects located in Desert Hot Springs are eligible for a variety of County funded programs, including those listed below:

- Home Repair Program (\$6,000 grant)
- Senior Home Repair (\$6,000 grant)
- Home Rehabilitation Program (up to \$20,000 for several repairs)

reported, the local property management company is required bring the property back into compliance within 72 hours.

The property must be posted with the name and 24-hour contact number of the property management company responsible for the weekly inspection, maintenance and security of the property. This will remove the City's Code Enforcement from spending limited resources to act as the property manager. It also allows neighbors to have direct contact with a responsible party. The combination of observant neighbors and an accessible local responsible party will help to deter and arrest any potential deterioration of abandoned properties having a negative impact on the surrounding neighborhood and the community as a whole.

**PROGRAM CATEGORY #5
PROMOTE HOUSING OPPORTUNITIES FOR ALL PERSONS**

Section 65583(c)(5) requires that the housing program:

"Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability."

1. Housing Need Summary

In California, it is illegal to discriminate in housing against anyone because of race, color, ancestry, religion, sex, marital status, disability (including AIDS and HIV diagnosis), national origin, familial status, sexual orientation or source of income. The Fair Housing Council of Riverside County is an agency that receives and attempts to resolve housing discrimination complaints.

2. Goals, Policies and Quantified Objectives

The *italicized* goal was adopted as part of the 2000-2005 Housing Element and is considered appropriate for the 2006-2014 planning period.

a. Goals

Attain a housing market with "fair housing choice" meaning the ability of persons of similar income levels regardless of race, color, religion, sex, national origin, handicap and familial status to have available to them the same housing choices.

There shall be equal access to housing regardless of race, color, religion, national origin, sex, age, family status or sexual preference.

b. Policies

Continue to promote fair housing opportunities through the City's participation in the County's Community Development Block Grant Program.

Fair Housing Information for New Developments

New multi-family housing with four or more units in a building, in the vast majority of cases, must meet the accessibility requirements of the Fair Housing Act:

Accessibility Requirements for Buildings -

<http://www.hud.gov/offices/fheo/disabilities/accessibilityR.cfm>

HUD Fair Housing Act Design Manual -

<http://www.huduser.org/publications/destech/fairhousingq.html>

"Fair Housing Accessibility First Website" -

<http://www.fairhousingfirst.org/index.asp>

The above is a HUD supported website to encourage compliance with fair housing act design and construction requirements.

Zoning Activities Are Also Covered Under Fair Housing Laws

Link to information on the Fair Housing Act as it relates to [Group Homes and Local Land Use](#)

Additional HUD Fair Housing Information

[HUD Office of Fair Housing and Equal Opportunity](#)

[HUD information on Fair Housing as it relates to Senior Housing](#)

Technical Appendices

**Technical Appendix A
Housing Needs Assessment**

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EXECUTIVE SUMMARY

Purpose

Technical Appendix A provides estimates and projections on the City's housing needs, as those needs are defined by the Housing Element Law. In addition to serving as a beginning point for looking at the community's housing needs, Technical Appendix A also serves the following functions:

- Benchmark data to track trends later in this decade.
- Establish a community "housing" profile.
- Meet the requirements of Housing Element Law.
- Quantify the "need" among different population groups.
- Provide a shared understanding of the nature and scope of housing needs.
- Provide information helpful to setting priorities.

Housing Needs Summary

Chart A-1 lists the "needs" that comprise the City's Housing Needs Assessment:

- Existing Housing Needs
- Special Housing Needs
- Projected Housing Needs

Chart A-2 summarizes the housing needs data in regard to each housing need category.

**CHART A-2
CITY OF DESERT HOT SPRINGS
SUMMARY OF HOUSING NEEDS**

Existing Housing Needs	
<i>General Household Characteristics:</i>	<p>According to the California Department of Finance, as of January 2007, the City has 9,860 housing units and 8,213 households.</p> <p>Census 2000 reported that the City has 2,768 owner- and 3,052 renter-occupied housing units.</p> <p>The homeownership rate is 47.5%.</p> <p>Both the number and percentage of owner-occupied units has probably increased since the Census due to the amount of construction since the Census.</p> <p>The largest number of renters occupies single- family homes, not apartment units.</p> <p>34.2% of all households moved into their housing unit prior to 1995.</p>
<i>Overpaying:</i>	1,514 lower income renters are overpaying 820 lower income owners are overpaying
<i>Overcrowding:</i>	271 owners are overcrowded 105 owners are severely overcrowded 661 renters are overcrowded 355 renters are severely overcrowded
<i>Rehabilitation Need:</i>	500 housing units
<i>Replacement Need:</i>	115 housing units
<i>"At Risk" Housing</i>	0 housing units
Special Housing Needs	
<i>Elderly:</i>	<p>11% of the <i>population</i> is seniors 65+ while 21% of the <i>households</i> are seniors</p> <p>284 lower income senior renters are overpaying</p> <p>323 lower income senior owners are overpaying</p>
<i>Disabled:</i>	<p>Census 2000 indicates that 4,292 persons 5 years and over reported a disability</p> <p>8,289 disabilities were reported</p>
<i>Large Families:</i>	<p>The City has about 1,000 large families</p> <p>114 owner large families are cost burden</p> <p>265 renter large families are overpaying</p>
<i>Farmworkers:</i>	<p>Census 2000 estimates 9 employed persons/residents had jobs in the "agricultural" industry.</p>

A. INTRODUCTION

Desert Hot Springs' Housing Element must contain:

1. An analysis and documentation of *household characteristics*, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.
2. An analysis of *existing assisted housing developments* that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.
3. An analysis of any *special housing needs*, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.
4. An analysis of *population and employment trends* and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the *locality's share of the regional housing need* in accordance with Section 65584.

Part B describes the City's key housing and household characteristics such as the size of the housing stock and owner/renter distributions as well as the housing needs of the existing population and inventory of existing assisted housing developments.

Part C provides a quantitative and qualitative assessment of the housing needs of special population groups.

Part D contains the information on population and employment trends and projections of housing needs and housing trends.

**Table A-1
City of Desert Hot Springs
Housing Stock by Type of Unit — January 1, 2007**

Type of Unit	Number of Units	Percent
1 unit, detached	6,380	64.7%
1 unit, attached	180	1.8%
2 to 4 units	1,309	13.3%
5+ units	1,313	13.3%
Mobilehomes	678	6.9%
Total Housing Units	9,860	100.0%

Source: California Department of Finance, Demographic Research Unit, City/County Population and Housing Estimates, January 1, 2006.
Table construction by Castañeda & Associates.

b. Housing Types Occupied by Owners/Renters

Census 2000 reports 5,820 occupied housing units – 2,768 owners and 3,052 renters. Table A-2 shows the housing types occupied by owners and renters, as of 2000. The percentage figures in the table represent the percentage of housing units of that type that are occupied by owners or renters. For example, 73.4% of the occupied single-family detached structures are owner-occupied while 26.6% are renter occupied.

**Table A-2
City of Desert Hot Springs
Tenure by Units in Structure -- 2000**

Units in Structure	Owner Occupied	Percent of Occupied	Renter Occupied	Percent of Occupied	Total Occupied
1, detached	2,388	73.4%	864	26.6%	3,252
1, attached	32	22.1%	113	77.9%	145
2	55	10.2%	486	89.8%	541
3 or 4	33	6.2%	496	93.8%	529
5 to 9	9	2.5%	353	97.5%	362
10-19	7	3.1%	218	96.9%	225
20-49	15	7.5%	186	92.5%	201
50 or more	0	0.0%	316	100.0%	316
Mobile Home	229	92.0%	20	8.0%	249
RV, Van	0	0.0%	0	0.0%	0
Total	2,768	47.6%	3,052	52.4%	5,820

Source: Census 2000 Summary File 3, Table H32 Units in Structure by Tenure.
Table construction by Castañeda & Associates.

d. Year Householder Moved to Unit

Another characteristic of interest is how recently householders have moved to their Desert Hot Springs housing unit. Table A-4 on the next page shows that as of April 2000, almost 60% of all owners had moved to their unit prior to 1995. By comparison, 11.7% of all renters had moved to their unit prior to 1995.

The data *indicate* that owners have been residents of Desert Hot Springs for a longer period of time than renters. However, it must be noted that the data does not mean that 88.3% of all renters actually moved to Desert Hot Springs between 1995 and 2000. Indeed, some may have moved from one unit in Desert Hot Springs to another one in the City after 1995.

**Table A-4
City of Desert Hot Springs
Year Householder Moved into Unit – 2000**

Year	Owner Occupied	Percent	Renter Occupied	Percent	Total	Percent
1999-2000	341	12.3%	1,603	52.5%	1,944	33.4%
1995-1998	792	28.6%	1,093	35.8%	1,885	32.4%
<1995	1,635	59.1%	356	11.7%	1,991	34.2%
Total	2,768	100.0%	3,052	100.0%	5,820	100.0%

Source: Census 2000 Summary File 3, Table H38, Year Householder Moved Into Unit.
Table construction by Castañeda & Associates.

e. Household Income -- 2000

Lower income renter households, to a higher degree than owners, experience many of the housing needs addressed by the Housing Element Law, such as overpaying, overcrowding and living in substandard housing. Therefore, communities having a majority of renter households also will have more housing needs than communities where owners predominate.

In Desert Hot Springs, owners occupied 47.5% of the housing and renters occupy 52.5%. Table A-5 on the following page presents data on household income by tenure. More than one half of all renters had household incomes of less than \$20,000 per year. Households in this income category can afford a maximum of \$500 per month on housing costs, based on the 30% of income standard.

**Table A-6
Riverside County
2008 Annual Income Limits Adjusted by Household Size**

Household Size (# of persons)	Extremely Low Income	Very Low Income	Low Income	Median Income	Moderate Income
1 person	\$14,000	\$23,300	\$37,300	\$43,400	\$52,100
2 persons	\$16,000	\$26,650	\$42,650	\$49,600	\$59,500
3 persons	\$18,000	\$29,950	\$47,950	\$55,800	\$67,000
4 persons	\$20,000	\$33,300	\$53,300	\$62,000	\$74,400
5 persons	\$21,600	\$35,950	\$57,550	\$67,000	\$80,400
6 persons	\$23,200	\$38,650	\$61,850	\$71,900	\$86,300
7 persons	\$24,800	\$41,300	\$66,100	\$76,900	\$92,300
8 persons	\$26,400	\$43,950	\$70,350	\$81,800	\$98,200

Source: U.S. Department of Housing and Urban Development, FY 2008 Income Limits, February 13, 2008. State Department of Housing and Community Development, Year 2008 Income Limits, February 28, 2008.

The City's average household size is 2.845 persons. (State Department of Finance, Demographic Research Unit, *City/County Population and Housing Estimates*, January 1, 2007) For illustration purposes, Table A-7 shows the low to high ranges of the income limits for a three-person household.

**Table A-7
Riverside County
Income Limits for a 3-Person Household**

Income Group	Income Limits	Monthly Income
Extremely Low	less than \$18,000	less than \$1,500
Very Low	\$18,001-\$29,950	\$1,501-\$2,495
Low	\$29,951-\$47,950	\$2,496-\$3,995
Moderate	\$47,951-\$67,000	\$3,996-\$5,583
Above Moderate	\$67,001 plus	\$5,584

Source: Table A-6.

g. Desert Hot Springs' Income Groups

At this time, data are unavailable on the numbers of owners and renters in each group – extremely low-, very low-, low- and moderate-income. Table A-8 which bases the income groups on Census 2000 – reveals that 54% of the households have annual incomes less than the “low” level and that 46% have annual income above that threshold. Because the majority of households rent their dwelling, the community's housing needs – as defined by the housing element law – are likely to be affecting a high percentage of renters.

1) *Renter Households Overpaying*: Table A-9 shows Census 2000 data on gross rent as a percentage of income for 2,926 renter households. An estimated 1,639, or 56.1%, of all renter households paid 30% or more of their income on rent. An estimated 736, or 25.2%, of all renters paid 50% or more of their income on rent.

**Table A-9
City of Desert Hot Springs
Gross Rent as a Percentage of Income – 1999**

Rent as % of Income	Number	Percent
<30%	1,287	43.9%
30.0-34.9%	273	9.3%
35.0-39.9%	318	10.9%
40.0-49.9%	312	10.7%
50% or more	736	25.2%
Total	2,926	100.0%

Not computed: 126 renter households. Units for which no cash rent is paid and units occupied by households that reported no income or a net loss comprise the category 'Not computed'.

Source: Census 2000 Summary File 3, Table H69 – Gross Rent as a Percentage of Income in 1999.

Table construction by Castañeda & Associates.

By comparison, 46.5% of all renters in 1989 paid 30% or more of their income on gross rent. Comparable 1990 severe overpaying (50%+) percentages are unavailable as the data was reported only for those paying 35% or more of their income on rent. The *rate of overpaying* among all renters, then, has slightly increased between 1990 and 2000.

In 2000, overpaying was adversely affecting just over 1,500 *lower income renter* households. Table A-10 shows the cost burdened lower income renters by household type. The meanings of the four household types are:

Elderly: A one or two person household in which the head of the household or spouse is at least 62 years of age.

Small Related: A household of 2 to 4 persons that includes at least one person related to the householder by blood, marriage, or adoption.

Large Related: A household of 5 or more persons that includes at least one person related to the householder by blood, marriage, or adoption.

Other: A household of one or more persons that does not meet the definition of a small related, large related, elderly, or special populations household. This category includes all households with only unrelated individuals present except those qualifying as elderly or special populations households.

**Table A-11
City of Desert Hot Springs
Cost Burdened Owner Households
By Income Group – 2000**

Income Group	Elderly	Small Related	Large Related	All Other Households	Total Households
Very Low 0-30% MFI	165	44	60	70	339
Low 31-50% MFI	73	60	19	14	166
Moderate 51-80% MFI	85	140	35	55	315
Middle 81-100% MFI	44	25	0	45	114
Total	367	269	114	184	934

Source:U.S. Department of Housing and Urban Development, State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data, "Housing Problems Output for All Households," May 2004. [Data current as of 2000]

Table construction by Castañeda & Associates.

Although the causes of overpaying are uncertain, they could be due to added debt from equity lines of credit, higher energy costs, loan approvals with housing debt-to-income ratios exceeding 30%, and unemployment.

c. Conclusions and Findings

In summary, overpaying is often cited as one of the major problems confronting the lower income population. In Desert Hot Springs more renters than owners are cost burdened. As the City is within the service area of the County of Riverside Housing Authority, the Section 8 rental assist program is available to extremely low and very low income households. However, providing monthly cost assistance to owner is exceedingly difficult, if not impossible.

3. Overcrowding

a. Guidelines

The Census defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. Localities are to estimate the number of households that live in overcrowded and severely overcrowded units. This incidence of overcrowding and large households frequently parallel. [emphasis added]

An example of overcrowding is an eight-room home: three bedrooms, a living room, a dining room, a kitchen and two bathrooms. If six persons live in the home, it would be considered overcrowded (six persons divided by five habitable rooms = 1.2 persons per room).

c. Conclusions and Findings

Overcrowding is not as serious or prevalent a housing need as is cost burdened households. In fact, due to the housing added to the stock since Census 2000, the percentage of overcrowded households has probably decreased. During the past seven years, single-family dwellings have been the predominate housing type constructed in Desert Hot Springs.

4. **Condition of the Existing Housing Stock**

a. Guidelines

The element should include an analysis of *the condition of the housing stock including an estimate of the total number of substandard units (e.g., those in need of rehabilitation/repair) and those in need of replacement (demolition). The number of units to be rehabilitated and/or replaced may be estimated from a recent (within the last five years) windshield survey or sampling, estimates from the local building department, knowledgeable builders/developers in the community, nonprofit housing developers or organizations and redevelopment agencies. Estimates can also be derived from census data such as percentage of units built before 1960, which can serve as an estimate of the maximum rehabilitation need. [emphasis added]*

b. Analysis

There are differences between housing stock condition and housing improvement needs. The term "condition" refers to the physical quality of the housing stock; for instance, "fair" or "poor" condition. Housing improvements, on the other hand, refer to the nature of the "remedial" actions necessary to correct defects in housing conditions such as demolition, minor repairs, major repairs and rehabilitation.

A general indicator of housing adequacy is the age of housing. Generally speaking, for owners, the dilemma often is one of maintenance problems. For these households, low incomes mean a lack of money for maintenance and repairs. For rental properties, the rents collected may not result in a cash flow sufficient to catch up to needed maintenance and replacement.

In general, there is a relationship between the age of the housing stock and the prevalence of poor housing conditions. For instance, the older a home, the greater is the need for maintenance, repair and/or replacement of key mechanical systems. Housing condition problems frequently are concentrated in the interior deficiencies. Generally, two to three times as many units have interior problems as units with exterior problems.

1) *Rehabilitation Needs*: Table A-13 shows the Census 2000 estimates on the age of the housing stock. Seven years have been added to each "age" interval to approximate the age as of mid-year 2007.

**Table A-14
City of Desert Hot Springs
Inventory of Government Assisted Housing Developments**

Project Name	Project Address	Type of Governmental Assistance	Earliest Date Restrictions End	Housing Type	Number of Units	Number of Assisted Units
Casa del Sol I	66555 Fourth Street	Section 515 RRHLP; LIHTC	2036	Family	60 units	55 subsidized
Casa del Sol II	66600 2 nd Street	Section 515 RRHLP; LIHTC	2036	Family	48 units	44 subsidized
Casa West Apartments	11555 Cholla Drive	Section 515 RRHLP; LIHTC; HCD Rental Hsg	2062	Senior	48 units	44 subsidized
Desert Horizons	66789 Two Bunch Palms Trail	Section 515 RRHLP	2046	Family	44 units	43 subsidized
Highland Homes	Hermosa	Section 515 RRHLP	2040	Senior	12	3% loan
Bella Vista Apartments Phase II (aka Terracina)	66950 Ironwood Drive	LIHTC; Section 8	6-month notice	Large Family	96	96
Terracina Apartments	13355 Verbena Drive	LIHTC; HCD Rental Hsg	2062	Family	96	96
Waldorf Manor	11190 Mesquite Avenue	LIHTC	Placed in Service	Senior	51	50
Linda Vista	67200 Hacienda Avenue	LIHTC; HCD Rental Hsg	2062	Senior	48	47
Arroyo de Paz	Two Bunch Palms/Verbena Drive	LIHTC	Newly Constructed	Large Family	94	93

Source: California Tax Credit Allocation Committee, Project History, USDA, J. Twilley; interviews with property management firms; and Jeff Newbury, HCD.

c. Conclusions and Findings

The City has 10 projects that fall within the meaning of assisted housing developments. None of the projects are at risk of converting to market rate housing in the next 10 years.

C. SPECIAL HOUSING NEEDS

The Housing Element must include:

"An analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of household, and families and persons in need of emergency shelter."

HCD guidance on special housing needs is cited below:

Special needs are those associated with relatively unusual occupation or demographic groups which call for very specific program responses, such as preservation of residential motels or the development of four bedroom apartments. The statute specifically requires analysis of the special housing needs of the elderly, the disabled, female headed households, large families, farmworkers and homeless persons and families.

A thorough analysis of the special needs groups helps a locality identify groups with the most serious housing needs in order to develop and prioritize responsive programs. A special needs assessment starts with general knowledge of the community's demographics. The housing element should analyze the needs of each group specifically mentioned in the statute as well as any other group the locality deems appropriate. The analysis should include a discussion of the nature of the special housing need of each group as well as quantification of the need. [emphasis added]

A housing element should include:

A quantification and qualitative description of the need. For instance, of the 600 elderly households, census data reveals that 400 are homeowners and 200 are renters and that 250 of all elderly households, have incomes below the poverty level. A qualitative description of the need would include a description of the potential housing problems faced by the group. For example, the analysis of elderly need might show that an estimated 30 percent of elderly households below the poverty level live in substandard housing, indicating a housing rehabilitation need. Most local governments consult information available for service providers, housing or service waiting lists, and data on income and housing costs to identify special housing needs. [emphasis added]

So the focus of the analysis is on the nature of the need, potential housing problems, and a quantification of the persons and/or households in each group.

housing, assisted living, and skilled nursing care. A CCRC resident contract often involves either an entry fee or buy-in fee in addition to the monthly service charges, which may change according to the medical services required.

Nursing Home: Facility licensed by the state that provides 24-hour nursing care, room and board, and activities for convalescent residents and those with chronic and/or long-term care illnesses.

Skilled Nursing Facility (SNF): A Medicare-certified nursing home, with increased emphasis on rehabilitative therapies.

Development of these housing types usually involves large project sizes and land area. Sites for major new developments of this kind are possible in the City because of land availability. Existing housing, through renovations, also may provide opportunities to address these needs.

c. Desert Hot Springs' Older Persons

Seniors comprise about 12.9% of the City's total population, according to Census 2000. Table A-15 shows the 2000 senior population by age group and gender. In 2000, females comprised 56.5% percent of the City's 2,147 persons 62 years of age and older.

**Table A-15
City of Desert Hot Springs
Senior Population by Age Group and Gender – 2000**

Age Group	Male	Female	Total	Percentage
62-64	129	172	301	14.0%
65-66	81	113	194	9.0%
67-69	144	144	288	13.4%
70-74	226	281	507	23.7%
75-79	171	215	386	18.0%
80-84	109	162	271	12.6%
85+	75	125	200	9.3%
Total	935	1,212	2,147	100.0%

Source: Census 2000 Summary File 1, Table P12 – Age by Sex and Residence Type (All Persons). Table construction by Castañeda & Associates.

Table A-16 reports on the general characteristics of senior *householders*. The list below notes some key characteristics:

- Because of their smaller household size, seniors comprise a larger proportion of the City's *households* than of the *population*. In fact, 11.1% of the population is 65+ whereas 21% of the City's households have a householder 65+.

e. Housing for the Elderly

Census 2000 indicates that the vast majority of Desert Hot Springs' seniors live in households. No seniors 65+ stated they lived in group quarters such as nursing homes or residential care homes. The California Community Care Licensing Division indicates that there are eight Residential Care Facilities for the Elderly (RCFE) with a capacity of 89 persons located in Desert Hot Springs.

RCFEs provide care and supervision and assistance with activities of daily living, such as bathing and grooming to persons 60 years of age and over and persons under 60 with compatible needs. They may also provide incidental medical services under special care plans. The facilities provide services RCFEs may also be known as assisted living facilities, retirement homes and board and care homes.

Linda Vista Senior Residence is a senior only apartment community. It has 48 housing units with monthly rents in the range of \$425 to \$450. Seventy percent of the Linda Vista seniors have resided in the complex for two or more years.

f. Conclusions and Findings

Overpaying is a problem for many lower income seniors. Just over 600 lower income renters and owners are overpaying. This number equals 26% of all the City's lower income households that are cost burdened. The senior survey indicates an interest in assistance with home repairs and maintenance.

2. Persons with Disabilities

a. Definitions

Census 2000 defines disability status as:

"People 5 years and over are considered to have a disability if they have one or more of the following: (a) blindness, deafness, or a severe vision or hearing impairment; (b) a substantial limitation in the ability to perform basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying; (c) difficulty learning, remembering, or concentrating; or (d) difficulty dressing, bathing, or getting around inside the home. In addition to the above criteria, people 16 years and over are considered to have a disability if they have difficulty going outside the home alone to shop or visit a doctor's office, and people 16-64 years old are considered to have a disability if they have difficulty working at a job or business."

The 1973 Rehabilitation Act defines "disability" as referring to any person who:

- Has a physical or mental impairment that substantially limits one or more of such person's major life activities;
- Has a record of such impairment, or
- Is regarded as having such impairment

Census 2000 gives the following meanings to the disabilities:

Sensory disability: blindness, deafness, or a severe vision or hearing impairment.

Physical disability: a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.

Mental disability: difficulty learning, remembering, or concentrating.

Self-care disability: difficulty dressing, bathing, or getting around inside the home.

Go-outside disability: difficulty going outside the home alone to shop or visit a doctor's office.

Employment disability: difficulty working at a job or business.

As noted above, the disabilities having the highest frequency are those that prevent people from working and go-outside-home disabilities.

Census 2000 data indicates that 4,292 persons 5 years and over reported a disability. Disability prevalence rates progressively increase as the population ages. For instance, 4.9% of the population 5-15 years of age reports one or more disabilities. By contrast, 57.1% of the population 75+ years reports one or more disabilities. A closer look at Table A-18 indicates that almost one-half (972 of 2,035) of the seniors live with one or more disability.

Table A-18
City of Desert Hot Springs
Disability Prevalence Rates by Age Group (5+ Years)

Age Group	With a disability	No Disability	Total Population	Prevalence Rate
5-15	162	3,119	3,281	4.9%
16-20	338	986	1,324	25.5%
21-64	2,820	5,452	8,272	34.1%
65-74	495	705	1,200	41.3%
75+ years	477	358	835	57.1%
Total	4,292	10,620	14,912	28.8%

Source: Census 2000, Summary File 3, Table P42, Disability Status by Age.
Table constructed by Castañeda & Associates.

HUD-produced data reveal that 1,662 households had a "mobility or self care limitation," representing 28.6% of all households. According to HUD:

This includes all *households* where one or more *persons* has 1) a long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying

e. Conclusions and Findings

Census 2000 data compiled by HUD reveals that almost 1,200 lower income households reside in Desert Hot Springs. About 70% of these householders are probably cost burdened as opposed to living in overcrowded or substandard living conditions. Accessible and adaptable housing is an important need for this special needs group; however, the disabled share the same cost burden problems that non-disabled householders experience.

3. Large Families

a. Definitions

HCD defines large families as consisting of five or more persons. Census data provides estimates of households with five, six, seven or more persons.

b. Special Housing Needs

Lower income, large families need three, four or five bedroom housing units at affordable costs. Since housing with these numbers of bedrooms usually command higher costs than smaller units, affordability is another key need of large families/households.

c. Large Families/Households

Table A-20 shows an estimated 1,007 large households with five, six, and seven or more persons, representing 17.2% of all households. The percentage of large households increased between 1990 and 2000 by 5.9%. The percentage of owners and renters among large households -- 47.2% owners and 52.8% renters -- is almost the same as for all households.

**Table A-20
City of Desert Hot Springs
Number of Households
By Household Size and Tenure - 2000**

Number of Persons	Owner	Percent	Renter	Percent	Total	Percent
1 person	697	25.2%	923	29.9%	1,620	27.6%
2 persons	943	34.1%	697	22.5%	1,640	28.0%
3 persons	352	12.7%	490	15.8%	842	14.4%
4 persons	334	12.1%	416	13.4%	750	12.8%
5 persons	208	7.5%	319	10.3%	527	9.0%
6 persons	122	4.4%	132	4.3%	254	4.3%
7 persons+	110	4.0%	116	3.8%	226	3.9%
Total	2,766	100.0%	3,093	100.0%	5,859	100.0%

Source: Census 2000 Summary File 1, Table H15, Household Size by Tenure.
Table construction by Castañeda & Associates.

- An estimated 1,521 housing units with 3, 4, or 5+ bedrooms that were owner occupied, available for 440 large owner households, a ratio of 3.46.
- An estimated 574 housing units with 3 or 4, 5+ bedrooms that were renter occupied, available for 567 large renter households, a ratio of .96.

Based on these indicators, housing availability for large renter householders is significantly less than for owners. However, housing availability for lower income, large renter households was recently strengthened due to the construction of an affordable family apartment community.

e. Housing Affordability

Besides having enough space, housing affordability is another key need of large families. Overpaying is a problem affecting large renter and owner households alike. The list below compares renters and owners.

- 265 large lower income renter households were overpaying in 2000.
- 114 large lower income owner households were overpaying in 2000.

f. Conclusions and Findings

There is a scarce supply of housing with enough space to accommodate the needs of large renter families. Both owner and renter large families are cost burdened.

4. Farmworkers

a. Guidelines

The element should estimate the number of permanent and migrant farmworkers within the community. The analysis should describe the zones where housing for farmworkers is allowed, evaluate whether sufficient opportunities for housing for migrant and permanent farmworkers exists, and describe any conditions on development, development standards, and processing requirements.

b. Definitions

A farm worker is --

- "A person who performs manual and/or hand tool labor to plant, cultivate, harvest, pack and/or load field crops and other plant life.
- "A person who attends to live farm, ranch or aquacultural animals including those produced for animal products."

In most cases, the householder is the person, or one of the people, in whose name the home is owned, being bought, or rented and who is listed as Person 1 on the Census questionnaire. A female householder, then, is one who is maintaining a household. A female householder, no husband present means a family with a female householder and no spouse of the householder present.

b. Special Housing Needs of Female Householders

Some key housing needs include:

- Affordable housing
- Housing developments that provide supportive services
- Assistance in locating housing or in securing shared housing
- Access to housing which accommodates children
- Access to housing which is designed for security and convenience
- Access to housing near parks and open space to serve the needs of female householders with children.

c. Estimate of Female Householders

More than one third of the City's householders are female householders. Table A-22 shows the owner/renter status of female householders. As indicated, 37.2% are owners and 62.8% are renters.

**Table A-22
City of Desert Hot Springs
Female Householders by Tenure -- 2000**

	Owner	Renter	Total	Percent
Living Alone	387	433	820	39.3%
2 or More Persons, No Husband	307	744	1,051	50.4%
2 or More, Nonfamily	83	132	215	10.3%
Total	777	1,309	2,086	100.0%
Percent	37.2%	62.8%		

Source: Census 2000, Summary File 1, Table H17-Tenure by Household Type (Including Living Alone) by Age of Householder.

Table construction by Castañeda & Associates.

6. Families and Persons in Need of Emergency Shelter**a. Guidelines**

An estimate or count of the daily average number of persons lacking permanent shelter. Wherever possible, this figure should be divided into single males and females, and families (one or more adults with children). These subgroups require significantly different types of shelter.

As local data allows, also include the mentally ill, developmentally disabled, substance abusers, survivors of domestic violence, and other categories of homeless considered significant by the jurisdiction.

An inventory of the number, approximate location, and type of existing shelter beds, hotel/motel vouchers, and units of transitional housing available. Present shelter resources by type (e.g., family shelter beds, homeless adult female housing, transitional living units, etc.).

An estimate derived from the figures above, of the number of additional beds or shelters and transitional housing units needed.

b. Definitions

The County of Riverside 2007 Homeless Count utilized the following *homeless* definition provided by HUD:

“A person is considered homeless only when he/she resides in one of the places described below:

In places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings.

In an emergency shelter.

In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelter.”

or private agencies. Transitional housing can be provided in one structure or several structures at one site, or in multiple structures at scattered sites.

c. Special Housing Needs

HUD's model approach to helping meet the needs of the homeless is referred to as a Continuum of Care. A *Continuum of Care* begins with a point of entry in which the needs of a homeless individual or family are assessed. The *intake and assessment* component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system also includes a strong *outreach component*.

Once a needs assessment is completed, the person/family may be *referred to permanent housing or to transitional housing* where supportive services are provided to

persons are those homeless who are living on the streets, in abandoned buildings, storage structures, vehicles, encampments, or any other place unfit for human habitation. Those not utilizing emergency or transitional housing shelters are considered unsheltered.

The County of Riverside conducted homeless counts in 2003, 2005 and 2007. The City's homeless counts are:

2003	88
2005	139
2007	75

Key characteristics of the homeless are based on a survey of 630 homeless adults, or one of every five adults included in the 2007 count. The following characteristics also may apply to the Desert Hot Springs homeless population:

Homeless 1 year or more	51.3% (of 630)
Homeless Men	67.9%
Homeless Women	32.1%
Children Less 18 years	17.7%
Women Veterans	2.1%
Men Veterans	22.5%
Substance Abuse	47.5%
Mental Illness	32.3%
Disabling Condition*	19%%
Domestic Violence Victims	30.6%

[County Department of Public Social Services, Homeless Programs Unit, *The 2007 County of Riverside Homeless Survey*, September 2007,

[*Disabling condition means physical or developmental disability that impairs activities such as walking, eating, breathing and reaching.]

e. Available Services and Facilities

1) *Shelters*: The following shelters serve Coachella Valley's homeless population --

The *Coachella Valley Rescue Mission* serves the Coachella Valley, Riverside and San Bernardino Counties. The shelter has 80 beds (44 men; 36 women/children). During summers another 25 homeless persons sleep in the Chapel. The shelter is located in Indio.

Shelter from the Storm Domestic Violence Shelter: Located in Palm Springs, the shelter is part of a nationwide organization. Serves the Palm Springs area and has an outreach office in Desert Hot Springs. The Agency serves about 3,500 Coachella Valley clients a year.

The Coachella Valley cold weather shelter will be located at *Martha's Village and Kitchen*, 83-791 Date Avenue, Indio. This shelter can accommodate up to 100 persons.

**Table A-24
City of Desert Hot Springs
Mobilehome and RV Parks Listing**

Name	Address	Number of MH Spaces
Desert Hot Springs TP	66434 W. 5 th Street	74
Quail Hollow MHP	15300 Palm Drive	260
Skys Haven Mobile Estates	14777 Palm Drive	181
Desert Willows	65565 Acoma Avenue	49
Palm View Estates	64550 Pierson Blvd.	118
Hogans TP	66036 W. 2 nd Street	10
Total Spaces		692

Source: State Department of Housing and Community Development, Mobilehome and RV Listing, May 2007.

Table construction by Castañeda & Associates.

Census 2000 reports a total of 557 mobile home units – 229 owner occupied homes and 20 renter occupied and 318 vacant units. The mobile home vacancy rate was 57.1%, according to Census 2000. Table A-25 shows the age and tenure characteristics of the mobile home householders who live in the City. As the table indicates, the vast majority are owners and in the young to older senior age groups.

**Table A-25
City of Desert Hot Springs
Mobile Home Householders by Age and Tenure**

Age of Householder	Owner Occupied	Percentage	Renter Occupied	Percentage	Total Householders
15-24	0	0%	0	0%	0
25-34	0	0%	0	0%	0
35-44	0	0%	10	50.0%	10
45-54	0	0%	10	50.0%	10
55-64	25	10.9%	0	0%	25
65-74	95	41.5%	0	0%	95
75+	109	47.6%	0	0%	109
Total	229	100.0%	20	100.0%	249

Source: Census 2000 Summary File 3, Table HCT 4, Tenure by Age of Householder by Units in Structure.

Table construction by Castañeda & Associates.

D. PROJECTED HOUSING NEEDS

1. Population Trends and Projections

Between 1990 and 2005, the City's population grew by 9,206 persons, a 78.9% gain. Growth is projected to continue, as the population is projected to increase to 50,836 by 2015 from 20,874 in 2005. Table A-27 shows the population growth trends and projections between 1990 and 2030.

**Table A-27
City of Desert Hot Springs
Population Trends and Projections: 1990-2030**

	Total Population	Cumulative Increase	Percentage Increase
1990	11,668		
2000	16,682	5,014	43.0%
2005	20,874	9,206	78.9%
2010	39,539	27,871	238.9%
2015	50,836	39,168	335.7%
2020	55,894	44,226	379.0%
2025	60,817	49,149	421.2%
2030	65,723	54,055	463.3%

Source: 1990 Census and Census 2000, Summary File 1.
Riverside County Demographic Center, *Riverside County Projections - 2006 (RCP06) by COG and Jurisdiction*.
Table construction by Castañeda & Associates.

2. Employment Trends and Projections

a. Employment Trends

Almost 3,300 jobs were located within the City in 2005, which represents a gain of nearly 1,600 since 1991. The major job sectors in the City include retail, hotel/amusement, government/education/utilities, and construction. The number and type of jobs do not fuel the demand for new housing in Desert Hot Springs. Rather, the commuters and retirees generate the key stimulus to housing demand. Refer to Table A-28.

3. Share of Regional Housing Needs

According to the State Housing Law:

“... a locality's share of the regional housing needs includes that share of the housing needs of persons at all income levels within the area significantly affected by a jurisdiction's general plan.” (Section 65584 [a]).

In addition:

“Each locality's share shall be determined by the appropriate councils of government consistent with the criteria” set forth by the HCD.

Table A-30 shows that SCAG's RHNA allocates to the City 9,923 housing units for the January 1, 2006 to June 30, 2014 period. A portion of this need has been met through newly constructed housing units in calendar years 2006 and 2007.

**Table A-30
City of Desert Hot Springs
Share of Regional Housing Needs
January 1, 2006- June 30, 2014**

Income Category	2006-2014	
	Number	Percent
Extremely Low	1,190	12.0%
Very Low	970	9.8%
Low	1,570	15.8%
Moderate	1,871	18.9%
Above Moderate	4,322	43.5%
Total	9,923	100.0%

Source: Southern California Association of Governments, *Final Regional Housing Need Allocation Plan – Planning Period January 1, 2006 – June 30, 2014 for Jurisdictions within the Six County SCAG Region*, January 18, 2007.

In 2006, AB 2634 amended the State housing element law to require that the needs assessment specifically analyze the “extremely low income” level. The law was amended to indicate that –

“Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households.”

The calculations shown in Table A-29 are based on the City's proportion of extremely low- (.551) and very low-income (.449) households among all the households below 50% of the area median income. These two proportions were applied to the RHNA allocation of 2,160 housing units to the <50% of median income group.

The cities of the Coachella Valley and Palo Verde Valley, Riverside County, and tribal governments, acting in collaboration through the Coachella Valley Association of Governments are being requested to join the Coachella Valley Energy Conservation Initiative and adopt this resolution to include a regional conservation goal to reduce valley-wide per capita energy consumption by 10% by 2012. In April 2008, the Desert Hot Springs City Council approved a resolution to take the following actions:

1. Agrees to join the Coachella Valley Energy Conservation Initiative and hereby adopts the Initiative Energy Conservation goals, including the regional conservation goal to reduce valley-wide per capita energy consumption by 10% by 2012; and
2. Will strive to meet or exceed the conservation goal by taking actions in our own community to be good stewards of our environment, including:
3. Creating and adopting an energy action plan to include the following milestones:
 - 3.1 Determine baseline energy use, including an assessment of current energy practices within our jurisdiction
 - 3.2 Establish specific targets and long-term goals to create a framework for implementation of a citywide energy conservation plan
 - 3.3 Develop an action plan, to include a “menu” approach of programs for our city
 - 3.4 Implement policies and measures citywide that increase energy conservation and efficiency
 - 3.5 Monitor results and showcase positive outcomes
4. Educating residents, businesses, visitors and governments to reduce energy use and conserve energy:
 - 4.1 Share information and promote programs to encourage behavior changes that lead to lower energy bills,
 - 4.2 Encourage lower energy use and off peak use during hot summer months
5. Adopting model energy efficiency projects and programs and showcasing new energy conservation, sustainability and alternative technologies in municipal buildings, facilities, and programs.
 - 5.1 Incorporate energy conservation features in new and remodeled/retrofitted municipal buildings, capital projects, and other facilities, including energy efficient design, green building standards, and other sustainability measures
6. Providing incentives, tools, and energy conservation programs that help individuals and businesses to decrease their peak and annual power use

Consistent with the policies contained in the City's resolution adopting the Coachella Valley Energy Conservation Initiative, the City will establish and implement the following programs:

Continue to promote awareness and education about sustainability and energy conservation by providing information on the City's Website. An example of this effort is the posting on the City's website of information from Southern California Edison on practical ways for customers to save energy, money and the environment through a variety of energy-efficiency programs and services.

Establish an Energy Conservation Task force to advise the Planning Commission and City Council by mid-year 2009.

Create an Energy Action Plan as described in #3 above. The Energy Action Plan will be adopted by mid-year 2010.

Establish land use policies that promote efficient energy use and resource sustainability. The land use policies will be adopted as an amendment to the Land Use Element by mid-year 2010.

Technical Appendix B
Governmental Constraints

Technical Appendix B Governmental Constraints

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A. EXECUTIVE SUMMARY**1. Overview**

Housing constraints are categorized as “governmental” and “nongovernmental.” The governmental constraints analysis includes –

Land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need...and for meeting the need for housing for the disabled.

The nongovernmental constraints include the availability of financing, the price of land, and the cost of construction. These constraints are discussed in Technical Appendix C.

2. Summary of Governmental Constraints

A brief summary of the governmental constraints analysis is presented below. The full analysis is presented on pages B-3 through B-28.

a. Land Use Controls

As noted in Technical Appendix D, the City already has satisfied its share of the regional housing need for moderate and above-moderate income households. This need has been satisfied through new housing already constructed, under construction, or approved for development. In addition, an estimated 12% of the housing need for lower income households (<80% of the median income) has been met. However, the City does not have a residential zone with a minimum density of 20 dwelling units per acre. A zone with this minimum density will be established as part of the Adequate Sites Program in order to accommodate the balance of the City’s lower income housing need.

b. State Housing Law and the California Building Code

On January 1, 2008, the 2007 California Building Code (which was published in July 2007) became effective. The CBC was adopted by the City with only minor variations that do not adversely impact the cost of housing. The City’s codes are considered to be the minimum necessary to protect the public health, safety and welfare. The Codes, which are based on the State Housing Law and uniform codes, are adopted by many cities throughout southern California and do not pose a constraint to residential development.

The City concludes that the amendments to the California Building Standards Code are appropriate and necessary for the City of Desert Hot Springs. Code enforcement is necessary in the City and is strongly desired by the community’s residents. The City’s policy is to seek voluntary compliance in correcting code violations.

B. GOVERNMENTAL CONSTRAINTS ANALYSIS

In accordance with the State housing element law, this part provides:

"An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels...."

The required analysis includes seven subjects:

- Land use controls
- Codes and their enforcement
- On- and off-site improvements
- Fees and exactions
- Processing and permit procedures
- Constraints on housing for persons with disabilities
- Constraints on meeting regional share housing needs

The purpose of the analysis is to find out if a standard or practice -

"...constitute a barrier to the maintenance, improvement or development of housing."

And whether certain policies –

"...have a disproportionate or negative impact on the development of particular housing types (e.g., multifamily) or on housing developed for low- or moderate-income households."

A determination should be made for each potential constraint whether it poses an actual constraint.

1. Land Use Controls**a. Guidelines**

Identify and analyze zoning, density, parking requirements, lot coverage, height limits, lot sizes, unit sizes, design criteria, floor area ratios, setbacks, moratoria and prohibitions against multifamily housing developments, growth controls, urban growth boundaries, open space requirements, etc.

(The italicized text is guidance provided by the State Department of Housing and Community Development in *Housing Questions and Answers*, October 2006, pg. 31. The other italicized guidelines are from the same source.)

**Chart B-1
City of Desert Hot Springs
Residential Development Standards**

Standard	R-E	R-L	R-M	R-MH	R-II	R-VS
Max. Density Unit/Gross Acre	1/5 ac	5	8	10	14	Varies
Min. Lot Area (ac of s.f.) (1)	5 ac	9,000	7,200 sfd 10,000/mfd	2.5 ac	20,000	Varies
Lot Width (Min. feet)	660	70 (5)	60	100	100	Varies
Corner Lot Width	---	---	---	65	---	---
Cul-de-sacs or Knuckles	---	35	---	---	---	---
Min. Lot Depth (Min. feet)	1,220	100	90	100	100	200
Front Setback (Min. feet)	100	20	20	20	20	20
Rear Setback (Min. feet)	100	20	10	10	10	Varies
All Standard Lots (Over 79 feet wide)						
Side Yard Setback (Min. feet)	100	10	10	5	5	5
Between Dwelling Units	200	20	15	10	10	10
Street Side Setback	100	15	15	10	10	10
Substandard Lots (50-70 feet wide)						
Side Yard Setback (Min. feet)	---	5	---	---	---	---
Between Dwelling Units	---	10	---	---	---	---
Street Side Setback	---	10	---	---	---	---
Bldg. Lot Coverage (Max. %)	5%	40%	40%	40%	50%	Varies
Lot Disturbance	15%	100%	100%	100%	100%	100%
Min. Private Outdoor Living Space (s.f.)	---	---	300 s.f. (2)	300 s.f. (2)	300 s.f. (2)	Varies
Min. Common Usable Outdoor Space (s.f.)	---	---	30% (3)	30% (3)	30% (3)	Varies
Maximum Height in:						
Stories	2	1 (4)	2	2	3	3
Feet	30	20	30	30	35	35

Source: City of Desert Hot Springs Zoning Ordinance

1. Minimum net lot area after subdividing and granting of public right-of-way.
2. Minimum of 300 square feet or 25% of unit size, whichever is less.
3. Requires provision of 30% of net site area as usable common area open space.
4. Second stories may be allowed subject to the issuance of a conditional use permit and the development standards contained in Table 04.03, Section R.
5. The Planning Commission and City Council may approve further lot width reduction at noticed public hearings wherein the subject property is surrounded by existing residential development which also does not conform to the minimum lot width standard.

Numerous variables impact the cost of producing new single- and multi-family housing. For a given level of housing quality, the larger the housing unit size, the more it will cost to construct. The single-family market rate housing in Desert Hot Springs has been constructed with housing unit sizes larger than the City's minimum housing unit sizes for a 3-bedroom unit. For instance, the smallest 3-bedroom unit at Rancho Buena Vista Estates is 1755 square feet. The smallest 3-bedroom floor plan at Agua Dulce is 1700 square feet.

With respect to multifamily housing, a condominium development – The Terraces – has 2-bedroom floor plans with 1180 to 1366 square feet.

With respect to "affordable housing," the City has approved the development of rent-restricted apartments with square footages less than the minimum dwelling unit sizes. For instance, Bella Vista has 1-bedroom units of 590 square feet; 2-bedroom units of 729 square feet; and 3-bedroom units of 986 square feet. The Linda Vista Senior Residence has studio units of 325 square feet. Another example is the Waldorf Manor which has 1-bedroom units of 750 square feet. The Arroyo de Paz, the City's newest affordable apartment community, has the following housing unit sizes: to be added; phone call to property manager and CVHC.

To the City's knowledge, the State of California funding agencies have not conducted an inventory of the housing unit sizes in affordable housing developments. However, in an effort to control the construction costs of affordable housing development, the Oregon Housing and Community Services instituted maximum housing unit sizes. The City will consider a policy of establishing maximum housing unit sizes as a condition of its participation in funding affordable, multifamily rental housing developments. Implementation of this policy should help to reduce costs and would be enforced through a development agreement or other comparable enforceable agreement.

The City's single-family parking standard of two enclosed spaces is a fairly common standard. The construction cost for a garage represents an estimated 3.75% of the development costs of a typical single family home. Table B-2 estimates a garage construction cost of \$9,432 and total development cost of \$252,657 (\$172,657 for construction costs and \$80,000 for land costs).

The multi-family residential parking standards are:

Studio and 1-bedroom	1.5 covered spaces and 1 uncovered guest space for every 5 units
2-bedrooms	2 covered spaces and 1 uncovered guest space for every 5 units
3-bedrooms	2.5 covered spaces and 1 uncovered guest space for every 5 units
Senior Citizen/Congregate Care	1 covered space for each unit and 1 uncovered guest space for every 5 units

The cost impact of the City's parking standards pertains primarily to construction costs. For a given project, the land costs for two parking spaces whether enclosed or in a

purposes of this section. For the purpose of all local ordinances, employee housing shall not be deemed a use that implies that the employee housing is an activity that differs in any other way from an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in an agricultural zone shall include agricultural employees who do not work on the property where the employee housing is located.”

Section 17021.5(b) states:

“Any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation for the purposes of this section. For the purpose of all local ordinances, employee housing shall not be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling. No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone.”

The City’s Zoning Ordinance will be amended to add a definition of “employee housing for agricultural employees”. This housing will be a permitted use in the zones that permit single-family homes.

4) *Single Room Occupancy (SRO) Housing*: Single Room Occupancy (SRO) facilities are subject to Conditional Use Permit review and approval in the multi-family residential zones and must conform to the following standards:

Adequate heating and air conditioning. (window air conditioning units are not permitted. Air conditioning units may be installed for each SRO unit as long as they are flush with the exterior wall surface.)

Space and proper wiring for microwave and small refrigerator. (These appliances must be available for rent.)

The maximum occupancy and minimum unit size (not including toilet compartments) shall be:

- 1 persons=150 square feet
- 2 persons=175 square feet

The maximum unit size shall be 325 square feet

A full common kitchen facility shall be provided on each floor, if complete kitchens are not provided in each unit. Complete kitchen shall include a range stove, sink with garbage disposal, and refrigerator. Cooking appliances or facilities shall be prohibited in each SRO unit, unless approved in writing by the management staff.

c. Conclusions/Findings

As noted in Technical Appendix D, the City already has satisfied its share of the regional housing need for moderate and above-moderate income households. This need has been satisfied through new housing already constructed, under construction, or approved for development. In addition, an estimated 12% of the housing need for lower income households (<80% of the median income) has been met. However, the City does not have a residential zone with a minimum density of 20 dwelling units per acre. A zone with this minimum density will be established as part of the Adequate Sites Program in order to accommodate the balance of the City's lower income housing need.

The City's Zoning Ordinance will be amended to add a definition of "employee housing for agricultural employees". This housing will be a permitted use in the zones that permit single-family homes.

In an effort to control the construction costs of affordable housing, the City will consider on a project-by-project basis, a policy of establishing maximum housing unit sizes as a condition of its participation in funding affordable housing developments. Implementation of this policy should help to reduce costs and would be enforced through a development agreement or other comparable enforceable agreement.

In order to mitigate the potential impacts of parking standards on affordable, multifamily rental housing, the Housing Element will include a policy that would allow for reduced parking standards based on the results of a parking study correlating the need for parking to the housing unit/bedroom mix of the proposed project.

2. Building Codes and Enforcement

a. Guidelines

HCD guidance on this subject indicates that the analysis should:

Identify and analyze any local amendments to the State Housing Law or Uniform Building Code, and the degree or type of enforcement. A strict code enforcement program or a code amendment, which specifies expensive materials and/or methods, can pose a significant constraint to housing development or maintenance.

b. Analysis

1) *New Housing Codes:* The regulations implementing the State Housing Law mandate statewide residential building standards for new construction and are found in the California Code of Regulations, (CCR), Title 24, Parts 2 through 5, known as the California Building Standards Code. On January 1, 2008, the 2007 California Building Code (which was published in July 2007) became effective. The CBC was adopted by the City with only minor variations that do not adversely impact the cost of housing.

A city (or county) may make such changes or modifications in the requirements contained in the California Building Standards Code if the city (or county) makes findings

Activity related violations include, but are not limited to, construction without permits, illegal use of properties (zoning violations), illegal business activities such as conducting business within the City without obtaining a business license, illegal dumping and similar types of violations.

Some condition or activity related violations may constitute an imminent circumstance, which could result in immediate enforcement action and will require immediate compliance.

Such violations include; septic/sewer overflows or backups, hazardous electrical wiring, lack of required utilities, storage of hazardous waste or materials and structures which are in such disrepair that they are no longer safe to be occupied.

(b) *Property Owner and Tenant Responsibilities:* The property owner is the ultimate responsible party for any violations that occur on any given property, whether the property owner lives on the property or the property is rented to a tenant. In the case of a rental, the owner is responsible for all items the tenant has no control of. For instance a tenant cannot pull permits to correct structural deficiencies that occur on the rental property, nor is the tenant responsible for anything the property owner provides within the rental, such as, appliances, air conditioning or heating equipment or, (if agreed upon), utilities such as water, electrical or gas. If the mechanisms break down or the utilities are disconnected, it becomes the responsibility of the owner to repair and maintain what was provided within the rental agreement.

The tenant is responsible for keeping the property clean and free of any visible code violations and to maintain the utilities on the property if not provided by the owner. Additionally it is also the responsibility of the tenant not to change the structure or alter the property in anyway without first obtaining the permission of the owner.

(c) *Methods for Code Compliance:* There are several methods of compliance utilized by the City in order to obtain compliance. The primary method is Voluntary Compliance. Initially code enforcement will explain the violation to the owner or tenant and resolve the issue. If they do not comply, the next step is the Notice of Violation or Administrative Citation. These two documents contain a formal period of time to comply.

If owner or tenant does not comply within the specified time period, they will be responsible for the fines imposed by the citation and/or assessed administrative cost of the Notice of Violation.

If the notices and citations are not successful or if the situation warrants further action, a court infraction or misdemeanor citation may be issued and a court appearance will be required. This action will result in additional fines and/or possible jail time.

Another consequence is the imposition of liens against the property resulting from abatement actions initiated by the City including abatement cost, fines and other administrative cost that will be assessed to the property in the form of a lien.

In extreme cases, because of the substandard conditions of the property being rented, the property owner may also lose tax benefits that are associated with his or her rental properties.

The requirements to install infrastructure impact the cost of housing projects. However, the projects themselves need the infrastructure improvements. In those instances where the infrastructure costs, in combination with other costs of construction, create economic infeasibility, the City may choose to subsidize the infrastructure improvements through the Redevelopment Agency.

Site improvements typically occur in conjunction with the development of individual parcels and tracts. Through the processing of a development application, various City departments, special districts, and utility companies review the residential development for conformity with development standards.

c. Conclusions and Findings

The City concludes that the site improvement requirements do not pose a constraint on the development, improvement or maintenance of housing. As previously explained, the above-moderate and moderate income housing need already has been satisfied by housing already constructed, under construction or approved for development.

There are no unusual site improvement requirements that increase the cost of housing within the City. The City maintains consistency with legal requirements that require a nexus between the impacts created by a development project and the conditions of approval that are placed on that development. Thus, although development is required to pay its way, new development is not required to subsidize improvements required by past development. In cases where oversizing of facilities is necessary to facilitate future development, reimbursement agreements or similar mechanisms are entered into to ensure that developers pay their fair shares of required improvements.

The requirements to install infrastructure impact the cost of housing projects. However, the projects themselves need the infrastructure improvements. In those instances where Also, as noted above, if the infrastructure costs, in combination with other costs of construction, create economic infeasibility, the City may choose to subsidize the infrastructure improvements through the Redevelopment Agency.

4. **Fees and Exactions**

a. Guidelines

Identify and analyze permit, development and impact fees (e.g., park, school, open space, parking district, etc.) in-lieu fees, land dedication requirements (e.g., streets, public utility and other right-of-ways, easements, parks, open spaces, etc.) and other exactions imposed on developers. Describe any contribution or payment required as an authorized precondition for receiving any type of development permit by type of development (i.e., multifamily and single-family).

b. Analysis

1) *Fees:* The fee analysis is based on a comprehensive study of city fees in the Coachella Valley. The fee study provides information on a city-by-city basis, which allows for a comparison of all cities. The reference is as follows:

\$600 per-acre (\$6,000 total) Fringe-Toed Lizard Fee is included with most Impact Fees Total; there are areas in each city that do not require this fee, but for consistency it was assumed that if the city had areas where the fee applied, the building location would fall inside a Fringe-Toed Lizard Endangerment Area, thereby requiring a fee.

- *Planning* – This project is a PUD, or Planned Unit Development. For consistency, planning fees are assessed based on the assumption that approval of this project will require a General Plan Amendment, a resulting Zone Change, a Tentative Tract Map, and a mandatory Site Plan Review. These fees have a variety of different names from city to city, but are all accounted for in some way.
- *Environmental* – After discussing environmental fees with planning departments in several cities, it became apparent that most environmental assessments yield a negative declaration, and fees remain minimal. For consistency, we assumed that an environmental assessment done on a hypothetical parcel of land would result in a negative declaration with a de minimus impact finding, resulting in a \$64 county filing fee as opposed to a \$1,314 filing fee for a regular negative declaration.
- *Engineering* – Based on the engineer's in-place estimate for improvement costs (listed above), Improvement Fees and the accompanying plan check fees were figured.

Table B-2 lists the individual, per category and total fees on a per unit and total subdivision basis for the City of Desert Hot Springs. Based on the fee study, the City's total per unit fees were almost \$17,300.

Table B-3 compares the fees of all cities in the Coachella Valley and the County of Riverside. *The City of Desert Hot Springs has the second lowest per unit fee; only Cathedral city has a lower per unit fee total.*

As noted in Table B-4, the school district impact fee comprises about one-third of the total per unit fee. The City does not control this fee or the Transportation Uniform Mitigation Fee (TUMF). The TUMF exempts affordable housing projects, as follows:

"Low and lower-income residential housing, including single-family homes, apartments, and mobile homes built for those whose income is no more than 80% of the median income in the San Bernardino-Riverside Standard Metropolitan Statistical Area and as determined and approved by the applicable legislative body or its designee. The sales or rental price shall not exceed the affordability criteria as established under HUD Section 8 guidelines."

Attachment A explains the nature of the TUMF fee.

For informational purposes, Attachment B lists the City's planning and zoning fees as revised on October 18, 2007.

Street/ Water Improvement Plan Check	\$100.00	\$3,500.00
Total	\$318.74	\$11,156.00

Planning Fees

Tentative Tract Map	\$40.00	\$1,400.00
Zone Change (amendment)	\$48.57	\$1,700.00
General Plan Amendment	\$51.43	\$1,800.00
Architectural Review	\$16.43	\$575.00
Total	\$176.43	\$6,175.00

Fees Total **\$604,894.55**

Total Fees Per Unit **\$17,282.70**

Source: The Rose Institute of State and Local Government at Claremont McKenna College for the Building Industry Association Desert Chapter, *Residential Development Fee Study of the Coachella Valley*, March 2006.

**Table B-3
Comparison of Total and Per Unit Fees By City**

City	Total Fees	Total Per Unit
Cathedral City	\$595,932.50	\$17,056.64
Coachella	\$622,330.00	\$17,780.85
Desert Hot Springs	\$604,894.55	\$17,282.70
Indian Wells	\$819,569.95	\$23,416.29
Indio	\$734,356.96	\$20,981.62
La Quinta	\$738,285.90	\$21,229.12
Palm Desert	\$743,019.05	\$21,229.12
Palm Springs	\$619,273.68	\$17,693.53
Rancho Mirage	\$783,923.08	\$22,397.80
Riverside County	\$731,622.90	\$20,903.51
Mean	\$699,320.86	\$19,983.60

Source: The Rose Institute of State and Local Government at Claremont McKenna College for the Building Industry Association Desert Chapter, *Residential Development Fee Study of the Coachella Valley*, March 2006.

1. That the proposed use is permitted within the subject land use district and complies with all of the applicable provisions of this Zoning Ordinance, including prescribed development standards and design guidelines;
2. That the subject site is physically suitable for the type and intensity of the land use being proposed;
3. That the proposed development would be compatible with existing and future developments within the land use district and general area;
4. That there are adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use is not detrimental to public health and safety;
5. That there is adequate public access and roadway capacity to serve the subject proposal;
6. That there are no significant harmful effects upon environmental quality and natural resources;
7. That any negative impacts of the proposed use can and shall be mitigated;
8. That the proposed use is consistent with the General Plan; and
9. That the proposed location, size, design, and operational characteristics of the planned use are not detrimental to the public interest, health, safety, convenience, or welfare of the community.

**Chart B-3
Residential Zones
Permitted, Development Permitted,
And Conditionally Permitted Uses**

		R-E	R-L	R-M	R-MH	R-H	R-VS
A	Affordable Housing (Section 159.04.030)	C	C	C	C	C	C
B	Community Care Facility (6 or less)	P	P	P	P	P	P
C	Condominium or Townhouse	X	X	D	D	D	D
D	Convalescent Homes	X	X	X	C	D	D
E	Dormitories/Fraternity/Sorority	X	X	X	X	C	C
F	"Granny Housing"	D	D	D	D	D	C
G	Homeless Facilities	X	X	C	X	C	C
H	Manufactured Housing	D	D	D	D	D	D
I	Mobile Home Parks or Subdivisions	X	X	C	C	C	C
J	Multi-Family Dwellings	X	X	D	D	D	D
K	Planned Residential Development	X	C	C	C	C	D
L	Second Dwelling Unit	D	D	D	D	D	D
M	Senior Citizen/Congregate Care Housing	X	X	X	C	D	D
N	Single Family Dwellings	D	D	D	D	D	D

Source: City of Desert Hot Springs, Zoning Ordinance.

conditional use permit) and establish zoning parameters for transitional and supportive housing.

3) *Single Room Occupancy Units*: The Zoning Code mentions this housing use and includes the following definition:

Single Room Occupancies (SROs): Single room living spaces located within organized multi-unit residential complexes and supported by common facilities for dining and recreation.

The zoning parameters for SROs are explained on pages B-9 and B-10.

4) *Design Review*: The purpose of the design guidelines is to serve as a reference to assist the designer in understanding the City's goals and objections for quality residential development. The guidelines provide examples of potential design solutions and provide design interpretations of the various mandatory regulations.

Design guidelines are general and are meant to be interpreted with some flexibility in their application to specific projects. The guidelines will be utilized during the City's design review process to encourage the highest level of design quality while at the same time providing the flexibility necessary to encourage creativity on the part of project designers.

Design guidelines are divided into two general categories; 1) single-family residential and 2) multi-family residential. Each category is further divided into architectural and site planning guidelines.

The implementation of these guidelines is essential to affect continued quality community development. Unless compelling reason is demonstrated for variance to the Planning Commission, and then the City Council, the design guidelines must be followed.

Design guidelines review is included within the scope of the Planning Commission's review of residential projects. It is not a separate review process and the design guidelines are not reviewed by a body other than the Planning Commission.

5) *Overlay Zones*: The City has five overlay districts:

- Specific Plan Overlay District
- Civic Center Overlay District
- Hillside Management Overlay District
- Historic Preservation Overlay District
- Two Bunch Palms Specific Plan Overlay District

None of these overlay districts diminish the capacity to accommodate the share of the regional housing need or the provision for a variety of housing types. As previously described, the City has accommodated its entire share of the regional housing need for moderate and above-moderate housing. In addition, a portion of the lower income housing need has been met. The balance of the lower income housing need will be accommodated by the development and implementation of an Adequate Sites Program.

The Federal Departments' of Justice (DOJ) and Housing and Urban Development (HUD) as well as the California Attorney General all encourage cities to adopt a reasonable accommodation procedure. For example, both DOJ and HUD state that -

"Local governments are encouraged to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community."*

*Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, page 4.

On May 15, 2001 the State Attorney General transmitted a letter to all local governments advising the localities to consider adoption of a reasonable accommodation procedure. In that letter, the Attorney General stated:

"Both the federal Fair Housing Act ('FHA') and the California Fair Employment and Housing Act ('FEHA') impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations 'may be necessary to afford' disabled persons 'an equal opportunity to use and enjoy a dwelling.'"

The City will adopt a specific reasonable accommodation procedure, as it would directly respond to the issues discussed by DOJ, HUD and the State Attorney General Office.

2) *Zoning and Land Use*: HCD recommends -

A review of all zoning laws, policies and practices for compliance with fair housing laws; broaden the definition of family, identify zones allowing licensed residential care facilities including those zones where facilities for seven or more persons are permitted, review siting or separation requirements for licensed residential care facilities, and residential parking requirements for persons with disabilities.

a) *Definition of Family*: In 1980, the California Supreme Court in the City of Santa Barbara v. Adamson struck down a municipal ordinance that permitted any number of *related* people to live in a house in a R1 zone, but limited the number of *unrelated* people who were allowed to do so to five. A group home for individuals with disabilities that functions like a family could be excluded from the R1 zone solely because the residents are *unrelated* by blood, marriage or adoption.

Both State and Federal fair housing laws prohibit definitions of family that either *intentionally* discriminate against people with disabilities or *have the effect* of excluding such individuals from housing. Fair housing laws, for instance, prohibit definitions of family that limit the development and siting of group homes for individuals with disabilities (but not families similarly sized and situated). Such definitions are prohibited because they could have the effective of denying housing opportunities to those who, because of their disability, live in a group setting. The failure to modify the definition of

“Residential care facilities” also fall within the meaning of “Community Care Facility.” The Zoning Code defines the latter term as:

“Consistent with Health and Safety Code (Section 1267.8) the intermediate care facility shall include provisions for developmentally disabled habilitative-nursing or congregate care living.”

Community care facilities, as defined above, are *permitted* in all Residential Zone Districts – Single Family and Multiple Family. However, the Zoning Code – Section 159.04.020 – does not list “residential care facilities” as among the permitted or conditionally permitted use in the six residential districts

Under California state law, licensed facilities serving six persons or fewer receive special land use protection. California requires that many types of licensed facilities serving six persons or fewer be treated for zoning purposes like single-family homes. Except in extraordinary cases in which even a single-family home requires a conditional use permit, these laws bar conditional use permits for facilities that serve six or fewer persons.

Chart B-1 shows that residential care/community care facilities are permitted uses in all residential zones. However, the City’s definition of such facilities only includes those falling within the meaning of Health and Safety Code Section 1267.8. The City will amend the definition and may establish an all-inclusive term such as “licensed group homes” to identify the scope of facilities with the meaning of residential care facilities.

In addition, State law requires that residential care facilities not be defined within the meaning of boarding house, rooming house, institution or home for the care of minors, the aged, or the mentally infirm, foster care home, guest home, rest home, sanitarium, mental hygiene home, or other similar term which implies that a residential facility is a business run for profit. The City’s Zoning Code defines two of these terms:

“Boardinghouse” means “A structure where lodging and meals for 7 or more boarders is provided for compensation.”

“Rest Home” means “Premises used for the housing of and assisted caring for the aged and infirm. There shall be only incidental convalescent care not involving either a nurse or physician residing on the premises. There shall be no surgery, physical therapy or other similar activities.”

The City, therefore, does not include residential care facilities within meaning of the above terms.

c) *Residential Care Facilities for Seven or More Persons:* The Zoning Code does not include references to residential care facilities that house seven or more persons. Such a group of persons, however, is not included in the “family” definition which states “...or a group of not more than 6 persons who are not related living together as a single housekeeping unit.”

The State law -- as the summary below and on the next page explains -- allows cities to require a conditional use permit for residential care facilities for seven or more persons.

These separation requirements apply only to facilities with the same type of license. For instance, a community care facility would not violate the separation requirements even if located next to a drug and alcohol treatment facility.

The City complies with fair housing laws as they relate to spacing and separation requirements. The City has not adopted a standard different from or more stringent than the one the State applies. Moreover, the DOJ and HUD acknowledge that neighborhoods as well as the disabled may suffer if licensed residential care facilities are over concentrated. The DOJ and HUD offer the following guidance:

“...if a neighborhood came to be composed largely of group homes, that could adversely affect individuals with disabilities and would be inconsistent with the objective of integrating persons with disabilities into the community. Especially in the licensing and regulatory process, it is appropriate to be concerned about the setting for a group home. A consideration of over-concentration could be considered in this context. This objective does not, however, justify requiring separations which have the effect of foreclosing group homes from locating in entire neighborhoods.”

*Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, page 4.

e) *Parking Requirements for Persons with Disabilities:* The City has not established parking standards for persons with disabilities. Handicapped parking requirements are established by the State of California. Accordingly, handicapped parking for residential uses shall be provided at the rate of one space for each dwelling unit that is designed for occupancy by the handicapped. The Zoning Code states that any change in the State's handicapped parking requirements will preempt the requirements stated in Section 159.24.050, Handicapped Parking Requirements.

Parking standards unique to “senior citizen/congregate care housing” have been set forth in the Zoning Code. Off-street parking shall be provided as follows:

One covered parking space for each dwelling unit for the exclusive use of the senior citizen residents, plus one space for every 5 units for guest parking.

Three parking spaces for every 4 dwelling units for employee and guest use for congregate care residences.

Design standards relating to handicapped parking, access, surfacing, striping, lighting, landscaping, shading, dimensional requirements, etc.

The Zoning Code defines Senior Congregate Care Housing as –

“A structure(s) providing residence for a group of senior citizens (60 years of age or more) with central or private kitchen, dining, recreational, etc., facilities with separate bedrooms and/or living quarters.”

a) *Building Code Adoption and Amendments:* The City has adopted the 2007 California Building Code (CBC). None of the amendments affect the provision of housing for disabled persons.

b) *Universal Design Elements:* Although the City has not adopted a “universal design ordinance” this is not deemed a constraint on existing or new housing for disabled persons. The City understands that universal design aims to serve all people of all ages, sizes, and abilities and is applied to all buildings. For instance, a universal design feature is any component of a house that can be used by everyone regardless of his or her level of ability or disability. A feature, for instance, such as no steps at entrances or single-lever water controls at all plumbing fixtures and faucets.

The City’s Senior Citizen/Congregate Care Housing requires that:

The main pedestrian entrance to the development, common areas, and the parking facility shall be provided with handicapped access:

Indoor common areas and living units shall be handicap adaptable and be provided with all necessary safety equipment (e.g., safety bars, etc) as well as emergency signal/intercom systems.

California law, section 17959.6 of the Health and Safety Code, requires a builder of new for-sale residential units to provide buyers with a list of specific ‘universal design features’ which make a home safer and easier to use for persons which are aging or frail, or who have certain temporary or permanent activity limitations or disabilities. A developer is not required to provide the listed features during construction or at any other time, unless the developer has offered to provide a feature and the buyer has requested to and agrees to provide payment.

AB 2787 (2002) mandated HCD to develop one or more model ordinances for *voluntary* local government adoption that would establish universal design building standards without a significant impact on housing cost or affordability. After meetings with various stakeholders representing the interests of persons with disabilities, seniors, the building industry, and assistive technology, HCD developed a pair of draft ordinances.

On October 31, 2005, HCD certified and made available the “Model Universal Design Local Ordinance.” HCD indicated that the Ordinance might be adopted voluntarily in substantially the same form by any city or county pursuant to Section 17959. Attachment G is a Summary of the Voluntary Model Universal Design Ordinance (AB 2787).

The City’s enforcement of the Uniform Building Code does not create an impediment to fair housing choice. However, the City may explore the application of universal design features in both existing and new housing.

c) *Building Code Reasonable Accommodations:* The City, as described earlier, does not have a reasonable accommodation procedure with respect to modifications of zoning development standards. A procedure will be prepared and adopted for building code modifications as well as ones pertaining to zoning.

**Attachment A
Description of the TUMF Fee
Transportation Uniform Mitigation Fee**

This is not a City of Desert Hot Springs fee. The policies pertaining to this fee are:

Shall apply only to development yet to receive final discretionary approval and or issuance of a building permit or other development right and to any reconstruction or new use of existing buildings that results in a change of use and generates additional vehicular trips.

No tract map, parcel map, conditional use permit, land use permit or other entitlement shall be approved unless payment of the mitigation fee is a condition of approval for any such entitlement. The mitigation fee shall be paid to the applicable jurisdiction.

Mitigation fees shall be imposed and collected by the applicable jurisdiction and shall be transmitted to CVAG to be placed in the Coachella Valley Transportation Mitigation Trust Fund.

**Transportation Uniform Mitigation Fee (TUMF)
Formula for Fees as of January 1, 2007**

TUMF Land Use	Daily Trip Generation Rate	TUMF Fee Per Land-Use Unit
Single Family Detached	9.57	1,837.44
Multi-Family (Also Time-Share Units, Condos)	6.72	1,290.24
Mobile Home Park	4.99	958.08
Congregate Care Facility (compute both use and highest)	2.15	412.80

**Attachment B
City of Desert Hot Springs
Planning and Zoning Fees**

**Attachment C
City of Desert Hot Springs
Planning Process from Start to Finish Flowchart
And
Information Required to Complete Application**



City of Desert Hot Springs Planning Department

INFORMATION REQUIRED TO COMPLETE APPLICATION

The following information is required to process planning applications. An "X" in the cell means that information is required for that particular application. Applicants are responsible for providing a complete and accurate submittal package, which will allow the City to evaluate the application(s). On a case-by-case basis, additional information may be required by the Planning Department, especially for large complex projects.

SUBMITTAL REQUIREMENTS	PRELIMINARY DEVELOPMENT REVIEW	DEVELOPMENT PERMIT OR DESIGN REVIEW	TENTATIVE PARCEL OR TRACT MAP	PLANNED SIGN PROGRAM	CONDITIONAL USE PERMIT OR VARIANCE	SPECIFIC PLAN OR PLANNED DEVELOPMENT PERMIT	GENERAL PLAN AMENDMENT OR ZONING MAP AMENDMENT
COMPLETED APPLICATION FORM	x	x	x	x	x	x	x
DESIGN PROFESSIONALS CONTACT/PROJECT CONDITIONS FORM	x	x	x	x	x	x	x
ENVIRONMENTAL ASSESSMENT DOCUMENTS – SEE PROJECT PLANNER FOR DETAILS		x	x		x	x	x
FEE(S)	x	x	x	x	x	x	x
MAILING LABELS 2 SETS (PROPERTY OWNERS AND OCCUPANTS) AND SIGNED AFFIDAVIT		x	x	x	x	x	x
300' RADIUS MAP		x	x	x	x	x	x
TITLE REPORT WITH LEGAL DESCRIPTION		x	x	x	x	x	x
SITE PLAN 20 SETS	x ¹	x		x	x	x	x
BUILDING ELEVATIONS 16 SETS	x ¹	x		x	x	x	
FLOOR PLAN(S) 16 SETS		x			x	x	
LANDSCAPE & IRRIGATION PLAN(S) 16 SETS		x					
SIGN PLANS 15 SETS				x			
GRADING/DRAINAGE PLANS – 16 SETS		x	x		x	x	
TENTATIVE MAP – 20 SETS			x				
8.5" x 11" REDUCTIONS OF PLANS – 1 SET		x	x	x	x	x	x
ELECTRONIC COPY OF PLANS (JPEG)		x	x	x	x	x	x
COLOR AND MATERIALS BOARD		x			x		

¹. Five sets of site plans needed for Pre-Development Review.

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- b) Prior to the adoption or substantial amendment of a general plan or specific plan, a local government must refer the proposed action to those tribes that have traditional lands located within the city or county's jurisdiction. The referral must allow a 45 day comment period (Government Code §65352).

Please be advised that staff attempts to incorporate these State mandated requirements into the City's entitlement process were possible, however staff can not guarantee that SB18 notification requirements will not impact the processing of your application.

5. **Grant Deed, Title Report and Legal Description:** A copy of a Grant Deed of the property is required. A title report is the written analysis of the status of title to real property, including a property description, names of titleholders and how title is held (joint tenancy, etc.), tax rate, encumbrances (mortgages, liens, deeds of trusts, recorded judgments), and real property taxes due. When the report is ordered it is called a "preliminary report," and at time of recording an up-to-date report is issued which is the final title report. The history of the title is called an "abstract." A title report is prepared by a title company. The City reviews the preliminary title report for easements or other encumbrances that may impact the physical aspects of a project location such as with utility easements, access easements or other easements or liens on the property. The Preliminary Title Report must be dated within the last six months.
6. **Mailing Labels and 300' Radius Map:** State and City law require that property owners near the project be notified by mail of public hearing and pending action on the subject site. To do this you must submit both a map and mailing labels. The mailing labels will include both property owners and occupants. In addition, the mailing labels must be legible (see examples of Radius Map and Noticing Labels).
7. **Color and Materials Board:** Contains samples of the building wall finishes, trim, accents, site paving, and colors of building. The colors are specified with color paint chips and color codes. See Planning Department for examples of acceptable color and materials boards.
8. **Site Plan Requirements:** The following minimum information is required on site plan submittal in order for the plan to be considered complete. Information may be provided on more than one sheet for legibility if necessary.
 - Name and address of developer, owner of record and person who prepared the plan.
 - Date of preparation and/or revisions.
 - Precise legal description, Submit preliminary title report within last 60 days.
 - North arrow oriented towards the top of the sheet.
 - A Legend should be incorporated identifying any symbols on the drawing.
 - Property lines clearly defined with dimensions.
 - Illustrate or call out any path of travel.
 - A vicinity map showing subject site with nearest cross streets on all sides of project site.
 - Show adjacent streets (distance from centerline), cross sections, and right-of-way width, including areas proposed to be dedicated to the City.
 - Dimensions and nature of all easements.
 - Street improvements (existing and proposed) including curbs, gutters, sidewalks, water lines, mains, conceptual water and sewer laterals from main to property line, utility poles, fire hydrants, street lights and street trees.
 - Location of existing and proposed buildings and structures with finished grades.
 - On-site drainage patterns by showing drainage arrows with percentage (%) slope.
 - Improvements of adjacent properties within 100 feet of the subject site (with finished grades).
 - The site plan shall include a note that reads: "Site Plan shall meet all Engineering and NPDES requirements.
 - Parking layout, including dimensioning typical stall size, back-up areas, drives, driveway approaches, curb and gutters, pedestrian access, utility vehicle access, and secondary access points (if deemed necessary). Number of proposed and required parking spaces with handicapped accessible. Plus number of loading spaces.
 - Handicapped accessible parking space, plus loading space(s).

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12. **Conceptual Landscape Plan** – This plan shall be drawn to an engineering scale no smaller than 1"=50', with the scale clearly labeled and shall include the following information:

- Conceptual location of plants and planting legend which identifies trees, shrubs and ground cover, or other softscape elements. In addition, indicate the intended function of plants (e.g. accent trees, street trees, canopy shade trees, screening hedge, etc.).
- Show any water elements and public art.
- Plan needs to call out/illustrate paths of travel.
- Berm and/or mound areas, swales, and/or basins (indicate height or depth, as applicable).
- Show all plazas, sidewalks, and other hardscape elements, such as special paving materials and rockscape.
- Walls and fences and their materials and height.
- Common or public open space/recreation areas.
- Tot lots, barbeque areas, pools/spas, recreation buildings, sports courts, etc.
- Primary and secondary points of entry and their treatments.
- Perimeter landscaping areas and their treatments.
- Remember Desert Hot Springs is located in the Sonoran Desert. Consider temperatures, wind, soils, shade, drainage, irrigation systems, and plant/tree/shrub/bushes selection. Jute netting shall not be utilized as a means of erosion control. An alternative means of erosion protection of plants along landscaped slopes shall be utilized. Please consult with the Planning Department for acceptable alternatives.

13. **Conceptual Grading/Drainage & NPDES Compliance Plan** – This plan shall be drawn to an engineering scale no smaller than 1"=30', with the scale clearly labeled and shall include the following minimum information:

- Show proposed grading, including buildings and structures, curbs, walls (heights), gutters, pavement, drainage structures, swales, mounding/berming, slopes, open space and trails, distances, spot elevations, gradients, contours, cross sections, and flow arrows.
- Show existing grading, buildings and structures, curbs, walls (heights), gutters, pavement, drainage structures, swales, mounding/berming, slopes, open space and trails, distances, spot elevations, gradients, contours, cross sections, and flow arrows. All existing items/conditions shall be designated with short dashes or screened.
- The maximum contour intervals shall conform to the following:

Slope	Less than 2%	2% to 9%	Over 9%
Interval	2 feet	5 feet	10 feet

- Existing features within 50 feet beyond site boundaries, including natural ground (contours) trees, buildings and structures, drainage courses, drainage facilities (type and size), streets, trails, open space, and slopes.
- Show contour and spot elevations.
- Location of existing and proposed utilities/facilities (sewer, water, telephone, electricity, storm drain and cable TV)
- Provide cross sections at all site boundaries, to scale, showing existing and proposed grading, cut versus fill conditions, wall heights, (including retaining walls) and elevation differences (maximum and minimum conditions) between off-site structures and those on-site. Sections should extend through building pads and streets.
- Location and dimensions of proposed pervious or landscaped areas after building and paving.
- Proposed drainage facilities to convey storm water runoff into proposed or existing pervious or landscaped areas after building and paving.
- Proposed infiltration structures (e.g. grassy swales, filter strips, rock trenches, dry wells, porous pavement, etc) to comply with the City's NPDES permit requirements.
- Drainage and flood control facilities (type, size, location).
- Natural areas to be preserved (undisturbed; no grading to take place).
- Slopes greater than 2:1.

Attachment D
Joint Statement of the Department of Justice and
the Department of Housing and Urban Development
Group Homes, Local Land Use, and the Fair Housing Act
August 18, 1999

The DOJ and HUD in August 1999 issued a Joint Statement pertaining to several issues on housing for the disabled. Group homes and local procedures to consider requests for reasonable accommodations were among the issues addressed in the Joint Statement. Below is a summary of the Joint Statement.

"...the term 'group home' refers to housing occupied by groups of unrelated individuals with disabilities. Sometimes, but not always, housing is provided by organizations that also offer services for individuals with disabilities living in the group home. Sometimes it is this group home operator, rather than the individuals who live in the home, that interacts with local government in seeking permits and making requests for reasonable accommodations on behalf of those individuals.

"The term 'group home' is also sometimes applied to any group of unrelated persons who live together in a dwelling – such as a group of students who voluntarily agree to share the rent on a house. The Act does not generally affect the ability of local governments to regulate housing of this kind, as long as they do not discriminate against residents on the basis of race, color, national origin, religion, sex, handicap (disability) or familial status (families with minor children).

"The Fair Housing Act prohibits discrimination on the basis of handicap. "Handicap" has the same legal meaning as the term "disability." Persons with disabilities (handicaps) are individuals with physical or mental impairments that substantially limit one or more major life activities. The term physical or mental impairment may include conditions such as blindness, hearing impairment, mobility impairment, HIV infection, mental retardation, alcoholism, drug addiction, chronic fatigue, learning disability, head injury, and mental illness. The term major life activity may include seeing, hearing, walking, breathing, performing manual tasks, caring for oneself, learning, speaking, or working.

"Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act. For example, suppose a city's zoning ordinance defines "family" to include up to six unrelated persons living together as a household unit, and gives such a group of unrelated persons the right to live in any zoning district without special permission. If that ordinance also disallows a group home for six or fewer people with disabilities in a certain district or requires this home to seek a use permit, such requirements would conflict with the Fair Housing Act. The ordinance treats persons with disabilities worse than persons without disabilities."

**Attachment E
Background Material – Reasonable Accommodation Procedure**

State of California Guidance -- Office of the Attorney General

On May 15, 2001 the State Attorney General transmitted a letter to all local governments advising the localities to consider adoption of a reasonable accommodation procedure. In that letter, the Attorney General stated:

"Both the federal Fair Housing Act ('FHA') and the California Fair Employment and Housing Act ('FEHA') impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations 'may be necessary to afford' disabled persons 'an equal opportunity to use and enjoy a dwelling.'"

Many jurisdictions currently handle requests for relief from the zoning ordinance through variance or conditional use permits. The Attorney General also remarked that:

"...the criteria for determining whether to grant a variance or conditional use permit typically differ from those which govern the determination whether a requested accommodation is reasonable within the meaning of fair housing laws.

"Thus, municipalities relying upon these alternative procedures have found themselves in the position of having refused to approve a project as a result of considerations which, while sufficient to justify the refusal under the criteria applicable to grant of a variance or conditional use permit, were insufficient to justify the denial when judged in light of the fair housing laws' reasonable accommodations mandate."

The Attorney General also stated that the variance and conditional use permit procedures – with their different governing criteria – serve to encourage community opposition to projects housing the disabled. The Attorney General then wrote:

"Yet this is the very type of opposition that, for example, the typical conditional use permit procedure, with its general health, safety and welfare standard, would seem rather predictably to invite, whereas a procedure conducted pursuant to the more focused criteria applicable to the reasonable accommodation determination would not."

Definitions of Reasonable Accommodation Procedure

One city has defined the purpose of this procedure as:

"Codification of a formal procedure for persons with disabilities seeking equal access to housing to request reasonable accommodation in the application of the City's land use regulations, and establishment of relevant criteria to be used when considering such requests to ensure

**Attachment F
Zoning Code Definitions**

Board and Care Facility. See Residential Care Facility.

Conditional Use/Development Permit. A discretionary entitlement which may be granted under the provisions of this Zoning Ordinance and which when granted authorizes a specific use to be made of a specific property, subject to compliance with all terms and conditions imposed on the entitlement.

Dwelling. A structure or portion thereof designed for residential occupancy, not including hotels or motels.

Dwelling Multiple. A structure containing 2 or more dwelling units or a combination of 2 or more separate single family dwelling units.

Dwelling Unit. One or more rooms including bathroom(s) and a kitchen, designated as a unit for occupancy by 1 family or for living and sleeping purposes.

"Granny" Flat. This dwelling may not be rented and shall receive utilities through metering provider for the principal residence. An additional dwelling unit intended for the sole occupancy of one or two adult persons who are 62 years of age or over, and the floor area of the attached "granny" flat dwelling unit does not exceed 30 percent of the existing living area of the primary residence or the floor area of the detached "granny" flat dwelling unit does not exceed 1,200 square feet on a lot designated as residential, as defined in Government Code Section 65852.1.

Hotel. Guest rooms or suites occupied on a transient basis, with most rooms gaining access from an interior hallway.

Mixed Use Development. The development of a parcel(s) or structure(s) with two or more different land uses such as, but not limited to a combination of residential, office, retail commercial, public, or entertainment in a single or physically integrated group of structures and support (parking, etc.) facilities.

Second Dwelling Unit. An additional dwelling unit which may be rented, and the floor area of the attached second dwelling unit does not exceed 30 percent of the existing living area of the primary residence or the floor area of the detached second dwelling unit does not exceed 1,200 square feet on a lot designated as residential, as defined in Government Code Section 65852.2.

Senior Congregate Care Housing. A structure(s) providing residence for a group of senior citizens (60 years of age or more) with central or private kitchen, dining, recreational, etc. facilities with separate bedrooms and/or living quarters.

Variance. A discretionary entitlement which permits the departure from the strict application of the development standards contained in this Zoning Ordinance.

Transient Basis. A continuous period of 2 weeks or less.

Technical Appendix C
Non-Governmental Constraints

Technical Appendix C Non-Governmental Constraints

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A. EXECUTIVE SUMMARY**1. Overview**

For purposes of providing guidance to cities, HCD has offered the following advice:

Although nongovernmental constraints are primarily market driven and generally outside direct government control, localities can significantly influence and offset the negative impact of nongovernmental constraints through responsive programs and policies. Analyzing specific housing cost components including the cost of land, construction costs, and the availability of financing assists the locality in developing and implementing housing and land-use programs that respond to existing local or regional conditions. While the price of new housing depends on some factors beyond a locality's control, local governments can create essential site preconditions (favorable zoning and development standards, fast track permit processing, etc.) that encourage and facilitate development of a variety of housing types and prices.

Per State law, the non-governmental factors that must be analyzed are:

- Availability of financing
- Price of land
- Cost of construction

In addition, Technical Appendix C includes information on the cost of existing and new single-family and condominium housing and monthly rental costs.

2. Summary of Non-Governmental Constraints**a. Affordable Housing Costs**

Land, construction and financing costs each contribute to establishing the minimum costs to produce housing.

Financing costs have been at historic lows for several years and are still at low levels compared to the interest rates prevailing in the 1970s, 1980s and 1990s.

In Desert Hot Springs, as well as other southern California cities, land costs *alone* and construction costs *alone* can often exceed the housing costs "affordable" to lower income households. What this means is that the private housing market cannot produce new rental or ownership housing within the means of lower income households.

Basically, the dollar amount that can be expended on housing is far below what it takes to produce new housing. Economists refer to this fact as "ineffective demand" – a demand too weak to make new housing production feasible for certain income groups.

State and Federal laws define "lower" income and stipulate the monthly costs that are "affordable" for this income group. "Affordable" housing costs for lower income households are constrained by the four factors listed on the next page.

b. Availability of Financing

Financing has been readily available until early 2007. Because of the large number of southern California owners defaulting on subprime loans and the number of foreclosed homes, financing is not as available as it was prior to these two events. The number of approved loans also has dropped as mortgage loan standards have tightened, including the unavailability of 100% financing, the need for larger down payments, and a requirement for a solid credit history including high FICO scores.

As a result, the loan denial rates reported on Tables C-3 and C-4 should be interpreted with some caution. In part, the denial rates reflect periods of both easy credit approvals and financing and the start of more stringent standards in mid-2006. In fact, some might argue that -- given the subprime loan debacle and its aftermath -- loan denial rates should have been higher.

For borrowers with a solid credit history, savings to pay a 20% down payment and good income, financing is still available at reasonable interest rates. Fixed rate, 30-year loans are available for interest rates in the range of 6.0 to 6.5%.

c. Price of Land

There were a total of 35 lots sold with a "residential" zoning designation for which size information was available. The lot sizes ranged from 6,490 square feet up to 10.47 acres with the majority less than one 10,000 square feet. Prices ranged from \$17,000 to \$350,000.

d. Cost of Construction

The cost of construction varies considerably due to several factors including the quality of construction. A standard quality stucco on frame dwelling -- 1,600 square foot, three bedroom home with an attached two-car garage -- would cost an estimated \$188,800 to build based on average per square foot construction costs.

This amount, however, does not include costs for off-site construction (grading, storm drains, sewers, curbs and gutters and utilities). Nor does it include any city or county developer impact fees (school fees, road fees, connection fees, building fees). In addition, it does not include an allowance for developer expenses such as sales and marketing, overhead or profit.

The cost of construction alone exceeds the housing costs that lower income households can afford.

loan applications were denied in 2005 and 28% were denied in 2006. All of the census tracts had higher loan denial rates in 2006 compared to 2005. In each year, almost one-half of the loan applications were made for homes located in Census Tracts 445.06 and 445.07. In both years, Census Tract 445.03 had the highest loan denial rates. Refer to Tables C-5 and C-6.

4) *Home Improvement Loan Applications:* Usually, home improvement loan applicants experience the highest loan denial rates. In Desert Hot Springs, there are slightly more than 400 home improvement loan applicants in 2005 and 2006. The loan denial rates were 40% in 2005 and 43% in 2006. In 2005, more than one-half of the loans were denied for homeowners residing in Census Tract 445.07. In 2006, three census tracts had loan denial rates of almost 50% -- Census Tracts 445.03, 445.07 and 445.10. It is helpful to focus housing rehabilitation programs in neighborhoods with high denial rates. The City may consider focusing efforts and/or having lenders refer denied applicants to the City's programs. Refer to Tables C-7 and C-8.

5) *Reasons for FHA Loan Denials:* Data on "reasons" is available only for the entire Riverside County area. Tables C-9 and C-10 show the nine reasons for a loan denial of FHA loans for 2005 and 2006. In both 2005 and 2006, the two most common reasons for loan denials were Debt-to-Income Ratio and Credit History. The tables also include the reasons for loan denials for Hispanic, Black or African American, and low income applicants. For the latter three groups, debt-to-income ratios and credit history also are the primary reasons given for loan denials.

There is no universal standard that lenders use for establishing the maximum debt-to-income ratio. CalHFA states that the maximum debt-to-income ratio should not exceed 45% on manually underwritten loans or 55% on Automated Underwriting System (AUS) loans. The ratio refers to the percentage of gross monthly income (before taxes) that is used to pay monthly debts. Debts include the housing costs plus debt payments such as car payments, credit card debt, installment loans and similar expenses.

Credit History involves a payment history such as on-time payments of rent and installment debt and whether any accounts have been referred to collection agencies.

6) *Reasons for Conventional Loan Denials:* In 2005 and 2006, the most common reason for loan denials was listed as "other". However, Credit History and Unverifiable Information were the second and third highest reasons given for loan denials. Down payment assistance programs may be of help to applicants who are denied because of "debt-to-income ratios," "lack of collateral," and "insufficient cash." It seems unlikely that a city can develop programs to overcome the other denial reasons. Refer to Tables C-11 and C-12.

7) *Reasons for Home Improvement Loan Denials:* Tables C-13 and C-14 show the nine reasons for a home improvement loan denial in 2005 and 2006. The most common reason for denial for both years was due to Credit History. More than one-third of the loan applicants are denied for this reason alone. The City's housing rehabilitation program can assist some of these denied applicants through grants and deferred loans. These grants and deferred loans would not increase an applicant's debt-to-income ratio. In addition, the City can be somewhat more lenient than a private lender insofar as past credit history.

**Table C-5
City of Desert Hot Springs
Conventional Loan Denial Rates by Census Tracts – 2005**

Census Tract	Loans Originated	Approved, Not Accepted	Applications Denied	Total Applications	Denial Rate
445.03	301	34	159	494	32%
445.06	770	114	194	1,078	18%
445.07	530	97	204	831	25%
445.08	490	119	148	757	20%
445.09	177	40	70	287	24%
445.10	346	45	97	488	20%
Total	2,614	449	872	3,935	22%

Note: boundaries of Census Tract 445.06 are Little Morongo Road, Dillon Road, Long Canyon Road and Two Bunch Palms.

Note: boundaries of Census Tract 445.07 are Pierson Boulevard, Indian Avenue, Dillon Road, Two Bunch Palms and Palm Drive.

Source: Federal Financial Institutions Examination Council, "Aggregate Table 1: Home Mortgage Disclosure Act, "Disposition of Loan Applications by Location of Property and Type of Loan", 2005.

Table construction by Castañeda & Associates.

**Table C-6
City of Desert Hot Springs
Conventional Loan Denial Rates by Census Tracts – 2006**

Census Tract	Loans Originated	Approved, Not Accepted	Applications Denied	Total Applications	Denial Rate
445.03	220	45	146	411	36%
445.06	522	100	207	829	25%
445.07	425	82	203	710	29%
445.08	429	79	183	691	27%
445.09	188	44	99	291	34%
445.10	275	45	92	372	25%
Total	2,059	395	930	3,304	28%

Source: Federal Financial Institutions Examination Council, "Aggregate Table 1: Home Mortgage Disclosure Act, "Disposition of Loan Applications by Location of Property and Type of Loan", 2006.

Table construction by Castañeda & Associates.

**Table C-9
Riverside County: Reasons for
FHA Loan Application Denials - 2005**

Reason for Loan Denial	Number Denied	Percentage Distribution	Hispanic Percentage	Black or African-American Percentage	Low Income Percentage
Debt-to-Income Ratio	151	31.80%	31.1%	50.0%	39.5%
Employment History	17	3.60%	3.9%	0.0%	6.6%
Credit History	122	25.60%	27.8%	25.0%	23.0%
Collateral	49	10.30%	11.7%	0.0%	7.2%
Insufficient Cash	23	4.80%	4.4%	4.2%	5.9%
Unverifiable Information	23	4.80%	4.4%	0.0%	5.3%
Credit App. Incomplete	42	8.80%	5.6%	12.5%	5.9%
Mortgage Insurance Denied	0	0.00%	0.0%	0.0%	0.0%
Other	49	10.30%	11.1%	8.3%	6.6%
Total	476	100.00%	100.0%	100.0%	100.0%

Note: Data are for 180 Hispanic and 152 low-income (<80% AMI) loan applicants. Low-income applicants represented 31.9% of the 476 applicants that were denied FHA home loans.

Source: Source: Federal Financial Institutions Examination Council, "Aggregate Table 8-1: Reasons for Denial of Applications for FHA, FSA/RHS, and VA Home-Purchase Loans, 1 to 4 Family and Manufactured Home Dwellings, by Race, Ethnicity, Gender and Income of Applicant, 2005."

Table construction by Castañeda & Associates.

**Table C-11
Riverside County: Reasons for
Conventional Loan Application Denials - 2005**

Reason for Loan Denial	Number Denied	Percentage Distribution	Hispanic Percentage	Black or African-American Percentage	Low Income Percentage
Debt-to-Income Ratio	5,860	11.3%	11.1%	12.8%	22.6%
Employment History	1,045	2.0%	2.0%	1.7%	1.9%
Credit History	9,189	17.8%	19.9%	21.4%	20.3%
Collateral	4,976	9.6%	7.8%	6.7%	7.2%
Insufficient Cash	1,693	3.3%	3.3%	3.0%	3.6%
Unverifiable Information	8,737	16.9%	19.4%	18.8%	11.8%
Credit App. Incomplete	5,503	10.6%	9.8%	8.9%	6.2%
Mortgage Insurance Denied	35	-.%	-.%	-.%	-.%
Other	14,644	28.3%	26.8%	26.6%	26.3%
Total	51,682	100.0%	100.0%	100.0%	100.0%

Note: Data are for 20,727 Hispanic and 3,102 low-income (<80% AMI) loan applicants. Low-income applicants represented 6% of the 51,682 applicants that were denied conventional home loans.

Source: Source: Federal Financial Institutions Examination Council, "Aggregate Table 8-2: Reasons for Denial of Applications for Conventional Home-Purchase Loans, 1 to 4 Family and Manufactured Home Dwellings, by Race, Ethnicity, Gender and Income of Applicant, 2005."

Table construction by Castañeda & Associates.

**Table C-13
Riverside County: Reasons for
Home Improvement Loan Application Denials -- 2005**

Reason for Loan Denial	Number Denied	Percentage Distribution	Hispanic Percentage	Black or African-American Percentage	Low Income Percentage
Debt-to-Income Ratio	2,118	16.9%	20.6%	17.3%	27.9%
Employment History	109	0.9%	1.1%	0.3%	1.4%
Credit History	4,325	34.4%	36.7%	39.2%	33.8%
Collateral	1,305	10.4%	10.7%	10.1%	7.5%
Insufficient Cash	117	0.9%	1.2%	1.0%	0.9%
Unverifiable Information	429	3.4%	4.3%	2.4%	3.0%
Credit App. Incomplete	732	5.8%	5.5%	5.4%	3.5%
Mortgage Insurance Denied	7	0.1%	0.0%	0.2%	0.0%
Other	3,416	27.2%	20.0%	23.9%	21.9%
Total	12,558	100.0%	100.0%	100.0%	100.0%

Note: Data are for 3,499 Hispanic and 3,022 low-income (<80% AMI) loan applicants. Low-income applicants represented 24.1% of the 12,558 applicants that were denied home improvement loans.

Source: Source: Federal Financial Institutions Examination Council, "Aggregate Table 8-4: Reasons for Denial of Home Improvement Loans, 1 to 4 Family and Manufactured Home Dwellings, by Race, Ethnicity, Gender and Income of Applicant, 2005."

Table construction by Castañeda & Associates.

7) *Market Interest Rates:* For a sustained period, market mortgage interest rates have been either very reasonable or at historic lows. Table C-15 shows interest rates for two points in time. According to a weekly survey of 60 southland lenders, as of March 19, 2008, the average mortgage interest rates on fixed and adjustable rate mortgages have remained stable or very slightly *increased* during the past six months. For loans up to \$729,750, a 30-year fixed rate loan is available at an interest of 5.87%, a rate that is very reasonable compared to historic rates.

**Table C-15
Average Mortgage Rates
Weekly Survey of 60 Southland Lenders -- As of March 19, 2008**

	Last Week	Six Months Prior
<i>Rates for loans up to \$729,750</i>		
30-year fixed	5.87%/1.37 pt.	6.03%/1.57 pt.
30-year ARM start rate	4.94%/0.81 pt.	4.29%/0.91 pt.
15-year fixed	5.33%/1.19 pt.	5.71%/1.52 pt.
<i>Rates for loans over \$729,751</i>		
30-year fixed	6.94%/1.37 pt.	7.17%/1.33 pt.
30-year ARM start rate	5.09%/1.08 pt.	4.42%/1.10 pt.
15-year fixed	6.60%/1.38 pt.	6.84%/1.30 pt.
<i>FHA or VA Mortgage</i>	6.47%/1.91 pt.	6.67%/1.93pt.
<i>CALVET 30-year</i>	6.10%/0.00 pt.	6.10%/0.00pt.

Note: The current conforming loan limit in Riverside County is \$500,000.
 Source: Compiled by National Financial News Service, Weekly.
 Table construction by Castañeda & Associates.

Due to the recent downturn the real estate market, the Federal Government passed an economic stimulus package aimed at providing more liquidity to the mortgage market. Home loans that were financed with through FHA had a maximum loan amount of \$362,790 for single-family dwellings. That loan amount has been increased to \$500,000 for Riverside County. By raising the conforming loan limit, more loans will be able to be made at lower interest rates. Both of these measures are scheduled to cease at the end of 2008 and it is unknown whether or not they will be extended beyond 2008 or made permanent.

Table C-15 also shows the average points. Points is a term used by the lending industry to refer to the loan origination fee. One point is equal to 1% of the loan amount.

It should be noted that not all would be homebuyers would qualify for the lowest interest rates available. The most favorable interest rates are available to loan applicants who have good FICO credit scores.

(FICO refers to Fair Issac Corporation, a firm that developed the mathematical formulas used to produce FICO scores. A FICO score is a snapshot of an applicant's credit risk; the higher the score, the lower the risk to lenders. Five main kinds of information are used to compute the FICO score: payment history, amount owed, length of credit history, new credit, and types of credit in use.)

**Table C-16
California Housing Finance Agency
Interest Rate Schedule
Effective March 13, 2008**

First Mortgage Fixed Rate Loan Programs	Interest Rate¹
35 Year Fixed Mortgage	
<i>Interest only PLUSSM (loan amounts of \$450,000 or less)</i>	6.500%
<i>Interest only PLUSSM (loan amounts in excess of \$450,000)</i>	6.875%
40-Year Fixed Mortgage	6.625%
Self-Help Builder Assistance Program (SHBAP) ³ – <i>Low Income Only</i>	3.250%
30-Year Fixed Mortgage	
Moderate Income	6.500%
Low Income ²	5.750%
Nonprofits & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i>	5.750%
Extra Credit Teacher Program (ECTP)	5.750%
HomeChoice Program	4.000%
Self-Help Builder Assistance Program (SHBAP) ³	3.000%
Down Payment Assistance Programs	
<i>Term matches term of first mortgage</i>	
High Cost Area Home Purchase Assistance Program (HiCAP) ⁴	6.750%
CalHFA Housing Assistance Program (CHAP)	6.750%
California Homebuyer's Downpayment Assistance Program (CHDAP)	3.000%
Extra Credit Teach Program (ECTP)	5.000%

¹ The interest rates are those in effect on the date shown. The down payment assistance loan interest rates are calculated as simple interest per annum. However, all of the rates shown are subject to change without notice. CalHFA does not lend money directly to consumers. CalHFA works through and uses approved private lenders to qualify consumers and to make all mortgage loans. The fees consumers pay could be different depending on the lender and the program.

² Lenders who obtain a reduced interest rate reservation for low-income applicants who are subsequently determined to have an annual income that exceeds the low-income limit will be offered the interest rate for moderate-income families, assuming they meet CalHFA's moderate-income limits.

³ Rates quoted for Nonprofit and/or SHBAP developers are offered only through the BLOCK Program. Nonprofit and/or SHBAP developers may use 180-day locks; however, the interest rate will be set at the rate available at the time of lock.

⁴ Eligible counties for the HiCAP program are Alameda, Contra Costa, Los Angeles (except Palmdale/Lancaster areas), Marin, Monterey, Napa, Orange, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Solano, Sonoma, and Ventura Counties.

**Table C-17
City of Desert Hot Springs
Land Sales Prices January 1, 2006-October 31, 2007**

Size Range (Sq. Ft.)	Number	Sale Price Range
<7,000	5	\$28,000-\$80,000
7,000-7,999	10	\$17,000-\$79,900
8,000-8,999	4	\$55,000-\$135,000
9,000-9,999	2	\$50,000-\$80,000
10,000-10,999	2	\$20,000
11,000-11,999	0	NA
12,000-12,999	2	\$105,000-\$155,000
13,000-13,999	2	\$80,000-\$110,000
14,000-14,999	1	\$65,000
15,000+	7	\$45,000-\$350,000

Source: MLS Alliance for the Multi-Regional Multiple Listing Service (MRMLS).

Table construction by Castañeda & Associates.

c. Conclusions and Findings

While the sales data reflect a wide variation in pricing, it is more likely that new home projects obtain the land at significantly lower per lot costs. Also, given entitlement and development timeframes, the price for the land on which units are now being sold could have been lower than current market prices.

Besides land costs, other components of housing production costs contribute to making new housing cost more than lower income households can afford. One of these components – construction costs – is discussed below.

3. Construction Costs

a. Guidelines

HCD suggests –

The analysis of construction costs, for typical single-family and multifamily projects, should focus on the total cost to the developer, exclusive of profit, but including land, fees, material, labor and financing.

b. Analysis

1) *Components of Construction Costs:* Little has changed over the years with respect to the components of a typical house. While there have been some technological advances, they are still essentially “sticks and bricks”. However, with every new building code change the costs of construction do rise. Increases can occur as a result of code changes requiring higher energy efficiency requirements, handicapped access, and required changes in building materials. Even with new tools

**Chart C-1
Descriptions of Construction Levels of Quality**

<i>Economy</i>	<p>This class of residence is constructed to meet code requirements and to provide adequate accommodations. There are no special features that make the residence attractive from the exterior and the interior finishes are minimum. These residences are usually square or rectangular (box shaped) with dimensions focused on easy and simple installation. The windows, doors, kitchen cabinets and plumbing fixtures are clearly inexpensive and installed with little concern for appearance. The quality of workmanship is indicative of inexperienced workers with minimum professional supervision. Emphasis, during construction is placed on speed of completion. These residences are constructed from stock plans.</p>
<i>Fair</i>	<p>This class of residence is constructed to meet code requirements and to provide adequate accommodations. There are a few features that make the residence attractive from the exterior. The interior finishes are minimum with a few features. These residences are usually square or rectangular (box shaped) with dimensions focused on easy and simple installation. Any projections or adornments are simple and inexpensive. The windows, doors, kitchen cabinets and plumbing fixtures are inexpensive and installed, suitably, but with little concern for appearance. The quality of workmanship is indicative of experienced workers working in an “assembly line”.</p>
<i>Standard</i>	<p>This class of residence is constructed to meet and exceed requirements and to provide comfortable accommodations. There are usually several features that make the residence attractive from the exterior. These features are standard but significant enough to give residences an individual identity among similar residences. The interior finishes have several distinctive features. These residences usually have design enhancements that are functional and efficiently installed. The windows, doors, kitchen cabinets and plumbing fixtures are standard quality and carefully installed. The quality of workmanship indicates experienced workers working in a “structured” environment with several levels of quality control and accountability.</p>
<i>Custom</i>	<p>This class of residence is constructed to exceed requirements and to provide attractive and comfortable accommodations. There are usually several special features that make the residence attractive from the exterior. These features are modification of standards and introduce uniqueness to the residence. The interior finishes have several special features. These residences usually have design features that clearly indicate that care was taken to give the residence the appearance of special architectural design. The windows and doors are carefully installed. Kitchen cabinets and plumbing fixtures are “built-in” and above standard in quality and installation. The quality of workmanship is indicative of experienced workers working in a “controlled” environment where attention to detail has precedence over speed of completion.</p>

4) *Construction Cost Estimate for a Single-Family Home:* Utilizing the per square foot construction costs above for a standard stucco on frame dwelling (adjusted by the .92 factor), a 1,600 square foot, three bedroom home with an attached two car garage would cost \$188,820.80 to build. The amount is calculated as follows:

1,600 Square Feet X \$114.20 X .92 =	\$168,102.40
400 Square Foot Two Car Garage X \$56.30 X .92 =	<u>\$20,718.40</u>
Total	\$188,820.80

This amount, however, does not include costs for off-site construction (grading, storm drains, sewers, curbs and gutters and utilities). Nor does it include any city or county developer impact fees (school fees, road fees, connection fees, building fees). In addition, it does not include any allowance for developer expenses such as sales and marketing, overhead or profit.

By comparison, the ICBO Building Standards valuation for a Dwelling Type V – Wood Frame is \$123.34 per square foot. For a Type V apartment house, the figure is \$82.49 per square foot. The per square foot valuation is \$109.44 for “homes for the elderly”.

5) *Construction Cost Impacts of State Laws - Prevailing Wages and Fish & Game Fees:* The Housing Element Law focuses the constraints analysis on “local” factors with scant mention of State laws that cause an increase in housing costs, especially on the cost to produce affordable housing. The cost impacts of State law requirements – such as prevailing wages – probably equal or exceed whatever a city can accomplish through a reduction of development standards and/or increased density.

The prevailing wage legislation passed in October 2001 – SB 975 – broadened the existing law to cover construction work paid for in whole or in part by public funds. Construction projects supported by public funds include affordable housing. Few projects can escape the requirements – housing assisted exclusively by a redevelopment agency’s affordable housing fund is exempt. However, affordable housing often includes several sources of public funds and, therefore, falls within the purview of prevailing wages.

When required, prevailing wages significantly increase the cost of construction. Estimates of the additional construction costs on 205 residential projects subsidized by the California Low Income Housing Tax Credit program range from 9% to 37%. That same study estimated that the effect of uniform application of the prevailing wage law decreased by 3,100 the number of new dwellings for low-income households*.

[*Sarah Dunn, John M. Quigley, and Larry A. Rosenthal, *The Effects of Prevailing Wage Requirements on the Cost of Low Income Housing*, Industrial and Labor Relations Review, Vol. 59, No. 1, October 2005, pg. 141.]

The California Department of Fish and Game fee is another example of how State laws impact the cost of housing. Fish and Game fees have increased to \$1,800 for Negative Declarations and \$2,500 for EIRs. County Clerks are not able to accept a Notice of Determination until a Fish and Game fee is paid. This fee may be waived only for projects with “no impact” on wildlife. However, Fish and Game will consider practically any construction project to have an impact – high-rise buildings may cause birds to collide with windows and removal of a palm tree may remove habitat for birds. *

**Table C-19
City of Desert Hot Springs
Sales of Single Family Attached and Detached Homes-2006**

Price	Number of Homes	Percent
<\$150,000	10	1.5%
\$150,000-\$174,999	16	2.4%
\$175,000-\$199,999	38	5.8%
\$200,000-\$224,999	40	6.1%
\$225,000-\$249,999	61	9.3%
\$250,000-\$274,999	92	14.0%
\$275,000-\$299,999	150	22.9%
\$300,000-\$324,999	90	13.7%
\$325,000-\$349,999	72	11.0%
\$350,000-\$374,999	38	5.8%
\$375,000-\$399,999	26	4.0%
\$400,000-\$424,999	8	1.2%
\$425,000-\$449,999	5	0.8%
\$450,000-\$474,999	0	0.0%
\$475,000-\$499,999	6	0.9%
\$500,000+	3	0.5%
Total	655	100.0%

Source: Desert Area Multiple Listing Service (DAMLS).
Table construction by Castañeda & Associates.

**Table C-20
City of Desert Hot Springs
Sales of New Single Family Homes-2006**

Price	Number	Percent
<\$250,000	45	9.5%
\$250,000-\$260,000	2	0.4%
\$260,000-\$270,000	11	2.3%
\$270,000-\$280,000	21	4.4%
\$280,000-\$290,000	26	5.5%
\$290,000-\$300,000	20	4.2%
\$300,000-\$310,000	21	4.4%
\$310,000-\$320,000	34	7.2%
\$320,000-\$330,000	38	8.1%
\$330,000-\$340,000	32	6.8%
\$340,000-\$350,000	24	5.1%
\$350,000+	198	41.9%
Total	472	100.0%

Source: DataQuick.
Table construction by Castañeda & Associates.

**Table C-22
City of Desert Hot Springs
Sales of New Single Family Homes-2007**

Price	Number	Percent
<\$250,000	10	6.1%
\$250,000-\$260,000	7	4.3%
\$260,000-\$270,000	6	3.7%
\$270,000-\$280,000	8	4.9%
\$280,000-\$290,000	10	6.1%
\$290,000-\$300,000	15	9.1%
\$300,000-\$310,000	14	8.5%
\$310,000-\$320,000	11	6.7%
\$320,000-\$330,000	13	7.9%
\$330,000-\$340,000	8	4.9%
\$340,000-\$350,000	13	7.9%
\$350,000+	49	29.9%
Total	164	100.0%

Source: DataQuick.
Table construction by Castañeda & Associates.

5. Monthly Rental Housing Costs

Monthly rental housing costs were estimated on the basis of a survey of 12 complexes containing 1,054 apartment units. The monthly rents reflect the fact that the City has several rent-restricted apartment communities. Almost one-half of the apartments surveyed have 2-bedrooms. About three of every 10 apartments are one-bedroom units. A few apartments – 13% - have three or four bedrooms.

The one-bedroom units rent predominately in the \$551-\$625 range. The two-bedroom units rent primarily for \$650 plus. The three bedroom units rent predominately for \$801 plus. The monthly rents are relatively affordable because the City's housing stock has several rent restricted apartment communities.

Table C-23 on the next page presents the apartment rental survey results.

**Attachment A
2007 Riverside County Affordable Housing Cost Worksheet**

Attachment A provides definitions and calculations of Affordable Housing Cost and Affordable Rent for the different income groups and unit sizes. Stradling, Yocca, Carlson and Rauth prepared these calculations. The law firm annually updates the calculations. The costs and rents are gross amounts; expenses such maintenance and repairs and utilities are not deducted.

1. Affordable Housing Costs for Owner-Occupied Housing Units

Based on the Health and Safety Code, the affordable housing costs for owner-occupied homes are defined below:

Affordable Housing Cost for *Extremely Low Income* Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(1).

Affordable Housing Cost for *Very Low Income* Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(2).

Affordable Housing Cost for *Lower Income* Households is the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(3).

Affordable Housing Cost for *Moderate Income* Households is not less than 28 percent of the gross income of the household, and not more than the product of 35 percent times 110 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50052.5(b)(4).

The Affordable Monthly Housing Cost for owner-occupied housing units, *include* the following costs for the upcoming 12 months*:

Principal and interest payments on the mortgage loan.

Mortgage loan insurance fees.

Property taxes and assessments.

Fire and casualty insurance.

Property maintenance and repairs.

Homeowner association fees.

*25 California Code of Regulations Section 6920.

Technical Appendix D
Housing Resources

Technical Appendix D Housing Resources

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A. INTRODUCTION

Local housing elements must describe *resources* relevant to meeting future housing needs. The relevant resources include -- primarily -- sites that *are suitable, appropriate and available* to accommodate the housing needs of all income groups as quantified in the Regional Housing Needs Assessment. Chart D-1 shows HCD's guidance on the sites inventory and analysis process. The sites in the City can accommodate almost the entire RHNA, except for a shortfall of almost 3,300 housing units for lower income households. In order to eliminate the shortfall, the City plans to implement an Adequate Sites Program.

B. RESOURCES: SITES INVENTORY AND ANALYSIS

1. Guidelines

Section 65583(a)(3) states that a housing element must include:

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

Section 65583.2(a) states that the inventory of land suitable for residential development --

...shall be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels...."

HCD guidance includes the following:

*The purpose of the land inventory is to identify specific sites suitable for residential development in order to compare the locality's new construction need by affordability category with its residential development (total supply) capacity. A thorough land inventory will help the locality **determine if additional governmental actions are needed to provide enough sites with appropriate zoning, development standards, and infrastructure capacity to accommodate its new construction need as required by Section 65583(c)(1).** [emphasis added]*

Land 'suitable for residential development' has characteristics that make the sites appropriate and available for residential use in the planning period. These characteristics include physical features (flooding, seismic hazards, chemical contamination, other environmental constraints, and slope instability or erosion) and location (proximity to transit, job centers, and public and community services).

***Sites not currently planned and zoned for residential use may be included in the inventory if they are otherwise suitable for residential development and the element includes program actions to change the land use within the current planning period.** [emphasis added]*

2. Analysis

This part explains both the sites inventory and the analysis of sites that can accommodate a portion of the regional housing need by income level. The final RHNA, adopted by SCAG in July 2007 and approved by HCD in September 2007, projects the following needs by income level:

Above Moderate-Income	4,322 housing units
Moderate-Income	1,871 housing units
Lower-Income	3,730 housing units

a. Above-Moderate Income Housing Sites

There are sufficient sites to accommodate the above moderate income housing need of 4,322 housing units. Chart D-1 identifies housing tracts – predominantly single-family homes – under construction or approved for development as of December 2007. These tracts will result in the production of more than 13,000 housing units.

Exhibit D-1 shows the location of each housing tract. The Map Label #s on the exhibit correspond to the numbers in Chart D-1. Some of the tracts already have constructed units while others have units under construction. The collective number of approved housing units – combined with the number (1,501) separately listed in Table D-1 – exceeds the RHNA moderate income housing need.

b. Moderate-Income Housing Sites

The Final RHNA allocates a moderate-income housing need of 1,871 housing units. Table D-1 identifies approved projects – separate from those which Chart D-1 lists - that include housing units affordable to moderate income households. Table D-2 on the next pages shows the housing prices affordable to moderate-income households.

**Table D-1
City of Desert Hot Springs
Moderate Income Housing
Recently Constructed, Under Construction
and Approved Housing Developments**

Housing Development	Total Housing Units	Moderate Income Housing Units
Agua Dulce	126	126
Campanero Pointe	31	23
GHA Condominiums	33	33
Eagle Point	91	27
Hacienda Townhomes	9	9
Rancho Buena Vista	33	4
Skyborne	2,048	740
The Terraces	60	60
Vista Hacienda	153	61
Willow Crest	50	50
Total	2,634	1,133

Source: City of Desert Hot Springs, Community Development Department, Project Status.

Field surveys of housing development projects conducted by Castaneda & Associates, May and June 2007.

Sales prices and number sold were obtained from telephone interviews conducted with development contact persons and/or sales representatives. The Interviews were conducted on June 7, June 8, June 11, June 12, June 13, and June 15, 2007 and updated in December 2007.

The telephone interviews collected information on total project size, number sold by price range in 2006, number sold by price range in 2007 and number yet to be sold and or constructed by price range. Homes sold or to be sold below the sales prices of \$289,000 and \$299,000 were deemed affordable to moderate income households.

Many sales representatives indicated that prices were being reduced, and could be reduced further in the coming months. Consequently, the estimate of 1,133 moderate-income housing units in Table D-1 is likely an undercount of the actual number.

Note: The residual of 1,501 housing units (2,634 minus 1,133) are *above-moderate* income units.

Arroyo De Paz is a 94-unit rent restricted, affordable apartment community developed by the Coachella Valley Housing Coalition. Phase 1 opened in December 2006 and Phase 2 was opened in June 2007. The financing resources include Redevelopment Agency funds, County HOME funds, County HOME funds, USDA Section 538 loan, and low income housing tax credits.

Don English Self-Help Housing Project is a 35-unit self-help housing development. The financing includes a City Redevelopment Agency loan and a CalHFA HELP revolving loan.

Corporate Yard Affordable Project is a future 60+/- affordable family project located at Hacienda and Flora.

Highland Falls (Rancho Royale) is an approved Specific Plan. One of the conditions of approval requires that seven percent of the 3700 housing units be affordable to lower income households. Therefore, 259 housing will accommodate the RHNA need for lower income households.

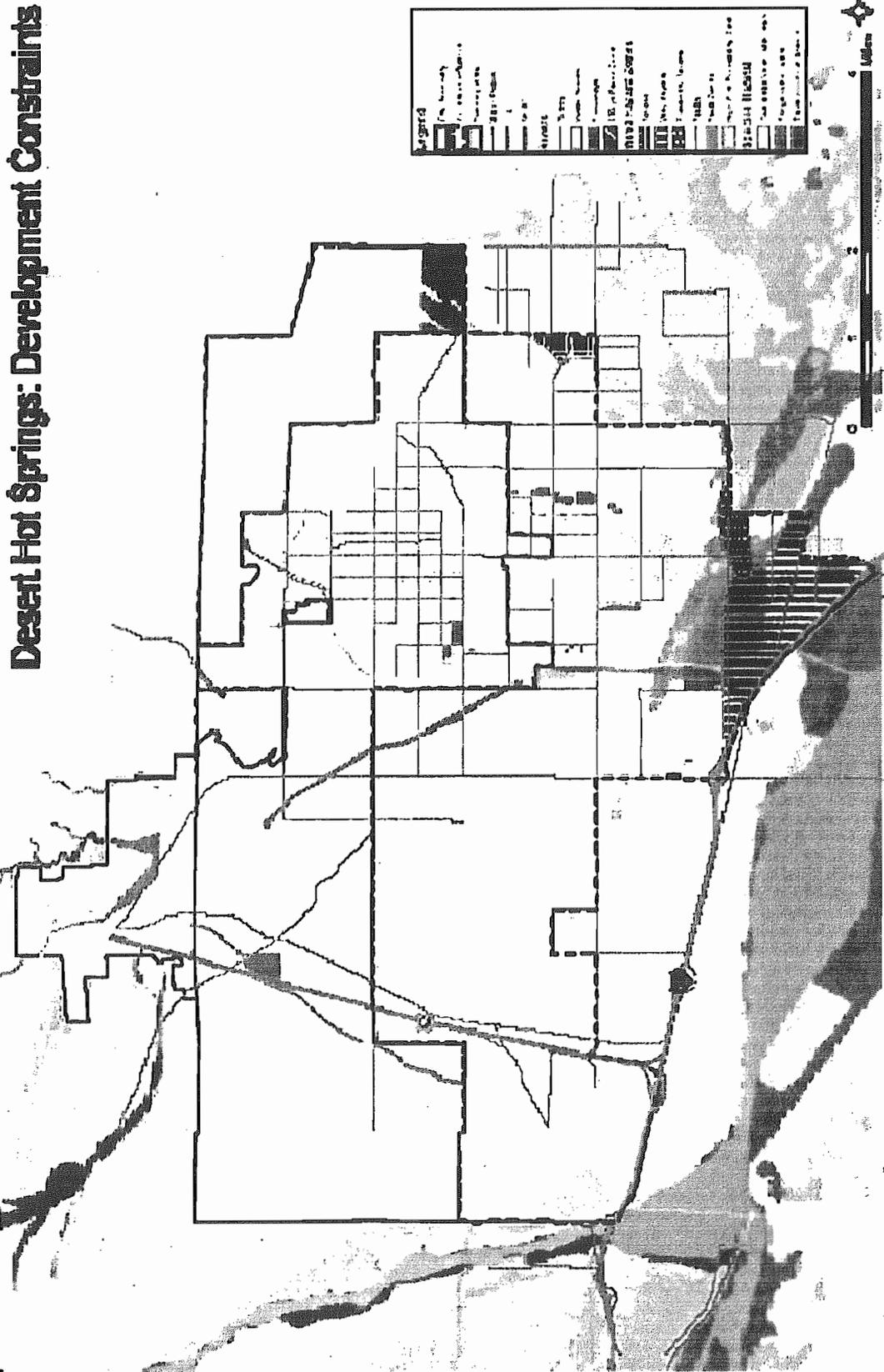
The projects listed above have or will result in the production of 467 housing units affordable to lower income households. The 467 housing units have been allocated to the following income categories:

Extremely Low	154
Very Low	155
Low	158

3. Conclusions and Findings

The shortfall equals sites to accommodate 3,263 housing units for lower income households. To physically accommodate the shortfall, the City needs to designate about 165 acres at a minimum density of 20 dwelling units per acre. The Housing Element Program (Section 2) describes the implementation of the Adequate Sites Program in the 2008-2012 time period.

Figure 2: Areas Constrained from Physical Development in Desert Hot Springs



2. Analysis**a. Sewer Systems**

The Mission Springs Water District (MSWD) provides sanitary sewer services to the City, along with other communities located within its service area. The main wastewater treatment facility is the Alan L. Horton Wastewater Treatment Plant, which has a capacity of 2 million gallons per day (MGD). Approximately 55% of households within the MSWD service area use on-site septic systems to treat their wastewater. The use of septic systems is an ongoing concern for environmental reasons. MSWD has formed, with voter approval, a new sewer assessment district (AD-12) to remove existing septic systems and connect these households to the MSWD sewer system and to provide for additional improvements to the sewer system.

When MSWD enlarged the existing sewer plant to treat 2.5 million gallons per day, it designed the head works for a planned expansion to 5 million gallons per day. While this should enable the district to treat anticipated flows as the population grows, the District must ensure that its waste water collection is designed to efficiently serve long-term demands, without excessively burdening existing rate payers.

As part of its continuous efforts to address the issue of septic systems and groundwater quality, MSWD has established a program to convert the 5,000 existing septic systems in the City to centralized service. This program should be executed as quickly as possible to avoid threats to the groundwater resources. The City should require mandatory connection to the sewer system.

b. Water Systems

The Mission Springs Water District (MSWD) provides water and wastewater services within the City. While future annexations may place portions of the City into the service areas of the Coachella Valley Water District or the Desert Water Agency, MSWD will remain the main water provider for Desert Hot Springs. MSWD serves a 135 square mile area with three separate water distribution systems. The largest of the distribution systems serves Desert Hot Springs as well as other adjacent areas.

The District currently has seven wells to supply the Desert Hot Springs System and two wells to supply the West Palm Springs Systems. In addition, the district has two emergency connections with Coachella Valley Water District (CVWD). The total current well production for the Desert Hot Springs System is approximately 11,807 gallons per minute (GPM). Without the largest well (no. 24), the current dependable supply is approximately 9,703 GPM. When the CVWD emergency connections are added, the emergency supply is 10,928 GPM (MSWD, 2006).

To estimate future water demands and evaluate its system, MSWD's Water Master Plan projected population 2005, 2010 and build-out populations for its service area based on Specific Plans available at the time from the City of Desert Hot Springs and the Coachella Valley General Plan. The 2005 and 2010 populations projected in the Water Master Plan are below current estimates for the City of Desert Hot Springs. The City's population is not expected to exceed the build-out projections before 2025

3. Conclusions and Findings

With the planned improvements, public facilities and services are or will be adequate to meet the demands of the current and projected development. The population and housing projections developed by the County of Riverside Demographic Research Center are the official projections used by the Western Riverside County Council of Governments for transportation planning purposes. These projections, which are comparable to those developed by SCAG during the RHNA process, are used to project service demands by local, County and special district service providers.

In summary, the City has sufficient existing and planned sewer capacity to accommodate its share of the regional housing need. In addition, the City has sufficient existing and planned water capacity to accommodate its share of the regional housing need.

Technical Appendix E
Public Participation Effort

**Technical Appendix E
Public Participation Effort**

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A. INTRODUCTION

Public participation is one of the steps that needs to be accomplished during the development of the Draft Housing Element. The Housing Element Law states:

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

B. CHURCH INTERVIEWS

Survey interviews were conducted with eight Desert Hot Springs churches:

Christian Center of Desert Hot Springs
Community First Baptist Church
Desert Christian Fellowship
Evangelist Mission Church of All Nations
Foursquare Church of Desert Hot Springs Water of Life Chapel
Grace Church
St. Elizabeth of Hungary Catholic Church
United Methodist Church

In addition, the Desert Hot Springs Ministerial Association was interviewed.

Many of these Churches serve other than Desert Hot Springs residents. The purpose of the interviews was to gain insights on services provided and views on housing needs including home repairs, rental assistance, homelessness, and other related needs.

None of the churches provide direct homeless services. However, five are able to refer homeless persons to emergency shelters or to referral agencies such as the Family Resource Center and the Coachella Valley Rescue Mission.

Direct financial assistance is extremely limited; a few Churches use to provide financial assistance; however, they are no longer able to provide due to economics.

Most of the Churches do provide some type of on-site counseling and/or refer out to a provider agency such as the Family Resource Center and many times to a church related organization such as Catholic Charities, Coachella Valley Rescue Mission, and Jewish Family Services.

Two Churches provide Sunday evening dinners. Food and clothing distribution is somewhat limited at the individual Churches; however, referrals are made to Food NOW and other provider agencies listed above.

All but one church stated that the high cost of rental housing was a problem; and for sale housing was pretty much out of the question. Some churches indicate that single-parent-family and senior rentals command a high rent, forcing individuals to live together to pay the rent or they become homeless. Many senior rentals are in Mobile Home Parks outside. But adjacent to, Desert Hot Springs.

D. DISABLED SERVICES

Survey interviews were conducted with three Desert Hot Springs agencies serving the disabled residents of Desert Hot Springs: Desert Blind & Handicapped Association, Inc., Foundation for the Retarded of the Desert, and United Cerebral Palsy. In addition, available to Desert Hot Springs residents is the Emergency 211, which is a hotline information and referral number for services. The purpose of the interviews was to obtain information regarding, services provided, number of Desert Hot Springs clients served and geographic area served.

All of the agencies provide referrals. The Desert Blind & Handicapped Association located in Palm Springs has 2-3 customers from Desert Hot Springs and they mainly provide transportation needs for the 55+ blind and visually impaired. They agency no longer provides in home care.

The Foundation for the Retarded of the Desert located in Palm Desert serves 750 clients a year with 93 from Desert Hot Springs.

Angel View Crippled Children's Foundation has several homes in Desert Hot Springs. One program is to help clients move from parents home into their own apartment. Another focus is to provide job training and employment assistance. The Foundation also operates five group homes; none is located in Desert Hot Springs.

The United Cerebral Palsy, located in Cathedral City serves developmentally disabled of all types, including both adults and children. Approximately 350 clients are served a year, with about fifteen percent from Desert Hot Springs. They do have some in-home respite clients and has an after school programs for the disabled.

Areas of concern voiced: Low-income housing in Desert Hot Springs is in crime-ridden areas and is unsafe. Some of the clients are being caught up in drugs. The homeless problem is increasing in the Desert areas as a whole.

Disabled Services/Special Needs

Desert Blind & Handicapped Association, Inc.
323-4414

Foundation for the Retarded of the Desert
73255 Country Club Drive
Palm Desert
346-1611

Inland Regional Center
Palm Desert
776-1812

Desert AIDS Project
81893 Dr Carreon Boulevard
Indio
342-4197

United Cerebral Palsy
35325 Date Palm Drive
Suite 136
Cathedral City
321-8184

Churches

Christian Center of Desert Hot Springs
66511 8th
Desert Hot Springs
329-5076

Desert Christian Fellowship
66-675 Pierson Boulevard
Desert Hot Springs
288-3739

Evangelist Mission Church of All Nations
12285 Palm Drive
Desert Hot Springs
288-2884

Foursquare Church of Desert Hot Springs Water of Life Chapel
12901 West Drive
Desert Hot Springs
251-7637

Grace Church
17400 Bubbling Wells Road
Desert Hot Springs
251-2416

**Technical Appendix F
Progress Report**

**Technical Appendix F
Review of Prior Housing Element**

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A. INTRODUCTION

Section 65588(a) of the Government Code requires that the City review the current Housing Element to evaluate:

- “Effectiveness of the element” (Section 65588[a][2]): A comparison of the actual results of the earlier element with its goals, objectives, policies and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of government constraints).
- “Progress in implementation” (Section 65583[a][3]): An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.
- “Appropriateness of goals, objectives and policies” (Section 65588[a][1]): A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the prior element.

The information presented in this Technical Appendix provides a progress report on the prior Housing Element and contributes to establishing the policies and programs that should be retained and carried forward in the updated Housing Element.

B. EFFECTIVENESS

During the 2000-2005 planning period, 2,150 housing units were added to the housing stock, a number that greatly exceeded the RHNA allocation of 233 housing units. According to the State Department of Finance, the added housing supply included 1,973 single-family homes and 86 units in structures having 2-4 units. Contributing to affordability is that fact that the City’s supply of mobile homes increased by 91.

An estimated 45 homes were rehabilitated during the planning period through the RDA’s Single Family Housing Rehabilitation Program. The estimated income distribution of the 45 assisted households is as follows:

Extremely Low	20
Very Low	5
Low	10
Moderate	10

Redevelopment Agency Housing Set-Aside Funds were made available for the First-Time Homebuyer Program. A few families were assisted in the early years of the planning period. However, toward the end of the planning period, Agency and other funding sources were committed toward the development of 54 self-help owner-occupied housing units. These housing units were completed in 2006. Also, during the planning period the Agency committed funds to the development of a 94-unit affordable apartment community.

Policies

Policy 1

The General Plan shall provide for a mixture of residential densities dispersed throughout the City.

Policy 2

The City's residential development standards shall adhere to the General Plan's Community Design Element policies.

Policy 3

Affordable housing developments shall be encouraged in all areas of the City. Clustering of affordable housing shall be discouraged.

Policy 4

The City shall continue to allocate set-aside funds to Redevelopment Agency programs to meet the State-mandated special shelter needs of first time home buyers, large families, female headed households, single parent families, senior citizens, handicapped and homeless individuals, and shall work with new developments to expand the opportunities.

Policy 5

The City shall emphasize the protection of existing affordable senior housing units.

Policy 6

There shall be equal access to housing regardless of race, color, religion, national origin, sex, age, family status or sexual preference.

Policy 7

The City's existing and new affordable housing shall be maintained through the use of resale and rental restrictions, applicant screenings, and other appropriate mechanisms established as conditions of approval.

Policy 8

The City's Redevelopment housing set-aside funds shall be used for all types of affordable housing, but shall be focused to provide moderate-income housing within the City.

**Chart F-1
City of Desert Housing Springs
Housing Program Implementation and Accomplishments**

Programs	Accomplishments
<p>Program 1 A The City shall monitor and assure the adequate supply of vacant land in all residential zoning categories.</p>	<p>The City accomplished this program by completing an inventory of vacant and developed land. A Land Use Technical Report was completed and will be referred to when the General Plan is updated.</p>
<p>Program 1 B The City shall review and revise its residential development standards as needed, to ensure that a variety of housing types are provided which meet or exceed the City's standards.</p>	<p>This program was accomplished as part of the land use inventory and preliminary work on a Land Use Element update. This research effort resulted in a finding that the residential land use categories needed to be defined more precisely.</p>
<p>Program 3 A The City shall require an annual Community Reinvestment Act report from local banks and efforts at equal opportunity housing loans should be documented.</p>	<p>This program was not accomplished. However, the Housing Element Update has provided the City staff with data sources such as the Home Mortgage Disclosure Act data that helps to monitor lending activity.</p>
<p>Program 4 A Continue to support and assist in enforcing the provisions of the Federal Fair Housing Act. Information on the Fair Housing Act, as well as methods for responding to complaints, shall be available at City Hall. The materials shall also be provided to the City Library and Post Office for distribution.</p>	<p>This program was not accomplished. However, the City is located within the service area of the County of Riverside Fair Housing Council. In addition, the Housing Element Update includes a fair housing services program that will provide information to the public, as well as links to the fair housing websites such as the State Department of Fair Employment and Housing.</p>
<p>Program 4 B The City shall work with private organizations in assisting whenever possible in the housing of handicapped residents, through continued participation by the Redevelopment Agency, Senior Center, and other appropriate agencies, and through allocation of set-aside funds when available.</p>	<p>This program was partially accomplished. The Agency awarded funds to three self-help projects that produced 54 affordable single-family homes. The Redevelopment Agency's Housing Plan established a program to build very low-, low and moderate income housing units. The Housing Element Update included a senior survey that was distributed at the Senior Center and survey interviews with agencies survey the needs of disabled persons.</p>

	property owners, developers and builders to partner and meet the affordable housing standards set for the Agency by California Community Redevelopment Law.
Program 9 B Provide a Housing Incentive Package which describes for developers the types of incentives available, including land write downs, Mortgage Revenue Bonds, and/or the use of CDBG funds for the provision of necessary public facilities or design costs.	A formal Package of incentives was not developed. However, Agency funds were allocated to affordable owner and rental housing developments.
Program 13 A The Redevelopment Agency shall maintain its grant programs, funded through the allocation of set-aside funds, for affordable housing, as enumerated in this Element, and shall consider adoption of programs for aesthetic and structural maintenance of existing housing units.	This Program was accomplished. The Agency maintained its funding programs. The Agency's Housing Plan adopted a "Single Family Residential Rehabilitation Program" and a "First Time Homebuyer Program." In addition, funds were award to an affordable rental housing development.