



PLANNING COMMISSION
STAFF REPORT

DATE: February 16, 2022

APPLICATION NO: General Plan Housing Element Annual Progress Report for Calendar Year 2021

LOCATION: Citywide

REQUEST: Adoption of a Resolution Recommending the City Council Receive and Accept the Report and to Authorize Staff to Submit the Housing Element Annual Progress Report for Calendar Year 2021 to the Governor’s Office of Planning and Research (OPR) and State Department of Housing and Community Development (HCD).

CEQA STATUS: The proposed Housing Element Annual Progress Report for Calendar Year 2021 is not considered a project as prescribed by the California Environmental Quality Act (CEQA).

SUMMARY:

Each year, California cities are required to prepare an annual progress report (APR) on the status of implementing the General Plan Housing Element and to submit the report to the State Department of Housing and Community Development (HCD) and the Governor’s Office of Planning and Research (OPR). Using a form provided by HCD, staff provides data to create a snapshot of housing unit production across affordability levels, a listing of development application received, and provides an update on housing program implementation. The annual report must be provided to the City Council prior to sending to the State.

BACKGROUND:

Pursuant to California Government Code Section 65400, the City is required to prepare a General Plan Housing Element Annual Progress Report for submittal to the City Council, OPR and HCD by April 1st of each year. The purpose of the annual report is to provide the City Council and the above referenced State Departments progress on the General Plan Housing Element’s implementation status toward meeting the City’s fair share of the Regional Housing Needs Allocation (RHNA) (as discussed below).

The City Council adopted the City’s 2019-2023 Housing Element on December 9, 2019. The City received certification from HCD on February 7, 2020.

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The Housing Element is one (1) of seven (7) mandated elements of the City’s General Plan and includes information related to the City’s existing housing needs, an analysis of the City’s population and employment trends, household characteristics, an inventory of land suitable for residential development and goals, policies and programs intended to meet the identified housing needs and state mandated requirements.

As part of the update to the City’s Housing Element, the City is required to identify sites to accommodate its fair-share of the RHNA, as established by HCD and managed by the San Joaquin Council of Governments (SJCOG). In summary, the RHNA process allocates the State’s projection of housing needs for each County. HCD identifies housing needs to each region in response to projected population and household growth, and mandates that each Council of Governments (COG) distribute the RHNA to each jurisdiction (Cities and Counties) within the COG’s region, and in our case, SJCOG. The City’s 2019 update to the Housing Element, identified a number of sites that could accommodate the City’s fair share of the RHNA, in all income categories. The following table represents the City’s RHNA (excerpt from the 2019 Housing Element):

TABLE 1: REGIONAL HOUSING NEEDS ALLOCATION (2014-2023) PROGRESS

Status	Extremely Low	Very Low	Low	Moderate	Above Moderate	TOTAL
RHNA Allocation	526	493	759	957	2,421	5,156
Built	0	0	0	29 ¹	1,571	1,600
Under Construction/ Permitted	0	0	0	0 ²	197	197
Remaining Allocation	526	493	759	928	653	3,359

¹INCLUDES 18 HOMES BUILT IN 2014 AND 9 HOMES BUILT IN 2015 SOLD AT MARKET-RATE PRICES AFFORDABLE TO MODERATE INCOME HOUSEHOLDS AND INCLUDES 2 ADUS BUILT IN 2017 AND 2018

²104 BUNGALOW UNITS ARE UNDER CONSTRUCTION IN RIVER ISLANDS; THESE UNITS WILL BE MONITORED AS THE DENSITY AND SIZE OF THE UNITS MAY YIELD MARKET-RATE SALES PRICES AFFORDABLE TO MODERATE INCOME HOUSEHOLDS.

³THERE IS THE POTENTIAL FOR SOME OR ALL OF THE APPROVED 350 MULTIFAMILY UNITS TO BE DEVELOPED AS AFFORDABLE UNITS, IF THE DEVELOPER SEEKS ADDITIONAL FUNDING OR SELLS ONE OR MORE OF THE PROJECTS TO AN AFFORDABLE HOUSING DEVELOPER.

SOURCE: SAN JOAQUIN COUNCIL OF GOVERNMENTS, 2014; ZILLOW.COM; CITY OF LATHROP, 2019

Each income category is defined as a percentage of the Area Median Income (AMI), as established by HCD. The income categories are then used to calculate housing affordability for rental and owner occupied housing. Each income category is defined as follows:

- **Extremely Low Income Households** have a combined income at or lower than 30 percent of AMI.
- **Very Low Income Households** have a combined income between 30 and 50 percent of AMI.
- **Low Income Households** have a combined income between 50 and 80 percent of AMI.
- **Moderate Income Households** have a combined income between 80 and 120 percent of AMI.
- **Above Moderate Income Households** have a combined income greater than 120 percent of AMI

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The State Income Limits, as illustrated in the City’s 2019 Housing Element are as follows:

TABLE 30: STATE INCOME LIMITS –SAN JOAQUIN COUNTY (2019)

Income Group	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low	\$14,700	\$16,910	\$21,330	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430
Very Low	\$24,500	\$28,000	\$31,500	\$35,000	\$37,800	\$40,600	\$43,400	\$46,200
Low	\$39,200	\$44,800	\$50,400	\$56,000	\$60,500	\$65,000	\$69,450	\$74,950
Moderate	\$60,000	\$68,550	\$77,150	\$85,700	\$92,550	\$99,400	\$106,250	\$113,100
Above Moderate	\$60,000+	\$68,550+	\$77,150+	\$85,700+	\$92,550+	\$99,400+	\$106,250+	\$113,100+

SOURCE: HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, 2019

In order to provide an idea of affordable housing costs by income group, affordable home sale prices are estimated for one, two, four, and six person households.

TABLE 31: HOUSING AFFORDABILITY BY INCOME GROUP

Income Group	One Person		Two Person		Four Person		Six Person	
	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost
Extremely Low	\$51,100	\$367	\$58,100	\$422	\$86,000	\$643	\$114,900	\$864
Very Low	\$89,000	\$612	\$100,400	\$700	\$123,100	\$875	\$141,200	\$1,015
Low	\$138,000	\$980	\$155,600	\$1,120	\$190,900	\$1,400	\$219,200	\$1,625
Moderate	\$226,600	\$1,500	\$255,500	\$1,713	\$313,400	\$2,142	\$359,600	\$2,485
Above Moderate	\$226,600+	\$1,500+	\$255,500+	\$1,713+	\$313,400+	\$2,142+	\$359,600+	\$2,485+

**MAXIMUM AFFORDABLE SALES PRICE IS BASED ON THE FOLLOWING ASSUMPTIONS: 5% INTEREST RATE, 30-YEAR FIXED LOAN, DOWNPAYMENT: \$5,000 – EXTREMELY LOW, \$10,000 – VERY LOW; \$15,000 - LOW, \$25,000 – MODERATE, PROPERTY TAX, UTILITIES, AND HOMEOWNERS INSURANCE AS 30% OF MONTHLY HOUSING COST (EXTREMELY LOW), 28% OF MONTHLY HOUSING COST (LOW), AND 25% OF MONTHLY HOUSING COST (MODERATE/ABOVE MODERATE). HOMES SALES PRICES ARE ROUNDED TO NEAREST \$100.*

SOURCE: DE NOVO PLANNING GROUP, 2019

An excerpt from the City’s 2019 General Plan Housing Element related to RHNA, state income limits, and housing affordability is attached to this Staff Report as Attachment 3. The forms provided by HCD were originally adopted in 2010 and have recently been updated pursuant to Assembly Bill 879 (AB 879) and Senate Bill 35 (SB35), which now include information related to the number of development applications received and approved and list of sites rezoned to address RHNA shortfall. In summary, the forms require the following information:

- Status of the plan and progress in its implementation.
- Progress in meeting its share of the regional housing needs.
- The number of housing development applications received in the prior year.
- The number of units included in all development applications in the prior year.
- The number of units approved and disapproved in the prior year.
- The degree to which its approved general plan complies with the adopted General Plan guidelines.
- Sites rezoned to accommodate that portion of the City’s share of the regional housing need for each income level.
- Number of net new units of housing, including both rental and for-sale, that have been issued an entitlement, a building permit, or a certification of occupancy.

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- Number of building permits issued and development applications received using the streamline review process (SB35).
- Locally owned lands included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of.
- Locally owned or controlled lands declared surplus pursuant to Government Code Section 54221, or identified as excess pursuant to Government Code Section 50569.

ANALYSIS:

Staff has prepared the 2021 Housing Element Annual Progress Report, included as Attachment 2. Some highlights of the year include:

New Applications Received and Either Deemed Complete or Processed

The City of Lathrop processed nineteen (19) residential entitlement applications for new residential development may result in 1,738 new units. The City received and processed the following Architectural Design Review Applications in 2021:

River Islands

Van Daele Veranda	101 single-family dwelling units
Signature Homes Cardiff	94 single-family dwelling units
Kiper Homes Catalina II	93 single-family dwelling units
Kiper Homes Balboa	77 single-family dwelling units
Van Daele Village CC West	108 single-family dwelling units
Trumark Homes Avalon	57 single-family dwelling units
New Home Waypointe	94 single-family dwelling units
Trumark Homes Avalon Point	69 single-family dwelling units
Pulte Homes Village HH	91 single-family dwelling units
Pulte Homes Village GG	110 single-family dwelling units
Kiper Homes Skye	155 single-family dwelling units
Tri Pointe Homes The Cove	77 single-family dwelling units

Central Lathrop

Richmond American Encore	104 single-family dwelling units
D.R. Horton Cascade	100 single-family dwelling units
Taylor Morrison Legacy	107 single-family dwelling units
Tri Pointe Journey	81 single-family dwelling units
KB Home Iron Pointe	98 single-family dwelling units
Richmond American Stanford Crossing IV	113 single-family dwelling units

East Lathrop

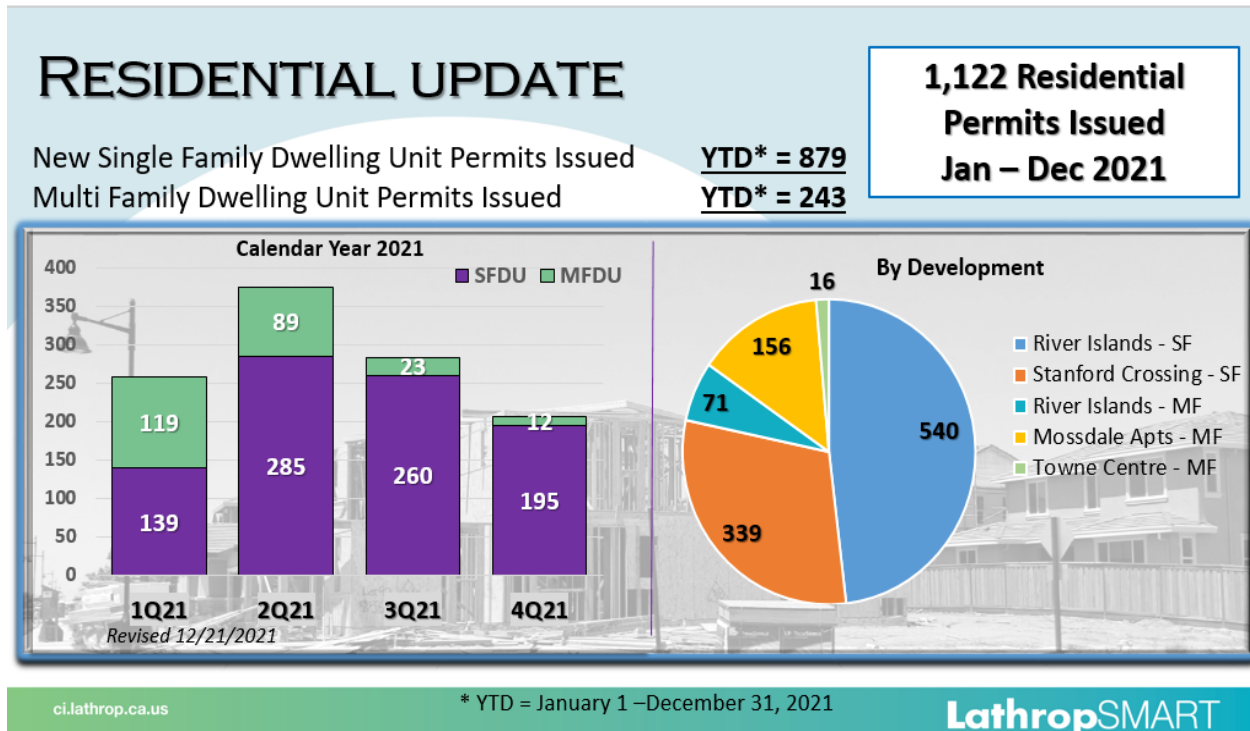
TSM-21-15 Warren Avenue	7 single-family residential lots
TPM-21-76 997 J Street	2 single-family residential lots

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New Home Construction

The City of Lathrop issued a total number of 1,129 residential building permits in 2021, which represents an increase of 295 more than 2020 (total of 827 building permits issued in 2020). Of the 1,129 residential building permits, 950 are single-family residential units and are considered “Above Moderate” affordability. The remaining 179 residential building permits are for multi-family dwelling units (apartments) (172 units) and accessory dwelling units (7 units) and are considered “Moderate” affordability.

The graphic below illustrates permits issued for single family and multi-family residential development by quarter and location:



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Progress Towards Meeting RHNA

As illustrated in Table B of the HCD Forms shown below, the City has issued 3,538 building permits for residential development for the 2014 – 2023 Housing Element Planning Period.

Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	1019									1019
	Non-Deed Restricted										
Low	Deed Restricted	759									759
	Non-Deed Restricted										
Moderate	Deed Restricted	957								327	630
	Non-Deed Restricted							148	179		
Above Moderate		2421	343	170	297	383	389	679	950	3,221	-
Total RHNA		5156									
Total Units			343	170	297	383	389	827	1,129	3,538	2,408

CEQA REVIEW:

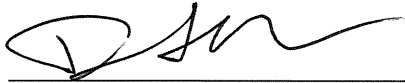
The proposed Housing Element Annual Progress Report for Calendar Year 2021 is not considered a project as prescribed by the California Environmental Quality Act (CEQA).

RECOMMENDATION:

Staff recommends the Planning Commission approve Resolution No. 22-1, recommending the City Council to direct staff to transmit the report to the Governor’s Office of Planning and Research (OPR) and State Department of Housing and Community Development (HCD).

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Approvals:



David Niskanen, Contract Planner

2/3/2022

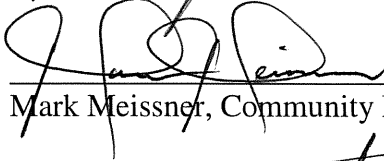
Date



Rick Caguiat, Principal Planner

2/3/2022

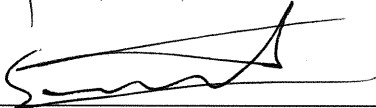
Date



Mark Meissner, Community Development Director

2/3/2022

Date



Salvador Navarrete, City Attorney

2-7-2022

Date

Attachments:

1. Planning Commission Resolution No. 22-1
2. Housing Element Annual Progress Report for Calendar Year 2021
3. Affordability & RHNA Explanation. Excerpt from the City's 2019 General Plan Housing Element

**CITY OF LATHROP
PLANNING COMMISSION RESOLUTION NO. 22-1**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LATHROP
RECOMMENDING CITY COUNCIL RECEIVE AND ACCEPT THE HOUSING
ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2021 AND
AUTHORIZE STAFF TO SUBMIT THE REPORT TO THE GOVERNOR'S OFFICE OF
PLANNING AND RESEARCH AND THE CALIFORNIA DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, California Government Code Section 65400(2) requires the planning agency to provide an annual report to the City Council, the Governor's Office of Planning and Research (OPR), and the State Department of Housing and Community Development (HCD) regarding progress toward implementation of the housing element of the general plan; and

WHEREAS, planning staff has prepared an annual progress report for the calendar year 2021, utilizing the prescribed forms and instructions provided by HCD; and

WHEREAS, the Planning Commission has reviewed all written evidence and oral testimony presented to date.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby recommend the City Council receive and accept the annual progress report on the Housing Element for Calendar Year 2021, attached and incorporated by reference herein, and authorize staff to forward the report to the Governor's Office of Planning and Research and the State Department of Housing and Community Development pursuant to Government Code Section 65400(2).

PASSED AND ADOPTED by the Planning Commission of the City of Lathrop at a regular meeting on the 16th day of February, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:


ABSENT:

Steve Dresser, Chair

ATTEST:

APPROVED AS TO FORM:

Mark Meissner, Secretary



Salvador Navarrete, City Attorney

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Lathrop		
Reporting Year	2021	(Jan. 1 - Dec. 31)	
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1a	To ensure adequate sites for extremely low, very low, low, and moderate income housing are available throughout the planning period to meet the City’s RHNA, the City will continue to biennially update the inventory of lower and moderate income sites (Appendix A). The update shall remove sites that have been developed and add any replacement or new sites. The update shall ensure that the inventory of residential sites continues to include sites appropriate for a variety of single family and multifamily housing types as well as sites to accommodate single room occupancies and emergency shelters.	Update inventory on a biennial basis and make inventory available at City Hall and on the City website.	The City continues to maintain the inventory of residential sites (Appendix A of the Housing Element). As development occurs, the inventory will be updated and published. Inventory developed as part of the Housing Element will be maintained through the Housign Element Planning Period.

<p>Program 1b</p>	<p>Continue to monitor the amount of land zoned for both single family and multifamily development and ensure that land use and zoning decisions do not reduce sites available for affordable housing. <i>See Program 1b in the Housing Element for the full language.</i></p>	<p>Ongoing through the development review process</p>	<p>The City continues to monitor and maintain the amount of land zoned for both single family and multi-family developments and ensure land use and zoning decisions do not reduce sites availability for affordable housing. The City processed the River Islands Phase 2 Modified Project in 2020/2021 (Approved by City Council in June 2021) which included increasing the number of units from 6,717 units to 10,726 units, including more mixed use and multi-family development.</p>
<p>Program 1c</p>	<p>Continue to encourage development of well-designed and innovative projects that provide for the development of compatible residential, commercial, industrial, institutional, and/or public uses within a single project or neighborhood by continuing to implement the West Lathrop and Central Lathrop Specific Plans, which encourage mixed use development as well as a range of uses through allowing higher building intensities, reduced parking requirements, reduced set-back and yard requirements, allow for a higher building height, and greater floor area ratios.</p>	<p>Ongoing</p>	<p>The City continues to encourage well designed and innovative projects within the West Lathrop and Central Lathrop Specific Plans. The West Lathrop Specific Plan continues to be built-out and as development occurs, the City reviews Architecture, Landscaping, and Development Plan for consistency with teh West Lathrop Specific Plan and the River Islands Urban Design Concept as well as associated neighborhood specific Architecture Design Guidelines and Standards. Development within the Central Lathrop Specific Plan began in 2019 and will continue to occur within the Housing Element Planning Period.</p>

<p>Program 1d</p>	<p>Support affordable or special needs (including senior, disabled, developmentally disabled, farmworker, homeless, large family, and single female head of family) housing projects applications for federal, state, and/or regional programs, including CDBG, HOME, project-based Section 8/211, Low Income Housing Tax Credit, and HCD grant programs, that may be used for the development and on-going affordability of lower income and special needs housing. Support for applications shall be provided through staff technical assistance with the application (e.g., assisting with completing application components related to development review and environmental compliance) where appropriate and City Council consideration of resolutions indicating local support for each project.</p>	<p>Ongoing on a project-by-project basis</p>	<p>The City continues to support affordable or special needs housing projects. As applications for such developments are received, the City will assist applicant(s) in preparing and submitting grant applications for funding. No affordable or special needs housing grants were submitted in 2021.</p>
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<p>Program 1e</p>	<p>Evaluate State-administered funding programs on a biennial basis to determine if there are additional programs appropriate to encourage affordable housing development or for the City to use to augment First Time Homebuyer program for lower income households and request funds when appropriate and available. As soon as possible, request SB 2 funds to develop additional housing incentives, such as reduced fee structures for senior, disabled, and other special needs housing where a nexus can be demonstrated that service demands for such housing are less than typical single family or multifamily housing, pre-approved plans for small-scale infill housing projects that include an affordable component, and a plan for use of future SB 2 funds.</p>	<p>Biennially (by December 31st of 2021 and 2023); SB 2 funding to be requested concurrently with Housing Element Update (2019)</p>	<p>The City will evaluate State-administered funding programs on a biennial basis to determine if there are additional programs appropriate to encourage affordable housing development or for the City to use to augment First Time Homebuyer program for lower income households and request funds when appropriate and available. The City received approval for SB 2 funding from HCD for a variety of programs, including Accessory Dwelling Unit (ADU) pre-approved building plans and objective residential design guidelines.</p>
<p>Program 1f</p>	<p>Continue to consider regional development through working with SJCOG and local jurisdictions to plan for high quality regional development, including adequate affordable housing, by reviewing SJCOG data and online resources to track regional development, and by providing input into the development of the methodology for allocating the region's Regional Housing Needs Allocation.</p>	<p>Ongoing</p>	<p>The City continues to monitor and support development within San Joaquin. The City works closely with the City of Manteca and San Joaquin County to ensure development is compatible with adjacent jurisdictions and uses.</p>

<p>Program 1g</p>	<p>Continue to address and encourage lower income housing, special populations, and homeless needs on an annual basis through developer and service provider outreach and through participation in the Urban County/County Continuum of Care. As part of the development of the Annual Action Plan for CDBG/HOME funding, contact potential housing developers and service providers and encourage their submittal of funding applications and housing proposals that use the City's allocation as well as the Countywide allocation of funds for extremely low income housing, very low income housing, and low income housing as well as housing for disabled, seniors, veterans, homeless, and other special needs populations. See <i>Program 1g in the Housing Element for the full language.</i></p>	<p>With Annual Action Plan public hearing notices</p>	<p>The City continues to participate in the Urban County/County Continuum of Care. The City will prepare a table of lower income housing sites, a list of City incentives to encourage housing development and identification of the City's interest in actively supporting efforts to establish housing and facilities to serve lower income and special needs populations.</p>
<p>Program 1h</p>	<p>Maintain information regarding homeless shelters and services available to City residents. This information shall be available at City Hall, the Lathrop Community Center, the Library, and on the City's website.</p>	<p>Ongoing; distribute brochures on a monthly basis or as-needed</p>	<p>The City maintains information regarding homeless shelters and services available. This information is readily available at City Hall and will be reviewed/updated periodically.</p>
<p>Program 1i</p>	<p>The City shall participate with San Joaquin County's efforts to address farmworker housing needs. Participation with the County may include identification of potential sites and funding sources available for farm labor housing.</p>	<p>As needed</p>	<p>The City will work with San Joaquin County to address farmworker housing. Participation may include identification of sites available in the City for such a development and identification of funding sources.</p>

<p>Program 1j</p>	<p>Continue to work with the San Joaquin Housing Authority by providing housing information requested by the Housing Authority in a timely manner. Encourage the Housing Authority to issue more vouchers to City residents in need and to make efforts to increase the use of vouchers for rental of single family homes due to the City's limited supply of multifamily housing.</p>	<p>Ongoing; including Housing Authority in annual mailing under program 1g</p>	<p>The City will provide any information the San Joaquin County Housing Authority needs and/or requests. No action in 2021.</p>
<p>Program 1k</p>	<p>Continue to permit Planned Development District zoning that promotes a variety of housing types in the City through the utilization of innovative development techniques and flexible standards, such as: zero lot lines, clustering of dwelling units, narrower streets, increased densities, and fewer dedication requirements.</p>	<p>Ongoing</p>	<p>As development occurs and development applications are received, the City will review and make recommendations towards Planned Development Zoning. In addition, as inquiries are received on particular properties, the City will evaluate whether a Planned Development Zoning would benefit the Project. No Planned Development Rezone requests were processed in 2021.</p>

<p>Program 11</p>	<p>Facilitate the development of market rate rental housing and affordable for-sale and rental housing, including housing for extremely low, very low, and low income groups and special needs populations, through the following: • Regulatory incentives, such as expediting permit processing, deferred fees, and/or reduced parking requirements based on the bedroom mix of the project; and • Encourage developers to utilize the density bonus and incentive provisions required by State law; and • Publicize these incentives for market rate housing to developers and/or other interested parties by providing informational flyers at the Community Development Department's counter and in development project applications.</p>	<p>Ongoing</p>	<p>The City did not receive an application for extremely low, very low, and low income groups and special needs populations in 2021.</p>
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<p>Program 1m</p>	<p>Encourage a range of housing types for the developmentally disabled through coordination with the Valley Mountain Regional Center to identify needed housing types, such as independent living opportunities and group homes and other facilities that provide assistance to residents. Projects that provide housing for developmentally disabled persons will be assisted through priority/expedited processing, assistance with funding applications, and assistance with any density bonus requests for a density bonus, reduced development standards (e.g., minimum lot size, setbacks, parking, etc) or other incentives. Continue to refer households with a developmentally disabled member to the Valley Mountain Regional Center for assistance.</p>	<p>Ongoing</p>	<p>This program is ongoing. The City encourages development of a variety of housing typies, including housing for developmentally disabled and will coordinate with the Valley Mountain Regional Center to identify needed housing typies.</p>
<p>Program 1n</p>	<p>Revise the Zoning Code to require ministerial approval, which may include site plan review, for housing developments that include a minimum of 20 percent of units affordable to lower income households on the following sites consistent with Government Code 65583.2: 1: 21331033 2: 21321006 3: 19121017 5: 19122032 6: 19122039 7: 19122040 8: 19122059 11: 19608021 12: 19608026 13: 19608072</p>	<p>No later than December 1, 2022 due to statutory requirements to be completed within 3 years of Housing Element adoption</p>	<p>The City will work towards revising the Zoning Code to require ministerial approval on the Sites listed in Program 1n. This program is not yet complete.</p>

Program 2a	Continue to offer pre-application meetings to all developers with various City staff representing numerous City departments (e.g. planning, building, engineering, etc.) to discuss project design, city standards, necessary public improvements, and funding strategies.	Ongoing	The City continues to offer pre-application meetings to all developers within the community. The City had seven (7) pre-application meetings with developers in 2021.
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<p>Program 2b</p>	<p>Provide incentives to encourage the development of special needs and affordable housing. This program is anticipated to assist at least four projects, in coordination with other applicable programs. Incentives shall include:</p> <ul style="list-style-type: none"> • Allowing developers to submit concurrent/“piggyback” applications (e.g., rezones, tentative tract maps, conditional use permits, variance requests, etc.) to streamline processing of development projects that require multiple City approvals or entitlements; • Provide technical assistance with the entitlement process for projects that propose extremely low-, very low-, and low- income housing or that include a significant portion of units for special needs households. • Consideration of fee waivers or fee deferrals, where deemed appropriate, projects providing housing for extremely low-, very low-, and low income households or special needs households. <i>See Program 2b in the Housing Element for the full language.</i> 	<p>Ongoing</p>	<p>The City continues to offer incentives through the optoins listed in Program 2b. This program is ongoing.</p>
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<p>Program 2c</p>	<p>Continue to monitor average processing times for discretionary development permits on a biennial basis and regularly review the Zoning Code and the City's development project processing procedures to identify changes to further reduce housing costs and average permit processing time. Where changes are feasible to implement, update the Zoning Code and amend the City's processing procedures to reduce housing costs and processing times.</p>	<p>Biennial review (2021, 2023)</p>	<p>The City will monitor processing times for development applications and review on a biennial basis. This program is ongoing.</p>
<p>Program 2d</p>	<p>Review affordable housing and in-fill projects for eligible CEQA exemptions and exempt those projects that are eligible from further CEQA review. In order to encourage use of CEQA exemptions and the advance CEQA work that has been completed for the majority of the City's lower income sites, ensure that the inventory maintained under Program 1a identifies the required approvals, including CEQA review, so that developers understand that the City has minimal processing requirements for its lower income sites.</p>	<p>Ongoing for review of development applications; concurrent with the Housing Element update information provided to developers to identify sites eligible for CEQA exemptions for CEQA review has been completed.</p>	<p>As part of the review of a development application, the City makes a CEQA Determination as to whether a project is exempt, will require an Initial Study or Environmental Impact Report. The City will review affordable housing and infill projects for eligibility for a CEQA exemption as development applications are received.</p>

<p>Program 2e</p>	<p>Review all updates and revisions to the City's ordinances, codes, policies, and procedures to ensure that they do not constrain "reasonable accommodation" for disabled persons and to ensure that they do not reduce the City's capacity for a range of housing types and densities.</p>	<p>Ongoing</p>	<p>Staff continues to monitor updates and revisions to the City's Ordinances, Codes, Policies and Procedures. No updates in 2021.</p>
<p>Program 2f</p>	<p>Continue to encourage developers to include accessory dwelling units as an integral part of their project through maintaining provisions in the Zoning Code that provide for accessory dwelling units (ADUs) in all zones that allow single family homes and by continuing to provide a reduced fee structure for accessory dwelling units, including exemption from water and sewer connection fees and capacity charges, and by modifying the ADU standards in the Zoning Code as-needed to be consistent with requirements of State law, as may be amended from time to time. It is anticipated at least 6 ADUs will be incentivized through the City's provisions to accommodate and encourage ADUs.</p>	<p>Ongoing</p>	<p>The City continues to encourage the development of Accessory Dwelling Units (ADU) in the community. The City submitted a Senate Bill 2 grant application to amend the Zoning Code to be consistent with new State Law, prepare pre-approved building plans for ADUs and prepare advertisements for the construction of ADUs. This program is ongoing.</p>

<p>Program 2g</p>	<p>Encourage developers to take advantage of density bonuses and incentives for affordable housing and senior housing projects that are provided by the City consistent with the requirements of State law and provide information that identifies the maximum densities that can be achieved through a density bonus.</p>	<p>Ongoing</p>	<p>The City continues to encourage the use of density bonuses for developments that qualify. This program is ongoing.</p>
<p>Program 2h</p>	<p>Address the special housing needs of large families to alleviate overcrowding in the City by facilitating the construction of housing that includes 3- and 4-bedroom units affordable to extremely low-, very low-, and low-income families. The City will publicize financial and regulatory incentive opportunities to developers and/or other parties interested in the construction of housing that includes 3- and 4-bedroom affordable units by providing information on the City's website and through flyers at the Community Development Department and in all specific plan and subdivision application packets.</p>	<p>Ongoing</p>	<p>As development applications are received, the City will encourage the development of 3- and 4- bedroom units affordable to extremely low-, very low-, and low-income families. No affordable housing applications were received in 2021.</p>
<p>Program 2i</p>	<p>Continue to support female-headed households in the City with the permitting of child day care facilities as outlined in Chapter 17 of the Municipal Code</p>	<p>Ongoing</p>	<p>The City continues to support child day care facilities and permits child day care facilities as prescribed in the Municipal Code.</p>

Program 2n	Require developers of new housing to use the HCD New Home Universal Design Option Checklist to disclose to buyers accessible features that are available. The City shall encourage developers to make accessible features available as standard features to the extent feasible and to provide remaining accessible features as optional features or features available in a limited number of units.	Ongoing	The City will require developers of new housing to use the HCD New Home Universal Design Option Checklist. This program is ongoing.
Program 2o	In compliance with State law (Government Code Section 65589.7), the City will establish written policies and procedures that grant priority for water and sewer to proposed development that includes housing affordable to lower-income households.	Jan-20	The City is in the process of establishing written policies and procedures that grant priority water and sewer to proposed development that includes housing affordable to lower-income households.

Program 2p	Support multifamily housing on sites that accommodate lower income households by revising the Zoning Ordinance to limit development of single family units on sites designated for high density residential uses. Single family development shall only be allowed if the single family unit(s) are: 1) replacing an existing single family unit on a one for one basis, 2) on an existing lot of 8,000 square feet or less, or 3) are part of a housing development with the majority of units affordable to extremely low, very low, and/or low income households.	Jan-20	This program was completed in 2019.
Program 2q	Revise the Zoning Code to permit manufactured homes in the same manner as single family homes, as required by Government Code Section 65852.3. The following revision shall be made to Section 17.68.010: "The provisions of this chapter shall apply to all manufactured housing and mobilehomes on permanent foundations, which shall be allowed subject to the same permit requirements and standards as a single family home in all districts that allow single family homes and shall also be subject to the standards identified in Section 17.68.020.	Jan-20	This program was completed in 2019.

Program 2r	Revise the Zoning Code to remove inconsistencies regarding the densities allowed in the RM zone and to ensure that the densities allowed are consistent with the densities identified in the General Plan Land Use Element. The following revision shall be made to Section 17.36.050.D.: "Density. The allowable density for the RM multifamily residential districts shall be: RM-MH8: 1-8 units per acre RM-3: 8-15 units per acre RM-2: 16-25 units per acre RM-1.5: 16-25 units per acre	Jan-20	This program was completed in 2019.
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<p>Program 2s</p>	<p>Revise the Zoning Code to implement the requirements of Government Code Sections 65913.4 (as amended by SB 35), 65660, 65662, 65664, 65666, and 65668 (as established and/or amended by AB 101), and 65650 through 65656 (as established and/or amended by AB 2162), including the following: 1) Identify the SB 35 streamlining approval process and standards for eligible projects, as set forth under Government Code Section 65913.4; 2) Define low barrier navigation center as a use allowed by right and develop standards and requirements for processing a low barrier navigation center consistent with the requirements of State law, including Government Code Sections 65660 through 65668; and 3) Establish standards and requirements for processing supportive housing by right consistent with the requirements of State law, including Government Code Sections 65650 through 65656.</p>	<p>Aug-20</p>	<p>The City is in the process of completing this Program.</p>
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<p>Program 3a</p>	<p>Continue to participate in the San Joaquin Urban County consortium to receive and use HOME and CDBG funds to provide housing rehabilitation loans and emergency repair loans or grants, administered through the San Joaquin County Rehabilitation Program, for lower income households and to provide services for lower income populations, including extremely low income, homeless/at-risk of homelessness, seniors, and youth. On an annual basis, determine whether funds are adequate to set aside funds specifically for assistance (housing rehabilitation, emergency repair, or weatherization) for extremely low income households and whether funds are adequate to allow bedroom/bathroom additions where necessary to accommodate large families. <i>See Program 3a in the Housing Element for the full language.</i></p>	<p>Annual review of housing needs and commitment of funds through Urban County process; ongoing efforts to ensure public awareness</p>	<p>The City continues to participate in the San Joaquin urban county consortium to receive and use HOME and CDBG funds. This program is ongoing.</p>
<p>Program 3b</p>	<p>Review the Zoning Code and potential funding sources to identify methods to provide incentives for rehabilitation of existing residential units and to encourage re- investment in the Historic Lathrop Overlay District and in older neighborhoods east of I-5.</p>	<p>Ongoing 2019/2020 incorporate incentives into SB 2 funding opportunities</p>	<p>City received approval for Senate Bill 2 Funding in 2020 which includes the development of Residential Design Standards.</p>

<p>Program 3c</p>	<p>Continue to employ a full time code compliance officer who will vigorously enforce the building and zoning codes in locations where dilapidation, blight, and/or health and safety violations may be occurring. Coordinate code compliance efforts with the housing rehabilitation program with code compliance efforts to encourage property owners to maintain dwelling units in safe and habitable conditions. Regularly review housing conditions to determine if specific locations or neighborhoods require targeted code enforcement and work to provide, when funding is available, targeted rehabilitation or replacement assistance.</p>	<p>Ongoing; biennial review of areas appropriate for targeted assistance and/or enforcement</p>	<p>The City continues to employ a Code Enforcement Officer. This program is ongoing.</p>
<p>Program 3d</p>	<p>Continue to participate in the San Joaquin Urban County consortium to provide funding and support for the rehabilitation of mobile homes, when adequate funds are available. In 2020/2021, conduct outreach to mobilehome park residents and qualified non-profits to determine if there is interest in the State's Mobilehome Park Rehabilitation and Resident Ownership Program and any of the City's mobilehome parks would be eligible for this type of program.</p>	<p>Ongoing; Mobilehome outreach in 2020 and 2021</p>	<p>The City will conduct outreach to mobile home park residents and qualified non-profits to determine if there is interest in the State's Mobilehome Park Rehabilitation and Resident Ownership Program.</p>

Program 3e	Regularly review the City's eligibility for Federal and State home repair, renovation, and replacement programs annually and apply for programs, as appropriate. If multifamily owners or other entities express interest in available funding programs for housing rehabilitation or repair, support the application for funding and, if appropriate and feasible, provide technical assistance to the project applicant with the funding application.	Ongoing	No action in 2020. This program is ongoing.
Program 4a	Continue to encourage the enforcement of federal and state fair housing standards. The City will provide fair housing information to interested citizens and will make fair housing materials from the California Department of Fair Housing and Employment and the federal Office of Fair Housing and Equal Opportunity available at City Hall, the Library, the Community Center, and on the City's website in both English and Spanish. All requests for fair treatment on housing will be referred to the fair housing provider funded through the San Joaquin Urban County consortium (currently San Joaquin Fair Housing, Inc.).	Ongoing	This program is ongoing.

<p>Program 4b</p>	<p>Require all recipients of locally administered housing funds to acknowledge their understanding of fair housing law, affirm their commitment to the law, and to provide fair housing opportunities for all persons.</p>	<p>Ongoing</p>	<p>As housing development projects are completed, this program will be implemented. No locally administered housing funds were used in 2021.</p>
<p>Program 5a</p>	<p>Continue to participate in the San Joaquin Housing Authority and encourage the Housing Authority to increase assistance to the City, through allocating more Housing Choice Vouchers and working with housing developers to provide Project-Based Vouchers, as well as other assistance administered by the Housing Authority. The City shall provide information on the availability of Housing Authority programs to interested residents.</p>	<p>Ongoing; annual coordination and outreach to Housing Authority to encourage increased assistance</p>	<p>This program is ongoing.</p>
<p>Program 5b</p>	<p>Provide housing information to all interested agencies, developers, residents, and non-profit groups. City staff will assist with Zoning and General Plan inquiries as well as provide contact information between the San Joaquin Urban County Consortium, San Joaquin Housing Authority, housing developers, and non-profit groups.</p>	<p>Ongoing</p>	<p>The City continues to provide housing information to interested parties, including home owners, developers, property owners, non-profit groups, etc. as it relates to Zoning and General Plan. This program is ongoing.</p>

<p>Program 6a</p>	<p>Promote energy efficient land use planning by incorporating energy conservation as a major criterion for future decision making. This shall include innovative site designs and orientation techniques, which incorporate passive and active solar designs and natural cooling techniques.</p>	<p>Ongoing</p>	<p>This program is ongoing. The City will continue to encourage energy efficient land use planning.</p>
<p>Program 6b</p>	<p>Encourage pre-application meetings to address site layout and design components that encourage energy conservation prior to any formal submittal that is to be considered by the Planning Commission and/or City Council. The City shall continue to rely on project input from all departments to assess design and layout for all residential projects.</p>	<p>Ongoing</p>	<p>The City continues to hold pre-application meetings. This program is ongoing.</p>
<p>Program 6c</p>	<p>Continue to support energy conservation in existing and new housing, through participating in programs such as the Open PACE clean energy program and ensuring the community has access to current energy conservation methods and practices as well as information on programs available to fund energy conservation improvements. Ensure information is available at City Hall and on the City's website.</p>	<p>Ongoing</p>	<p>The City will ensure information is available on the City's website as it relates to energy conservation.</p>
<p>Program 6d</p>	<p>Encourage new residential development or significant rehabilitation projects to meet or exceed CalGreen Tier 1 and/or to achieve LEED certification.</p>	<p>Ongoing</p>	<p>The City will encourage new residential development or significant rehab. Projects to meet CALGreen and LEED standards.</p>

General Comments

2019 HOUSING ELEMENT BACKGROUND REPORT

TABLE 29: RENTAL RATES BY NUMBER OF BEDROOMS

Bedroom Type	2019 Rental Survey		Census Data	
	Units Available	Range	Median Rent (2017)	Median Rent (2000)
Studio	0	N/A	-	\$500
1 bed	0	N/A	\$745	\$625
2 bed	2	\$1,395	\$979	\$750
3 bed	7	\$1,400 - \$2,500	\$1,518	\$800
4 bed or more	11	\$2,095 - \$3,650	\$1,846 (4)/ \$2,380 (5+)	N/A

SOURCE: US CENSUS, 2000; US CENSUS ACS, 2013-2017; ZILLOW.COM, 2019, CRAIGSLIST.COM, 2019

Housing Affordability

Income Groups

The California Department of Housing and Community Development (HCD) publishes household income data annually for areas in California. Table 30 shows the maximum annual income level for each income group adjusted for household size for San Joaquin County. The maximum annual income data is then utilized to calculate the maximum affordable housing payments for different households (varying by income level) and their eligibility for housing assistance programs.

- *Extremely Low Income Households* have a combined income at or lower than 30% of area median income (AMI), as established by the state Department of Housing and Community Development (HCD).
- *Very Low Income Households* have a combined income between 30 and 50% of AMI, as established by HCD.
- *Low Income Households* have a combined income between 50 and 80% of AMI, as established by HCD.
- *Moderate Income Households* have a combined income between 80 and 120% of AMI, as established by HCD.
- *Above Moderate Income Households* have a combined income greater than 120% of AMI, as established by HCD.

TABLE 30: STATE INCOME LIMITS –SAN JOAQUIN COUNTY (2019)

Income Group	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low	\$14,700	\$16,910	\$21,330	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430
Very Low	\$24,500	\$28,000	\$31,500	\$35,000	\$37,800	\$40,600	\$43,400	\$46,200
Low	\$39,200	\$44,800	\$50,400	\$56,000	\$60,500	\$65,000	\$69,450	\$74,950
Moderate	\$60,000	\$68,550	\$77,150	\$85,700	\$92,550	\$99,400	\$106,250	\$113,100
Above Moderate	\$60,000+	\$68,550+	\$77,150+	\$85,700+	\$92,550+	\$99,400+	\$106,250+	\$113,100+

SOURCE: HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, 2019

Housing Affordability

Table 31 shows the maximum rents and sales prices, respectively, that are affordable to very low, low, moderate, and above moderate-income households. Affordability is based on a household spending 30% or less of their total household income for shelter. Affordability is based on the maximum household income levels established by HCD (Table 30). The annual income limits established by HCD are similar to those used by the US Department of Housing and Urban Development (HUD) for administering various affordable housing programs. In order to provide an idea of affordable housing costs by income group, affordable home sales prices are estimated for one, two, four, and six person households (see Table 29). Maximum affordable sales price is based generally on the following assumptions: 5% interest rate, 30-year fixed loan, and downpayments that vary with income level, as described in Table 31.

Comparing the maximum affordable housing costs in Table 31 to the rental rates in Tables 28 and 29, rental rates in Lathrop are generally affordable to moderate income households of two or more persons and to above moderate income

2019 HOUSING ELEMENT BACKGROUND REPORT

households. While there are some units affordable to extremely low, very low, and low income households, there is a very limited number of the more affordable units. The median rental rates reported by 2013-2017 ACS (Table 29) are in the affordability range of low, moderate, and above moderate income households. The 2019 rental survey indicated that there are currently a limited number of smaller rental units (studio, 1 bedroom, and 2 bedroom units) in Lathrop that are affordable to very low and low income households, but that there are units affordable to low income households with 4 or more persons as well as to moderate and above moderate income households of all sizes. The majority of available rentals were larger units; there were no studio or 1 bedroom units listed for rent and only two 2-bedroom units. Moderate and above moderate income households can afford a broad range of available housing.

Similarly, homes for sale in Lathrop are affordable to moderate and above moderate income households, based on a comparison of Tables 27 and 31. There is a small number of units, all mobile homes, affordable to very low and low income households. Current home sales prices are not affordable to extremely low income households.

TABLE 31: HOUSING AFFORDABILITY BY INCOME GROUP

Income Group	One Person		Two Person		Four Person		Six Person	
	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost
Extremely Low	\$51,100	\$367	\$58,100	\$422	\$86,000	\$643	\$114,900	\$864
Very Low	\$89,000	\$612	\$100,400	\$700	\$123,100	\$875	\$141,200	\$1,015
Low	\$138,000	\$980	\$155,600	\$1,120	\$190,900	\$1,400	\$219,200	\$1,625
Moderate	\$226,600	\$1,500	\$255,500	\$1,713	\$313,400	\$2,142	\$359,600	\$2,485
Above Moderate	\$226,600+	\$1,500+	\$255,500+	\$1,713+	\$313,400+	\$2,142+	\$359,600+	\$2,485+

**MAXIMUM AFFORDABLE SALES PRICE IS BASED ON THE FOLLOWING ASSUMPTIONS: 5% INTEREST RATE, 30-YEAR FIXED LOAN, DOWNPAYMENT: \$5,000 – EXTREMELY LOW, \$10,000 – VERY LOW; \$15,000 – LOW, \$25,000 – MODERATE, PROPERTY TAX, UTILITIES, AND HOMEOWNERS INSURANCE AS 30% OF MONTHLY HOUSING COST (EXTREMELY LOW), 28% OF MONTHLY HOUSING COST (LOW), AND 25% OF MONTHLY HOUSING COST (MODERATE/ABOVE MODERATE). HOMES SALES PRICES ARE ROUNDED TO NEAREST \$100.
SOURCE: DE NOVO PLANNING GROUP, 2019*

Affordable Housing Inventory

There are no subsidized or otherwise rent-restricted affordable multifamily complexes in Lathrop.

Mobile Home Parks

Lathrop has four mobilehome parks with a total of 259 spaces, as listed below. None of the mobilehome parks are restricted to lower income households, however, mobilehomes typically present a lower cost housing option.

- Lathrop Sands, 15550 S. Harlan Road – 36 spaces
- Walnut Grove Mobile Home Park, 365 E. Louise Avenue – 54 spaces
- Camino Real Mobile Estates, 15820 S. Harland Road – 167 spaces
- Harlan Park, 11424 S. Harlan Road – 2 spaces

FUTURE HOUSING NEEDS

A Regional Housing Needs Plan (RHNP) is mandated by the State of California (Government Code [GC], Section 65584) for regions to address housing issues and needs based on future growth projections for the area. The RHNP for San Joaquin County is developed by the San Joaquin Council of Governments (SJCOC), and allocates a “fair share” of regional housing needs to individual cities and unincorporated county. The intent of the RHNP is to ensure that local jurisdictions address not only the needs of their immediate areas but also that needs for the entire region are fairly distributed to all communities. A major goal of the RHNP is to assure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population.