

CHAPTER 4

HOUSING RESOURCES

This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Porterville. This analysis includes an evaluation of the availability of land resources for future housing development, the City's ability to satisfy its share of the region's future housing needs, the financial resources available to support housing activities, and the administrative resources available to assist in implementing the City's housing programs and policies. Additionally, this section presents opportunities for energy conservation.

A. REGIONAL HOUSING NEEDS ALLOCATION

1. PROJECTED HOUSING NEEDS

State Housing Element law requires that a local jurisdiction accommodate a share of the region's projected housing needs for the planning period. This share, called the Regional Housing Needs Allocation (RHNA), is important because State law mandates that jurisdictions provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community. Compliance with this requirement is measured by the jurisdiction's ability in providing adequate land to accommodate the RHNA. The Tulare County Association of Government (TCAG), as the regional planning agency, is responsible for allocating the RHNA to individual jurisdictions within the region.

The RHNA is distributed by income category. For the 2009-2014 Housing Element update, the City of Porterville is allocated a RHNA of 5,473 units as follows:

- Extremely Low/Very Low Income (up to 50 percent of AMI): 1,224 units (22.3 percent)¹
- Low Income (51 to 80 percent of AMI): 862 units (15.7 percent)
- Moderate Income (81 to 120 percent of AMI): 979 units (17.9 percent)
- Above Moderate Income (more than 120 percent of AMI): 2,409 units (44.1 percent)

¹ The City has a RHNA allocation of 1,224 very low income units (inclusive of extremely low income units). Pursuant to new State law (AB 2634), the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units as extremely low. Extremely low income households constitute 50.1 percent of the very low income group. Therefore, the City's RHNA of 1,224 very low income units can be split between 612 extremely low and 612 very low income units. However, for purposes of identifying adequate sites for the RHNA, State law does not mandate the separate accounting for the extremely low income category.

PROGRESS TOWARDS RHNA

Since the RHNA uses January 1, 2007 as the baseline for growth projections for the Housing Element planning period of 2009-2014, jurisdictions may count toward the RHNA any new units built or issued certificates of occupancy since January 1, 2007. Since January 2007, 3,288 housing units have been developed, approved, or are under construction in Porterville. These units had the following income distribution: 51 very low-income units, 162 low-income units, 129 moderate-income unit, and 2,946 above moderate-income units (Table 1).

Table 1: Credits Towards RHNA

	Affordability Level				Total
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	
	0-50% AMI	51-80% AMI	81-120% AMI	>120% AMI	
<i>Units Constructed</i>					
Sequoia Village at River's Edge	51	12	1	0	64
Single-Family	0	0	0	242	242
Multiple-Family	0	0	0	53	53
<i>Subtotal</i>	<i>51</i>	<i>12</i>	<i>1</i>	<i>295</i>	<i>359</i>
<i>Units Under Construction</i>					
New Expressions (Ennis Development)	0	0	0	100	100
Sunrise Villa	0	0	0	43	43
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>143</i>	<i>143</i>
<i>Units Approved or In Development</i>					
Summit Estates Burns Property	0	0	0	90	90
Canyon Springs	0	0	0	230	230
Amalene Estates	0	0	0	62	62
Alex Place	0	0	0	8	8
Citrus Hills	0	0	0	44	44
Red Hawk	0	0	0	180	180
El Dorado	0	0	0	184	184
Indiana Street Eight-plex Apartments	0	80	0	0	80
Pearson and E Street Garden Apartments	0	0	51	0	51
Iracheta Estates Subdivision	0	0	0	12	12
Ennis Estates	0	0	0	73	73
Eagle Ranch	0	0	0	147	147
Royal Oaks View	0	0	0	196	196
Tomah Apartment Complex	0	0	40	0	40
Iris Hills	0	0	0	119	119
Mission Trials	0	0	0	144	144
Salazar Ranch	0	0	0	12	12
Nadar Homes	0	0	0	43	43
West View Estates	0	0	0	653	653

Table 1: Credits Towards RHNA

	Affordability Level				Total
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	
	0-50% AMI	51-80% AMI	81-120% AMI	>120% AMI	
Emeritus Assisted Living Facility	0	0	0	106	106
Crestview Park	0	0	0	45	45
Grand Villas	0	0	37	0	37
Villa Sienna Apartments	0	70	0	0	70
Sierra Meadow #2	0	0	0	61	61
Sierra Estates	0	0	0	53	53
<i>Subtotal</i>	<i>0</i>	<i>150</i>	<i>128</i>	<i>2,508</i>	<i>2,786</i>
Total	51	162	129	2,900	3,242

Units Constructed: According to City records, 359 units have been constructed since January 1, 2007, 64 of which are affordable to lower-income households. The affordable units are part of the Sequoia Village at River’s Edge development, a multiple-family community consisting of two-, three-, and four-bedroom apartments. These 64 affordable units are under 55-year restricted covenants, pursuant to the funding sources used to finance the development of this project.

Units in Development or Under Construction: According to City records, 143 residential units are under construction in Porterville, none of which are affordable.

Units Approved: In addition, the City approved the development of another 2,786 housing units. Among the approved projects is the Villa Sienna Apartments, a 70-unit multi-family/professional office development with all the units deed-restricted as affordable for low income households. Villa Sienna has received a conditional reservation of \$1.2 million in redevelopment housing set-aside funds in exchange for the deed restriction.

Several apartment developments have also been approved by the City. City staff contacted developers of three of these apartment developments for projected rents for these units:

- Pearson and E Street (Garden Apartments) – Projected rents for the units are \$580 for the one-bedroom units and \$750 for the two-bedroom units.
- Grand Villas – Projected rents are \$850 for the two-bedroom units
- Indiana Street (eight-plex apartments) – Projected rents for the 80 three-bedroom units are between \$750 and \$800.

Based on these rents, the Indiana Street apartments qualify for low income housing at market rents. The other apartment developments can qualify for moderate income housing at market rents.

Remaining RHNA: The City has already achieved a portion of its RHNA with housing units constructed, under construction, and approved. Specifically, 3,288 units have been constructed or approved since January 1, 2007, including 342 units affordable to lower and moderate income

households. With these credits, the City has a remaining RHNA of 2,723 housing units, including 1,173 very low income units, 700 low income units, and 850 moderate income units (Table 2).

Table 2: Remaining RHNA

Income Category	RHNA	Units Approved, Constructed, or Under Construction Since January 1, 2007	Remaining RHNA
Extremely Low/Very Low	1,224	51	1,173
Low	862	162	700
Moderate	979	129	850
Above Moderate	2,409	2,946	0
Total	5,473	3,288	2,723

2. RESIDENTIAL SITES INVENTORY

The City of Porterville adopted its new General Plan in 2008. As part of this update, the City provided additional opportunities for residential development by creating two mixed use designations – Downtown Mixed Use and Commercial Mixed Use.

A majority of the available sites found in the areas designated “underutilized” are located in medium and high density residential zones (see appendix). These areas are primarily single level older structures within the core and some downtown areas of the City. Because most of these underutilized sites are located within urban and developed areas, most would be eligible for Infill Incentive Grant Program - Proposition 1C Funds to assist with financing infrastructure improvements necessary to facilitate new infill housing or mixed-use infill development projects. The Villa Sienna Project is an example of an approved project in the downtown area that has been awarded over \$2.3 million in Proposition 1C Funding. The project was also awarded USDA funding, Joe Serna Farmworker Grant funding, Low Income Tax Credits and Porterville Redevelopment Agency funding. The Villa Sienna mixed-use office and 70-unit apartment project, was proposed on the 2.3 acre former Copeland Lumber Yard that had been out of business for several years.

Several large underutilized parcels are located around the City, not necessarily in the core or downtown. These parcels may also qualify for Proposition 1C Funding. These Parcels primarily include medium and low density residential previously used but currently vacant or abandoned with limited structures.

GIS and field surveys were used to help identify vacant and underutilized properties that can accommodate residential development. For purposes of this analysis, the following criteria are used:

- Parcels designated for Low-Medium Density Residential, Medium Density Residential, High Density Residential, Commercial Mixed Use, and Downtown Mixed Use;
- For High Density Residential, Commercial Mixed Use, and Downtown Mixed Use, parcel size larger than 0.5 acre, or parcel size less than 0.5 acres but still capable of producing 10 or more units (the size of a small apartment building);
- For Medium Density Residential, which is used to fulfill the City’s moderate income RHNA in this analysis, parcels that can accommodate at least five units unless potential exists for lot consolidation with adjoining parcels;

- For Low-Medium Density Residential, which is used to fulfill the City’s moderate and above moderate income RHNA, parcels that can accommodate at least five units; and
- Land to-improvement value ratio of greater than 1.0 (i.e. the land is worth more than the improvements on site).

Residentially designated land, as well as mixed use and commercial properties that allow for residential development were included in this analysis. In estimating realistic capacity, a density factor at 80 percent of the maximum permitted densities was used. This 80-percent factor is typical of most suburban development. As this residential sites inventory focuses primarily on higher density residential uses, this density factor is reasonable. A detailed vacant and underutilized sites inventory is presented in the Appendix.

Density and Affordability

Pursuant to AB 2348, the State has established a default density of 20 units per acre as adequate to facilitate the development of lower (very low and low) housing for jurisdictions in Tulare County. Under AB 2348, density is equated to feasibility for affordable housing.

In the Central Valley area, particularly small communities such as Porterville, low income housing can be achieved at much lower densities in the form of single-family homes. Specifically in Porterville, the 64-unit Sequoia Village offers 100 percent affordable single-family homes for very low and low income households in the Medium Density zone (12 units per acre). In addition, the Grand Avenue Apartments and Mountain View Apartments projects were proposed by developers at 18 units per acre. However, due to current market downturn, the Grand Avenue Apartments are not proceeding.

In developing this Housing Element, the City consulted several housing developers active locally regarding feasible densities for facilitating lower income housing. These developers (Pacific West, Macfarlane Costa Housing Partners, and Lynx Realty and Management) have expressed interests in developing affordable housing in Porterville. These developers feel that affordable housing for lower income households (very low and low) in the form of garden apartments can be accommodated in the Medium Density Residential zone. Their comment letters are attached to this Housing Element as Appendix C. However, conservatively, this Housing Element assumes only moderate income housing potential on Medium Density sites.

In evaluating the City’s growth patterns, market conditions, and housing demands, the City has determined the following correlation between density and affordability.

Table 4: Density and Affordability

Land Use Designation (Zoning)	Maximum Density	Average Density	Affordability
Low-Medium Density Residential (R-2)	9.0 du/ac	7.2 du/ac	Moderate and Above Moderate
Medium Density Residential (R-2)	12.0 du/ac	9.6 du/ac	Moderate
Commercial Mixed Use	18.0 du/ac	14.4 du/ac	Very Low and Low
High Density Residential (R-3)	24.0 du/ac	19.2 du/ac	Very Low and Low
Downtown Mixed Use	30.0 du/ac	24.0 du/ac	Very Low and Low

VACANT LAND

The inventory identifies approximately 62 acres of residential land with an allowable density of 18 units per acre or greater (Commercial Mixed Use, High Density Residential, and Downtown Mixed Use). This land has the capacity to reasonably accommodate a total of 1,212 higher density units for lower income housing. An additional 125 acres of Medium Density Residential at 12 units per acre can facilitate moderate income housing, with a capacity of 1,167 units. Table 5 summarizes Porterville’s residential development potential on vacant land by land use designation and zoning.

Table 5: Residential Development Potential on Vacant Sites in Porterville

Land Use Designation (Zoning)	Maximum Density	Average Density	No. of Parcels	Acreage	Maximum Units	Potential Units
Medium Density Residential (R-2)	12.0 du/ac	9.6 du/ac	57	124.83	1,473	1,167
Commercial Mixed Use	18.0 du/ac	14.4 du/ac	4	15.37	275	220
High Density Residential (R-3)	24.0 du/ac	19.2 du/ac	18	32.51	772	616
Downtown Mixed Use	30.0 du/ac	24.0 du/ac	10	15.82	470	376
Total			89	188.53	2,990	2,379

UNDERUTILIZED LAND

In addition to vacant sites, future housing units can also be accommodated on underutilized lots where developments are not built out to the maximum density permitted. With the creation of higher density land use designations through the General Plan update process, the City created significant future development potential on existing properties. Land values for these properties appreciated with the increase in density. The majority of the underutilized residential properties are occupied by old and often dilapidated single-family homes with large portions of the lot being vacant or used as junk yards. Underutilized commercial properties are either occupied by older homes or single-story low intensity commercial uses that are not configured to accommodate modern day commercial or mixed use developments.

The City’s underutilized sites inventory encompasses 120 acres of land with residential development potential, about 33 acres have a residential density of 18 units per acre or greater. These underutilized high density parcels have the capacity to reasonably accommodate 595 units of lower income housing. An additional 178 moderate income units can be reasonably accommodated on the 19.3 acres of Medium Density Residential land in the underutilized sites inventory. Low-Medium Density Residential sites can accommodate 434 above moderate income units. Table 6 presents a summary of the development capacity on Porterville’s underutilized land.

Table 6: Residential Development Potential on Underutilized Sites in Porterville

Land Use Designation (Zoning)	Maximum Density	Average Density	No. of Parcels	Acreage	Maximum Units	Potential Units
Low-Medium Density Residential (R-2)	9.0 du/ac	7.2 du/ac	10	60.91	542	434
Medium Density Residential (R-2)	12.0 du/ac	9.6 du/ac	13	19.30	225	178
Commercial Mixed Use	18.0 du/ac	14.4 du/ac	4	16.17	290	232
High Density Residential (R-3)	24.0 du/ac	19.2 du/ac	14	8.70	203	161
Downtown Mixed Use	30.0 du/ac	24.0 du/ac	8	8.59	253	202
Total			49	113.67	1,513	1,207

Trend of Recycling

As the City continues to urbanize, recycling of existing properties into higher intensity uses has become a necessary trend particularly in the downtown area. Recent redevelopment (and proposed redevelopment) of existing properties include the following:

Table 7: Recycling Trends

Project	New Uses	Prior Uses	Lot Consolidation/Reconfiguration (Y/N)
Villa Sienna	Affordable housing (70) /Office Space	Lumber Yard	Y
Sequoia Village at Rivers Edge	Affordable Housing (64)	Pallet Warehouse	Y
228 N. Main Street Reconstruction/Remodel	Commercial	Commercial/Res. Mixed Use	N
238 N. Main Street Reconstruction/Remodel	Commercial	Commercial/Res. Mixed Use	N
Garden Apartments	Multi-Family Apartments	Nursery	N
Sears Relocation	Sears Retail Store	Catalina Print Warehouse	N

It is the City that is actively promoting redevelopment of the downtown area and has achieved marked transformation of the downtown in recent years.

COMPARISON OF SITES INVENTORY AND RHNA

For the 2009-2014 Housing Element period, the City of Porterville identified properties with a total existing capacity to accommodate 3,586 additional housing units on vacant (Table 5) and underutilized (Table 8) sites. In estimating potential units by income range for the 3,586 total estimated units, it is assumed that:

- All of the units in the 18-30 units/acre range are assumed to produce units in the very low and low-income category; and
- All of the units in the 12-18 units/acre are assumed to produce units in the moderate-income category.

This capacity can facilitate the production of 3,172 lower-income units, 1,107 moderate-income units and above moderate-income units, providing a surplus of over 1,500 units. Even though not all mixed use or commercial properties will be developed with a residential component, the City’s sites inventory has adequate surplus capacity to accommodate the remaining RHNA. Overall, mixed use/commercial properties offer a potential capacity of 1,723 units. If half of these sites are built with a residential component, the City still has an excess capacity of over 400 units for lower income housing. Table 8 provides a summary of the City’s available sites and RHNA status.

Table 8: Comparison of Sites Inventory and RHNA					
Income Category	Vacant Sites	Underutilized Sites	Total Sites	Remaining RHNA	Difference
Extremely Low/Very Low	1,146	595	1,741	1,173	-132
Low				700	
Moderate	1,167	178	1,345	850	495
Above Moderate	---	434	434	0	434
Total	2,313	1,207	3,520	2,723	797
Notes:					
1. Sites at 18+ units per acre are evenly split between very low and low income categories.					
2. Sites at 12 units per acre are used for moderate income category.					
3. Sites at 9 units per acre are used for above moderate income category.					

An analysis was completed using the City’s adopted General Plan and Geographic Information System (GIS) database to determine the City’s ability in meeting its RHNA allocation. In terms of available units, sites and available land area, Agencies are mandated to plan and provide for their RHNA allocation but are not penalized if the market does not achieve the unit numbers by the end of the RHNA planning period. As shown in the table above, the City was unable to meet its RHNA for lower income housing with its original inventory analysis and had a shortfall of 132 lower income units. However, with the implementation of a Focused Rezone Program, within one year of the adoption of the updated Housing Element, the City shall rezone thirty-six (36) parcels totaling ±168.5 acres of land from Medium Density Residential and other non-residential uses to High Density Residential to facilitate the development of additional lower income housing. With the exception of eight (8) parcels on Site 7, all identified parcels are currently vacant. Site 7 is comprised of 15 parcels, currently developed with residential uses on eight of the parcels. These structures are in poor to fair condition and are ripe for redevelopment because all structures are 40-50 years old, surrounded by vacant parcels, do not meet single family residential standards for lot width and exceed single family residential standards for lot depth. By rezoning the 168.5 acres, the City will be able to provide a capacity of an estimated ±3,030 units in the lower income category within several sites distributed throughout the city. Compared with the City’s remaining RHNA shortfall of 132 units, a substantial surplus of overall capacity will result from this rezoning.

High Density Residential allows up to 24 units per acre. The increased capacity associated with this rezoning is estimated at 18 units per acre (75% of the maximum density of 24 units per acre permitted in the High Density Residential designation). Each site within the Focused Rezone Program shall be capable of accommodating at least 16 units in conformity with the requirements of Government Code Section 65583.2 (h) and (i).

Table 3* and Appendix F list and identify the eleven areas within the Focused Rezone Program and list the characteristics of each site related to acreage, potential units, existing Land Use Designation, existing Zoning, and ultimate Land Use Designation.

Focused Rezone Program Sites							
		Acreage	Potential Units	Existing GPLU	Existing Zoning	GPLU Upon Rezone	Zoning Upon Rezone
GROUP 1							
APN-240-280-021	SITE 1	14	252	Med-Density Res. (MDR)	R2	HDR	R3
245-410-032	SITE 2↓	7.2	129	MDR	R2	HDR	R3
245-070-082		19.8	356	MDR	R1	HDR	R3
245-150-054	SITE 3	12.6	226	MDR	R2	HDR	R3
GROUP 2							
246-080-032	SITE 4	8.7	156	MDR	R2	HDR	R3
255-250-015	SITE 5	14.4	259	Low Density Res.	R1	HDR	R3
255-210-007	SITE 6	19	342	Low-Medium Density Res.	R2	HDR	R3
GROUP 3							
251-170-014,	SITE 7↓	2.4	57	Retail Center	PO	HDR	R3
251-180-004		2.1	38	Med-Density Res./Retail Ctr	PO	HDR	
251-180-003*		1.96	35	Gen&Service Comm/Med-Density Res.	R-2	HDR	
251-180-016*		.94	16	MDR	R-1	HDR	
251-180-015		.92	16	MDR	R-3	HDR	
251-180-020*		.46	8	MDR	R-3	HDR	
251-180-021*		.45	8	MDR	R-3	HDR	
251-180-013*		2.3	41	MDR	R-3	HDR	
251-180-012		.46	8	MDR	R-3	HDR	
251-180-011*		.93	16	MDR	R-3	HDR	
251-180-010		.93	16	MDR	R-3	HDR	
251-180-009*		.93	16	MDR	R-3	HDR	
251-180-008*		.91	16	MDR	R-3	HDR	
251-180-007		.90	16	MDR	R-3	HDR	
251-180-025		.47	8	MDR	R-3	HDR	
253-050-091	SITE 8	5.6	100	Low-Med Den. Res.	R2	HDR	R3
260-242-012	SITE 9	3	54	Downtown Mix Use	C2	HDR	R3

260-320-010	SITE 10↓	3.1	55	Parks& Recreation	R-2	HDR	R3
260-310-016		4.5	81	Parks& Recreation	R-2	HDR	R3
260-250-026		4	72	Parks& Recreation	R-2	HDR	R3
260-260-002		4.7	85	Parks& Recreation	R-2	HDR	R3
254-040-021	SITE 11↓	33	594	Low Med Den. Res. Med. Den. Res. Parks and Rec	R2 R2 OA	HDR	R3
254-040-022		4.7	112	Low Density Res. (LDR)	R-1	HDR	R3
254-040-023		4.7	112	LDR	R-1	HDR	R3
254-040-024		4.7	112	LDR	R-1	HDR	R3
254-050-030		4.7	112	LDR	R-1	HDR	R3
254-050-031		4.7	112	Parks and Rec	R-1	HDR	R3
254-050-032		4.7	112	Parks& Rec/Medium Density Res.	R-1	HDR	R3
254-050-033		4.7	112	MDR	R-1	HDR	R3

NOTE – Twenty-eight (28) of the thirty-six (36) rezone program parcels are vacant parcels.

* - Parcels with a structure.

B. FINANCIAL RESOURCES

As a smaller city, Porterville has limited access to financial resources for affordable housing. The following list presents the realistic funding available to the City.

1. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

CDBG is the largest federal housing-related program for affordable housing. It is a "pass-through" program that allows local governments to use federal funds to alleviate poverty and blight. Cities with populations of over 50,000 receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD), while smaller cities usually use county-administered CDBG funds. HUD makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short and long-term loans, grants or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. CDBG funds are best used in combination with other subsidy sources or to provide pre-development funding to initiate housing development.

In 2009, approximately \$170,000 in CDBG entitlement funds and program income is available for the City of Porterville Housing Rehabilitation Loan Program (HRLP). In addition, approximately \$70,000 in CDBG program income is available for the First-Time Home Buyer program. Discretionary income is limited as the City has received a Section 108 loan for the construction of a much needed neighborhood/community center, and close to fifty percent of its annual entitlement, approximately \$325,000 is dedicated to repayment of the Section 108 loan.

In addition to the CDBG specifically for the FTHB program, the City has submitted an application to HCD for Neighborhood Stabilization Program funding. The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is to provide affordable rehabilitated housing and to eligible low-income families. The City has applied for \$700,699 for financing mechanisms, Purchase and Rehabilitation, Land-banking, Demolition of Blighted Structures, and Redevelopment of demolished or vacant properties.

2. REDEVELOPMENT HOUSING SET-ASIDE FUNDS

The Porterville Redevelopment Agency (RDA) sets aside 20 percent of the tax increment revenues to use for affordable housing. "Tax increment funds" are created through the increased property tax revenues generated as the result of initial public investment in the redevelopment area, which in turn result in new private investment in the area. Redevelopment law also authorizes the acquisition and assembly of land for redevelopment purposes, which can include the construction of new housing, the provision of low- or no-cost land subsidies for affordable housing, or other forms of assistance in the preservation and upgrading of the redevelopment project area.

The Porterville Redevelopment Agency has a current balance of \$1.1 million in the set-aside funds. Much of that balance has already been committed to the proposed Villa Siena housing Project. The Agency anticipates little additional redevelopment set-aside funds available for housing activities during the planning period of this Housing Element. Future tax increment revenues will primarily be used to pay debt services incurred for bonds issued to finance various redevelopment programs. Previous set-aside balance has already been expended or encumbered as follows:

A substantial portion up to \$1.2 million of the set-aside and bond fund balance has been reserved for the Villa Siena mixed use project, a 70-unit multi-family/professional office development with all the units deed-restricted as affordable for low income households. The 70 affordable units are expected to be completed within the time frame of this Housing Element. Within the project, 24 of these units will also serve as replacement units for the single residential occupancy units lost at the Porterville Hotel that had HCD covenants recorded on them.

3. HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

The City of Porterville does not qualify to receive HOME funds directly from HUD. However, the City can apply to the State Department of Housing and Community Development for HOME funds administered by the State for small jurisdictions. HOME funds administered by the State are awarded on a competitive basis. Instead, the City applies to the State HCD for HOME grants on a competitive basis.

In 2004, the City applied and received \$1.2 million dollars in HOME funds for the FTHB and HRLP program. In 2006 \$800,000 was awarded for continuation of the FTHB and HRLP programs. Most recently the City was awarded \$800,000 in 2008 for FTHB and HRLP programs.

HOME funds must be spent only on housing, and are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently four-to-one, while the match for rental construction is two-to-one. With limited funding resources, the City often has difficulty meeting the match requirement for HOME funds. However, in the recent past, the match requirement for the State HOME program has been waived by HUD, allowing the City to apply for more funds.

4. CALHOME

In 2008, the City applied for funds but was not awarded any FTHB funding in the very competitive funding cycle. Most recently, the City completed expenditure of the 2005 Cal Home Grant of \$500,000 for the First-Time Homebuyer Program. The CalHOME program administered by the State HCD enables low and very-low income households to become or remain homeowners. Grants are provided to local public agencies and nonprofit developers to assist individual households through deferred-payment loans. Grants can be used for first-time homebuyer downpayment assistance, home rehabilitation, acquisition and rehabilitation, homebuyer counseling, self-help mortgage assistance programs, or technical assistance for self-help and shared housing homeownership.

5. SECTION 8 RENTAL ASSISTANCE

Section 8 rental assistance is provided to a household in order to bridge the gap between 30 percent of the household's gross monthly income and the fair market rent of a unit. Although this long-standing federal assistance program is not expected to increase in size or scope, it remains an important program for affordable housing by helping to balance household income and housing costs. Section 8 assistance in Porterville is administered by the Housing Authority of Tulare County. As of December 2008, 585 Porterville households were receiving Section 8 Housing Choice Vouchers, which accounted for nearly three million dollars.

6. LOW INCOME HOUSING TAX CREDITS (LIHTC)

LIHTC represents a significant resource for affordable housing development in Porterville. The City has five (5) large multi-family complexes that have received LIHTC and provided 383 units. The last one constructed was Sequoia Village at Rivers Edge, a 64 unit family complex which opened in 2007. While the City cannot apply directly for LIHTC, the City works diligently with developers proposing affordable housing projects using LIHTC to package a strong application. The City is currently working with the developer to assist in the LIHTC application for the proposed 70 unit Villa Siena Complex.

Created by the 1986 Tax Reform Act, the Low Income Housing Tax Credits (LIHTC) program has been used in combination with City and other resources to encourage the construction and rehabilitation of rental housing for lower-income households. The program allows investors an annual tax credit over a 10-year period, provided that the housing meets the following minimum low-income occupancy requirements: 20 percent of the units must be affordable to households at 50 percent of area median income (AMI), or 40 percent of the units must be affordable to those at 60 percent of AMI. The total credit over the 10-year period has a present value equal to 70 percent of the qualified construction and rehabilitation expenditures. The tax credit is typically sold to large investors at a syndication value. These credits are available for all projects meeting the above-mentioned criteria and are applied for independently of City programs.

7. PROPOSTION 1C – INFILL INFRASTRUCTURE GRANT PROGRAM

Prop 1C Grant funds assist in the new construction and rehabilitation of infrastructure that supports higher-density mixed-uses, and affordable housing in locations designated as infill development. Assistance terms for grant amounts for Qualifying Infill Projects: \$500,000/\$20 million (\$250,000 minimum for Rural Areas). Minimum/maximum grant amounts for Qualifying Infill Areas (and Large Multi-Phase Qualifying Infill Projects scored as Areas): \$2 million/\$30 million (\$1 million minimum for Rural Areas). Eligible activities include new construction, rehabilitation, and acquisition of infrastructure required as a condition of or approved in connection with approval of qualifying infill projects or qualifying infill areas. For qualifying infill projects, eligible applicants include a non-profit or for profit developer either by itself or as a joint applicant with a locality, public housing authority, and redevelopment agency. For qualifying infill areas, eligible applicants include localities, public housing authorities, redevelopment agencies, and BIDs as joint applicants with any of the other allowed area applicants. Applications are invited through the issuance of Notices of Funding Availability (NOFAs).

The City assisted in the application for Prop 1C Grant funding to assist with infill development and provide infrastructure for the Villa Sienna mixed use project. The project was awarded more than \$2.3 million in funding for infill development and infrastructure improvements. The City will monitor the Notice of funding Availability (NOFA) for the State housing bond to determine eligibility and identify other potential project/programs for funding

C. ADMINISTRATIVE RESOURCES

1. CITY OF PORTERVILLE COMMUNITY DEVELOPMENT DEPARTMENT

The Community Development Department is responsible for the general planning and development review functions undertaken by the City. Specific duties include preparing zoning and subdivision ordinance amendments and design guidelines for Council approval, reviewing development applications, conducting investigations, and making reports and recommendations on planning and land use, economic development activities, Redevelopment Agency efforts, zoning, subdivisions, development plans, and environmental controls. The Department also coordinates activities with Porterville school districts related to school sites and the Porterville Municipal Airport in consultation with Tulare County, and the County's Airport Land Use Commission.

2. CITY OF PORTERVILLE REDEVELOPMENT AGENCY

The Porterville Redevelopment Agency oversees housing activities that increase, improve, or preserve the supply of affordable housing in the City's redevelopment project areas. The Agency's housing activities include:

- Funding the Casas Buena Vista project, a single-family development with the majority of the units deed-restricted as affordable for low income households;
- Making bond funds available for the construction or rehabilitation of multi-family rental housing, including the 14-unit St. James Place and the 78-unit Date Avenue Porterville Family Apartments;
- Making bond funds available for homebuyer assistance in the Redevelopment Project area; and
- Using set-aside funds as the required match for the HOME-funded program.

3. HOUSING AUTHORITY OF TULARE COUNTY

The Housing Authority of the County of Tulare provides rental assistance to very low income families, seniors, and the handicapped throughout the County. The Housing Authority offer many different programs, including the conventional public housing program, the housing choice voucher program, the farm labor program for families with farm labor income, and senior housing programs. The Housing Authority also owns or manages several individual subsidized rental complexes. There are currently 585

Porterville households receiving Section 8 Housing Choice Vouchers from the Housing Authority of Tulare County.

4. NON-PROFIT HOUSING DEVELOPERS

Due to the high cost of housing development, many communities have found that partnerships with non-profit housing developers are an effective tool for creating affordable housing units. In recent years, the City has worked with the following nonprofit housing developers to create affordable housing in the development of the low-income tax credit projects and are in discussion with both Habitat for Humanity and Self-Help Enterprises for both new construction affordable projects, rehabilitation projects, and preservation of housing at risk of converting to current market rates.

In addition, the following agencies have expressed interest in assisting in the preservation of housing at risk of converting to market rate in Tulare County, including the City of Porterville:

- Christian Church Homes of Northern California
- Self-Help Enterprises

D. OPPORTUNITIES FOR ENERGY CONSERVATION

Utility-related costs can directly impact the affordability of housing in California. Title 24 of the California Administrative Code sets forth mandatory energy standards for new development and requires adoption of an "energy budget." In turn, the home-building industry must comply with these standards, while localities are responsible for enforcing the energy conservation regulations.

The following are among the alternative ways to meet these energy standards.

- **Alternative 1:** The passive solar approach which requires proper solar orientation, appropriate levels of thermal mass, south-facing windows, and moderate insulation levels.
- **Alternative 2:** Generally requires higher levels of insulation than Alternative 1, but has no thermal mass or window-orientation requirements.
- **Alternative 3:** Also is without passive solar design but requires active solar water heating in exchange for less stringent insulation and/or glazing requirements.

Additional energy conservation measures include: (1) locating the home on the northern portion of the sunniest location of the site; (2) designing the structure to admit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions; (3) locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face; and (4) making the main entrance a small enclosed space that creates an air lock between the building and its exterior; orienting the entrance away from winds; or using a windbreak to reduce the wind velocity against the entrance.

The City assists lower income households with energy conservation improvements. The City's Housing Rehabilitation Loan Program (HRLP) covers weatherization improvements as eligible activities and with the new HOME grant funds. The guidelines have been revised to encourage homeowners to incorporate the list of green improvements into these projects.

Additionally, the City promotes and provides through its Energy Conservation Program, referrals to local programs including CSET, Proteus, Edison and other agencies for energy conservation and residential weatherization opportunities. The program extends into the City's Housing Rehabilitation Loan program to require the use of recycled materials whenever possible and energy efficient appliances and equipment. Contractors that bid on HRLP projects must complete a City provided "Green Improvements" checklist with their bids for a project.