

August 5, 2014

Mr. Glen A. Campora
Assistant Deputy Director
Department of Housing and Community Development
Division of Housing Policy Development

SUBJECT: Fresno COG 2013 Fresno County Regional Housing Needs Allocation Plan

Enclosed for your department's review is the 2013 RHNA Plan prepared by the Fresno COG for Fresno County.

- The plan was adopted by Resolution 2014-25 by the Fresno COG Policy Board on July 31, 2014.
- The final housing need allocation, contained on page 17 of the plan, complies with the housing need determination prepared by your department.
- The methodology for the allocation had a 60-day public review with no comments, and was adopted by the Fresno COG Policy Board in November 2013.
- Each of the jurisdictions in Fresno County has accepted the plan and its allocations.

We have appreciated all the assistance you and Anda Draghici have provided us during the determination and plan preparation processes. If you have any questions, please contact Lindsey Monge-Chargin of my staff at lmonge@fresnocog.org or by phone at (559) 233-4148, x205.

Sincerely,



Tony Boren, Executive Director
Fresno Council of Governments

Encl: 2013 Fresno County Regional Housing Needs Allocation Plan

2013 FRESNO COUNTY



Regional Housing Needs Allocation Plan

Approved July 31, 2014

Table of Contents

	<u>Page</u>
INTRODUCTION.....	1
METHODOLOGY	2
APPLICATION OF METHODOLOGY	6
FINAL 2013 FRESNO COUNTY REGIONAL HOUSING NEED ALLOCATION.....	17
STATE HCD REVIEW OF FINAL 2013 RHNA.....	18
APPENDIX.....	19
HCD Allocation Letter	20
Survey of Local Jurisdictions	26
County of Fresno Letter Requesting Revisions.....	29
Resolution No. 2014-25 Approving the 2013 Fresno County Regional Housing Needs Allocation Plan.....	36

INTRODUCTION

Each city and county within the State of California is required to prepare and adopt a general plan that functions as a blueprint for the physical development of its jurisdiction. The general plan is a policy tool containing a structured set of goals and policies used by local policy makers to direct growth.

The housing element has been a required element of the general plan since 1969. Its purpose is to address the manner in which local jurisdictions attain State housing goals, the most important of which is that “the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.” Housing elements must identify existing and projected housing needs of all income levels, resources available to meet those needs, existing constraints, and quantifiable objectives for the construction, conservation and rehabilitation of housing units. A housing program to implement local objectives must also be identified.

State Housing Element Law (Article 10.6 of the Government Code), Section 65584 in particular, requires that existing and projected housing needs of a jurisdiction are to include the jurisdiction’s share of the regional housing need. Councils of governments are mandated to prepare regional housing needs allocation plans that determine housing allocations specific to jurisdictions, including consideration of the housing needs of all income levels. Furthermore, consideration of housing needs of all income levels and subsequent housing allocations must seek to reduce the concentration of lower income households in cities or counties that are impacted by disproportionately high proportions of lower income households.

Numerous criteria must be taken into consideration when determining a jurisdiction’s share of the regional housing need. These criteria include the market demand for housing, employment opportunities, availability of suitable development sites, public facilities, commuting patterns, and type and tenure of housing need.

Fresno COG staff developed a written survey of all local jurisdictions to assist with this task. The survey questions were taken directly from statute. None of the information received in response to the survey was used as a basis for reducing the total housing need established for Fresno County. Information from the survey will be particularly helpful during the negotiation period, should it be necessary, to determine the final distribution of regional housing need among various agencies. A copy of the survey is included in the appendix.

The State Department of Housing and Community Development (HCD) has several roles in the regional housing needs allocation process. Section 65584 requires HCD to allocate shares of statewide housing need, by income category, to councils of government, including the Fresno Council of Governments (Fresno COG), and advises councils of government in the preparation of the regional housing needs allocation plan. Councils of government are required to then determine the distribution of the housing need within the region.

While housing elements must reflect the shared responsibility among local governments for accommodating regional housing needs and the housing needs of all economic levels, the actual distribution of housing needs to local jurisdictions represents a planning objective. The State recognizes that the total housing needs identified may exceed available resources and a community’s ability to satisfy these needs and that, in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in its general plan. It is important to make progress during the planning period to achieve the housing need, however, the total housing need does not necessarily need to be achieved. It is also important to recognize that

addressing regional housing needs requires local jurisdictions to cooperate with other local jurisdictions in the region.

Census data from 2010, State Department of Finance (DOF) data, HCD data, and Fresno COG calculations are the basis for all housing projections prepared for Fresno County's 2013 Regional Housing Needs Allocation (RHNA) Plan. The planning period for the Plan extends for eleven years from January 1, 2013 to December 31, 2023. This is longer than the seven-and-a-half-year periods of past RHNA's because for the first time the RHNA schedule is aligned with that of the Regional Transportation Plan/Sustainable Communities Strategy. In accordance with Senate Bill 375 (the Sustainable Communities and Climate Protection Act of 2008), the RTP/SCS must be revised every four years and the housing element must be revised at the same time as every other RTP/SCS, that is, every eight years.

METHODOLOGY

In February 2013, the Regional Housing Needs Allocation (RHNA) Technical Committee, consisting of member agency planning and housing experts, was formed to assist staff with this project. During its monthly meetings in February through August 2013, the Technical Committee deliberated on how to best allocate Fresno County's housing need to its jurisdictions. The final methodology, described below was approved by the Committee in August 2013.

Step 1 - IDENTIFICATION OF FOUR MARKET AREAS IN FRESNO COUNTY

Housing market areas are used throughout the Plan in the gathering, analysis, and presentation of data. For this reason, the boundaries of the market areas are drawn along census tract boundaries. The Fresno County 2001 RHNA Plan divided the Fresno County region into five housing market areas (a reduction from the seven housing market areas used in the earlier 1984, 1990 and 2007 RHNA Plans) as follows: Fresno-Clovis Metropolitan Area (FCMA), East Valley, Westside North, Westside South, and Sierra Nevada. These areas were considered to be subregionally significant areas within the County.

It is not mandatory that the 2013 RHNA Plan retain the exact same market areas that were used in the earlier plans. In defining market areas, there are two concepts that must be kept in mind. First, market areas should not divide developed areas. Second, market areas should define subregions in which there is an interaction between employment and housing opportunities.

In the 2007 RHNA Plan, the Westside area was comprised of two market areas: Westside North and Westside South, separated by Mt. Whitney Avenue and its extended alignment. The 2013 RHNA Technical Committee felt that the reasons for the division are no longer valid. Commuting trips have become generally longer and economic relationships like the I-5 Business Development Corridor formed by Firebaugh, Mendota, San Joaquin and Kerman no longer exist. Therefore the North and South areas were combined into the Westside market area and the following Market Areas are used for the 2013 RHNA Plan: (1) Fresno Clovis Metropolitan Area, (2) East Valley, (3) Westside, and (4) Sierra Nevada.

1. **Fresno-Clovis Metropolitan Area (FCMA):** The FCMA market area is comprised of the cities of Fresno and Clovis; the unincorporated communities of Easton and Friant; several unincorporated neighborhoods including Fig Garden, Malaga, and Sunnyside; and, remaining unincorporated area. The geographic boundary of the FCMA generally extends from the San Joaquin River on the north, Grantland Avenue on the west, McCall Avenue on the east and South Avenue on the south. As the

largest metropolitan area in the San Joaquin Valley, the FCMA is a significant center of employment and residential opportunities.

2. **Westside:** The Westside market area is comprised of the cities of Kerman, Firebaugh, Mendota, San Joaquin, Huron and Coalinga; the unincorporated communities of Tranquility, Biola, Caruthers, Lanare, Riverdale, Raisin City and Cantua Creek; and, the remaining unincorporated area. The area extends from the eastern slope of the Coast Range to the western boundary of the FCMA and, south of the FCMA, to a point just east of and parallel to SR-41, and south to the Fresno and Kings County boundary. The Valley portion is largely agricultural while the Coast Range portion is used for cattle grazing, mining, recreation, and wildlife habitat.
3. **East Valley:** The East Valley market area is comprised of the cities of Orange Cove, Parlier, Reedley, Sanger, Fowler, Kingsburg and Selma; the unincorporated communities of Del Rey and Laton; and, remaining unincorporated area. The area extends southeastwardly from the FCMA between a point just east of and parallel to SR-41 and the Friant-Kern Canal. The economic base of this market area is agriculture, although commercial and industrial activities have become increasingly important.
4. **Sierra Nevada:** The Sierra Nevada market area is comprised of the unincorporated communities of Auberry, Big Creek, Friant, Prather, Tollhouse, Squaw Valley and Shaver Lake and the remaining unincorporated area. There are no cities in this market area. The area extends easterly of the Friant-Kern Canal and comprises the western slope of the Sierra Nevada Mountain Range. The unincorporated communities function as service centers for the various recreational sites in the area and the farming, cattle grazing, and lumbering activities that occur.

Step 2 - ALLOCATION OF TOTAL HOUSING NEED TO EACH JURISDICTION

The 2013-2023 allocation is based on three criteria with weights of 30/30/40: A jurisdiction's share of (1) Fresno County housing change from 2006-2013; (2) current (2013) population; and (3) housing accommodated by available land (either from latest inventory or from fourth cycle Housing Element).



		CRITERIA							
		(1) Housing Change 2006-2013				(2) Current Population		(3) Potential housing unit on available land	
		30% Weight				30% Weight		40% Weight	
Weights	30/30/40	Jan. 1, 2006	Jan. 1, 2013	2006-2013	Share of Change	Jan. 1, 2013	Share	Housing Units	Share
		Housing Units	Housing Units	Change		Population			
Clovis	13.68%	32,567	36,589	4,022	17.39%	99,983	10.50%	6,223	13.28%
Coalinga	1.39%	4,016	4,345	329	1.42%	16,729	1.76%	506	1.08%
Firebaugh	1.76%	1,929	2,140	211	0.91%	7,777	0.82%	1,454	3.10%
Fowler	1.28%	1,538	1,902	364	1.57%	5,801	0.61%	733	1.56%
Fresno	55.48%	160,447	174,745	14,298	61.83%	508,453	53.40%	24,499	52.27%
Huron	1.68%	1,512	1,596	84	0.36%	6,790	0.71%	1,590	3.39%
Kerman	2.15%	3,477	4,068	591	2.56%	14,225	1.49%	1,095	2.34%
Kingsburg	0.87%	4,001	4,107	106	0.46%	11,590	1.22%	427	0.91%
Mendota	1.32%	2,180	2,571	391	1.69%	11,178	1.17%	537	1.15%
Orange Cove	1.84%	2,018	2,278	260	1.12%	9,353	0.98%	1,412	3.01%
Parlier	1.42%	3,181	3,553	372	1.61%	14,873	1.56%	554	1.18%
Reedley	3.02%	6,258	7,015	757	3.27%	24,965	2.62%	1,470	3.14%
Sanger	2.92%	6,459	7,167	708	3.06%	24,703	2.59%	1,430	3.05%
San Joaquin	1.44%	847	932	85	0.37%	4,029	0.42%	1,408	3.00%
Selma	1.40%	6,690	6,922	232	1.00%	23,799	2.50%	406	0.87%
Unincorporated Area	8.37%	60,399	60,713	314	1.36%	167,918	17.64%	3,126	6.67%
County Total	100.00%	297,519	320,643	23,124	100.00%	952,166	100.00%	46,870	100.00%

Step 3 – ALLOCATION OF HOUSING NEED BY INCOME GROUP FOR EACH JURISDICTION

The allocation is based on income groups breakdown from the U.S. Census American Community Survey 5-Year 2007-2011, the latest available data shown on the next table.

The Plan groups the households of each jurisdiction into the four household income groups defined by Section 6932 of the California Administrative Code. The definition of each of these income groups are as follows:

Very Low Income Income not exceeding 50 percent of the median family income of the County

Other Low Income Income between 50 percent and 80 percent of the median family income of the County

Moderate Income Income between 80 percent and 120 percent of the median family income of the County

Above Moderate Income Income above 120 percent of the median family income of the County

	Number of Housing Units				Percent of Housing Units			
	Very low	Low	Moderate	Above moderate	Very low	Low	Moderate	Above moderate
Clovis	5,252	3,879	5,166	18,243	16.14%	11.92%	15.88%	56.06%
Coalinga	710	552	687	1,340	21.60%	16.78%	20.88%	40.74%
Firebaugh	616	492	406	440	31.52%	25.17%	20.81%	22.51%
Fowler	380	282	204	809	22.66%	16.85%	12.16%	48.33%
Fresno city	44,275	24,877	26,172	61,399	28.25%	15.87%	16.70%	39.18%
Huron	762	275	304	194	49.66%	17.93%	19.80%	12.62%
Kerman	784	575	748	1,320	22.86%	16.79%	21.84%	38.51%
Kingsburg	844	448	447	1,772	24.03%	12.77%	12.72%	50.48%
Mendota	1,157	568	469	380	44.95%	22.07%	18.21%	14.77%
Orange Cove	902	539	306	413	41.77%	24.94%	14.18%	19.11%
Parlier	1,046	660	630	977	31.56%	19.92%	19.03%	29.49%
Reedley	1,622	1,008	1,100	2,593	25.66%	15.95%	17.39%	41.01%
Sanger	1,607	1,267	1,175	2,489	24.58%	19.38%	17.97%	38.07%
San Joaquin	374	300	106	110	42.01%	33.73%	11.91%	12.35%
Selma	1,472	1,237	1,106	2,408	23.65%	19.88%	17.78%	38.70%
Unincorporated area	10,615	7,856	7,972	26,220	20.16%	14.92%	15.14%	49.79%

Source: 2007-2011 American Community Survey, U.S. Census Bureau

Step 4 – APPLICATION OF “FAIR SHARE PLAN”

The Fair Share Plan, as required by housing law, helps to reduce the concentration of lower income households in any one jurisdiction. In this step, it is assumed that all jurisdictions within each market area will reach the same income share in each of the four income groups in 50 years starting from 2013, the beginning of the RHNA planning period.

Step 5 – APPLICATION OF MANUAL ADJUSTMENTS

Manual adjustments are made within market areas as agreed upon the affected jurisdictions.

The Fresno County 2013 RHNA Plan responds to State statute and guidelines by identifying the following:

1. The existing and projected housing needs of the Fresno County region.
2. The housing needs of persons of all income levels within the area significantly affected by a jurisdiction’s general plan.
3. The distribution of housing needs to reduce the concentration of lower income households in cities which already have disproportionately high proportions of lower income households.
4. A January 1, 2013 to December 31, 2023 planning time frame (11 years) consistent with the statutory schedule.

On November 8, 2013, the Fresno Council of Governments Policy Advisory Committee unanimously recommended approval of the methodology developed by the RHNA Technical Committee. Subsequent to a 60-day public comment period, the Fresno COG Policy Board held a duly noticed public hearing on October 24, 2013 to receive comments. There were no public comments, and on November 21, 2013, the Policy Board unanimously approved the methodology.

The selected methodology is similar to those successfully used for the 1990, 2001 and 2007 RHNA's. It is relatively straightforward to understand and implement, an important factor to achieve support for the plan. In addition, the methodology reflects a city-centered and balanced development pattern that is consistent with local general plans. The methodology also allows for the ability to make manual adjustments to a jurisdiction's allocation. The California Housing Code requires that local jurisdictions be surveyed to gather information regarding local government infrastructure, housing market, and other local conditions that could influence the distribution of the regional housing need. The survey is included in the appendix of this document. Information from the survey could be particularly helpful during negotiations, if necessary, regarding manual adjustments. For the 1990, 2001 and 2007 RHNA plans, negotiations were required and were concluded successfully.

APPLICATION OF THE METHODOLOGY

One of the earliest considerations in the development of the Fresno County 2013 RHNA Plan is the determination of the housing construction need figure for all of Fresno County for the planning period extending from January 1, 2013 to December 31, 2023. The State Department of Housing and Community Development (HCD), in consultation with individual COGs, is required to determine the projected need for housing in each region. This regional housing construction need figure is established for planning purposes and statutes recognize that future housing production may not equal the regional housing construction need. The methodology used by HCD to determine the housing construction need for Fresno County includes projected population and household formation rates (or headship rates), vacancy rates and housing replacement needs. The consultation phase between Fresno COG and HCD took place during the latter half of 2013, including the attendance of HCD staff at the September 24, 2013 meeting of the RHNA Technical Committee. Several issues, most notably average household sizes and headship rates, were discussed. Although both sides never fully agreed on all of the issues, a compromise was reached and on December 30, 2013, HCD sent a letter to Fresno COG formally notifying them of Fresno County's regional housing need determination. The HCD letter is included in the appendix of this document.

In the letter, Fresno County's regional housing need for the RHNA period January 1, 2013-December 31, 2023 is determined to be 41,470 housing units, or an average of 3,770 units per year for the eleven-year period. This is far lower than the 52,143 units, or an average of 6,952 units assigned to Fresno County for the previous (2007) RHNA. This is because, for the latest RHNA, HCD adjusted the housing need downward to account for an estimated 20 percent absorption level of unprecedented high vacancies in existing stock due to extraordinary conditions including high foreclosure rates and economic uncertainties.

HCD also provided estimates of the percentage of households in each of four income groups: Very Low Income, Other Low Income, Moderate Income, and Above Moderate Income. Income group data are used in the Plan to determine local jurisdiction shares in the provision of housing for low-income households. The income category allocation is calculated by multiplying total housing need by the proportion of households in each income category based on the 2007-2011 American Community

Survey's number of households by income group. Income group percentages used in the 2007 RHNA Plan were 24% very low, 16% other low, 18% moderate and 42% above-moderate. Percentages used in the 2013 RHNA Plan are similar: 25%, 16%, 16%, and 43%, respectively.

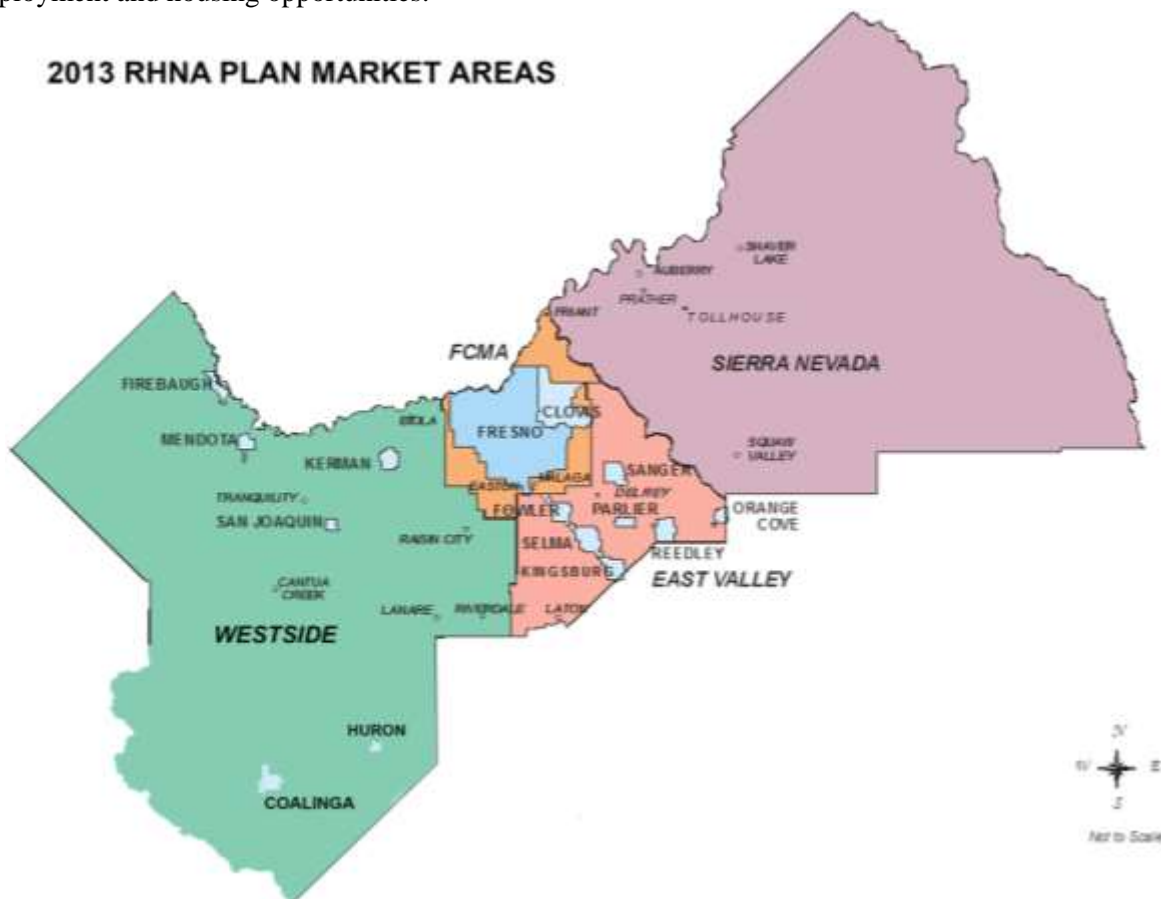
The table below lists the final regional housing need HCD provided to Fresno COG:

Income Category	Regional Housing Need
Total	41,470
Very low	10,535
Low	6,470
Moderate	6,635
Above moderate	17,830

The approved methodology was applied as follows:

Application of Step 1 - IDENTIFICATION OF FOUR MARKET AREAS IN FRESNO COUNTY

The four market areas are identified as: (1) Fresno Clovis Metropolitan Area, (2) East Valley, (3) Westside, and (4) Sierra Nevada. Market areas are subregions in which there is interaction between employment and housing opportunities.



Application of Step 2 - ALLOCATION OF TOTAL HOUSING NEED TO EACH JURISDICTION

CRITERIA										
		(1) Housing Change 2006-2013				(2) Current Population		(3) Potential housing units on available land		Preliminary Allocation to Jurisdictions
		30% Weight				30% Weight		40% Weight		
Weights	30/30/40	Jan. 1, 2006 Housing Units	Jan. 1, 2013 Housing Units	2006-2013 Change	Share of Change	Jan. 1, 2013 Population	Share	Housing Units	Share	
Clovis	14.72%	32,567	36,589	4,022	17.39%	99,983	10.50%	7,858	15.87%	6,104
Coalinga	1.36%	4,016	4,345	329	1.42%	16,729	1.76%	506	1.02%	565
Firebaugh	1.69%	1,929	2,140	211	0.91%	7,777	0.82%	1,454	2.94%	702
Fowler	1.25%	1,538	1,902	364	1.57%	5,801	0.61%	733	1.48%	517
Fresno	54.37%	160,447	174,745	14,298	61.83%	508,453	53.40%	24,499	49.49%	22,546
Huron	1.61%	1,512	1,596	84	0.36%	6,790	0.71%	1,590	3.21%	667
Kerman	2.10%	3,477	4,068	591	2.56%	14,225	1.49%	1,095	2.21%	871
Kingsburg	0.85%	4,001	4,107	106	0.46%	11,590	1.22%	427	0.86%	352
Mendota	1.29%	2,180	2,571	391	1.69%	11,178	1.17%	537	1.08%	536
Orange Cove	1.77%	2,018	2,278	260	1.12%	9,353	0.98%	1,412	2.85%	735
Parlier	1.40%	3,181	3,553	372	1.61%	14,673	1.56%	554	1.12%	580
Reedley	2.96%	6,258	7,015	757	3.27%	24,965	2.62%	1,470	2.97%	1,226
San Joaquin	1.37%	847	932	85	0.37%	4,029	0.42%	1,408	2.84%	570
Sanger	2.85%	6,459	7,167	708	3.06%	24,703	2.59%	1,430	2.89%	1,183
Selma	1.38%	6,690	6,922	232	1.00%	23,799	2.50%	406	0.82%	572
Unincorporated County	9.03%	60,399	60,713	314	1.36%	167,918	17.64%	4,122	8.33%	3,744
County Total	100.00%	297,519	320,643	23,124	100.00%	952,186	100.00%	49,501	100.00%	41,470

Application of Step 2.5 – CONSISTENCY WITH SUSTAINABLE COMMUNITIES STRATEGY

Market Area	SCS	RHNA		RHNA
Jurisdiction	July 1, 2008-July 1, 2035	Jan. 1, 2013-Dec. 31, 2023	Inconsistency	Overage spread
	27 years	11 years	with SCS	proportionately into
			Reduction	remaining jurisdictions
			Needed	
FCMA				
Clovis	18,163	6,104		6,184
Fresno	55,887	22,546		22,844
Unincorporated Area*	2,002	1,596		1,617
East Valley				
Fowler	1,113	517		524
Kingsburg	997	352		356
Orange Cove	669	735	-67	669
Parlier	1,681	580		588
Reedley	1,737	1,226		1,242
Sanger	2,300	1,183		1,199
Selma	1,439	572		579
Unincorporated Area*	1,006	802		812
Westside				
Coalinga	1,397	565		573
Firebaugh	1,095	702		712
Huron	424	667	-242	424
Kerman	2,384	871		882
Mendota	1,288	536		543
San Joaquin	358	570	-213	358
Unincorporated Area*	780	622		630
Sierra Nevada				
Unincorporated Area*	909	725		734
 *Unincorporated Area	 4,697	 3,744		 3,794
Portions of the				
Unincorporated Area are				
contained in all four of the				
Market Areas				
TOTAL	95,629	41,470		41,470

Application of Step 3 – ALLOCATION OF HOUSING NEED BY INCOME GROUP FOR EACH JURISDICTION

HOUSING UNITS BY INCOME CATEGORY
Source: 2007-2011 American Community Survey, U.S.
Census Bureau
Percent of Housing Units

	Total	Very low	Low	Moderate	Above moderate
Clovis	100.00%	16.14%	11.92%	15.88%	56.06%
Fresno city	100.00%	28.25%	15.87%	16.70%	39.18%
Unincorporated area	100.00%	20.16%	14.92%	15.14%	49.79%
Fowler	100.00%	22.66%	16.85%	12.16%	48.33%
Kingsburg	100.00%	24.03%	12.77%	12.72%	50.48%
Orange Cove	100.00%	41.77%	24.94%	14.18%	19.11%
Parlier	100.00%	31.56%	19.92%	19.03%	29.49%
Reedley	100.00%	25.66%	15.95%	17.39%	41.01%
Sanger	100.00%	24.58%	19.38%	17.97%	38.07%
Selma	100.00%	23.65%	19.88%	17.78%	38.70%
Unincorporated area	100.00%	20.16%	14.92%	15.14%	49.79%
Coalinga	100.00%	21.60%	16.78%	20.88%	40.74%
Firebaugh	100.00%	31.52%	25.17%	20.81%	22.51%
Huron	100.00%	49.66%	17.93%	19.80%	12.62%
Kerman	100.00%	22.86%	16.79%	21.84%	38.51%
Mendota	100.00%	44.95%	22.07%	18.21%	14.77%
San Joaquin	100.00%	42.01%	33.73%	11.91%	12.35%
Unincorporated area	100.00%	20.16%	14.92%	15.14%	49.79%

Application of Step 4 – APPLICATION OF “FAIR SHARE PLAN”

FCMA	Income Group	January 1, 2013 Households		Difference Between FCMA Percentage and Local Jurisdiction Percentage*	December 31, 2023 Households		2013-2023 Household Growth	
		#	%		#	%	#	%
Clovis	Very Low	4,375	16.14%	-9.38%	5,487	18.20%	1,111	36.64%
	Low	3,232	11.92%	-3.31%	3,813	12.65%	581	19.16%
	Moderate	4,304	15.88%	-0.49%	4,818	15.98%	514	16.94%
	Above Moderate	15,198	56.06%	13.18%	16,025	53.17%	827	27.26%
	Total	27,109	100.00%		30,143	100.00%	3,034	100.00%
Fresno	Very Low	44,006	28.25%	2.73%	50,185	27.65%	6,179	24.01%
	Low	24,726	15.87%	0.64%	28,555	15.73%	3,829	14.88%
	Moderate	26,013	16.70%	0.34%	30,176	16.63%	4,163	16.18%
	Above Moderate	61,025	39.18%	-3.71%	72,590	39.99%	11,564	44.94%
	Total	155,770	100.00%		181,506	100.00%	25,736	100.00%
Unincorporated Area	Very Low	6,456	20.16%	-5.36%	10,020	21.34%	3,564	23.83%
	Low	4,778	14.92%	-0.32%	7,038	14.99%	2,260	15.11%
	Moderate	4,848	15.14%	-1.23%	7,235	15.41%	2,387	15.96%
	Above Moderate	15,947	49.79%	6.90%	22,693	48.27%	6,747	45.11%
	Total	32,029	100.00%		46,986	100.00%	14,957	100.00%
FCMA Total	Very Low	54,837	25.52%		65,691	25.40%	10,854	24.82%
	Low	32,735	15.23%		39,405	15.24%	6,670	15.25%
	Moderate	35,165	16.36%		42,229	16.33%	7,064	16.15%
	Above Moderate	92,171	42.89%		111,309	43.04%	19,138	43.77%
	Total	214,908	100.00%		258,634	100.00%	43,726	100.00%
East Valley								
Fowler	Very Low	393	22.66%	-1.32%	554	22.95%	161	23.69%
	Low	292	16.85%	-0.08%	407	16.87%	115	16.91%
	Moderate	211	12.16%	-3.81%	314	13.00%	103	15.14%
	Above Moderate	838	48.33%	5.20%	1,139	47.18%	301	44.26%
	Total	1,734	100.00%		2,414	100.00%	680	100.00%
Kingsburg	Very Low	737	24.03%	0.05%	833	24.02%	96	23.93%
	Low	392	12.77%	-4.16%	475	13.69%	83	20.72%
	Moderate	390	12.72%	-3.25%	466	13.44%	76	18.93%
	Above Moderate	1,549	50.48%	7.35%	1,695	48.86%	146	36.43%
	Total	3,069	100.00%		3,469	100.00%	400	100.00%

Application of Step 4 – APPLICATION OF “FAIR SHARE PLAN” Continued

		January 1, 2013		Difference Between FCMA Percentage and Local Jurisdiction Percentage*	December 31, 2023		2013-2023 Household Growth	
Income Group		#	%		#	%	#	%
Orange Cove	Very Low	837	41.77%	17.79%	899	37.85%	62	16.78%
	Low	500	24.94%	8.01%	551	23.18%	51	13.69%
	Moderate	284	14.18%	-1.79%	346	14.58%	62	16.69%
	Above Moderate	383	19.11%	-24.01%	579	24.39%	197	52.84%
	Total	2,003	100.00%		2,375	100.00%	372	100.00%
Parlier	Very Low	758	31.56%	7.59%	828	29.89%	70	18.96%
	Low	479	19.92%	2.99%	534	19.26%	55	14.96%
	Moderate	457	19.03%	3.06%	509	18.36%	51	13.95%
	Above Moderate	709	29.49%	-13.63%	900	32.49%	191	52.13%
	Total	2,403	100.00%		2,770	100.00%	367	100.00%
Reedley	Very Low	1,314	25.66%	1.68%	1,512	25.29%	198	23.07%
	Low	817	15.95%	-0.99%	966	16.16%	149	17.46%
	Moderate	891	17.39%	1.42%	1,021	17.08%	130	15.21%
	Above Moderate	2,100	41.01%	-2.11%	2,479	41.47%	379	44.26%
	Total	5,122	100.00%		5,978	100.00%	856	100.00%
Sanger	Very Low	1,155	24.58%	0.61%	1,340	24.45%	184	23.64%
	Low	911	19.38%	2.45%	1,032	18.84%	121	15.59%
	Moderate	844	17.97%	2.00%	960	17.53%	116	14.88%
	Above Moderate	1,789	38.07%	-5.05%	2,147	39.18%	357	45.89%
	Total	4,700	100.00%		5,479	100.00%	779	100.00%
Selma	Very Low	1,255	23.65%	-0.33%	1,404	23.72%	150	24.34%
	Low	1,055	19.88%	2.95%	1,139	19.23%	84	13.64%
	Moderate	943	17.78%	1.81%	1,029	17.38%	86	13.95%
	Above Moderate	2,053	38.70%	-4.43%	2,349	39.67%	296	48.06%
	Total	5,305	100.00%		5,921	100.00%	616	100.00%
Unincorporated Area	Very Low	3,245	20.16%	-3.82%	4,958	21.00%	1,713	22.80%
	Low	2,401	14.92%	-2.01%	3,627	15.36%	1,226	16.31%
	Moderate	2,437	15.14%	-0.83%	3,618	15.32%	1,181	15.71%
	Above Moderate	8,014	49.79%	6.67%	11,410	48.32%	3,396	45.18%
	Total	16,097	100.00%		23,613	100.00%	7,516	100.00%
East Valley Total	Very Low	9,694	23.98%		12,328	23.70%	2,634	22.73%
	Low	6,846	16.93%		8,730	16.78%	1,884	16.26%
	Moderate	6,458	15.97%		8,262	15.88%	1,805	15.58%
	Above Moderate	17,435	43.12%		22,698	43.63%	5,262	45.42%
	Total	40,433	100.00%		52,018	100.00%	11,585	100.00%

Application of Step 4 – APPLICATION OF “FAIR SHARE PLAN” Continued

Westside	Income Group	January 1, 2013 Households		Difference Between FCMA Percentage and Local Jurisdiction Percentage*	December 31, 2023 Households		2013-2023 Household Growth	
		#	%		#	%	#	%
Coalinga	Very Low	944	21.60%	-3.93%	1,227	22.47%	282	25.35%
	Low	734	16.78%	-8.75%	1,021	18.71%	288	25.84%
	Moderate	913	20.88%	-4.65%	1,196	21.90%	283	25.42%
	Above Moderate	1,781	40.74%	15.21%	2,041	37.39%	261	23.40%
	Total	4,372	100.00%		5,460	100.46%	1,113	100.00%
Firebaugh	Very Low	512	31.52%	5.99%	546	30.20%	34	17.68%
	Low	409	25.17%	-0.36%	457	25.25%	47	24.81%
	Moderate	338	20.81%	-4.72%	395	21.85%	57	29.71%
	Above Moderate	366	22.51%	-3.02%	419	23.17%	53	27.80%
	Total	1,626	100.00%		1,809	100.46%	191	100.00%
Huron	Very Low	755	49.66%	24.13%	826	44.35%	71	20.31%
	Low	273	17.93%	-7.60%	365	19.60%	93	26.34%
	Moderate	301	19.80%	-5.73%	392	21.06%	91	25.99%
	Above Moderate	192	12.62%	-12.91%	288	15.46%	96	27.35%
	Total	1,520	100.00%		1,863	100.46%	352	100.00%
Kerman	Very Low	443	22.86%	-2.66%	525	23.45%	82	26.32%
	Low	326	16.79%	-8.74%	419	18.71%	93	30.09%
	Moderate	423	21.84%	-3.69%	507	22.65%	84	26.96%
	Above Moderate	747	38.51%	12.98%	798	35.65%	52	16.62%
	Total	1,939	100.00%		2,239	100.46%	310	100.00%
Mendota	Very Low	732	44.95%	19.42%	772	40.68%	40	14.75%
	Low	359	22.07%	4.77%	399	21.02%	39	14.64%
	Moderate	297	18.21%	0.72%	343	18.06%	46	17.10%
	Above Moderate	241	14.77%	-24.92%	384	20.25%	144	53.51%
	Total	1,629	100.00%		1,898	100.00%	269	100.00%
San Joaquin	Very Low	289	42.01%	16.48%	363	38.39%	74	28.72%
	Low	232	33.73%	16.43%	285	30.11%	53	20.47%
	Moderate	82	11.91%	-5.59%	124	13.14%	42	16.42%
	Above Moderate	85	12.35%	-27.33%	174	18.37%	89	34.40%
	Total	688	100.00%		946	100.00%	258	100.00%
Unincorporated Area	Very Low	2,517	20.16%	-5.37%	3,908	21.34%	1,392	23.87%
	Low	1,862	14.92%	-2.38%	2,828	15.44%	965	16.56%
	Moderate	1,890	15.14%	-2.36%	2,867	15.66%	978	16.77%
	Above Moderate	6,216	49.79%	10.10%	8,712	47.57%	2,496	42.81%
	Total	12,485	100.00%		18,315	100.00%	5,830	100.00%

Application of Step 4 – APPLICATION OF “FAIR SHARE PLAN” Continued

				Difference Between FCMA Percentage and Local Jurisdiction Percentage*		December 31, 2023 Households		2013-2023 Household Growth	
Income Group		January 1, 2013 Households #	%			#	%	#	%
Westside	Very Low	6,193	25.53%			6,115	24.24%	1,974	23.72%
Total	Low	4,195	17.29%			4,387	17.39%	1,579	18.97%
	Moderate	4,244	17.50%			4,237	16.80%	1,581	18.99%
	Above Moderate	9,627	39.68%			10,487	41.57%	3,189	38.32%
	Total	24,259	100.00%			25,225	100.00%	8,323	100.00%

* Positive numbers in this column indicate that the jurisdiction has a percentage higher than the market area, while negative numbers indicate that the jurisdiction has a percentage lower than the market area. A jurisdiction with 0% would have the same percentage as the market area.

Step 4.5 – JURISDICTION ALLOCATION

	Percent by income from Step 4-Fair Share Plan				Unadjusted allocation					Jurisdiction Allocation				
	Very low	Low	Moderate	Above moderate	Total	Very low	Low	Moderate	Above moderate	Total	Very low	Low	Moderate	Above moderate
Clovis	36.64%	19.16%	16.94%	27.26%	6,184	2,266	1,185	1,048	1,686	6,184	2,278	1,126	1,001	1,779
Coalinga	25.35%	25.84%	25.42%	23.40%	573	145	148	146	134	573	148	142	140	143
Firebaugh	17.68%	24.81%	29.71%	27.80%	712	126	177	211	199	712	128	169	204	211
Fowler	23.69%	16.91%	15.14%	44.26%	524	124	89	79	232	524	123	83	75	243
Fresno	24.01%	14.88%	16.18%	44.94%	22,844	5,484	3,399	3,695	10,265	22,843	5,450	3,192	3,489	10,712
Huron	20.31%	26.34%	25.99%	27.35%	424	86	112	110	116	424	87	107	106	124
Kerman	26.32%	30.09%	26.96%	16.62%	882	232	266	238	147	882	237	257	231	157
Kingsburg	23.93%	20.72%	18.93%	36.43%	356	85	74	67	130	356	85	70	64	137
Mendota	14.75%	14.64%	17.10%	53.51%	543	80	80	93	291	543	79	74	88	302
Orange Cove	16.78%	13.69%	16.69%	52.84%	669	112	92	112	353	669	111	86	105	367
Parlier	18.96%	14.96%	13.95%	52.13%	588	111	88	82	306	588	110	82	77	319
Reedley	23.07%	17.46%	15.21%	44.26%	1,242	287	217	189	550	1,242	285	204	179	574
San Joaquin	28.72%	20.47%	16.42%	34.40%	358	103	73	59	123	358	103	69	56	130
Sanger	23.64%	15.59%	14.88%	45.89%	1,199	283	187	178	550	1,199	282	175	168	574
Selma	24.34%	13.64%	13.95%	48.06%	579	141	79	81	278	579	140	74	76	289
Unincorporated Area	23.56%	15.73%	16.06%	44.65%	3,794	894	597	609	1,694	3,794	889	560	576	1,769
Total					41,470	10,560	6,860	6,998	17,053	41,470	10,535	6,470	6,635	17,830

RHNA ALLOCATION BY MARKET AREA
January 1, 2013 - December 31, 2023
Prior to Step 5 - MANUAL ADJUSTMENTS

Market Area

Jurisdiction	Total	Very low	Low	Moderate	Above moderate
FCMA					
Clovis	6,184	2,278	1,126	1,001	1,779
Fresno	22,843	5,450	3,192	3,489	10,712
Unincorporated Area*	1,618	379	239	246	754
East Valley					
Fowler	524	123	83	75	243
Kingsburg	356	85	70	64	137
Orange Cove	669	111	86	105	367
Parlier	588	110	82	77	319
Reedley	1,242	285	204	179	574
Sanger	1,199	282	175	168	574
Selma	579	140	74	76	289
Unincorporated Area*	812	190	120	123	379
Westside					
Coalinga	573	148	142	140	143
Firebaugh	712	128	169	204	211
Huron	424	87	107	106	124
Kerman	882	237	257	231	157
Mendota	543	79	74	88	302
San Joaquin	358	103	69	56	130
Unincorporated Area*	630	148	93	96	293
Sierra Nevada					
Unincorporated Area*	734	172	108	111	343
*Unincorporated Area					
Portions of the Unincorporated Area are contained in all four of the Market Areas	3,794	889	560	576	1,769
TOTAL	41,470	10,535	6,470	6,635	17,830

Note: This table has been adjusted for rounding error.

Application of Step 5 – APPLICATION OF MANUAL ADJUSTMENTS

Government Code Section 65584.05 provides that within 60 days following receipt of the draft allocation, a local government may request from the Fresno COG a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

The County of Fresno submitted a letter requesting reduced allocations for their jurisdiction from those in the draft allocation. This letter is included in the appendix. Since the total county allocation must be maintained, any reduction in one jurisdiction will require an increased allocation in one or more other jurisdictions. Consequently, COG staff conducted meetings on May 29 and July 10, 2014, in order for the remaining fifteen jurisdictions within Fresno County to consider the requested revisions and determine if jurisdictions were willing to modify their allocations.

As a result of these meetings and subsequent discussions and correspondence, the RHNA Plan allocations for the Fresno County (unincorporated area of the County) were reduced. This was accomplished because ten cities in the county volunteered to higher allocations, necessary in order to maintain the total county allocation. The specific revisions are as follows:

Within the FCMA Market Area:

- Clovis accepted 144 units from the County (43 very low, 19 low, 17 moderate, 65 above moderate)
- Fresno accepted 722 units (216 very low, 97 low, 82 moderate, 327 above moderate)

Within the East Valley Market Area:

- Kingsburg accepted 28 units (28 very low)
- Reedley accepted 108 units from the County (108 very low)
- Sanger accepted 30 units from the County (30 very low)
- Selma accepted 41 units from the County (41 low)

Within the Westside Market Area:

- Coalinga accepted 60 units (2 very low, 58 above moderate)
- Kerman accepted 102 units (1 very low, 101 above moderate)
- Mendota accepted 40 units from the County (1 very low, 39 above moderate)
- San Joaquin accepted 74 units from the County (74 above moderate)

These jurisdictions accepted these additional units in the spirit of regional cooperation, without which a very difficult state mandate would have been made even more so.

In turn, the County agreed to accept units from the above ten cities in areas where the County has sufficiently suitable land to accommodate them:

Within the East Valley Market Area:

- Accepted 10 units from Kingsburg (4 moderate, 6 above moderate)
- Accepted 39 units from Reedley (18 moderate, 21 above moderate)
- Accepted 11 units from Sanger (5 moderate, 6 above moderate)
- Accepted 15 units from Selma (7 moderate, 8 above moderate)

Within the Westside Market Area:

- Accepted 44 units from Coalinga (27 low, 17 moderate)
- Accepted 75 units from Kerman (46 low, 29 moderate)

- Accepted 29 units from Mendota (18 low, 11 moderate)
- Accepted 54 units from San Joaquin (33 low, 21 moderate)

The following table for the 2013 Fresno County RHNA Plan includes all of these revisions and provides the final allocations by income group for all Fresno County jurisdictions.

FINAL 2013 FRESNO COUNTY REGIONAL HOUSING NEED ALLOCATION

Market Area

Jurisdiction	Total	Very low	Low	Moderate	Above moderate
FCMA					
Clovis	6,328	2,321	1,145	1,018	1,844
Fresno	23,565	5,666	3,289	3,571	11,039
Unincorporated Area*	752	120	123	147	362
East Valley					
Fowler	524	123	83	75	243
Kingsburg	374	113	70	60	131
Orange Cove	669	111	86	105	367
Parlier	588	110	82	77	319
Reedley	1,311	393	204	161	553
Sanger	1,218	312	175	163	568
Selma	605	140	115	69	281
Unincorporated Area*	680	24	79	157	420
Westside					
Coalinga	589	150	115	123	201
Firebaugh	712	128	169	204	211
Huron	424	87	107	106	124
Kerman	909	238	211	202	258
Mendota	554	80	56	77	341
San Joaquin	378	103	36	35	204
Unincorporated Area*	556	144	217	174	21
Sierra Nevada					
Unincorporated Area*	734	172	108	111	343
*Unincorporated Area	2,722	460	527	589	1,146
Portions of the Unincorporated Area are contained in all four of the Market Areas					
TOTAL	41,470	10,535	6,470	6,635	17,830

STATE HCD REVIEW OF FINAL 2013 RHNA

INSERT NARRATIVE AFTER HCD REVIEW

Appendix

HCD Allocation Letter

Survey of Local Jurisdictions

County of Fresno Letter Requesting Revisions

Resolution No. 2014-25 Approving the 2013 Fresno
County Regional Housing Needs Allocation Plan

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Ave
Sacramento, CA 95833-1829
916) 263-2911 FAX: (916) 263-7453
www.hcd.ca.gov



December 30, 2013

Mr. Tony Boren
Executive Director
Fresno County Council of Governments
2035 Tulare Street, Suite 201
Fresno, CA 93721

Dear Mr. Boren,

RE: 5th Cycle Regional Housing Need Determination for Housing Element Updates

This letter provides the Fresno Council of Governments (Fresno COG) its 5th cycle regional housing need assessment (RHNA) determination for the projection period January 1, 2013 through December 31, 2023. The Department of Housing and Community Development (Department) is required to determine Fresno COG's existing and projected housing need pursuant to State housing law, Government Code (GC) Section 65584, et. seq..

As you know, Senate Bill 375 (Chapter 728, Statutes of 2008) further strengthened the existing coordination of regional housing and transportation planning. Metropolitan Planning Organizations (MPOs) are now required to develop and incorporate a new sustainable community strategy (SCS) in their Regional Transportation Plans (RTP) to achieve greenhouse gas emission reductions and accommodate the region's housing need. SB 375 amended the RHNA schedule and methodology requiring the due date for local governments to update their housing elements be no later than 18 months from the date Fresno COG adopts the RTP.

The Department has prepared Fresno COG's RHNA determination based on Fresno COG's estimated RTP adoption date of June 26, 2014. Please note that in the event the RTP is adopted on a different date, the RHNA and projection period will not change, but the housing element planning period and element due date will change accordingly. The Department must be notified of any change to the RTP adoption date and will reflect RTP adoption date changes on its website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/web_he_duedate.pdf.

For your information, GC Section 65584.01(d)(1) allows 30 days from the date of this letter to file an objection and proposed alternative to the Department's determination (Attachment 1). An objection and proposed alternative must be based on demographic and methodology factors set forth in the statute.

The Department determined Fresno COG's regional housing need to be 41,470 for the 11-year projection period, from January 1, 2013 to December 31, 2023. In assessing Fresno COG's regional housing need, the Department considered the critical role housing plays in developing sustainable communities and supporting employment growth.

The Department further considered Fresno COG's growth forecast, socio-economic base and potential for household formation trends to generate housing demand at a changing pace. Consideration was also given to the extraordinary uncertainty regarding national, State, local economies and housing markets. As a result, for this RHNA cycle only, the Department made an adjustment to account for abnormal vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.

The Department and representatives of Fresno COG completed the consultation process specified in statute through correspondence, meetings and conference calls conducted between February and December 2013. The Department appreciates the assistance provided throughout the consultation process by Fresno COG representatives which included Ms. Kathy Chung, Senior Regional Planner, Mr. Clark Thompson, Senior regional Planner, and Ms. Lindsey Monge, Associate Regional Planner. The Department also received assistance from Mr. Walter Schwarm, demographics expert with the Department of Finance's Demographic Research Unit.

In completing Fresno COG's RHNA, the Department applied methodology and assumptions regarding the following factors (GC Section 65584.01(c)(1)):

- anticipated household growth associated with projected population increases;
- household size data and trends in household size;
- rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- vacancy rates in existing housing stock, and for healthy housing market functioning and regional mobility, as well as housing replacement needs;
- other characteristics of the composition of the projected population; and
- relationship and any imbalance between jobs and housing.

Data, assumptions, and draft forecasts of population, employment and housing provided by Fresno COG in regards to the above factors were considered. Assumptions regarding the absorption rate of vacant "for sale" and "for rent" housing units before the start of the projection period was determined based on consultation with Fresno COG.

Attachments 1 and 2 to this letter describe details of the Department's methodology and RHNA income category for Fresno COG to distribute the 41, 470 regional housing unit need among all its local governments. Each locality must receive a RHNA share of very-low and low-income units. The distribution of RHNA for lower income, moderate-income, and above-moderate income categories in the aggregate cannot be less than the total for each of these income categories shown in Attachment 1.

Upon receipt of the Department's final RHNA determination, Fresno COG is responsible for developing a RHNA distribution methodology and adopting a RHNA Plan for the projection period of January 1, 2013 through December 31, 2023. The RHNA represents the *minimum* amount of residential development capacity all jurisdictions must plan to accommodate through zoning and appropriate planning strategies. RHNA is not to be used within local general plans as a maximum amount or cap of residential development to plan for or approve.

Housing element law (GC Section 65584, et. seq.) requires Fresno COG's methodology and RHNA Plan to be consistent with the following objectives:

- increasing the housing supply and mix of housing types, tenure, and affordability;
- promoting infill development and socio-economic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns;
- promoting an improved intraregional relationship between jobs and housing; and
- balancing the distribution of households by income category.

Pursuant to GC Section 65584.05(h), Fresno COG is required to submit its RHNA Plan to the Department for approval within three days of adopting the RHNA Plan. Upon approval by the Department of the RHNA Plan, Fresno COG is to distribute to all its local government members their income category shares of new housing needs to be addressed in their housing element updates covering the 2015 - 2023 planning period.

When updating their housing elements, local governments may take RHNA credit for units approved (entitled or permitted) since the January 1, 2013 start date of the RHNA projection period. Localities are also required to describe how units were credited to different income categories based on actual or projected sale price or rent level data. Any city planning to accommodate a portion of RHNA on sites within its Sphere of Influence (SOI) needs to include an annexation program in the housing element. The annexation program needs to demonstrate SOI sites can be annexed early enough in the planning period to make adequate sites available to avoid other rezoning pursuant to GC sections 65583(c)(1)(A), and 65583(f).

Regarding transfers of housing need among local governments, AB 242 (Chapter 11, Statutes of 2008) amended provisions of GC Section 65584.07. RHNA transfers agreed between local governments may occur until adoption of the RHNA Plan. Once Fresno COG has adopted its RHNA Plan, transfers meeting specified conditions may only occur from the county to cities within the county. Transfers after the due date of the housing element are restricted to annexations and incorporations and must be completed within specified timeframes. The numbers of units by income to be transferred are determined either based on mutual agreement between affected local governments, or, when no agreement is reached, by the entity responsible for allocating housing need (Fresno COG). The Department must be notified of all transfers; jurisdictions affected by RHNA transfers must amend their housing element within the timeframe specified in the statute.

The Department commends Fresno COG's efforts to meet the objectives of SB 375 and especially appreciates the assistance provided by Ms. Kathy Chung and Ms. Lindsey Monge. We look forward to a continued partnership with Fresno COG and its member jurisdictions in planning efforts to accommodate the region's housing need. If you need assistance or have any question, please contact me or Anda Draghici, HPD Senior Specialist, at (916) 263-2911.

Sincerely,



Glen A. Campora
Assistant Deputy Director

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION: Fresno COG Projection Period: January 1, 2013 through December 31, 2023

Income Category	Percent	Regional Housing Need (rounded) ⁽¹⁾
Very-Low	25.4%	10,535
Low	15.6%	6,470
Moderate	16.0%	6,635
Above-Moderate	43.0%	17,830
Total	100.0% ⁽²⁾	41,470 ⁽³⁾

(1) The statutory objective regarding RHNA requires HCD, in consultation with Department of Finance (DOF) and councils of governments (COGs), to determine projected household growth and housing need based on DOF population projections and COG regional population forecasts and requires regional and local jurisdictions to plan to accommodate capacity for all of the projected RHNA. The Legislature recognizes that different assumptions and variances in methodologies can be used that can result in different population projections. Projection of housing need developed by DOF and HCD for RHNA purposes does not consider local government constraints.

For this RHNA cycle only (due to unique conditions not expected to recur to impact future RHNA cycles), the housing need was adjusted downward to account for an estimated 20 percent absorption level of unprecedented high vacancies in existing stock due to extraordinary conditions including high foreclosures and economic uncertainties.

(2) The income category percentages reflect the minimum percentage to apply against the total RHNA decided by Fresno COG in determining housing need for very-low, low, and moderate income households. Each category is defined by Health and Safety Code (Section 50093, et seq.). Percentages are derived from the 2007-2011 American Community Survey's number of households by income, over 12 month periods. Housing unit need under each income category is derived from multiplying the portion of households per income category against the total RHNA determination.

(3) The 41,470 allocation (see Attachment 2) reflects Fresno COG's projected minimum housing need (rounded) and an adjustment (-5,659) for existing excess vacant units in estimating 80% of vacant units did not get absorbed before the start of the projection period. This column represents the minimum housing need that Fresno COG's RHNA Plan must address in total and also for very-low, low, and moderate income categories.

Based on the region's estimated RTP adoption date of June 26, 2014 (subject to change):

5th Update of the Housing Element Due Date:

December 31, 2015

ATTACHMENT 2
HCD REGIONAL HOUSING NEED DETERMINATION: Fresno COG

1	Population: December 31, 2023 (DOF Pop Projections)				1,126,565
2	less: Group Quarters Population DOF Projection				22,613
3	Household (HH) Population December 31, 2023				1,103,952
0	Household Formation Groups	HH Population		2023 Households	
0	All Age Groups (DOF)	0	HH Formation or Headship Rate	350,505	
0	Under 15	-	0	0	
0	15 - 24 years	172,814	9.13%	15,779	
0	25 - 34 years	153,686	37.68%	57,906	
0	35 - 44 years	141,024	48.17%	67,937	
0	45 - 54 years	115,195	52.26%	60,197	
0	55 - 64 years	110,702	55.37%	61,295	
0	65 -74 years	88,034	57.39%	50,523	
0	75 - 84 years	43,635	61.37%	26,777	
0	84+	15,527	64.99%	10,091	
4	Projected Households-December 31, 2023				350,505
5	less: Households at Beginning of Projection Period (January, 2013, interpolated)				304,842
6	Household Growth: 11 Year Projection Period				45,663
7	Vacancy Allowance	Owner	Renter	Total	
0	Tenure Percentage per 2010 Census	54.84%	45.16%	0	
0	HH Growth by Tenure	25,040	20,623	45,663	
0	Healthy Vacancy Rate	1.50%	4.00%		
0	Vacancy Allowance	376	825	1,201	1,201
8	Replacement Allowance (minimum)	0.58%		46,863	270
0					47,134
9	less: Adjustment for Absorption of Existing Excess Vacant Units				
0	Estimate 20% Absorbed, 80% Not Absorbed by 2013	Effective Vacant Units	Healthy Market Units	Differential	
0	Derived (2010 Census, HH Growth, & Vacancy Rate)	(13,860)	7,974	-5886	
0	Total 2012 Housing Stock	318,755			
0	Existing Vacant Unit (Others) Adjustment	2.00%	1.63%		
0	Total Adjusted Existing Vacant Units (Others)	(6,384)	5,196	-1,188	
0	Estimated Total Vacant Units Not Absorbed by 2013	80%		-7,074	-5,659
Fresno COG FINAL REGIONAL HOUSING NEED DETERMINATION					41,470

- 2023 Population:** Pursuant to Government Code Section 65584.01(b), and in consultation with Fresno COG, the 2023 population projections used by the Department were provided by the Department of Finance Population Projections for December 2023.
- Group Quarter Population:** Figure is an estimate of persons residing either in a group home, institution, military, or dormitory using the average between the number based 2010 Census group quarters proportion in total population, and the group quarter number provide by Fresno COG as forecasted in its RTP. As this population doesn't constitute a "household" population generating demand for a housing unit, the group quarter population is excluded from the calculation of the household population, and is not included in the housing need.
- 2023 Household (HH) Population:** The portion of population projected to reside in housing units after subtracting the group quarter population from total projected population. The composition by race/ethnicity for the household population was calculated as an average between DOF's and Fresno COG's (Planning Center forecast as used in its RTP) population projections' race/ethnicity compositions.
- Projected 2023 Households (HHs):** The December 2023 number of households is derived by applying (to 2023 HH population by age and race/ethnicity) household formation rates calculated applying half of the 1990-2010 change to the 2010 Census - based household headship rates. HH formation or headship rates reflect the propensity of different population groups (age, racial and ethnic) to form households.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION: Fresno COG

- 5 **Households at Beginning of Projection Period:** The baseline number of households at the beginning of the projection period (January 2013) was projected, as a direct effect of amendment to Section 65588(e)(6) specifying the new projection period to start on either June 30 or December 31 whichever date most closely precedes the end of the current housing element period. As such, the 2013 household number reflects the January 1, 2013 DOF-projected number of households.
- 6 **Household (HH) Growth:** This figure reflects projected HH growth and need for (occupied) new units.
- 7 **Vacancy Allowance:** An allowance (unit increase) is made to facilitate availability and mobility among owner and renter units. Owner/Renter % is based on Census 2010 data. A smaller rate is applied to owner units due to less frequent mobility than for renter households. Information from a variety of authoritative sources supports an acceptable range of 1 to 4% for owner units and 4 to 8% for renter units depending on market conditions.
- 8 **Replacement Allowance:** Rate (0.58%) reflects the housing losses that localities annually reported to DOF each January for years 2002-2011.
- 9 **Adjustment for Absorption of Existing Excess Vacant Units:** For this RHNA cycle only (due to extraordinary uncertainty regarding conditions impacting the economy and housing market not expected to similarly impact future RHNA cycles), a new one-time adjustment was made to account for unprecedented high vacancies in existing stock due to unusual conditions including high foreclosures and economic uncertainties. An absorption rate of 20% of existing excess vacant units is assumed to occur in shrinking current excess vacant units before the start of the 2013 RHNA projection period. This results in applying a 80% adjustment to account for units not absorbed, reflected in a downward adjustment of (- 5,659). Existing housing stock consists of two components: (1) housing units for sale and rent in existing housing stock that are above the housing units required to maintain the healthy market condition, calculated as the number of units in housing stock (for sale + for rent + sold, not occupied+rented, not occupied + occupied units), (2) housing units in the "vacant units others" category of existing housing stock above the "normal" rate considered to be at the level of 2000, at 1.63% of total housing units, as provided by the 2000 Census. The Department used 2010 Census Demographic profile data (DP-1) and desirable "normal" vacancy rates by tenure, in conjunction with the region's household growth and proposed household formation rates. The vacancy adjustment is limited to not exceed the differential between the 2010 Census vacant units and the healthy market vacant units rate associated with the region's annual household growth. As the adjustment was below the differential, the adjustment was applied in calculating the RHNA determination.

RHNA Projection Period January 1, 2013 to December 31, 2023: Pursuant to SB 375, the start of the *projection* period (in effect January 1, 2013) was determined pursuant to GC 65588(e)(6), which requires the new projection period to start on June 30 or December 31 that most closely precedes the end of the current housing element period, which for Fresno County region is June 30, 2013. The end of the projection period was determined pursuant to GC 65588(e)(5) to be the end of the housing element planning period. *Note: For projection purposes the end of the projection period is rounded to the end of the month.*

Housing Element Planning Period December 31, 2015 to December 31, 2023: Pursuant to SB 375, the start of the *planning* period was determined pursuant to GC 65588(e)(5), 18 months from the estimated adoption date of Fresno COG's Regional Transportation Plan, as notified to HCD, with the date rounded to the end of month for projection purposes. The end of the planning period was calculated pursuant to GC 65588(e)(3)(A), 18 months after the adoption of the second RTP, provided that it is not later than eight years from the adoption of the previous housing element. If the actual RTP adoption date differs from the estimated date of June 26, 2014, the RHNA determination and the projection period will not change, however the housing element due date, and implicitly, the housing element planning period would change accordingly.

Survey

Regional Housing Needs Allocation (RHNA) Plan

The purpose of this survey is to gather information regarding local government infrastructure, housing market, and other local conditions that could influence the development of a methodology for distributing the existing and projected regional housing need to cities within Fresno County and to the County itself. None of the information received in response to this survey may be used as a basis for reducing the total housing need established for Fresno County. Furthermore, the share of the regional housing need distributed to a jurisdiction represents a planning objective, not a construction quota, to be addressed by the jurisdiction in its Housing Element.

The methodology used in the development of the RHNA Plan, as with previous RHNA Plans, will be very objective. However, the final distribution of regional housing need may result in part from negotiations among various agencies. Information developed from this survey will be most appropriately utilized during this negotiation period, should it be necessary. Other sources of information will also be utilized including, for example, the COG Traffic Model, which has information on jobs/housing ratios.

In a few instances, it may be difficult to know what the survey question is trying to get at (the questions were taken directly from statute). Please do not hesitate to contact Lindsey Monge at 233-4148, ext. 205 or by email at lmonge@fresnocog.org to discuss. For the other questions, please utilize only sufficient, readily-available data in support of your answer.

1. Would you say your jurisdiction is different than, or pretty much the same as, other jurisdictions in Fresno County regarding existing and projected jobs and housing relationship? If different, indicate how.

2. Opportunities and constraints to development of additional housing:
 - a. Is there a lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and/or distribution decisions made by a sewer or water service provider *other than the local jurisdiction* that precludes your jurisdiction from providing necessary infrastructure for additional development during the planning period? If so, please explain.

- b. Is there available land suitable for urban development or for conversion to residential land use, including underutilized land use and opportunities for infill development and increased residential densities, within your jurisdiction and sphere of influence? If not, indicate why. [Note: In developing the RHNA Plan, COG may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.]

 - c. Are there lands within your jurisdiction that are preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis? If so, please identify.

 - d. **For Fresno County only.** Are there county policies to preserve prime agricultural land within the unincorporated area? If so, what are they?
3. **For Fresno COG only.** What is the distribution of household growth assumed for purposes of a comparable period of regional transportation plans and what are the opportunities to maximize the use of public transportation and existing transportation infrastructure?

4. Do you believe the market demand for housing in your jurisdiction, relative to the market demand for housing in other Fresno County jurisdictions, will change significantly between January 1, 2013 and April 30, 2023? If so, explain.

5. **For Fresno County only.** Do agreements exist between the county and the cities in the county to direct growth toward incorporated areas of the county? If so, please explain.

6. **For Housing Authorities of Fresno only.** Has there been a loss of units contained in assisted housing developments that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

7. Do you think that high housing costs are more of a burden in your jurisdiction than they are in other jurisdictions in Fresno County?

8. Do you think that the housing needs of farmworkers are a more serious issue in your jurisdiction than in the other jurisdictions in Fresno County?

9. Are there any other factors which in your view should be incorporated into the methodology that allocates regional housing needs to the individual jurisdictions?



County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
ALAN WEAVER, DIRECTOR

July 16, 2014

Tony Boren, Executive Director
Council of Fresno County Governments
2035 Tulare Street, Ste. 201
Fresno, CA 93721

Dear Mr. Boren:

Subject: Fresno County 2013 Regional Housing Needs Allocation Plan

Thank you for the opportunity to review and comment upon the 2013 Draft Fresno County Regional Housing Needs Allocation (RHNA) Plan. As you are aware, staff of the Fresno Council of Governments (COG) and representatives of the 16 COG member agencies have engaged over the past year regarding the Fifth Cycle Housing Element including the development of a methodology for the distribution of the RHNA housing units as developed by the State Department of Housing and Community Development. COG and its staff are to be commended for the systematic and inclusive approach that has been taken with respect to the Draft RHNA Plan in preparation of the Fifth-Cycle Housing Element.

Fresno County agrees that distribution of the RHNA housing units should be proportionate among member agencies so that each jurisdiction provides its fair share of housing opportunities throughout the Fresno County region. However, the County believes that there are mitigating circumstances and changing conditions that clearly support and warrant reallocation of the proposed distribution of housing units to the County. As you are aware, Fresno County and the 15 cities have been working cooperatively and have reached mutual agreement on the issue of redistribution of a portion of the County allocation to some of the cities within three of the four market areas. Fresno County is greatly appreciative and wishes to convey its gratitude to the Cities of Clovis, Fresno, Kingsburg, Reedley, Sanger, Selma, Coalinga, Kerman, Mendota, and San Joaquin for their willingness to take a portion of the County's share. In response, Fresno County has agreed to take on some of the city's housing allocation where the County has excess capacity to accommodate additional housing units.

Following the announcement of the Draft RHNA Plan to member agencies, the County determined the number of dwelling units within the various income categories that the County can accommodate within each of the market areas. This exercise showed that there are deficiencies between the units that the County can accommodate and the Draft RHNA Plan allocation in the Fresno-Clovis Metropolitan Area, East Valley, and Westside Market Areas. Based on the County's analysis, the County identified that a total of 429 units in the Very Low Income category, 33 units in the Low Income Category, and 623 units in the Above Moderate Category cannot be accommodated by the County's existing land use and zoning. Please see attached Exhibit "A" for further information. It is noted that the Sierra Nevada Market Area was not included in this exercise since there are no incorporated cities within this region.

2220 Tulare Street, Sixth Floor / Fresno, California 93721 / Phone (559) 600-4078 / FAX 600-4548
Equal Employment Opportunity • Affirmative Action • Disabled Employer

As requested, the following is the County's justification supporting reallocation of the County's RHNA housing units. Among the factors supporting the County's proposed reallocation are the County's General Plan policies, market demand for housing in the unincorporated areas, cost of housing in unincorporated communities, and the recently adopted Fresno County Regional Transportation Plan

Fresno County General Plan Policies

General Plan Vision Statement:	<i>The County sees its primary role to be the protector of prime agricultural lands, open space, recreational opportunities, and environmental quality, and the coordinator of Countywide efforts to promote economic development</i> <i>The Plan seeks to protect its productive agricultural land as the County's most valuable natural resource and the historical basis of its economy through directing new urban growth to cities and existing unincorporated communities and by limiting the encroachment of incompatible development upon agricultural areas</i>
Goal LU-A:	<i>To promote the long-term conservation of productive and potentially-productive agricultural lands and to accommodate agricultural-support services and agriculturally related activities that support the viability of agriculture and further the County's economic development goals</i>
Goal LU-G:	<i>To direct urban development within city Spheres of Influence to existing incorporated cities and to ensure that all development in city fringe areas is well planned and adequately served by necessary public facilities and infrastructure and furthers Countywide economic development goals</i>
Policy LU-A.1	<i>The County shall maintain agriculturally-designated areas for agriculture use and shall direct urban growth away from valuable agricultural lands to cities, unincorporated communities, and other areas planned for such development where public facilities and infrastructure is available</i>
Policy LU-A.6	<i>The County shall maintain twenty (20) acres as the minimum permitted parcel size in areas designated Agriculture, except as provided in Policies LU-A.9, LU-A.10, and LU-A.11. The County may require parcel sizes larger than twenty (20) acres based on zoning, local agricultural conditions, and to help ensure the viability of agricultural operations.</i>

Market demand for housing in the unincorporated areas relative to the market demand for housing in other Fresno County jurisdictions

According to the U.S. Census Bureau statistics, the percentage of population growth in the unincorporated area of Fresno County from 2000 to 2010 was only 1.58% which is the lowest percentage of growth in comparison with the population growth of other jurisdictions in the Fresno County region during the same timeframe (See Exhibit B). As a result, the demand for housing in the unincorporated communities of the County is lower as compared to the cities. This is evident by the history of annexations that have occurred in the past decade by the cities while the boundaries of the unincorporated communities have remained the same, except for the unincorporated communities of Laton and Friant Ranch. However, Fresno County has been allocated a total of 3,798 units, which represents the third highest allocation amongst the 16 jurisdictions (See Exhibit C).

Cost of housing in the unincorporated area of the County in comparison with other jurisdictions in Fresno County

Designating and zoning additional land to accommodate the deficiencies between the housing units that the County can accommodate and the Draft RHNA Plan would likely require expansion of existing community plan boundaries or new unincorporated growth areas at a great cost, in addition to planning for the necessary infrastructure to accommodate future residential development. Fresno County generally does not provide utility type services such as water, sewer, and/or storm drainage in existing unincorporated communities. These services are generally provided by independent community services districts. Most of the existing community services districts do not have excess capacity and would require significant expansion of existing utilities to accommodate additional growth. These circumstances will make the cost of housing likely unaffordable to the Very Low and Low Income population. The cost of land and economics of scale dictate that the most affordable dwelling units can be developed at urban densities. With the County's General Plan directing such density of development to cities, the RHNA Plan income group allocations for unincorporated areas are unattainable.

Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS)

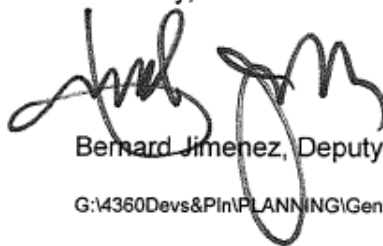
The SCS component of the 2014 RTP was prepared to demonstrate that the Fresno County region will meet the Green House Gas reduction targets set by the Air Resources Board for the 2020 and 2035 which requires 5% per capita reduction by 2020 and 10% per capita reduction by 2030. The preferred land use scenario (Scenario B) was developed based on the member agencies' current planning assumptions for land uses likely to be developed in the 2020 and 2035 horizons. Scenario B also considered the land uses based on the draft general plan updates for the cities of Fresno and Clovis that are heavily influenced by the Valley-wide Blueprint Principles. According to the 2014 RTP/SCS, the increased density and mixed use developments proposed in the SCS will help preserve the precious farmland in the region as well as other natural resources such as critical habitat, wetlands, and vernal pools. Over 20% of

new housing and 36% of new employment are allocated along the high-capacity transit corridors and activity centers, which provides for Transit Oriented Development.

SB 375 requires consistency between RHNA and the development pattern of the RTP/SCS. As such, the Draft RHNA Plan for the Fresno County unincorporated is not consistent with the development patterns described in the SCS. Development of high density residential units in rural areas to accommodate the Very Low and Low Income groups where there are no mass transportation facilities would not reduce per capita vehicle miles travelled to employment centers, but would likely result in conversion of existing agricultural resources.

Thank you for your consideration of the information provided in support of the County's request to accommodate reallocation of a portion of the County's RHNA housing units. Fresno County hereby request that COG proceed with finalizing the 2013 RHNA Plan reflecting the manual adjustments made between the County and Cities. If you have any questions please do not hesitate to contact me at (559) 600-4234 or Mohammad Khorsand, Senior Planner at (559) 600-4277.

Sincerely,



Bernard Jimenez, Deputy Director of Planning

G:\4360Devs&Pin\PLANNING\General Plan\Housing Element Update\RHNA Justification ltr.doc

Attachments

c: Alan Weaver, Director
Will Kettler, Division Manager
Mohammad Khorsand, Senior Planner

EXHIBIT A

Draft Preliminary Number of Units Within Each Market Area Except Sierra Nevada

Market Area	Very Low Possible Units	Versus RHNA	Low Possible Units	Versus RHNA	Moderate Possible Units	Versus RHNA	Above Moderate Possible Units	Versus RHNA	Total Deficiency
FCMA	120	-259	123	-116	147	-99	362	-392	-866
East Valley	24	-166	79	-41	157	+34	420	+41	-132
Westside	144	-4	217	+124	174	+78	22	-272	-74
Totals	288	-429	419	-33	477	+12	804	-623	-1,072

EXHIBIT B

RHNA ALLOCATION 5TH CYCLE January 1, 2013 - December 31, 2023

	Total	Very low	Low	Moderate	Above moderate
Clovis	6,184	2,266	1,185	1,048	1,686
Coalinga	573	145	148	146	134
Firebaugh	712	126	177	211	198
Fowler	524	124	89	79	232
Fresno	22,844	5,484	3,399	3,695	10,265
Huron	424	86	112	110	116
Kerman	882	232	266	238	147
Kingsburg	356	85	74	67	130
Mendota	543	80	80	93	291
Orange Cove	669	112	92	112	353
Parlier	588	111	88	82	306
Reedley	1,242	287	217	189	550
San Joaquin	358	103	73	59	123
Sanger	1,199	283	187	178	550
Selma	579	141	79	81	278
Unincorporated Area	3,794	894	597	609	1,694
Total	41,470	10,560	6,860	6,998	17,053

EXHIBIT C

Population for Fresno County Jurisdictions 1990, 2000, 2010

	Jurisdiction	1990	2000	2010	Percentage of Growth 2000-2010
1	Clovis	50,323	68,516	95,631	39.57%
2	Coalinga	8,212	15,798	18,087	14.49%
3	Firebaugh	4,429	5,743	7,549	31.45%
4	Fowler	3,394	4,046	5,570	37.67%
5	Fresno	354,091	427,652	494,665	15.67%
6	Huron	4,766	6,310	6,754	7.04%
7	Kerman	5,448	8,548	13,544	58.45%
8	Kingsburg	7,245	9,231	11,382	23.30%
9	Mendota	6,821	7,890	11,014	39.59%
10	Orange Cove	5,604	7,722	9,078	17.56%
11	Parlier	7,938	11,145	14,494	30.05%
12	Reedley	15,791	20,756	24,194	16.56%
13	Sanger	16,839	18,931	24,270	28.20%
14	San Joaquin	2,311	3,270	4,001	22.35%
15	Selma	14,757	19,444	23,219	19.41%
	Unincorporated Areas	159,521	164,405	166,998	1.58%
	Fresno County	667,490	799,407	930,450	16.39%

In the Matter of:)
)
)
FRESNO COUNTY REGIONAL)
HOUSING NEEDS ALLOCATION PLAN)