

Chapter Three: Housing Element

All California cities and counties are required to have a housing element included in their General Plan which establishes housing goals, policies and programs in response to community housing conditions and needs. This Housing Element has been prepared to respond to current and near-term future housing needs in Hollister. It contains updated information and strategic directions (policies and specific actions) that the City is committed to undertaking to address its housing needs.

HOLLISTER TODAY

The City of Hollister is the County Seat and the largest city in San Benito County, with 65% of the county population. San Benito County is situated in the Central Coast region of California, about 100 miles southeast of San Francisco, 40 miles east of Monterey and 300 miles north of Los Angeles. While agriculture continues to be the predominant economic activity in the county, development pressure is changing the rural character of the area. The county is increasingly becoming a bedroom community of the more industrialized San Francisco Bay Area counties to the north. During the 1990's, San Benito County was the fastest growing county in California. The majority of that growth has been concentrated in Hollister.

The rise in population has created a strong demand for housing which has resulted in significant housing price increases. With the increasing cost of housing has come a severe shortage of affordable housing, especially for lower and moderate income households. Thus, housing affordability in Hollister and the county as a whole has become an increasingly important issue.

The City's character has also changed dramatically since the last Housing Element was adopted in 1993. This affects the appropriateness and viability of the City's housing policies and programs (see Appendix A for an evaluation of 1993 Housing Element programs). The significant amount of new development has resulted in the loss of agricultural land and has created severe constraints upon the City's infrastructure. Primary commuter roadways, such as Highway 25, have become congested and more hazardous. Wastewater capacity issues have resulted in a moratorium for any development requiring new service connections. The moratorium will not be lifted until improvements are completed to increase capacity.

The community's attitude toward the types, quantity and quality of new development has changed significantly since the mid-1990's. In November 2002, Hollister voters enacted a growth cap initiative that limits new residential development to 244 homes per year. Similar growth cap ordinances have either been enacted or are being considered in other jurisdictions in San Benito County.

The Role of the Housing Element

The primary challenge of Hollister's Housing Element is to properly address local housing needs while ensuring that new housing will "fit-in" with the character, quality, environmental constraints and resources of the community. Questions include:

- What Kind of Housing Does Hollister Need? What kind of housing (size, type, location and price) best fits with workforce housing needs, household characteristics, and ability to pay for housing?
- Where Can Hollister Appropriately Put New Housing? Where in the community can additional residential units be accommodated, especially for very low, low, and moderate income households?
- How Can the City Work Effectively with Housing Partners? What can the City do--in collaboration with community organizations, other agencies, nonprofits, and for-profit developers--to encourage the construction of needed workforce and special needs housing?

- How Can the City Help Special Needs Groups? What can be done to assist those households with special needs including, but not limited to the elderly and people living with physical or emotional disabilities?

KEY FINDINGS AND RECOMMENDATIONS

In the past ten years, Hollister's population increased by nearly 80%, from 19,212 residents in 1990 to 34,314 in 2000, at an annualized growth rate of 6%. During that same period, the number of housing units increased by nearly 60%. Much of the increase in population can be attributed to an influx of people moving from surrounding counties, particularly Santa Clara County, where housing prices and median income are significantly higher. As a result, a dramatic change in commuting patterns has occurred, and nearly half of all Hollister residents are now commuting to areas outside of San Benito County for employment. These changes have significant impacts on housing production, needs, and affordability.

Past and Future Housing Production

Overproduction of single family homes

Hollister experienced a housing boom in the 1990s that resulted in a significant amount of new single family development. About 80% of all the homes in Hollister are single family houses. Since only above-moderate income families can afford to purchase these homes, many of Hollister's residents can't find affordable housing. The City needs more duplexes, condominiums, and apartments in order to provide a variety of housing types to fit all kinds of budgets.

Hollister will continue to grow

The population of Hollister increased dramatically over the past decade. The population is expected to continue to grow, but at a

slower rate of about 3% per year. The City is becoming increasingly urbanized as agriculture becomes less integral to the local economy. More change is inevitable, and the City needs to plan for that change.

Housing Affordability

Market rate rental housing is generally not affordable to very low-income households

One quarter of the households currently residing in Hollister are either very low or extremely low income (earning less than \$33,550 for a family of four based on 2003 Income Limits). About 70% of these households are spending more than 30% of their income on housing costs and are considered to be overpaying for their housing. New construction for very low households usually must rely on multifamily projects with some public subsidy.

Market rate ownership housing is generally not affordable to lower and moderate-income households

Even moderate-income residents (earning between \$53,700 and \$80,500 per year for a family of four) are having a hard time finding affordable housing to own in Hollister. About 40% of these households overpay for housing, too.

Single-family homes are only affordable to above moderate-income households

The median price of a conventional single-family home in Hollister was \$383,000 in 2003. An income of \$96,000 would be needed to purchase a typical single-family home. The median priced condominium or townhouse in Hollister sold for \$250,000 in 2003. An income above \$63,000 per year would be needed to purchase a condominium or townhouse in Hollister in 2003.

Diversity of Households and Housing Needs

Family sizes are large

The average household in Hollister has 3.53 persons. Hollister has one of the highest average household sizes in the state. Large families needed larger homes with 3 or 4 bedrooms.

A significant number of homes are overcrowded

The high cost of housing is forcing many families to double up and live in overcrowded conditions. Over one-quarter of all rental housing is overcrowded, meaning that there is more than one person to each room.

Senior housing need

About 13% of Hollister's residents are seniors, and a majority of them are lower-income. Many seniors have special housing needs, such as the need for smaller and more efficient housing. Typical housing to meet the needs of seniors includes smaller homes and second units for independent living as well as assisted living facilities and nursing homes. As more and more baby boomers enter their senior years, the need for senior housing will continue to increase in Hollister.

Farmworkers housing need

Although agriculture is declining within the City, a significant number of farmworkers live in Hollister. Farmworkers earn some of the lowest wages relative to other workers and most live well below the poverty line. Many farmworkers live in overcrowded housing conditions in Hollister, and some live in substandard and illegal units. While some farmworkers are migrant workers who need temporary housing, many are permanent residents. There is a need for more transitory housing as well as low-cost housing for year-round workers.

Specialized housing needs

Seniors, farmworkers, the homeless, and the disabled all have special housing needs that need to be considered when planning for more housing in the community.

Affordable Housing Types Needed

Affordable small-sized rental housing units are needed

Single person households (seniors and younger person households) will require affordable studio and one-bedroom units and single-room occupancy units.

Hollister needs more affordable family housing

Large families, new families, and single parents need affordable family housing with three and four bedrooms.

Affordable smaller for-sale housing units are needed

Smaller units can be affordable to lower income and moderate income. Developers should be encouraged to build these types of units.

More rental housing units are needed in Hollister

Market rate rentals of all types are generally affordable to low-income households. More rentals can help to meet the housing needs of these residents.

Key Housing Strategies

A. Enhance existing housing and neighborhoods

Hollister's neighborhoods should be preserved and strengthened so that they continue to improve over time, and be proactive as new housing is developed so that changes continue to enhance Hollister, making it an ever-increasingly attractive place to live. Policies on design for multifamily housing will help to ensure enhancement of neighborhood identity and sense of community so that new housing will have a sensitive transition of scale and compatibility with the surrounding neighborhood.

B. Continue to provide for affordable housing funding

The City's Redevelopment Agency provides low-interest loans for first-time homebuyers needing money for a down payment and for low-income residents needing money to rehabilitate their homes. The Redevelopment Agency has also provided funding for several affordable housing developments in Hollister. Redevelopment funding should continue to address the affordable housing needs of the community, especially for very low-income people who are having the hardest time finding affordable housing in Hollister.

C. Designate land for multi-family housing and for housing mixed with non-residential land uses

There is plenty of land available for development in and around Hollister, but most of it is reserved for single family housing. About 88% of the land within Hollister's city limits is currently zoned for single-family housing. Land needs to be zoned for multi-family housing so lower-income people can find a place to call home. Mixed use areas, especially in and around the downtown area, will support multiple City objectives for economic development.

D. Create partnerships

Resources for effective partnerships involving neighborhoods, businesses, civic and service organizations, and the County in addressing housing needs should be assembled. Housing policies should be written so that affordable housing is targeted to a variety of economic levels, integrated into projects and dispersed throughout the community.

E. Require developers to provide a portion of new units for lower and moderate income households

Affordability requirements in new housing developments should be broadened by establishing a requirement that a percentage of affordable units be built in projects of seven units or more.

F. Address growth and infrastructure needs to be able to meet the City's Regional Housing Needs Determinations

Housing policies must be integrated with related issues such as land use, design, traffic capacity, economic development, adequate infrastructure, and others.

G. Encourage appropriately designed second units

Second units shall be encouraged as a means of dispersing small, affordable units throughout the community by modifying zoning regulations and processing requirements. Second units can provide a significant source of affordable housing. Often smaller than typical homes, second units can provide housing for younger persons, seniors, single parents, and lower-income people. They can also provide a source of income for the owner of the main home, making housing more affordable for the homeowner as well.

HOUSING ELEMENT GOALS AND POLICIES

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be rehabilitated, conserved, or constructed. Policies and programs establish the strategies to achieve these objectives. The City's quantified objectives are described under each program. Assumptions are based on past program performance, infrastructure constraints, construction trends, land availability, and anticipated future program funding. A timeline and description of the City's housing policies and implementing measures are included in the matrix and organized according to the following goals (See the Appendix for a Summary of Housing Element Programs and Objectives).

<i>GOAL H1</i>	Work together to build a sense of community and achieve housing goals.
<i>GOAL H2</i>	Maintain and enhance existing housing and blend well-designed new housing into neighborhoods and communities.
<i>GOAL H3</i>	Use land efficiently to encourage a diversity of housing types and to implement “smart” and sustainable development principles.
<i>GOAL H4</i>	Develop affordable housing opportunities.
<i>GOAL H5</i>	Provide housing for special needs populations.

GOAL H1	Work together to build a sense of community and achieve housing goals.
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	Policies	Lead Responsibility	Time Frame	Implementation Measures
H1.1	Local Government Leadership Establish affordable housing as a citywide priority, with local government taking a proactive leadership role in working with community groups and other agencies on identified housing element implementation actions in a timely manner.	City Council Redevelopment Agency	5 years On-going	Update the housing element regularly [H.BB] Prepare information and conduct outreach on housing issues [H.PP]
H1.2	Community Participation in Housing and Land Use Plans Assure effective and informed public participation from all economic segments of the community in the formulation and review of housing and land use issues, policies, and programs.	Planning	On-going	Facilitate the establishment of neighborhood associations [H.JJ]
H1.3	Managed Growth that Meets Regional Housing Needs Determinations Manage new growth and assure orderly development of vacant land while expanding public services and infrastructure to meet housing need. Assure that a growth management program does not preclude the City's ability to meet affordable housing goals for lower and moderate-income households.	Planning	5 years	Modify the growth control ordinance after the expiration of Measure U [H.DD]

GOAL H1	Work together to build a sense of community and achieve housing goals.
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	Policies	Lead Responsibility	Time Frame	Implementation Measures
H1.4	Timing of Housing and Infrastructure Continue to support the timing of new housing with needed infrastructure improvements.	Public Works	1 year	Expand sewer and water system capacity to meet housing needs [H.B]
H1.5	Equal Housing Opportunity Ensure equal housing opportunities for individuals and families seeking housing in Hollister are not discriminated against on the basis of race, color, religion, marital status, disability, age, sex, family status (due to the presence of children), national origin, or other arbitrary factors, consistent with the Fair Housing Act.	Redevelopment Agency Redevelopment Agency Redevelopment Agency	On-going 2 years 2 years	Respond to fair housing complaints [H.RR] Disseminate fair housing information [H.M] Adopt an anti-discrimination ordinance [H.K]
H1.6	Monitoring, Evaluation and Revisions Establish a regular monitoring and update process to assess housing needs, opportunities, and achievements, and modify policies, programs and resource allocations as needed.	Redevelopment Agency City Council Planning	On-going 5 years On-going	Implement monitoring systems [H.LL] Update the housing element regularly [H.BB] Conduct an annual housing element review [H.GG]
H1.7	Legislative Efforts Work with other jurisdictions in San Benito County and the surrounding area to support key legislation that assists cities in providing affordable housing consistent with the General Plan.	Redevelopment Agency	On-going	Prepare information and conduct outreach on housing issues [H.PP]

GOAL H2	Maintain and enhance existing housing and blend well-designed new housing into neighborhoods and communities.
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	Policies	Lead Responsibility	Time Frame	Implementation Measures
H2.1	Housing Design Process Review proposed new housing to achieve excellence in development and design through an efficient project review process.	Planning Commission	2 years	Adopt criteria for use in design review and refine the design review process [H.L]
H2.2	Design that Fits into the Neighborhood Context Enhance neighborhood identity and sense of community by designing new housing with a sensitive transition of scale and compatibility with the surrounding neighborhood.	Planning Commission	2 years	Adopt criteria for use in design review and refine the design review process [H.L]
H2.3	Housing Design Principles Provide stable, safe, and attractive neighborhoods through high quality architecture, site planning, and amenities that address the following principles: a. Building Bulk Requirements b. Street Patterns c. “Sense of Place” d. Visual Impact of Parking and Garages e. Quality Building Materials	Planning Commission	2 years	Adopt criteria for use in design review and refine the design review process [H.L]

GOAL H2	Maintain and enhance existing housing and blend well-designed new housing into neighborhoods and communities.
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Policies	Lead Responsibility	Time Frame	Implementation Measures
H2.4 Resource Conservation Promote development and construction standards that provide resource conservation by encouraging housing types and designs that use cost-effective energy conservation measures and fewer resources (water, electricity, etc.) and therefore cost less to operate over time, supporting long-term housing affordability.	Planning Building	5 years On-going	Publicize energy conservation programs [H.AA] Apply Title 24 requirements [H.FF]
H2.5 Renewable Energy Technologies Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.	Building Planning	On-going 3 years	Promote solar design [H.TT] Encourage "green" building standards and processes [H.Q]
H2.6 Maintenance and Management of Quality Housing Support good management practices and the long-term maintenance and improvement of existing housing through housing and building code enforcement, and rehabilitation loan assistance for low and moderate income homeowners and rental property owners with lower income tenants. Make the most effective use of rehabilitation loan funds by prioritizing their use to meet the greatest need.	Building Redevelopment Agency	On-going 5 years	Link code enforcement with public information programs [H.NN] Assist in maximizing use of rehabilitation loan programs [H.V]

GOAL H3	Use land efficiently to encourage a diversity of housing types and to implement “smart” and sustainable development principles.
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Policies	Lead Responsibility	Time Frame	Implementation Measures
H3.1 Variety of Housing Choices Achieve a mix of housing types, densities and designs to provide choice in owner and renter housing, small and large units, single and multifamily housing, housing close to jobs and transit, mixed use housing, varying affordability levels, mobile homes and manufactured housing, assisted living and supportive housing, and other housing types.	Planning Planning	5 years 2 years	Establish mixed-use development standards [H.W] Implement zoning amendments for mobile and manufactured homes [H.N]
H3.2 General Plan and Zoning for Housing Maintain an adequate supply of land designated for all types of residential development to meet the regional housing need. Within this total, maintain a sufficient supply of land for multi family housing and mixed use housing to meet the quantitative housing need for very low, low and moderate income housing units.	Planning Planning	1 year On-going	Prepare land use plans to facilitate multi-family infill housing [H.C] Identify new sites for multi-family infill housing when opportunities arise [H.KK]

GOAL
H3 Use land efficiently to encourage a diversity of housing types and to implement “smart” and sustainable development principles.

	Policies	Lead Responsibility	Time Frame	Implementation Measures
H3.3	Efficient Use of Housing Sites and Establishment of Minimum Densities Approve well-designed projects at the mid to high range of general plan densities; do not approve development below minimum designated General Plan densities unless physical or environmental constraints preclude its achievement. If development on a site is to occur over time require applicants to show that proposed developments do not prevent subsequent development of the site to its minimum density.	Planning	1 year	Prepare land use plans to facilitate multi-family infill housing [H.C]
H3.4	Development Standards Allow for flexibility in applying development standards, such as FAR, height limits, density, and parking, based on the location and design of the development, compatibility with adjacent uses, and the type, size, and income levels of the occupants of the housing; recognize that smaller, more affordable housing near transit and services will generate fewer trips and area-wide impacts and will require less parking.	Planning	On-going	Identify new sites for multi-family infill housing when opportunities arise [H.KK]

GOAL H3	Use land efficiently to encourage a diversity of housing types and to implement “smart” and sustainable development principles.
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Policies	Lead Responsibility	Time Frame	Implementation Measures
H3.5 Impact and Planning Fees Reduce and/or defer fees for lower income housing to the extent possible and when possible, and encourage other agencies to also do so.	Planning	1 year	Revise impact and planning fees [H.F]
H3.6 Mixed Use Housing Promote and provide incentives for well-designed mixed use residential/non-residential developments in areas that allow mixed uses, where residential use is appropriate to the setting, and development impacts can be mitigated. Allow residential use as part of mixed use projects, particularly Downtown.	Planning	5 years	Establish mixed-use development standards [H.W]
H3.7 Employee Housing Encourage employers developing large projects (100+ employees) to provide housing opportunities for their employees onsite or offsite.	Planning	1 year	Prepare land use plans to facilitate multi-family infill housing [H.C]

GOAL H3	Use land efficiently to encourage a diversity of housing types and to implement “smart” and sustainable development principles.
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Policies		Lead Responsibility	Time Frame	Implementation Measures
H3.8	Second Units Encourage additional well-designed second units as a desired use in all residential neighborhoods throughout the City by simplifying permit review and encouraging that in new subdivisions over 10 units a portion of the lots construct a second dwelling unit by creating appropriate incentives. Consistent with State housing law, exempt second dwelling units from area density calculations.	Planning Planning	5 years 5 years	Provide information on second units for homeowners [H.Z] Modify second unit development standards and permit process [H.X]
H3.9	Encourage Site Planning Conducive to Physical Activity. Encourage design and site planning of residential developments that have features and amenities that support physical activities.	Planning	Ongoing	Prepare land use plans to facilitate multi-family infill housing [H.C]

GOAL
H4

Develop affordable housing opportunities.

Policies		Lead Responsibility	Time Frame	Implementation Measures
H4.1	Fair Share Promote a “fair share” of well designed affordable and varied housing in all neighborhoods throughout the City.	City Council	1 year	Establish inclusionary housing regulations [H.A]
H4.2	Protection of Existing Affordable Housing Ensure that affordable housing provided through government subsidy programs, incentives and deed restrictions will remain affordable, and intervene when necessary to help preserve such housing.	Redevelopment Agency	5 years	Protect “at risk” units [H.Y]
H4.3	Density Bonuses and Other Incentives for Affordable and Special Needs Housing Developments Support and expand the use of density bonuses and other incentives to help achieve housing goals while ensuring that potential impacts are considered and mitigated.	Planning Planning	On-going On-going	Apply density bonus zoning and other incentives for affordable housing development [H.EE] Facilitate development at key housing sites [H.II]

GOAL
H4
Develop affordable housing opportunities.

Policies	Lead Responsibility	Time Frame	Implementation Measures
H4.4 Inclusionary Housing — Overall Approach To increase affordable housing construction, require residential developments involving seven or more units to provide a percentage of units affordable to very low, low and moderate income households. (The units provided through this policy are intended for permanent occupancy and must be deed restricted, including but not limited to single family housing, multi-family housing, condominiums, townhouses, stock cooperatives or land subdivisions.)	City Council	1 year	Establish inclusionary housing regulations [H.A]

GOAL H4	Develop affordable housing opportunities.
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Policies		Lead Responsibility	Time Frame	Implementation Measures
H4.5	Options for Meeting Inclusionary Requirements. Establish the primary intent of the City’s inclusionary requirement as the construction of new units on-site, with the focus being multi-family housing developments with deed restrictions to support long periods of affordability or the provision of second units within single-family developments. Establish the second priority for meeting inclusionary requirements as the construction of units off-site or the transfer of land and sufficient cash to develop the number of affordable units required nearby. If these options are not practical, then consider other alternatives of equal value such as in-lieu fees or rehabilitation of existing units.	Redevelopment Agency Finance	3 years On-going	Participate in the creation of a nonprofit affordable housing organization [H.U] Implement plan to expend funding resources [H.MM]
H4.6	Inclusionary Housing — Income Levels Use inclusionary zoning requirements to target very low or low income rental units and low or moderate income ownership units.	Redevelopment Agency	3 years	Participate in the creation of a nonprofit affordable housing organization [H.U]

GOAL
H4 **Develop affordable housing opportunities.**

Policies	Lead Responsibility	Time Frame	Implementation Measures
H4.7 Payment of “In-Lieu” Fees Accept payment of in-lieu fees only be when it is determined that transfer of land and/or dedication of units would provide fewer affordable housing units than could be obtained by the expenditure of “in-lieu” fees on affordable housing development. Calculate fees on the basis of the cost for unit development (land and improvements).	Finance	On-going	Implement plan to expend funding resources [H.MM]
H4.8 Long-Term Housing Affordability Establish resale controls and rent and income restrictions to ensure that affordable housing provided through incentives and/or inclusionary programs and as a condition of development approval remains affordable over time to the income group for which it is intended. Implement long-term or in perpetuity agreements and/or deed restrictions with developers to govern the affordability of such units. Provide assurance through recorded agreements and monitor their continuing affordability.	Redevelopment Agency Redevelopment Agency	5 years 1 year	Protect “at risk” units [H.Y] Establish resale controls and rent and income limits [H.G]

GOAL
H4

Develop affordable housing opportunities.

Policies		Lead Responsibility	Time Frame	Implementation Measures
H4.9	City Actions to Achieve Affordable Housing Goals Utilize the unique powers of the City's Redevelopment Agency and other means to assist in achieving the City's housing goals, especially housing for lower income households.	Planning	On-going	Facilitate development at key housing sites [H.II]

**GOAL
H5**
Provide housing for special needs population.

Policies	Lead Responsibility	Time Frame	Implementation Measures
H5.1 Special Needs Groups Actively promote the development and rehabilitation of housing to meet the needs of special needs groups, including the needs of seniors, people with disabilities, farmworkers, the homeless, people with HIV/AIDS and other illnesses, people in need of mental health care, single parent families, large families, and other persons identified as having special housing needs.	Planning	On-going	Monitor special needs housing [H.OO]
H5.2 Provision of Affordable Housing for Special Needs Households Provide opportunities through affordable housing programs and incentives for a variety of affordable housing to be constructed or acquired for special needs groups, including assisted housing and licensed board and care facilities.	Planning	On-going	Monitor special needs housing [H.OO]
H5.3 Density Bonuses for Special Needs Housing Given the potential for less parking and traffic generation, use density bonuses to assist in meeting special housing needs for lower income elderly and persons with disabilities.	Planning	On-going	Monitor special needs housing [H.OO]

**GOAL
H5**

Provide housing for special needs population.

Policies	Lead Responsibility	Time Frame	Implementation Measures
H5.4 Group Residential Care Facilities Support the provision of residential care facilities for special needs persons provided they are based on suitable standards and help meet needs. Allow small facilities in all residential areas, while larger facilities should be permitted by use permit where the use would be compatible with the surrounding area.	Planning Commission	3 years	Modify residential care facility zoning [H.T]
H5.5 Emergency Housing Assistance for the Homeless Participate and allocate funds, as appropriate, for County and nonprofit programs providing emergency shelter and related counseling services.	Redevelopment Agency	On-going	Provide emergency housing assistance [H.QQ]
H5.6 Farmworker Housing Continue to work with the County to find solutions to farmworker housing needs and support efforts and provide assistance to develop appropriate solutions to providing temporary or permanent affordable farmworker housing.	Planning Commission	3 years	Establish zoning for farmworker and ranch hand housing [H.S]

**GOAL
H5**
Provide housing for special needs population.

Policies	Lead Responsibility	Time Frame	Implementation Measures
H5.7 Reasonable Accommodation for People with Disabilities Ensure equal access to housing for people with disabilities and provide reasonable accommodation for people with disabilities in the City's rules, policies, practices and procedures related to zoning, permit processing and building codes.	Planning Commission City Council Building	3 years 2 years On-going	Modify residential care facility zoning [H.T] Adopt a reasonable accommodation ordinance [H.J] Respond to requests for reasonable accommodation and disseminate information [H.SS]

IMPLEMENTATION MEASURES

1-Year Time Frame

H.A Establish inclusionary housing regulations

Consistent with Housing Element policies H4.4 through H4.7, amend the Zoning Ordinance to include Inclusionary Housing requirements for residential projects, including development of specific income targets and an "in-lieu" fee formula. Guidelines for development of an inclusionary program need to meet specific legal tests, but could include:

- a. Establishment of an in-lieu fee for residential projects involving fewer than 7 units.
- b. All residential projects of 7 or more units will be required to provide units at a rate of 20 percent affordable.
- c. Second units may be considered as partial or total fulfillment of the inclusionary requirement if site-specific conditions warrant such consideration. In such events, the total square footage of the second units shall represent 20 percent of the total square footage of the development.
- d. Some flexibility is desirable in implementing this program, depending on the size of units (number of bedrooms), affordability, and consideration of very low, low and moderate income housing need.
- e. Apply inclusionary requirements to licensed care facilities.
- f. Payment of in-lieu fees, or for fractional unit requirement, shall be at a rate adequate to create the affordable units off-site.

H.B Expand sewer and water system capacity to meet housing needs

Develop a long-term wastewater treatment program that allows the City to resume construction activity and provides adequate capacity to meet projected housing needs. Identify additional water sources in order to provide adequate water for the additional development projected under the General Plan (see programs in the Community Services and Facilities Element).

Pursuant to the Regional Water Quality Control Board Cease and Desist Order R3-2002-0105, the City of Hollister cannot issue building permits for any development that will increase use of capacity at the City's Wastewater Treatment Facility. The City has been working with San Benito County and the San Benito County Water District to develop a Water and Wastewater Master Plan for the areas within and around the City of Hollister. As part of this plan, the City of Hollister Wastewater Treatment Facility will be identified as the primary facility to serve this area. It is anticipated that this plan will be completed in late 2006 and the City of Hollister Wastewater Treatment Facility Improvements are scheduled for completion in December 2007.

Eight to six months prior to the lifting of the RWQCB Cease and Desist Order, the City Council will act on a development schedule for all projects that have received allocations or are otherwise exempt from the City's growth ordinance. The City will also act on a schedule for the processing of building permits, final maps and tentative maps. The goal of this schedule shall be to address staffing needs and to start processing development requests in anticipation of the lifting of the RWQCB Order so that the first phase of development permits can be issued once the order is lifted. Preference shall be given to projects that are 100% affordable.

Implementation is expected to occur between April and June 2007. Issuance of 300 to 500 building permits for new dwelling units is expected to occur within a year after the RWQCB Cease and Desist Order is lifted and 220 to 320 for the subsequent years until the reserve allocations are exhausted.

H.C Prepare land use plans to facilitate multi-family infill housing

While preparing the General Plan, identify areas meeting appropriate criteria for higher density zoning. Land use plans should consider the following:

- a. Use environmental assessments to expedite processing for infill and affordable housing developments.
- b. For key housing opportunity sites and areas, identify specific housing use and design objectives, and then incorporate fast track process provisions for subsequent projects that are consistent with the plan.
- c. Identify the mix of uses, minimum density standards, density bonuses, or a percentage of affordable units (sites should be rezoned at sufficient densities to create incentives for housing production within the 5-year timeframe of the housing element).
- d. Prepare area-wide or specific plan environmental baseline data and assessment of development impacts under maximum development scenarios as a way to assess area-wide impacts and required mitigation.
- e. Establish objectives and commitments in community and neighborhood plans so that project-specific review can focus on site-specific issues such as design.
- f. Link plans to be consistent with CEQA exemptions and expedited review, consistent with CEQA Section 15332.
- g. Provide clear guidelines and incentives for the development of housing in conformance with current State laws and to identify specific ways to streamline processing for subsequent development proposals.

H.D Modify the zoning ordinance to encourage affordable housing

The City will implement the following Zoning Ordinance changes by April 2007 in order to support the development of affordable housing in the City, and especially for lower income housing that will meet the RHNA:

- a Reduce the minimum parcel size for lots containing second units within the residential districts within, and adjacent to the City's downtown.
- b Create a new residential zoning district that includes a minimum new parcel size of 5,000 sq. ft. and permits zero lot line development on 4,000 sq. ft. lots.

- c Create a new Mixed-Use Zoning District that sets development standards for residential development with a minimum of 1 dwelling unit per 5,000 sq. ft. of commercial space.
- d Consider in-lieu fees or reduced parking requirements for high-density development projects and residential dwellings in the Downtown Commercial/Mixed-Use District.
- e Rezone properties to comply with the 2005 General Plan.

The City anticipates the development of 50 new second dwelling units in 2008 to 2009. An additional 30 to 40 dwellings units would be expected to be developed in the City's Downtown Commercial/Mixed-Use Designation.

H.E Modify the zoning ordinance to give priority to encourage lot consolidation for affordable housing

The City will develop criteria and mechanisms to encourage lot consolidation that increases development flexibility and to help achieve the City's affordable housing goals.

H.F Revise impact and planning fees

Assess the feasibility of establishing fees on a sliding scale so that smaller units, including multi-family and second units, are charged lower fees while maintaining adequate funding levels for infrastructure and public services. Complete feasibility study by January, 2007; implement recommended impact and planning fees by June, 2007.

H.G Establish resale controls and rent and income limits

Through the City's Redevelopment Agency, implement resale regulations for very low, low and moderate-income units and assure that these units remain at an affordable price level. Identify an appropriate nonprofit or government agency to manage affordable rental housing created through the inclusionary program.

2-Year Time Frame

H.H Increase allocations for affordable housing

The City will increase the number of allocations reserved for affordable, senior and special needs housing from 40 to 60.

H.I Implement the growth management ordinance to give priority to affordable housing

The City will develop rating criteria for the Growth Management Ordinance by September 2007 to give priority to projects that include affordable housing. The weighting for affordable housing should increase based on the percentage of the project that will be affordable and for varying degrees of affordability.

H.J Adopt a reasonable accommodation ordinance

Adopt an ordinance that includes a procedure for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices and procedures of the City.

H.K Adopt an anti-discrimination ordinance

The City will adopt an Anti-Discrimination Ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.

H.L Adopt criteria for use in design review and refine the design review process

Adopt design criteria that will establish consistent development review for use by applicants, the community, staff and decision-makers in order to:

- a. Define clearly the purview and purpose of the "design review" process, issues and decisions.
- b. Create a simple and streamlined process for non-controversial projects.

- c. Provide public handouts and train planners and design review members on the design review process and criteria to be used in reviewing projects.
- d. Clarify which types of projects can have final (and exclusive) approval at the design review level, either with a design review board or with staff, subject to adequate noticing and appeal procedures (such as second units, house additions, etc.).

The principles that drive the criteria are:

- a. **Building Bulk Requirements.** In multi-unit buildings, require designs to break up the building mass and reducing bulk, including the use of upper story stepbacks and landscaping. Ensure a human scale in new development, and when possible create multi-family buildings that have the appearance of single-family homes. Windows, doors and exterior treatment, for example, are an important element of building design and are an indicator of overall building quality.
- b. **Street Patterns.** Incorporate transitions in height and setbacks from adjacent properties to respect adjacent development character and privacy. Design new housing so that it relates to the existing street pattern and creates a sense of neighborliness with surrounding buildings.
- c. **Enhance the "Sense of Place."** Design new housing around natural and designed focal points, through direct pedestrian, transit or automobile connections. Respect existing landforms, paying attention to boundary areas and effects on adjacent properties.
- d. **Minimize the Visual Impact of Parking and Garages.** Encourage driveways and garages to be located to the side of buildings and recessed, or along rear alleyways or below the building in some higher density developments. Discourage home designs in which garages dominate the public façade of the home.
- e. **Use Quality Building Materials.** Building materials should be high quality, long lasting, durable and energy efficient.

H.M Disseminate fair housing information

The Redevelopment Project Manager is the designated Equal Opportunity Coordinator in Hollister and will ensure that written materials regarding fair housing law are provided at various public locations in the City and that information regarding fair housing agencies and phone numbers is posted on the City's website and at City Hall, the Post Office, and local transit locations where feasible. The Redevelopment Project Manager will provide information to real estate professionals, property owners and tenants on their rights, responsibilities, and the resources available to address fair housing issues.

H.N Implement zoning amendments for mobile and manufactured homes

Comply with State Government Code by amending the Hollister Zoning Ordinance to establish mobile and manufactured homes on foundations as permitted uses in residential zones, subject to the City's Design Review guidelines and other applicable zoning standards.

H.O Develop an amnesty program for second units

The City will develop an amnesty program by June 2007 to legalize existing unauthorized dwelling units within the City residential zoning districts that have been in existence for 10 or more years. This program will allow some exceptions to the City zoning and building standards but will require units to comply with health and life safety standards. The City anticipates 50-100 dwelling units to be retained and upgraded between 2007 and 2009.

H.P Inventory vacant buildings in the Downtown

The City/Redevelopment Agency will inventory vacant buildings in the downtown and develop a program to provide financial assistance for the provision of affordable dwelling units within the Downtown Commercial /Mixed Use Designation.

3-Year Time Frame

H.Q Encourage "green" building standards and processes

Adopt a "Green Building Program" to encourage the use of green building materials and energy conservation.

H.R Establish zoning for emergency shelters and transitional housing facilities

Identify zoning districts where emergency shelters and transitional housing could be allowed subject to the requirement for a Use Permit. Establish standards for locating shelters and include recommended Zoning Ordinance amendments to implement recommendations. Adoption hearings will be conducted.

H.S Establish zoning for farmworker and ranch hand housing

Facilitate the approval of Farmworker and Ranch Hand housing by identifying where it is allowed, establishing applicable zoning regulations and standards, and allowing this type of housing without rezoning.

H.T Modify residential care facility zoning

Establish Residential Care Facility (RCF) zoning and apply inclusionary requirements to all licensed facilities. The zoning ordinance shall be amended to permit group residential in appropriate zoning designations per the general plan, review of parking standards, and review of other requirements for these uses.

H.U Participate in the creation of a nonprofit affordable housing organization

The City will facilitate the creation of a local nonprofit entity to assist in achieving the City's housing goals and implementing programs, and to undertake other implementation actions.

5-Year Time Frame

H.V Assist in maximizing use of rehabilitation loan programs

Publicize low-income homeowners assistance for housing rehabilitation and the availability of other funding mechanisms to help with home upkeep and maintenance, such as reverse mortgages for seniors on fixed incomes. Utilize Redevelopment Agency funds that are available for rehabilitation purposes. Facilitate greater participation in the program by increased advertising and by encouraging resident participation.

H.W Establish mixed-use development standards

Assess impediments and create incentives for mixed-use housing development, including changes to zoning and development code standards to make possible affordable housing development in mixed-use zones, such as second and third stories on buildings with commercial use at ground level and offices and housing above. Provide the following incentives:

- a. Provide flexibility in applying parking standards based on the development's location and the type and size of the housing units, and allow commercial and residential users to 'share' parking requirements.
- b. Award height limit bonuses, especially in Downtown.
- c. Allow flexibility in applying development standards (FAR, lot coverage) based on the location, type, and size of the units, and the design of the development.
- d. Encourage housing by allowing the residential component of a mixed use development to be 'additive' rather than within the established FAR for that zone.
- e. Allow tandem parking or off-site parking leases.
- f. Review Public Works, Building, Housing and Fire standards to reduce or eliminate impediments to mixed-use development where it is possible and appropriate.

H.X Modify second unit development standards and permit process

Encourage the development of affordable second units in single-family residential districts by adopting new second unit development standards and permit processing procedures in compliance with AB 1866. Establish second units as a permitted "use by right" when the single family lot, primary structure and second unit meet all of the zoning and building development standards established for the zoning district in which they are located. Below are specific items to review and consider modifying in regard to second unit development requirements:

- a. Limit the size of second units to a minimum of 150 square feet and a maximum of 850 square feet to maintain affordability.
- b. Reduce the minimum lot size requirement to allow second units on all lots zoned for single-family use.
- c. Provide for ministerial review of the second unit application at the staff level.
- d. Establish clear design review criteria that can be applied in an objective manner to allow for attractively designed and sited detached second units.
- e. Reduce per unit fees in recognition of the small size and low impacts of second units.
- f. Allow higher height limits, in limited circumstances and consistent with design policies, to permit units over detached garages.
- g. Provide flexibility in the parking standard for second units depending on the neighborhood setting. At a maximum, require one off-street parking space per studio unit or per bedroom.
- h. Require owner occupancy of either one of the units.

H.Y Protect "at risk" units

Identify assisted properties at risk of conversion to market rates and work with property owners and other parties to ensure that they are conserved as part of the City's affordable housing stock. Identify funding sources and timelines for action.

H.Z Provide information on second units for homeowners

Provide marketing and educational assistance to homeowners and develop a guide for homeowners explaining the benefits, "best practices" and procedures for adding a second unit.

H.AA Publicize energy conservation programs

Provide public information on alternative energy technologies for residential developers, contractors and property owners. Publicize energy conservation programs and weatherization services that are available to provide subsidized or at cost inspection and corrective action by making information available through websites and newsletters.

H.BB Update the housing element regulatory

Undertake housing element updates as needed, including an update to occur no later than June 2009, in accordance with State law requirements.

H.CC Annex up to 50 acres of land for residential development

Within 5 years of the lifting of the RWQCB Cease and Desist Order, the City of Hollister shall seek to annex up to 50 acres of land designated for Medium and High Density Residential Development and located within the City's 2005 Sphere of Influence, with minimum development densities of 10 dwelling units per acre for the Medium Density development and 25 dwelling units per acre for the High Density developments. This will facilitate the development of 500 to 800 dwellings affordable to lower and moderate incomes. The City expects this action to occur between January 2009 - 2013.

H.DD Modify the growth management ordinance after the expiration of Measure U

Within six months of the expiration of Measure U, the City will consider amending the Growth Management Ordinance to exempt very low and lower-income affordable housing units and new dwelling units in the Downtown Commercial/Mixed-Use Designation. Implementation is expected to occur 5-years after the RWQCB Cease and Desist Order is lifted. (Anticipated date - January 2013).

On-Going Time Frame

H.EE Apply density bonus zoning and other incentives for affordable housing development

Encourage an increase in the supply of well-designed housing for very low, low and moderate-income households. Provide the following possible financially equivalent incentives for developments containing a significant percentage of very low or low-income units on-site:

- a. **Density Bonus.** Offer density bonuses of at least 25 percent and at least one other incentive consistent with the State Density Bonus Law (Government Code Section 65915), for developments that include at least: (a) 20 percent of the units for lower-income households; or (b) 10 percent of the units for very low income households; or (c) 50 percent of the units for senior citizens. For example, establishing simplified density bonus provisions such as offering 2 bonus units for each unit affordable to low income (ownership) or very low income (rental).
- b. **Fees.** Update fee schedules to reduce and/or defer fees to the extent possible for affordable housing, and encourage other agencies to also do so. For example, waive or reduce fees on a sliding scale related to the levels of affordability, such as a rebate of all planning and building fees for affordable units based on the proportion of such units in the project.
- c. **Processing.** Establish "fast track" processing procedures, CEQA processing incentives, and other mechanisms to fit with funding requirements and to facilitate desirable affordable housing projects that have a significant portion of their total floor area committed to housing.
- d. **Development Standards.** Provide flexibility in applying development standards (e.g., parking, use of tandem parking or off-site parking alternatives, floor area, setback, height standards), subject to the type of housing, size and unit mix, location and overall design. Additional density, beyond the maximum permitted, may be appropriate where units are significantly smaller and would have less impacts than the market norm.
- e. **Coordination.** Coordinate with service providers and other agencies as necessary to create opportunities for the development to be built. In concert with Program H.DD, Identify New Sites for Multi-Family Infill Housing When Opportunities Arise, annually mail

information on incentives for affordable housing development, such as density bonuses, to private and non-profit developers who are active in San Benito County. On an ongoing basis, provide such information at the planning counter and by request to all interested parties.

- f. Redevelopment Funds. Use Redevelopment Funds as appropriate to achieve greater affordability.

Adopt Density Bonus Ordinance by December, 2006. In concert with Program H3.F, complete feasibility study by January, 2008 and implement recommended impact and planning fees by June, 2008. Develop incentive package for affordable housing development, including fast track processing and flexible development standards, by October, 2008 and conduct information campaign immediately thereafter. 2004-2009.

H.FF Apply Title 24 requirements

Meet or exceed Title 24 energy conservation requirements, and, where possible, require structural and landscaping design to make use of natural heating and cooling.

H.GG Conduct an annual housing element review

Develop a process for the assessment of Housing Element implementation through annual review by the Hollister Planning Commission and City Council in conjunction with State requirements for a written review by July 1 of each year (per Government Code Section 65583(3)). Provide opportunities for public input and discussion in the review and establishment of annual work priorities for staff, Planning Commission, and City Council. Submit an annual general plan progress report to HCD by October 1 as required pursuant to Government Code Section 5400.

H.HH Expedite processing for affordable housing development

Identify and follow through on ways to expedite the review and processing of affordable housing developments. This may include:

- a. Priority Processing. Affordable housing developments shall receive the highest priority. Efforts will be made by staff and decision-makers to: (1) provide technical assistance to potential affordable housing developers in processing requirements, including community involvement; (2) consider project funding and timing needs in the processing and review of the application; and (3) provide the fastest turnaround time possible in determining application completeness.
- b. CEQA Review. Use mitigated Negative Declarations, the General Plan EIR, or specific area EIR's to assess potential impacts and mitigation measures. Specific actions include: (1) conduct environmental review and, as appropriate, prepare an EIR for General Plan Amendments and Rezoning for identified key sites; and (2) specify appropriate densities, design guidelines and development standards to avoid known potential environmental impacts or to mitigate potential impacts.

H.II Facilitate development at key housing sites

Facilitate the construction of affordable housing at key sites to meet the City's "fair share" of the regional housing need for lower income households. Ensure that local affordable housing developments will be competitively positioned to access affordable housing finance sources (such as tax credits and tax-exempt bonds). Facilitate the development or rehabilitation of affordable housing by using redevelopment set-aside funds to assist in any on-and off-site mitigation that may be required or to provide gap financing.

H.JJ Facilitate the establishment of neighborhood associations

Encourage community members and developers to establish neighborhood associations. Establish direct communication channels with City Hall, develop shared goals and action plans, and publicize joint efforts through the City's newsletter and website.

H.KK Identify new sites for multi-family infill housing when opportunities arise

Identify additional sites for multi-family land use for the development of affordable and special needs housing where opportunities are available that will not dramatically change the visual characteristics or livability of an area. Such sites may include, but are not limited to:

- a. Land owned by other groups and governmental agencies (such as school districts).
- b. Agricultural and vacant land.
- c. Re-use of underutilized or non-viable commercial sites and, in limited circumstances, industrial sites, to encourage adaptive re-use of vacant buildings with residential or mixed residential and commercial uses.
- d. Parking lots.
- e. Residentially zoned sites where higher density is feasible or may be accommodated through lot consolidation.
- f. Identify other housing opportunity areas and sites where a special effort will be made through incentives and other means to provide affordable housing and where affordable housing will be built and provide incentives and other means to make that development happen.
- g. Provide information on housing opportunity sites that are prioritized for development according to the City's phasing strategy. Inform the development community about changes in the growth management and allocation process that encourage mixed use, senior, and affordable units, and exempt second units and legally restricted affordable units from growth control limits. Upon adoption of new land use and growth control measures, prepare a press release for distribution to the local media. On an annual basis, mail information on housing opportunity sites and incentives for development, such as density bonuses, to private and non-profit developers who are active in San Benito County. On an ongoing basis, provide information at the planning counter and by request to all interested parties.

H.LL Implement monitoring systems

Annually monitor and update housing development accomplishments, including housing type and affordability level of housing units approved and built during the planning period. Monitor general housing conditions and track the number of housing units rehabilitated and replaced against housing program objectives. Maintain an up-to-date inventory of vacant land for distribution to developers and non-profit organizations; mail this inventory to private and non-profit developers on an annual basis and provide this information at the planning counter and by request to all interested parties.

H.MM Implement plan to expend funding resources

Establish specific uses of housing funds and/or land donations generated through the inclusionary housing program, and designate the Redevelopment Housing Coordinator position to manage the program. Establish a plan by January 2008 and update annually thereafter.

H.NN Link code enforcement with public information programs

Implement housing, building and fire code enforcement to ensure compliance with basic health and safety building standards, and provide information about rehabilitation loan programs for use by qualifying property owners who are cited. In particular, contact owners of structures that appear to be in declining or substandard condition, offer inspection services, and advertise and promote programs that will assist in funding needed work.

H.OO Monitor special housing needs

Monitor special needs housing, including the following:

- a. Smaller, affordable residential units, especially for lower income single-person households.
- b. Affordable senior housing to meet the expected needs of an aging population, including assisted housing and board and care (licensed facilities).
- c. Affordable units with three or more bedrooms for large family households.
- d. Affordable housing that can be adapted for use by people with disabilities (specific standards are established in California Title 24 Accessibility Regulations for new and rehabilitation projects).

H.PP Prepare information and conduct outreach on housing issues

Coordinate with local businesses, housing advocacy groups and neighborhood groups in building public understanding and support for affordable and special needs housing. Through written materials and public presentations, inform residents of housing needs, issues, and programs (second units, rental assistance, rehabilitation loans, etc.).

Specific actions include:

- a. Provide information pamphlets on housing issues and programs at public locations and community mailings.
- b. Distribute material to neighborhood groups and associations.
- c. Provide public information through articles in the local newspapers and the City's newsletter and on the City's website.
- d. Work with unions, churches, businesses, new housing providers and other groups that might be mobilized to help support affordable and special needs housing developments.

H.QQ Provide emergency housing assistance

Participate and allocate funds, as appropriate, for nonprofit programs providing emergency shelter and related counseling services.

H.RR Respond to fair housing complaints

The Redevelopment Project Manager will investigate and deal appropriately with fair housing complaints. The City will refer discrimination complaints to the appropriate legal service, county or state agency. If mediation fails and enforcement is necessary, the City will refer tenants to the State Department of Fair Employment and Housing or HUD, depending on the nature of the complaint.

H.SS Respond to requests for reasonable accommodation and disseminate information

Designate an ADA Coordinator to coordinate and carry out the City's compliance with the nondiscrimination requirements of Title IIA of the Americans with Disabilities Act (ADA). Direct questions, concerns, complaints, and requests regarding accessibility for people with disabilities to the City's ADA Coordinator. Provide information to the public regarding reasonable accommodations related to zoning, permit processing and building codes on the City's website and in City handouts.

H.TT Promote solar design

Promote the use of solar energy and develop design standards relating to solar orientation, including landscaping, fences, impervious surfaces, and parking-space requirements to conserve energy.