

San Juan Bautista 5th Cycle Housing Element Four-Year Update (2019-2023)

Adopted by City Council

December 17, 2019



Prepared by
EMC Planning Group

SAN JUAN BAUTISTA
5TH CYCLE HOUSING ELEMENT
FOUR-YEAR UPDATE
(2019 – 2023)

Adopted by City Council

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TABLE OF CONTENTS

Chapter 1 Introduction	1-1
A. Community Context	1-1
B. State Policy and Authorization.....	1-2
C. Role of Housing Element.....	1-3
D. Data Sources.....	1-3
E. Relationship to the General Plan	1-3
F. Community Involvement.....	1-4
Chapter 2 Community Profile	2-1
A. Demographic Characteristics	2-1
B. Special Needs Groups.....	2-5
C. Housing Stock Characteristics	2-10
D. Regional Housing Needs	2-13
Chapter 3 Housing Constraints	3-1
A. Market Constraints.....	3-1
B. Governmental Constraints.....	3-3
C. Environmental and Infrastructure Constraints.....	3-17
Chapter 4 Housing Resources	4-1
A. Regional Housing Needs	4-1
B. City Incentives towards Housing Production.....	4-1
C. Availability of Sites for Housing	4-4
D. Progress toward RHNA.....	4-12
E. Financial Resources	4-13
F. Administrative Resources	4-18
G. Opportunities for Energy Conservation.....	4-20
Chapter 5 Housing Plan	5-1
A. Housing Goals.....	5-1
B. Policies and Programs	5-2
C. 5th Cycle (Part 2) Quantified Objectives	5-13
D. General Plan Consistency.....	5-13
E. Review of 5th Cycle Programs (1 st 4-Year Update)	5-13

Figures

Figure 4-1 Vacant and Available Sites 4-9

Figure 4-2 Prop 1C Bond Allocation..... 4-18

Tables

Table 1-1 San Juan Bautista’s Share of Regional Housing Needs 2015-2023..... 1-2

Table 2-1 Age Distribution of San Juan Bautista and San Benito County, 2017..... 2-2

Table 2-2 Racial and Ethnic Distribution of San Juan Bautista and San Benito County, 2017 2-3

Table 2-3 Household Size in San Juan Bautista, San Benito County and California, 2017 2-3

Table 2-4 Household Type and Presence of Children, 2017..... 2-4

Table 2-5 Income Distribution of San Juan Bautista and San Benito County Households, 2017 2-4

Table 2-6 Distribution of Households per Income Level 2-5

Table 2-7 Special Needs Population..... 2-5

Table 2-8 San Benito County Farms and Workers 2-9

Table 2-9 San Benito County Farm Labor Workers..... 2-9

Table 2-10 New Housing Units by Structure Type, 2009-2018..... 2-10

Table 2-11 Housing Unit Profile: San Juan Bautista and Nearby Jurisdictions, 2019..... 2-10

Table 2-12 Vacancy Characteristics: San Juan Bautista and San Benito County, 2010 2-11

Table 2-13 Home Value and Monthly Rent..... 2-12

Table 2-14 Upper Limits for Income Brackets in San Benito County: April 2019 2-13

Table 2-15 Tenure and Overcrowding: San Juan Bautista and San Benito County, 2012..... 2-14

Table 2-16 Overpayment for Housing among All San Juan Bautista Households..... 2-15

Table 2-17 Overpayment Lower Income Households 2-16

Table 2-18 Housing Needs for ELI1 Households 2-16

Table 3-1 Conventional Housing Types Permitted by Zone..... 3-4

Table 3-2 Special Needs Housing Types Permitted by Zone..... 3-5

Table 3-3 Land Use Categories Permitting Residential Use..... 3-8

Table 3-4 Residential Development Standards..... 3-8

Table 3-5 Parking Requirements 3-10

Table 4-1 Housing Sites Inventory..... 4-7

Table 4-2 Summary of Vacant Sites by Assumed Income Level 4-11

Table 4-3 Housing Units Built During Current Planning Period (2015-2019) 4-12

Table 4-4 Remaining Need Based on Units Approved/Under Construction 4-13

Table 4-5 Financial Resources for Housing Activities 4-13

Table 5-1 Quantified Objectives..... 5-13

Table 5-2 Review of Adopted Programs from 4th Cycle Housing Element..... 5-14

Table 5-3 Comparison of Housing Needs to Production 2015-2019 5-16

Introduction

A. Community Context

The City of San Juan Bautista is located in the northwest portion of San Benito County, near the Monterey County and Santa Clara County borders. San Juan Bautista provides a variety of housing, shopping, jobs, attractions, recreation opportunities, and natural resources for its residents and visitors alike. Also, as one of two incorporated cities in San Benito County, San Juan Bautista is the base for much of the County's agriculture industry. The City is the home of Mission San Juan which is visited by thousands of people each year. San Juan Bautista also offers other unique assets—the geography of the surrounding hills and mountains, historic downtown, proximity to the Silicon Valley, and pleasant year-round climate—all of which make San Juan Bautista an attractive place to live, work, and retire.

During the 1990s and into the new millennium, the County of San Benito experienced substantial growth pressures primarily reflecting the spillover of employees from Santa Clara County and the Silicon Valley seeking less expensive housing within commute distances. The cost of living in San Benito County remains relatively high (particularly in relation to household incomes) due to its proximity to employment centers in the Silicon Valley, and, as such, the residents of San Juan Bautista continue to experience increased housing prices, overpayment, and overcrowding. Compounding this issue is the need to find ways to upgrade existing housing and reinvest in infrastructure to serve those homes and businesses.

To address the City's housing goals, a variety of environmental, regional, budgetary, and quality of life issues must be addressed. These constraints include the following:

- **Environmental and Historic Features.** San Juan Bautista has many natural and historic features, which provide for a unique quality of life for residents.
- **Planned Growth.** San Juan Bautista has developed in a compact fashion due, in part, to the topography, the San Andreas Fault, and adjoining agricultural activities. This growth has been planned to coincide with the availability of both municipal water and sanitary sewer.
- **Budgetary Constraints.** The availability of funds to support housing programs is uncertain, but is expected to be more robust in this housing element period, perhaps enabling San Juan Bautista to better address its local housing needs.
- **Maintaining Community Character.** San Juan Bautista residents are committed to maintaining the rural character, historic resources, agricultural economy, environmental features, and other unique aspects of the community.

Within this broad context, San Juan Bautista must address key housing challenges over the 2019-2023 planning period. These challenges include: (1) providing sites for additional housing; (2) providing for a range in types and prices of housing; (3) looking at ways to address the need to improve and rehabilitate housing and neighborhoods; (4) providing for those with special housing needs; and 5) maintaining and improving the local environment and quality of life in San Juan Bautista. The 2019-2023 Housing Element addresses each of these issues.

B. State Policy and Authorization

The California State Legislature identifies the attainment of a decent home and suitable living environment for every resident as the State’s major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Section 65302(c) of the Government Code sets forth the specific components to be contained in a community’s housing element.

State law previously required housing elements to be updated at least every 5 years. The standard cycle is now 8 years and is tied to the region’s transportation planning. The 2009-2014 San Juan Bautista Housing Element covered the 5-year period spanning 2009 through 2014. This 4th Cycle Housing Element was in compliance, but the City had not adopted a housing element for the 5th Cycle, which was due on December 15, 2015 to cover the planning period from 2015-2023. Because the City missed this deadline, it must now adopt 2 consecutive 4-year housing elements to return to the current standard 8-year cycle. Having adopted the 1st of these two four-year housing elements, the City is now preparing its 2nd four-year housing element.

California law requires that each city and county, when preparing its State-mandated Housing Element, develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups, also known as the Regional Housing Needs Allocation (RHNA). This fair share concept seeks to ensure that each jurisdiction, to the extent feasible and appropriate, provides housing for its resident population, and those households who might reasonably be expected to reside within the jurisdiction, with a variety of housing appropriate to their needs.

The fair share allocation process begins with the State Department of Finance’s (DOF) population projections for the State and regions of the State. The Department of Housing and Community Development (HCD) uses the DOF population projections to determine housing needs by region in California. Once this occurs, the regional planning agency (or in San Juan Bautista’s case), the San Benito Council of Governments (SB+COG) allocates a share of the regional housing needs (RHNA) to each jurisdiction within the region, which is separated into 4 income categories. This Housing Element will review the City’s progress toward its RHNA from the 4th Cycle Housing Element (which was a total of 49 units) and the City’s current RHNA share (which is a total of 41 units). A breakdown of the 2015-2023 RHNA by income target is provided in Table 1-1, below.

Table 1-1: San Juan Bautista’s Share of Regional Housing Needs 2015-2023

Income Category	City’s Share of Regional Housing Needs	
	Number of Units	Percent of Total Units
Extremely Low Income	5	12%
Very Low	5	12%
Low	6	15%
Moderate	8	20%
Above Moderate	17	41%
Total	41	100%

Source: California Department of Housing and Community Development, 2014-2023

C. Role of Housing Element

Unlike other General Plan elements that typically cover a much longer planning horizon (10 to 20 years), the Housing Element covers a core timeframe of 8 years. Within this timeframe, the Housing Element identifies strategies and programs that focus on: (1) preserving and improving housing and neighborhoods; (2) providing adequate housing sites; (3) assisting in the provision of affordable housing; (4) removing governmental and other constraints to housing investment; and (5) promoting fair and equal housing opportunities.

The Housing Elements consists of the following major components:

- An analysis of the City's demographics, housing characteristics, and existing and future housing needs
- A review of potential market, governments, and environmental constraints to meeting the City's identified housing needs
- An evaluation of the land, financial, and organizational resources available to address the City's identified housing needs
- A statement of the Housing Plan to address the City's identified housing needs, including housing goals, policies and programs

D. Data Sources

In preparing the Housing Element, the preparers consulted various sources of information. As more recent reliable information is difficult to find in most cases, current Census data was used as the baseline for most demographic information. Additional sources include the Census of Agriculture, the California Department of Housing and Community Development, the Office of Policy Development and Research, the San Benito County Housing Element 2014-2023, California Department of Finance population projections, employment data from the State of California Employment Development Department, and the most recent data available from service agencies and other governmental agencies. In addition, the City's 2019-2023 Housing Element implements the most recent changes to State Housing Element law, including those specifying quantified results, identification of suitable sites for lower income housing, and changes affecting the development, maintenance, and improvement of transitional housing and housing for persons with disabilities.

E. Relationship to the General Plan

In addition to the Housing Element, the City's other General Plan elements directly or indirectly affect the development of housing. The Housing Element has been reviewed to ensure consistency with the other elements of the General Plan.

The City's General Plan, establishes a goal for the City to grow as a compact, unified city, maintaining clear definition between rural and urban uses. The General Plan consists of a number of chapters/elements that address both the State-mandated planning issues plus optional subjects that are of particular concern to the City.

The City will ensure consistency between the Housing Element and the other General Plan Elements so that policies introduced in one element are consistent with other elements. One Housing Element program may ultimately change the land use diagram for some of the land south of State Route 156.

F. Community Involvement

Public input on housing needs and strategies is critical to developing appropriate and effective City housing programs. As part of the Housing Element update, the City undertook an effort to involve residents, policy makers, and service providers in and around the San Juan Bautista Community. Recently, the City developed a Housing Needs survey that was conveyed via utility billing to obtain local resident input. The City has also conducted an outreach campaign that incorporated workshops, media releases, public meetings, and plans to conduct public hearings before the Planning Commission and City Council in conjunction with releasing the draft Housing Element to the Department of Housing and Community Development.

Workshop. For this 2nd four-year update, the City conducted a fully noticed Public Workshop on August 13, 2019. The program was structured to solicit questions, comments, and discussion on the Housing Element and potential sites for low and very low income housing and emergency shelters. Notices were distributed to various non-profit and community organizations, housing stakeholders and other interested parties. In addition, the event was posted on the City website, the Welcome Center, the library, at local businesses, and on several of the City's social media sites. The following groups were invited and noticed of this workshop:

- California Rural Legal Assistance
- San Benito County Chamber of Commerce
- Emmaus House
- San Benito County LULAC
- South County Housing Corporation
- The Red Cross—San Benito County
- Aromas-San Juan Unified School District
- Community Food Bank of San Benito
- San Benito County Workforce Development Board
- Habitat for Humanity
- Community Action Agency
- The Homeless Coalition of San Benito County
- Community Homeless Solutions
- Coalition of Homeless Services Providers

Approximately 20 persons attended the workshop and offered comments about ways to increase affordable housing, the best locations for lower income housing and emergency shelters, and accessory dwelling units. These citizen comments and recommendations were considered in preparing the housing element. Spanish translation was available at the public workshop.

State Review. This four-year update was submitted to the State Department of Housing and Community Development's (HCD) on October 2, 2019 for its 60-day review and comment. This draft document was posted online for public review on October 21, 2019. Preliminary comments were received back on October 21, 2019, and the draft updated document was revised to address HCD's comments. Following

City adoption, HCD will review and certified the Housing Element, which will be in effect through December 31, 2023.

Adoption Hearings. The Planning Commission (recommending body) held a public hearing, during which the public had an additional opportunity to comment, and recommended adoption on December 3, 2019. The City Council (adopting body), held a public hearing, during which the public had an additional opportunity to comment, and adopted the housing element on December 17, 2019. Copies of the draft Housing Element were made available for review at the City Hall and public library prior to the hearings.

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The Community Profile discusses population and household characteristics of San Juan Bautista residents, summarizes available housing, and outlines the City's housing needs through 2023. Later chapters of the Housing Element discuss the various constraints, resources, and programs to address housing needs.

A. Demographic Characteristics

The amount and type of housing needed in San Juan Bautista is largely determined by population growth, various demographic characteristics and the quality of the existing housing stock. These variables—age, race/ethnicity, occupation, and income level—combine to influence the type of housing needed.

1. Population Trends

The City has experienced a cycle of “booms” and “busts,” with population dwindling in some decades, and surging in others. In 1870, San Juan Bautista had more than 2,600 residents; almost 400 people more than it has today. By 1910, the City's population had declined to 326. It doubled between 1910 and 1930, dropped during the 1930s, grew rapidly during the 1940s, and remained flat during the 1950s. In more recent times, the population has continued to grow at an uneven rate with faster growth during the 1970s, 1980s, and 2000s and a slight decline during the 1990s. The 2017 population is 2,081, an increase of 219 people from the 2010 population of 1,862¹.

Since 1950, the City has grown much more slowly than the County as a whole. While San Benito County's population has increased by more than 200 percent since 1950, San Juan Bautista's population has increased by only about 50 percent.

2. Age Characteristics

A community's housing needs are determined in part by the age characteristics of residents. Each age group has distinct lifestyles, family type and size, income levels, and housing preferences. As people move through each stage of life, their housing needs and preferences change. As a result, evaluating the age characteristics of a community is important in addressing the housing needs of its residents.

The median age in San Juan Bautista at the last update in 2010 was 38.7 and now in 2017 it is 36.2. San Benito County median age at the last update in 2010 was 34.3 and now in 2017 it is 35.4. Table 2-1 indicates that San Juan Bautista has a higher proportion of seniors than San Benito County as a whole. Some 15.2 percent of all San Juan Bautista residents are over 65, compared to 11.8 percent countywide (and 8.4 percent in Hollister). The housing needs of seniors are often significant, due to seniors' limited incomes and higher health care costs. Housing for seniors also may require certain physical attributes, such as handicap ramps, grab bars, and easy access to local services.

¹ U.S. Census Bureau/American Fact Finder

At the other end of the age spectrum, 29.6 percent of all San Juan Bautista residents are 19 or under, compared to 29.3 percent in the County as a whole. The City has a high concentration of children under 5, suggesting a surge in elementary school enrollment during the coming years. It has an unusually low concentration of adults aged 20-24, suggesting that there are limited housing (and job) opportunities for persons in this age group. A larger supply of affordable rental units might allow young people to remain in San Juan Bautista after graduating from high school or college. About a third of all San Juan Bautista residents are in the “first-time home buyer” age cohort (25-44), which is comparable to the percentage in the County as a whole.

Table 2-1: Age Distribution of San Juan Bautista and San Benito County, 2017

Age	San Juan Bautista		San Benito County	
	Population	Percent	Population	Percent
Under 5 years	223	10.1%	3,889	6.6%
5 to 9 years	113	5.1%	4,187	7.1%
10 to 14 years	111	5.0%	4,707	8.0%
15 to 19 years	208	9.4%	4,469	7.6%
20 to 24 years	85	3.8%	4,062	6.9%
25 to 34 years	363	16.4%	7,702	13.1%
35 to 44 years	186	8.4%	7,612	13.0%
45 to 54 years	322	14.6%	8,117	13.8%
55 to 59 years	124	5.6%	3,852	6.6%
60 to 64 years	139	6.3%	3,184	5.4%
65 to 74 years	166	7.5%	4,109	7.0%
75 to 84 years	124	5.5%	1,868	3.2%
85 years and over	48	2.2%	913	1.6%
Total population	2,212	100.00%	58,671	100.0%

Source: United States Census – American Fact Finder

3. Race and Ethnicity

Various factors affect the present race and ethnic distribution the residents of San Juan Bautista’s today. San Juan Bautista’s rural roots, the presence of the agricultural industry, proximity to Silicon Valley and Highway 101, and the historic availability of affordable housing all have contributed to the race and ethnic composition of the community today. Understanding these dynamics is important in providing insight into the City’s existing and changing housing needs.

The racial and ethnic composition of San Juan Bautista residents is shown in Table 2-2. Just fewer than 44 percent of the City’s residents are non-Hispanic whites. About 54 percent of residents are of Hispanic origin. Less than 2 percent of San Juan Bautista’s residents belong to other racial groups. In San Juan Bautista the Hispanic population increased slightly and White Non-Hispanic decreased. More notable was the change the County has had, seeing an increase in about 3 percent in the Hispanic population and a decrease of 3 percent in the non-Hispanic whites (see Table 2-2). Among San Juan Bautista’s Hispanic residents, 83 percent were of Mexican heritage.

Table 2-2: Racial and Ethnic Distribution of San Juan Bautista and San Benito County, 2017

Ethnicity	San Juan Bautista		% Change 2000-2010	San Benito County		% Change 2000-2010
	Number	Percent		Number	Percent	
White, Non-Hispanic	940	42.50%	-1.4%	20,872	35.6%	-2.7%
Hispanic Origin	1,189	43.80%	5.1%	34,561	58.9%	2.5%
Black	0	0%	-0.6%	437	0.7%	-0.2%
Asian-Pacific Islander	48	2.2%	-0.6%	1,657	2.9%	0.3%
Native American	0	0%	-3.1%	178	0.3%	-1.3%
Other Races	35	1.6%	0.7%	966	1.6%	1.4%
Total	2,212	100.00%		58,671	100.00%	

Source: United States Census –American FactFinder

According to the California Department of Education in 2017-18, English Learners represented 24 percent (269) of all students in the Aromas/San Juan Unified School District. Of this total, Spanish was the primary language for 263 of the 269 students. Overall, the School District race and ethnicity demographics represent a higher proportion of Hispanic than the City itself. This difference reflects higher Hispanic numbers in the Aromas area and the higher number of Hispanic households with children under 18 years of age.

4. Household Type

According to the 2017 Census, the average household size in San Juan Bautista is 2.68 persons. As Table 2-3 indicates, this is close to the State average (2.96), and lower than the San Benito County average of approximately 3.23 persons per household. About 27 percent of the City's households consist of people living alone (up from 23 percent in 2010), while 25 percent consist of large families -- defined as 4 or more persons per household (up from 14.7 percent in 2017). The relatively broad distribution of household sizes suggests a demand for a wide variety of housing types, from small units suitable for one person to large homes for families with 4 or more children.

Table 2-3: Household Size in San Juan Bautista, San Benito County and California, 2017

Type	San Juan Bautista		San Benito County		California	
	Number	Percent ¹	Number	Percent ¹	Number	Percent ¹
Household Size						
Total Households	788	100	17,440	100	12,888,128	100
1 Person	216	27	2,479	14	3,075,683	24
2 Person	210	27	5,116	29	3,890,262	30
3 Person	169	21	3,460	20	2,146,964	17
4 Person or more	193	25	6,385	37	3,775,219	29
Persons per Household	2.68		3.23		2.96	

Source: United States Census – American FactFinder, California Department of Finance

Table 2-4 shows a vast majority of the City's households are families. Married couples with children and other families represent the largest number and percentage of households in San Juan Bautista. It is noteworthy that approximately 27 percent of all households are made up of persons living alone. Housing demands for persons living alone can differ significantly from family households particularly as those single person households age.

Household size and composition is a complex issue, often reflective of market conditions as well as demographic factors. The relatively high cost of housing in San Juan Bautista, coupled with the lower incomes of many residents, has resulted in some sharing of homes and units. In addition, cultural preferences toward the elderly and other extended family members impacts household size. Again, it appears that future housing opportunities will need to look at a wide range of types and sizes.

Table 2-4: Household Type and Presence of Children, 2017

Households			Sub Group			Within Households		
Family Households	507	64%	Husband-wife family	321	63%	With related children under 18	267	53%
			Male, no wife present	103	20%	With own children under 18	251	50%
			Female, no husband present	83	16%			
				507	100%			
Non-family Households	281	36%	Householder living alone	216	77%	Male 65 years and older	12	8%
						Female 65 years and older	36	23%
Total Households	788	100%						

Source: United States Census – American Fact Finder

5. Income

As shown in Table 2-5, in 2017, the median household income in San Juan Bautista was \$66,833, compared to \$80,760 countywide (and \$77,823 in Hollister). Table 2-5 indicates that 15 percent of all San Juan Bautista households earned less than \$25,000 a year, compared to 12 percent countywide. On the other hand, 66 percent of all San Juan Bautista households earned more than \$50,000 a year, compared to 17 percent countywide.

Table 2-5: Income Distribution of San Juan Bautista and San Benito County Households, 2017

	San Juan Bautista		Hollister		San Benito County	
	Number	Percent	Number	Percent	Number	Percent
Total households	788	100	10,418	100	17,440	100
Less than \$10,000	20	2.5%	256	2.5%	356	2%
\$10,000 to \$14,999	32	4.1%	5445	4.3%	630	3.6%
\$15,000 to \$24,999	67	8.5%	659	6.3%	1,076	6.2%
\$25,000 to \$34,999	70	8.9%	643	6.2%	1,096	6.3%
\$35,000 to \$49,999	76	9.6%	1,253	12%	1,930	11.1%
\$50,000 to \$74,999	170	21.6%	1,790	17.2%	3,100	17.8%
\$75,000 to \$99,999	138	17.5%	1,716	16.5%	2,523	14.5%
\$100,000 to \$149,999	118	15%	2,158	20.7%	3,641	20.9%
\$150,000 to \$199,999	31	3.9%	924	8.9%	1,627	9.3%
\$200,000 or more	66	8.4%	574	5.5%	1,461	8.4%
Median household income (dollars)	66,833	(X)	77,823	(X)	80,760	(X)

Source: United States Census – American FactFinder

In 2017, approximately 319 San Juan Bautista residents (14 percent of the population) were classified by the Census as living in households below the poverty level, defined as earning less than 30 percent of the median household income for the County. See Table 2-6 below for a breakdown between the City and the County on the distribution of residents with an income classified as very low, low and moderate.

Table 2-6: Distribution of Households per Income Level

	San Juan Bautista	San Benito County
Very Low Income	142	3,850
Low Income	147	2,937
Moderate Income	178	1,990
Above Moderate	321	8,663
Total	788	17,440

*Derived and interpolated from Table 2-5 above.

B. Special Needs Groups

Certain groups in San Juan Bautista and San Benito County encounter greater difficulty finding decent, affordable housing based on their special needs and/or circumstances. Special circumstances may be related to one's employment and income, family characteristics, medical condition or disability, and/or household characteristics. A major emphasis of the Housing Element, per State law, is to ensure that persons from all walks of life have the opportunity to find suitable housing in San Juan Bautista.

State Housing Element law identifies the following "special needs" groups: senior households, disabled persons, single-parent households, female-headed households, large households, persons and families in need of emergency shelter, and farm workers. This section provides a discussion of housing needs for each particular group, and identifies the major programs and services available to address their housing and supportive service needs. San Juan Bautista is an extremely small City with relatively small disabled, homeless and non-senior special needs populations. Data from the 2000, 2010, and 2017 U.S. Census Bureau has been used to determine the size of special needs groups in San Juan Bautista. However, there is no reliable count available for the City of San Juan Bautista regarding farmworkers and homeless persons and therefore, these 2 special needs groups are not provided below. Table 2-7 summarizes special needs groups residing in the City.

Table 2-7: Special Needs Population

	2000	2010	2017
Special Needs Group	Number		
Senior Households⁽¹⁾	51	117	188
Disabled Persons⁽²⁾	493	*	236 ⁽³⁾
Single-Parent Families w Children	65	126	186
Large Households⁽⁴⁾	77	100	193 ⁽⁵⁾

Sources: 2000, 2010, 2017 U.S. Census Bureau.

Notations:

1. Households headed by persons age 65 years or older.
2. A person with a physical, mental, or emotional condition that lasts over a long period of time that makes it difficult to live independently.
3. Totals for the 6 disability types combined.
4. Households with 5 or more members residing in a home
5. 2017 data only provides 4 or more members in a household.

*A disability is defined differently from the 2000 to 2010 Census. 2010 Census data is unavailable.

1. Senior Households

According to 2017 Census data, 188 households in San Juan Bautista (24 percent) were headed by seniors (persons age 65 years and older), a significant increase over the preceding decades (e.g. in 2010 senior households were 12 percent of total households). Senior households typically have special housing needs due to 3 primary circumstances: fixed income, high health care costs, and physical disabilities.

More senior householders in San Juan Bautista are homeowners than renters (17 percent and 7 percent, respectively) (U.S. Census Bureau, 2017). Because of physical and/or other limitations, senior homeowners may have difficulty performing regular home maintenance or repair activities. Senior women are especially in need of assistance. For those who rent housing, senior renters can benefit greatly from rental assistance.

Various programs can address senior needs including congregate care, supportive services, rental subsidies, shared housing, and housing rehabilitation assistance. For frail seniors or those with disabilities, housing with architectural design features accommodating disabilities can help ensure continued independent living. (Housing for disabled people is discussed in the following section.) Seniors with mobility/self-care limitations also benefit from public transportation assistance, food services, and other supportive services. Senior housing with supportive services can be provided to allow independent living. There are currently no designated senior only housing facilities in the City, nor are there any State licensed congregate care facilities.

2. Disabled Persons

Disabled persons have special housing needs because of their fixed income, the lack of accessible and affordable housing, and higher health costs associated with their disability. A disability is defined broadly by the Census Bureau as a physical, mental, or emotional condition that lasts over a long period of time that makes it difficult to live independently. According to the U.S. Census Bureau, disability data comes from the American Community Survey, the Survey of Income and Program Participation, and the Current Population Survey; all 3 surveys ask about 6 disability types: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. According to U.S. 2017 Census data, San Juan Bautista has 236 disabled residents, representing 11 percent of City residents. Of these persons, only 14 (4 percent) are seniors.

To meet the unique housing needs of the disabled, the City, through San Benito County and the State of California, participates in various programs to assist the disabled. The County Health Services Administration, State Department of Social Services, and the Social Security Administration provide support services. The City's building code also requires new residential construction comply with the Federal Americans with Disabilities Act (ADA), which requires a minimum percentage of units in new developments to be fully accessible to the physically disabled as well as California Title 24 accessibility requirements.

Living arrangements for disabled persons depend on the severity of the disability. Many persons live independently with other family members. To maintain independent living, disabled persons may need special housing design features, income support, and in-home supportive services for persons with medical conditions. According to the California Department of Social Services, for those requiring a more supportive setting, San Juan Bautista has no licensed care facilities. There are; however, licensed facilities within San Benito County.

3. Mental and Developmental Disabilities

Persons with a mental disability (defined within 2017 Census as cognitive difficulty) fall within the definition afforded by the Americans with Disabilities Act and thus are entitled to fair housing. According to the 2017 U.S. Census Bureau, there are approximately 67 persons (4 percent) over the age of 5 years old with a cognitive difficulty in San Juan Bautista. The San Andreas Regional Center (local office in Gilroy) assists persons with developmental disabilities who live in the city of San Juan Bautista. In California, “Developmental Disability” means a disability that is attributable to mental retardation, cerebral palsy, epilepsy, autism, or disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation. Persons with such disorders may have difficulty finding suitable housing due to a shortage of appropriate housing, the inability to afford housing, or even discrimination in being considered for housing.

San Benito County works with non-profits and public agencies to address housing needs. In San Juan Bautista, San Benito County is the primary agency developing and managing housing for persons with psychiatric and developmental disabilities. The California Services Development Corporation of San Benito County, a non-profit organization, works with people of developmental disabilities, who are capable of holding jobs and affording rent, to find affordable housing within the County. The San Andreas Regional Center provides job training, placement and life skills assistance to San Juan Bautista and San Benito County on the whole.

4. Families

In recent years, the high cost of housing has placed an escalating burden on families, any individual or group of 2 or more individuals, in San Juan Bautista. As moderate and lower income families increasingly can no longer afford the median-priced home, market conditions have led to a higher prevalence of overpayment, overcrowding, and substandard living conditions. Of all family households, single parents with children and large families are disproportionately impacted. While the housing bubble of late has provided some relief in terms of “for-sale” housing prices, the cost for rental housing has not reflected this downward trend. Compounding the issue has been the extended recession with high unemployment in both San Benito County proper as well as the region.

- ✓ **Single-Parent/Female-Headed.** Single-parent/female-headed households with children often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, health care, and a variety of other supportive services. Single-parent/female-headed households also tend to receive unequal treatment in the rental housing market, which is a fair housing concern. Moreover, because of their relatively lower household incomes, single-parent/female-headed households also have limited opportunities for finding affordable, decent, and safe housing.

The U.S. Census Bureau, 2017 Census, reported that in San Juan Bautista there are 186 single-parent households with children under 18, of which 83 are headed by females. The Census also indicates that 11 percent of female-headed families with children less than 18 years live below the poverty level, this percentage decreased in comparison to percentage reported in the 2010 Census.

- ✓ **Large Households.** Large households are defined as households having 5 or more members residing in the home; however, the 2017 Census data only provides 4 or more members in a household. These households constitute a special needs group because of an often limited supply of adequately sized, affordable housing unit. Because of high housing costs, families and/or extended families are forced to live together under one roof.

According to the 2017 Census, San Juan Bautista has 193 large households. The housing needs of large households could be met by larger units, or depending on household make-up, 2 or more smaller units. Because most of the larger units in San Juan Bautista are expensive, lower-income large households commonly reside in smaller units, frequently resulting in overcrowding. To address overcrowding, the City will be working to develop housing opportunities for all sized households.

5. Farm Workers

Estimating the size of the agricultural labor force is challenging as farm workers are historically undercounted by the census and other data sources. Farm workers are typically categorized into 3 groups: (1) permanent, (2) seasonal, (3) migrant. Permanent farm workers are typically employed year round and full-time with the same employer. A seasonal farm worker works on average less than 150 days a year and earns at least half of his/her earned income from farm work. Seasonal farm workers include persons that reside in the County full time but may only work during a portion of the harvest of one or more crops, and/or migrant farm workers that utilize temporary housing only during the harvest and then leave the area. A seasonal worker that is a resident may seek other temporary work in the off- season and may have difficulty finding affordable housing because periods of employment are sporadic and the pay is low. Migrant farm workers are seasonal farm workers who have to travel to do the farm work so that he/she is unable to return to his/her permanent residence within the same day. Migrant farm workers arrive during the cultivating or harvesting of crops and leave when work is not available. Generally, a migrant laborer will seek housing in a labor camp, rentals, vehicles, overcrowded conditions, or substandard facilities if there are insufficient migrant labor facilities. A portion of the farm workers may also be undocumented foreign workers who may come to the area during the harvest season and then leave. Some undocumented foreign workers may stay because they lack insufficient funds to return home. The areas agricultural has transition over time from orchards to row crops, which has transitioned much of San Benito County's farm labor to a permanent workforce.

According to the 2012 Census of Agriculture, San Benito County reported 628 farms in 2012. This means there was a minute increase in the total number of farms since 2007, when the county reported 625 farms. The county also has a higher number of permanent farm workers (1,118) as opposed to seasonal farm workers (1,051), with a total of 2,169 farm workers. The needs of farm workers are unique in how the nature of their work is often seasonal. This means their housing needs may only be during certain times and/or their income will be highly restricted (affecting their ability to afford housing) during part of the year. Further, they often have a restricted income and limited English speaking skills.

Although the city does not have seasonal and permanent farmworker housing within the city limits, the USDA provides a 2012 Census of San Benito County's farm statistics and county data regarding migrant seasonal farm workers. 2017 Census data lists 13 workers employed in agriculture, but it is not known what positions these worker hold.

Due to the nature of their work and the lower income, farm workers often face difficulties with housing affordability, overcrowding, and substandard conditions. San Juan Bautista has a High Density Residential and a Mixed Use District that are intended to provide for a broad variety of housing choices, especially in the lower cost ranges. There is no dedicated farmworker housing within the city limits, but there is a farmworker housing establishment just south of the city. Hollister, which is located about 8 miles away from San Juan Bautista, has 2 and 3 bedroom apartments dedicated specifically to farm worker families.

Table 2-8: San Benito County Farms and Workers

	Farm workers	Farms
Farm Operations with fewer than 10 Employees		
Permanent	355	128
Seasonal (e.g., less than 150 days)	374	126
Total	729	254
Farm Operations with 10 or more Employees		
Permanent	763	29
Seasonal (e.g., less than 150 days)	677	24
Total	1,440	53
Grand Total	2,169	307

Source: 2012 Census of Agricultural Volume 1, Part 5 (Table 7, Hired Farm Labor – Workers and Payroll: 2012, p. 299)

Table 2-9: San Benito County Farm Labor Workers

Year	2007	2012
Hired farm labor (farms)	228	242
Hired farm labor (workers)	2945	2169
Hired seasonal farm labor⁽¹⁾ (workers)	1458	1051
Hired permanent farm labor⁽²⁾ (workers)	1487	1118

Source: 2012 Census of Agricultural Volume 1, Part 5 (Table 7, Hired Farm Labor – Workers and Payroll: 2012, p. 299)

Notes: (1) Employees that work less than 150 days.

(2) Employees that work 150 days or more.

6. Homeless Persons

Homelessness is not one of the more pressing issues in San Benito County as a whole. Recent surveys of the city estimate about 0 to 3 homeless persons in San Juan Bautista. The City participates in the countywide winter shelters by the “faith-based” community.

The homeless are considered a special needs group because loss of shelter can result in a loss of a sense of well-being. Persons and families that become homeless may lose all of their possessions. The shelter needs for these persons vary from temporary shelter, transitional shelter, and counseling and support services. Special facilities may be needed for substance abusers, persons suffering from AIDS, the mentally ill and persons/families displaced by job loss and or lack of affordable housing.

There are currently no homeless facilities in San Juan Bautista, but Table 4-1 (Vacant Parcel Inventory) presented in Chapter 4, below, includes a 0.48-acre underutilized site zoned for Public Facilities that would be appropriate for a homeless shelter. Currently, there is no provision for transitional housing within the City Zoning Ordinance. Pursuant to State law, the City is in the process of addressing this within its Zoning Code through its adoption of an ordinance to amend the allowed uses within residentially zoned areas in the City to accommodate transitional housing as allowed. There are several Emergency Shelters/Transitional Housing services available in San Benito County.

C. Housing Stock Characteristics

This section of the Housing Element addresses the housing characteristics and conditions in San Juan Bautista. Housing factors evaluated include housing stock and growth, tenure and vacancy rates, age and condition, housing costs, and affordability.

1. Housing Growth

The City of San Juan Bautista is a small City that embraces its history and its heritage. The City has experienced moderate housing growth over the last twenty years with the addition of both single family and multiple family housing units. Moderate to slow growth in new housing is anticipated through 2023. The City is within commute range of the jobs-rich Silicon Valley, and this factor places price-pressure on the local housing market.

2. Structure Type

Table 2-10 tracks the changing mix of San Juan Bautista's housing stock between 2009 and 2018, based on the City's records for new construction. According to the City's records, 83 new housing units were added to the City's housing stock between 2010 and 2018; 37 of which were added in 2018.

Table 2-10: New Housing Units by Structure Type, 2009-2018

	2009 - 2018
Total housing units	58
Single Family Residence	57
Accessory Dwelling Units	1
2 or more units	0
Mobile home	0

Source: DOF Table E-5 2019; City's new housing construction counts

Table 2-11 compares the housing composition of San Juan Bautista with that of the County and Hollister. About 72 percent of all San Juan Bautista's units are single-family detached and attached homes, about 25 percent are in multi-unit buildings, and 3 percent are mobile homes.

Table 2-11: Housing Unit Profile: San Juan Bautista and Nearby Jurisdictions, 2019

	San Juan Bautista		San Benito County		Hollister	
	Number	%	Number	%	Number	%
Total housing units	803	100	18,935	100	11,259	100
1-unit, detached	501	62	14,771	78	8,333	74
1-unit, attached	77	10	747	4	327	3
2 to 4 units	130	16	1,408	7	1,242	11
5 + units	70	9	1,156	6	995	9
Mobile home	25	3	853	5	362	3

Source: DOF Table E-5 2019

3. Vacancy Characteristics

In all, there were 64 vacant units at the time the Census was taken in 2010. However, only 31 of these units were available for rent or for sale, resulting in a vacancy rate of 8.6 percent. The vacancy rate was higher than the rate in the County as a whole (5.6 percent). The vacancy rate has increased slightly from the 7.8 percent vacancy rate reported for San Juan Bautista in the 2000 Census. A vacancy rate of 4 or 5 percent is indicative of a fairly healthy housing market. However, because the rents or prices of the vacant units are not provided by the Census, there is no way to know if they are affordable.

Table 2-12: Vacancy Characteristics: San Juan Bautista and San Benito County, 2010

Vacancy Status	San Juan Bautista		San Benito County	
	Number	Percent	Number	Percent
For rent	18	28.1	315	29.6
For sale only	13	20.3	222	20.8
Rented or sold, not occupied	3	4.7	73	6.9
For seasonal, recreational, or occasional use	9	14.1	154	14.5
For migratory workers	0	0	13	1.2
Other vacant	21	32.8	288	27.0
Total Vacant Units	64	100	1,065	100

Source: 2010 Census

About 33 housing units in San Juan Bautista were vacant at the time of the Census but not available for rent or sale. Most of these units are used seasonally or for recreational use. Some may be used by migrant workers. The Statewide Housing Plan suggests that a gross vacancy rate (all vacant units, including those not for sale or rent) of 6-8 percent is desirable in an area with a large seasonal labor force. The gross vacancy rate in San Juan Bautista is 7.8 percent.

4. Housing Condition

The Census indicates that about 20 percent of the City's housing stock was built before 1940. This is a higher percentage than in most cities in California and suggests that rehabilitation needs may be higher in San Juan Bautista than elsewhere in the region. A windshield survey conducted in early 2013 indicated that about 7 percent of the City's single family housing stock had some sign of exterior deterioration. Typical conditions observed included peeling paint, sagging roofs, and disheveled outbuildings (including sheds and detached garages). The City estimates that fewer than 5 units have deteriorated to the point where they cannot feasibly be repaired.

5. Housing Prices

Home values and rent, according to Zillow (August 2019) are presented in Table 2-13 below. As shown, the average monthly rate in the City is \$2,447 each month and the average housing value is \$614,000. However, Zillow also states that the median home value in the City is \$647,700 and the median price of homes currently listed in the City is \$784,900.

Assuming a 10 percent down payment, a 30-year fixed mortgage, and a 5 percent interest rate, the monthly principal and interest payment on the median-priced home in San Juan Bautista would be \$3,164.

Property taxes, insurance, and utilities would yield an additional monthly housing cost of about \$1,700 a month. At 30 percent of gross income, the household would need to earn at least \$194,560 to afford such a home. While such house payments would be prohibitively high for most San Juan Bautista households, they could seem very attractive to would-be homebuyers from the Santa Clara Valley or the Monterey Peninsula.

Table 2-13: Home Value and Monthly Rent

Year	Housing Value	Monthly Rent
2015	\$570,000	\$2,149
2016	\$618,000	\$2,356
2017	\$625,000	\$2,548
2018	\$601,000	\$2,524
2019	\$655,000	\$2,656
Average	\$614,000	\$2,447

Source: Zillow accessed in August 2019 through
<https://www.zillow.com/san-juan-bautista-ca/home-values/>

5. Housing Affordability

Housing affordability is influenced by a number of factors. Rising housing costs, coupled with stagnant or declining real incomes, are making housing less affordable for an increasing number of households. This section analyzes the ability of San Juan Bautista households to secure housing in one of the least affordable regions in California.

Every year, the National Association of Home Builders (NAHB) tracks the ability of households to afford a home in almost 2,000 metropolitan areas across the country. NAHB develops a Housing Opportunity Index (HOI) for a given area that is defined as the share of homes sold in that area that would have been affordable to a family earning the median income. In the past, less than 10 percent of the homes sold in the neighboring Santa Cruz-Watsonville metropolitan area have been affordable to the median family. Housing prices in San Juan Bautista have historically reflected this joining area.

The affordability of housing in San Juan Bautista can be inferred by comparing the cost of renting or owning a home in San Juan Bautista with the income levels of different size households. The following page shows the annual income ranges for very low, low, and moderate-income households by household size and the maximum affordable housing payment based on the federal standard of 30 percent of household income. Standard housing costs for utilities, taxes, and property insurance are also shown. From these assumptions, the affordability of housing for a variety of income levels can be determined.

Affordability by Household Income

- ✓ **Extremely Low-Income Households:** The U.S. Department of Housing and Urban Development (HUD) uses the Federal Poverty Guidelines to determine the extremely low-income limit. HUD compares the applicable guidelines with 60 percent of the very low-income limit and chooses the greater limit of the 2. This value may not exceed the very low-income level.
- ✓ **Very Low-Income Households:** Very low-income limits reflect 50 percent of the median family income and HUD's median family income value generally equals 2 times HUD's 4-person very low-income limit. Given the expensive costs of single-family homes and also rising cost of condominiums in San Juan Bautista, very low-income households could not afford to own a single-family home without considerable public assistance. Very low income households are thus

confined to rental housing, and some rent a room within a house. A large family (5 or more persons), may in many cases only be able to afford to rent a studio or one-bedroom unit, which would be too small. In practical terms, a large family would have to overpay for housing just to live in an inadequately sized rental unit.

- ✓ **Low-Income Households:** Low-income limits represent the higher level of: 80 percent of the median family income or 80 percent of state non-metropolitan median family income. According to the Department of Housing and Community Development's State Income Limits for 2019, the low-income limit reflects 160 percent of the very low-income limit, with some exceptions.
- ✓ **Moderate-Income Households:** The moderate-income limit is equal to 120 percent of the County's area median income for 4-person households. One-person households and small families may be able to afford a limited number of 2-bedroom single-family homes and some condominiums available on the market without public assistance. Large families should be able to afford a few 3-bedroom homes, provided that down payment and closing costs can be managed.

Table 2-14: Upper Limits for Income Brackets in San Benito County: April 2019

Persons in Household	Extremely Low Income	Very Low Income	Low Income	Median Income	Moderate Income
1	\$21,450	\$35,700	\$57,150	\$59,150	\$71,000
2	\$24,500	\$40,800	\$65,300	\$67,600	\$81,100
3	\$27,550	\$45,900	\$73,450	\$76,050	\$91,250
4	\$30,600	\$51,000	\$81,600	\$84,500	\$101,400

Source: California Department of Housing and Community Development 2019 State Income Limits

The following income range amounts are based on a median family income of \$81,100 in 2015 for San Benito County as reported in the San Benito County Housing Element (2014-2023):

- Extremely Low Income: less than \$24,330
- Very Low Income: \$24,331 - \$40,550
- Other Low Income: \$40,551 - \$64,880
- Moderate Income: \$64,881 - \$97,320
- Above Moderate Income: \$97,321 and greater

The median monthly housing cost was \$1,692 (or \$20,304 annually) in 2017 for an existing home and the monthly housing cost for a new home estimates at approximately \$3,280 (or \$39,360 annually). In order to pay only 30 percent of household income for existing housing, a monthly income of \$14,425 (\$173,100 annually) is needed to afford an existing home and \$16,974 (\$203,685 annually) to afford a new home. From this calculation, only above moderate income households could afford to purchase an existing home in San Juan Bautista. Given the price of new housing units, not even moderate income levels could afford to become homeowners.

D. Regional Housing Needs

State law requires all regional councils of governments, including the San Benito Council of Governments (SB+COG), to determine the existing and projected housing need for its region (Government Code Section 665580 et seq.). SB+COG is also responsible for determining the portion allocated to each jurisdiction

within the region. This is called the Regional Housing Needs Allocation (RHNA) process. The City's housing targets were presented in Chapter 1.

1. Existing Housing Needs

A continuing priority of the City is enhancing or maintaining residents' quality of life. A key measure of quality of life in a community is the extent of "housing problems." Housing problems primarily include overcrowding and overpayment, which are defined below:

- ✓ **Overcrowding:** Refers to a housing unit that is occupied by more than one person per room, excluding kitchens, bathrooms, hallways, and porches.
- ✓ **Overpayment:** Refers to a household paying 30 percent or more of its gross income for rent (either mortgage or rent), including costs for utilities, property insurance, and real estate taxes.

Overcrowding

Overcrowding occurs when housing costs are so high relative to income that families double or triple up to devote income to other basic needs such as food and medical care. Overcrowding also tends to result in accelerated deterioration of homes, a shortage of off-street parking, increased strain on public infrastructure, and additional traffic congestion. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to improving the quality of life in the community.

According to the California Department of Housing and Community Development's 5th Housing Element data package, 60 households in San Juan Bautista live in overcrowded conditions. Table 2-15 details household sizes for San Juan Bautista. Per the U.S. Census Bureau, overcrowding is defined as households with more than one person per room. Renters typically are more likely to live in overcrowded conditions or overpay for housing. Renters represent 87 percent of all overcrowded housing units. In San Juan Bautista, 45 percent of all renters overpay for housing, compared to about 16 percent of owners.

Table 2-15: Tenure and Overcrowding: San Juan Bautista and San Benito County, 2012

	San Juan Bautista		San Benito County	
	Number	Percent	Number	Percent
Occupied housing units	586	100%	16,840	100%
Average household size of owner-occupied unit	2.56	(X)	3.14	(X)
Average household size of renter-occupied unit	2.93	(X)	3.48	(X)
Renter occupied:	344	59%	6,012	36%
0.50 or less occupants per room	168	49%	2,541	42%
0.51 to 1.00 occupants per room	124	36%	2,626	44%
1.01 to 1.50 occupants per room	49	14%	501	8%
1.51 to 2.00 occupants per room	3	0.9%	254	4%
2.01 or more occupants per room	0	0%	90	1%
Owner occupied:	242	41%	10,828	64%
0.50 or less occupants per room	172	71%	7,312	68%
0.51 to 1.00 occupants per room	62	26%	3,028	28%
1.01 to 1.50 occupants per room	8	3%	403	4%
1.51 to 2.00 occupants per room	0	0%	35	0%
2.01 or more occupants per room	0	0%	50	0%
Total Units with more than 1 persons per room	60	10%	1,333	8%

Source: California Department of Housing and Community Development 2012

Overpayment

Housing overpayment occurs when housing costs increase faster than income. As is the case for many jurisdictions in California, it is not uncommon to overpay for housing in San Juan Bautista especially in light of the recent housing bubble and subsequent collapse. However, to the extent that overpayment is often disproportionately concentrated among the most vulnerable members of the community, maintaining a reasonable level of housing cost burden is an important contributor to quality of life.

Housing overpayment remains a significant problem in San Benito County, where many households pay a substantial portion of their income for housing. The problem is particularly severe for renters. Over the past decade, housing overpayment has increased significantly for homeowners but declined slightly for renters. This trend has shifted somewhat as the price of “for sale” homes have declined while interest rates have remained at historically low rates.

The following table shows that 45 percent of extremely low-income households in San Juan Bautista pay 30 percent or more of their gross income for rent.

Table 2-16: Overpayment for Housing among All San Juan Bautista Households

% of Household Income Spent on Housing Costs	Renters	Owners	Totals
More than 30%	155	34	189
Extremely Low Income (0-30%)	35	15	26%
Income between 30%-50%	55	15	37%
Income between 50%-80%	65	4	37%
More than 30% but less than 50%	65	0	65
Extremely Low Income (0-30%)	0	0	0%
Income between 30%-50%	15	0	23%
Income between 50%-80%	50	0	77%
More than 50%	90	34	124
Extremely Low Income (0-30%)	35	15	40%
Income between 30%-50%	40	15	44%
Income between 50%-80%	15	4	15%
Total households	345	210	-

Source: California Housing and Community Development Department 2007-2011 data

Within San Juan Bautista, both renters and owners of lower income households are experiencing overpayment. Overpayment is defined as paying more than 30 percent of a household’s gross income for housing. The following table displays the total overpaying households, and highlights how lower incomes are particularly subjected to overpayment.

Table 2-17: Overpayment Lower Income Households

Households	Renters	Owners	Total
Total Households Overpaying	185	79	264
Lower Income Households			
Total Lower Income Households Overpaying	190	55	245
Lower Income Households Overpaying (30% of Income)	155	34	189
Lower Income Households Overpaying (50% of Income)	90	34	124

Source: California Department of Housing and Community Development, 2007-2011

Overpayment amongst renters is the highest, with 70 percent of total overpaying households being renters. Further, lower income renting households are more prone to overpayment, with 82 percent paying over 30 percent of income and 73 percent paying over 50 percent of income.

2. Low Income Housing Needs

According to the California Department of Housing and Community Development's 5th Housing Element data package, San Juan Bautista had approximately 65 extremely low income households, representing approximately 12 percent of the total households. Out of the 345 renters in San Juan Bautista, 68 percent experienced a housing cost burden. Approximately 36 percent of the 210 owners had a cost burden as well. Amongst all households overpaying, 70 percent of renters experienced housing problems and 30 percent of owners did as well. The housing cost burden was highest amongst renters in lower income households paying more than 30 percent totaling at 82 percent while 18 percent of owners (34 percent total occupied households) were using more than 30 percent of their income for housing. Approximately 22 percent of all occupied households (16 percent of renters and 6 percent of owners) experienced a severe housing cost burden of greater than 50 percent of household income.

Table 2-18: Housing Needs for ELI¹ Households

	Renters	Owners	Total
Total Number of Households	465	390	855
Total Number of ELI Households	170	25	195
Percent of ELI with any Household Problems	31	6	37
Percent of ELI with Housing Cost Burden	31	6	37
Percent of ELI with Severe Housing Cost Burden (50% of income)	29	6	35
Total Percent of Households Experiencing Severe Housing Cost Burden	37	6	43

Source: Office of Policy Development and Research - Consolidated Planning/Comprehensive Housing Affordability Strategy Data, 2011-2015

Notes: (1) ELI = extremely low income

Projected Need

The City currently has very low housing need allocation of 10 units. If San Juan Bautista assumes 50 percent of their very low-income regional housing need is extremely low-income households, the City has a projected need of 5 units for extremely low income households.

3. Future Housing Need

Future housing need refers to the share of the region's housing need that has been allocated to a community. In allocating the region's future housing needs to jurisdictions, SB+COG is required to take into account planning considerations in Section 65584 of the State Government Code. These include market demand for housing, employment and commuting, availability of suitable sites and public facilities, type and tenure of housing, and other factors. SB+COG calculates future housing needs based upon regional and local forecasts of household growth, adjusted to allow for a sufficient number of units needed for normal vacancies and the replacement of units demolished or converted during the 2014-2019 timeframe.

After construction need is determined, SB+COG applies a "fair share" formula to determine the number of housing units to be affordable at different income levels. The fair share calculation is performed to meet the State mandate to reduce the disproportionate concentration of lower-income households in any one community and ensure that each city shares in the region's need for affordable housing.

Table 1-1, presented in Section 1, summarizes San Juan Bautista's share, 41 units, of the region's future housing need for the 2014-2023 planning period.

4. Assisted Housing At-Risk of Conversion

Existing housing that receives governmental assistance is often a significant source of affordable housing in many communities. According to the San Benito County 5th Cycle Housing Element, the Santa Cruz Housing Authority provided a total of 344 Housing Choice Voucher Program (Section 8) tenant-based vouchers in the cities of Hollister and San Juan Bautista. The Housing Element includes a target to conserve these vouchers through 2023.

There are no deed-restricted housing units in San Juan Bautista at this time, but the recent housing developments will be providing inclusionary units under affordability deed restrictions, or paying an in lieu fee that will finance the construction of deed-restricted housing units. Newly constructed ADUs that fall within the State definitions will have restrictions regarding ownership and occupancy, and by their nature, are expected to provide moderately priced housing.

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The City recognizes that adequate and affordable housing for all income groups strengthens the community. Many factors can work to encourage or constrain the development, maintenance, and improvement of San Juan Bautista's housing stock. These include market mechanisms, government codes, and physical and environmental constraints. This section addresses those potential constraints.

A. Market Constraints

Land costs, construction costs, and market financing contribute to the cost of housing reinvestment and production. Although market conditions represent the primary driver, the City retains some leverage in instituting policies and programs to address market factors. The following discussion highlights market constraints to the production, maintenance, and improvement of housing.

1. Development Costs

The price of single-family housing and rents for apartments largely reflect construction costs, the cost of land and labor costs. As housing development costs increase, so does the price of housing. In San Juan Bautista, proximity to Silicon Valley employment centers coupled with limited land resulted in increasing home prices and rents during the first part of the housing element cycle.

Construction Costs

Construction costs vary widely according to the type of development, and the presence of environmental conditions. The International Code Council (ICC) established in 2018 that the average cost of good quality construction is \$161.95 per square foot for multi-family homes and \$151.10 per square foot for single-family homes. Costs can also fluctuate based on project specific conditions such as poor soil conditions and/or contamination. San Juan Bautista is a historic community with a strong desire for new development to be of quality aesthetic design. A reduction in amenities and the quality of building materials could result in lower sales prices but not be in keeping with the community character. Prefabricated factory-built or manufactured housing, which is permitted in San Juan Bautista, may provide for lower priced housing by reducing construction and labor costs.

Land Costs

Another key cost component is raw land and any necessary improvements. Unlike construction costs and labor costs, the cost of residential and commercial sites in the City is highly variable. Cost considerations include the number of units or density of development permitted on a particular site and the location of the site in relation to other amenities. As finished vacant land becomes scarce, developers begin to pursue more costly underutilized sites, which may require the demolition of existing uses before a new project can be constructed. Thus, the price of land can vary significantly even assuming the same proposed project. Because of the limited size of the community and minimal land turnover, it is difficult to gauge per square foot values accurately. However, based on realty websites, it can be estimated that approximately 5 (5) acres of land within the City can cost up to \$600,000 depending on its locations and views (https://www.realtor.com/realestateandhomes-search/San-Juan-Bautista_CA/type-land).

Labor Costs

Historically, the cost of labor has been a fixed cost component of housing construction. Similar to the cost of construction materials, labor costs are relatively stable throughout a metropolitan area and beyond the

control of local governments. Thus, labor costs become a fixed cost in comparison to other more site-specific costs, such as land. In recent years, however, labor organizations pushed for changes in State law which affected labor costs for public works projects as well as housing.

In January 2002, Senate Bill 975 significantly expanded the definition of public works projects and the application of the State's prevailing wage requirements to such projects. The bill also expands the definition of what constitutes public funds and captures significantly more projects beyond traditional public works projects that involve public/private partnerships. SB-975 requires payment of prevailing wages for most private projects built under an agreement with a public agency providing assistance to the project. The breadth of the legislation substantially limits the ability of public agencies and private entities to structure transactions to avoid prevailing wages for private construction work. While the City has not been in the position to provide assistance to potential housing projects, any future assistance will be affected by this legislation.

SB-972 provides some relief by exempting from prevailing wage requirements the following projects:

- self-help housing projects in which no less than 500 hours of the construction work is performed by the homebuyers;
- the new construction, rehabilitation, or expansion of a temporary or transitional housing facility for the homeless;
- assistance for the rehabilitation of a single-family home; and
- affordable housing projects funded by below-market rate loans that allocates at least 40 percent of its units for at least 20 years to low income households (80 percent of median family income)

While providing some relief, SB-972 falls short of what the City and other jurisdictions desire and feel is necessary to produce housing.

2. Mortgage and Rehabilitation Financing

The availability of financing affects a person's ability to purchase or improve a home. As the requirements for qualification have changed, so has the ability of individuals and families to obtain financing for home purchase and improvement. Again, because of the limited size of San Juan Bautista, detailed information specific to the City is difficult to locate. Housing prices have limited the ability of lower income households to purchase in San Juan Bautista. Fixed incomes and depressed values have made refinancing for improvement extremely difficult in the City. Combined with the City's lack of financial resources to assist, residents will continue to find it difficult to maintain and improve their homes. The City hopes to obtain Community Development Block Grant Funds in the future which can be used to assist property owners and neighborhoods.

3. Foreclosures

Although foreclosure rates increased significantly during the recession, the housing market has recovered and foreclosure rates have returned to a normal level. It is not unusual for homes that are in the foreclosure process to sit vacant and unmaintained for months on end. This impact destabilizes neighborhoods, encourages vandalism and other forms of criminal activity, and contributes to lower property values; vacant homes represent a potential detriment to existing neighborhoods. Where problems have arisen in San Juan Bautista, the City has found enforcement through normal property maintenance provisions to be difficult, primarily because the many homes are owned by out of area banks with little or no tie to the community.

4. Typical Development Time Frame

The ability of development companies to move from full entitlements and permits to construction can affect housing affordability. If the typical development time frame exceeds one year, this can increase holding costs and drive up the cost of housing construction.

According to City staff, the typical timeframe between entitlements/permits and construction is nine to 14 months in San Juan Bautista, roughly within the suggested one-year timeframe. This timeframe will be re-evaluated in the next Housing Element update, but for now, no new housing program is provided.

B. Governmental Constraints

Local policies and regulations can impact the price and availability of housing and in particular, the provision of affordable housing. Land use controls, site improvement requirements, and permit processing procedures may present constraints to the maintenance, development, and improvement of housing. This section discusses potential governmental constraints.

1. Provisions for a Variety of Housing Types

This section discusses the various types of housing that are accommodated in the City of San Juan Bautista.

Multi-Family Housing

Multi-family housing makes up approximately 26 percent of the existing housing stock in San Juan Bautista (2017 Census). The City's Zoning Ordinance expressly permits multi-family projects in the R-2 and R-3 zoning districts. In the R-3 zone, multi-family developments can be built up to a density of 21 units per acre. In addition, multi-family housing, such as apartments and condominiums, is permitted with site review in the Mixed Use (MU) district; residential located above commercial is also conditionally permitted in the Commercial (C) district. The maximum density for the MU is 15 units per acre.

Typical timelines to process permits for residential development in the MU district varies greatly. More complex projects, such as apartment, condominium or townhouse complex developments may require approval of both the Planning Commission and City Council, and take considerably longer to gain approval by nature of the processing required. As multi-unit projects are a significant part of how San Juan Bautista can meet State mandated affordable housing goals, streamlining the development process through programs and policies identified in Chapter 5. Table 3-1 summarizes housing types permitted by zoning district.

Table 3-1: Conventional Housing Types Permitted by Zone

Housing Types Permitted	Residential Zones			Commercial Zones		Other
	R-1	R-2	R-3	C	MU	
Single-family dwellings	P,S	P,S	--	--	--	P,S
Residential above commercial	--	--	--	C	P	--
Manufactured homes	P,S	P,S	--	--	--	P,S
Co-housing/shared housing	--	--	C	--	C	--
Multiple-family	--	P,S	P,S	--	P,S	--
Mobile home parks	--	--	P,S	--	--	--
Accessory dwelling units*	P,S	P,S	P,S	--	C	P,S
Transitional/supportive housing	P	P	P	P	P	P,S
Residential care facilities - small	P,S	P,S	P,S	--	--	--
Residential care facilities - large	--	--	P,S	--	--	--
Farmworker housing	--	P,S	P,S	--	--	P,S

Source: City of San Juan Bautista Municipal Code, Title 11

Notations:

P = Permitted (No Public Hearing)

C = Conditional Use Permit (CUP) issued by Planning Commission with Public Hearing

S = Site Review (note: *ADUs located within existing structures are allowed without any site review or other discretion)

Accessory Dwelling Units

Section 11-04-050 of the City's Zoning Ordinance includes provisions allowing the development of accessory dwelling units (ADUs), and the City recently revised these provisions to be fully compliant with AB 2299, which became effective January 1, 2017. The revised ADU provisions in Section 11-04-050 now require ministerial approval of ADUs if the unit complies with certain parking requirements, the maximum allowable size of an attached ADU, and setback requirements, as follows:

- The unit is not intended for sale separate from the primary residence and may be rented;
- The lot is zoned for single-family or multifamily use and contains an existing, single-family dwelling;
- The unit is either attached to an existing dwelling or located within the living area of the existing dwelling or detached and on the same lot;
- The increased floor area of the unit does not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet;
- The total area of floor space for a detached accessory dwelling unit does not exceed 1,200 square feet;
- No passageway can be required;
- No setback can be required from an existing garage that is converted to an ADU;
- Compliance with local building code requirements; and
- Approval by the local health officer where private sewage disposal system is being used.

The units are principally permitted on appropriately sized lots within the R-1, R-2, and R-3 zoning districts. The purpose of permitting additional living units is to allow more efficient use of existing housing and to

provide the opportunity to develop small housing units meeting the housing needs of the community while preserving the integrity of single-family neighborhoods.

Approval of ADUs that are part of an existing structure are approved ministerially, with no site plan or architectural review. Approval of ADUs that are to be located in new structures is subject to site plan and design review requirements, and historic review requirements (same as single family homes). The maximum floor area of an ADU is 1,200 square feet or 50 percent of the floor area of the main residence on the lot, whichever is less.

In 2016, the City revised its development impact fees to correct impact and building permit fees for ADUs. This was necessary because in 2013, when the City revised its development impact fees for residential construction, the revision had the unintended consequence of raising fees for ADUs disproportionately. Where the total fee per square foot of residential construction was \$16.54 for a typical single family dwelling unit, the fee for the ADU was \$44.97 per square foot. The 2016 revision reduced impact fees for the ADU to 25 percent of the fee for the typical single family dwelling unit (\$23,334 x 25% = \$5,834). It also reduced building permit fees for the ADU to \$810.95, from \$1,075.

Factory Built Housing and Mobile Homes

The City permits manufactured and factory built housing in all districts that allow single family dwellings (i.e., R-1, R-2, and A Districts), provided that the units are consistent with the current 2016 California Building Code (CBC) regulations and what will soon be the updated CBC effective January 1, 2020. Mobile homes comprise approximately 2 percent of the housing stock in San Juan Bautista. Mobile home parks are only permitted, with site review, in the R-3 residential zone. There are two mobile home parks in the City. Because of the limited number of tenants affected and the cost of implementing, the City has not chosen to adopt a Mobile Home Rent Stabilization Ordinance.

Special Needs Housing

In addition to conventional housing, the City also permits various special needs housing to allow persons with special needs equal access to housing opportunities in San Juan Bautista. These facilities include residential care facilities, transitional housing, emergency shelters, group care facilities, and farm labor housing. Specific zoning code provisions for these uses are detailed in Table 3-2.

Table 3-2: Special Needs Housing Types Permitted by Zone

Housing Types Permitted	Residential Zones			Commercial Zones		Other	
	R-1	R-2	R-3	C	MU	PF	A
Emergency Shelters, Homeless Shelters	C	C	C	X	C	P	X
Rooming and boarding	X	C	C	X	X	X	X
Residential care facilities - small	P,S	P,S	P,S	X	X	X	X
Residential care facilities - large	X	X	P,S	X	X	X	X
Farmworker housing	X	P,S	P,S	X	X	X	P,S

Source: City of San Juan Bautista Municipal Code, Title 11

Notations:

P = Permitted (No Public Hearing)

C = Conditional Use Permit (CUP) issued by Planning Commission with Public Hearing

S = Site Review

X = Not permitted

Residential Care Facilities

According to the Community Care Facilities Act in the California Health and Safety Code, facilities serving 6 or fewer persons (including foster care) must be permitted by right in all residential zones allowing single-family housing. Such facilities cannot be subject to more stringent development standards, fees or other standards than single-family homes in the same district.

The San Juan Bautista Zoning Ordinance contains provisions for both small (6 or fewer persons) and larger residential care facilities (7 or more persons) and allows small residential care facilities in all zones where a single family home is allowed, and the same standards apply to both. Furthermore, the Zoning Ordinance contains no special provisions for residential care facilities that would limit the number of facilities that could be developed in proximity to one another.

Transitional and Supportive Housing

Transitional housing is typically defined as temporary (often 6 months to 2 years) housing for an individual or family that is transitioning to permanent housing or for youth that are moving out of the foster care system. Supportive housing is designed for individuals facing long-term living challenges that would otherwise be incapable of living independently. Mixed-Use zoning has the most vacant space located near services, such as public restrooms. The Zoning Ordinance expressly addresses transitional and supportive housing within the City.

As part of this Housing Element update and in response to recent State requirements (SB-2) that mandate transitional housing by right, the City amended the Zoning Ordinance in October 2019 to explicitly address supportive and transitional housing facilities in public facilities and residential districts by right. Presently, based on the capacity analysis conducted in Chapter 4, there is adequate capacity to provide transitional and supportive housing facilities in residential districts. The Zoning Ordinance now permits transitional and supportive housing as a residential use, subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.

In 2018, AB 2162 was passed into law requiring permanent supportive housing by right where multifamily and mixed use are permitted, including non-residential zones permitting multifamily uses. The City's Zoning Ordinance is currently out of compliance with this new law, so a housing program has been included in this update to bring the Zoning Ordinance into compliance with the requirements of AB 2162 within one year (see Program 3.7, in Chapter 5, below).

Government Code Section 65660 et seq. requires that local jurisdictions allow low barrier navigation centers by right in areas zoned for mixed use and non-residential zones permitting multifamily uses. A "low barrier navigation center" is a service-enriched shelter that focuses on moving people into permanent housing while providing temporary living facilities. The City's Zoning Ordinance is currently out of compliance with this law, so a housing program has been included in this update to bring the Zoning Ordinance into compliance with the requirements of Government Code Section 65660 et seq. within one year (see Program 3.8, in Chapter 5, below).

Emergency/Homeless Shelters

An emergency/homeless shelter, expressly addressed in the Zoning Ordinance, is a facility that provides shelter to families or individuals on a limited, short-term basis. The City amended its Zoning Ordinance to allow for emergency/homeless shelters, with no discretion by the City, within the PF District. The City also permits emergency/homeless shelters in the R-1, R-2, R-3, and MU zoning districts as a conditional use.

Farm Labor Housing

Housing for migrant or short-term farmworkers, such as labor camps and specialized dormitory-style living facilities are currently not specifically identified in the zoning ordinance. The City has determined that Farmworker Housing is permitted in zoning districts R-2 and R-3 with Site Review. The Municipal Code was amended in October 2014 to conform to the provisions of Sec. 17021.5 and Sec. 17021.6 of the Health and Safety Code (The Employee Housing Act).

In addition to complying with the minimum requirements of the Employee Housing Act, the City has: (1) removed constraints on the development of housing for farmworkers, including minimum parcel size and requiring the farmworkers to work on the property the housing is located, (2) established procedures and development standards to promote certainty in approval and (3) ensured density requirements permit a variety of housing types (i.e., multifamily, dormitory, etc.) The City has also evaluated development standards, or other factors that might place a constraint on the development of housing for farmworkers with local stakeholders and nonprofit developers and modify zoning and development standards, to ensure zoning encourages and facilitates housing for farmworkers. The City has considered other changes including using its inclusionary housing program for farmworkers as a means of increasing the number of farmworker housing units.

2. Development Standards

Adopted in 2015, the General Plan Land Use Element sets forth the City's policies regarding local land development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses. The Land Use Element provides for residential land use categories and commercial/mixed use categories, which permit residential units as a conditional use, as summarized below in Table 3-3.

Residential Development Standards

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents, as well as implement the policies of the General Plan. The Zoning Ordinance also serves to preserve the character and integrity of neighborhoods. The Ordinance sets forth the City's specific residential development standards, summarized in Table 3-4. As discussed above, in addition to residential zones, residential uses are also permitted in the Commercial and Mixed Use Zoning District.

Table 3-3: Land Use Categories Permitting Residential Use

General Plan Land Use Category	Zoning District	Residential Density (Units per Net Acre)	Typical Housing Types
Rural Residential and Low Density Residential	R-1	0.5 to 5.0 or 7.0 ¹	Exclusively single-family homes in low density and established neighborhood settings.
Medium Density Residential	R-2	6 to 10	Cluster developments, mini-lot subdivisions, condominiums, townhomes, apartments, mobile homes
High Density Residential	R-3	11 to 21	Multi-story apartment and condominium complexes
Agriculture	A	0.5 to 7.0 (10% lot coverage)	Farmworker housing, single-family homes, manufactured homes, transitional housing, and homeless shelters
Commercial	C	Based on nearest multi-family residential districts (R-2 or R-3)	Apartments, single room occupancy units and condominiums provided units are located above commercial use
Mixed Use	MU	15	Apartments, single room occupancy units, and condominiums primarily in conjunction with commercial uses on a site

Source: Land Use Element, 2035 City of San Juan Bautista General Plan, and Title 11 of the San Juan Bautista Municipal Code

Notes: (1) District R-1-5 of the City's Municipal Code states a density range of 0.50 to 7, while Districts R-1-6 and R-1-7 both have a range of 0.50 to 5.

Table 3-4: Residential Development Standards

Zoning District	Maximum Density (du/ac)	Minimum Lot Size (sq. ft.)	Maximum Building Coverage (%)	Maximum Building Height (ft.)	Side Setback	Front Setback	Rear Setback
R-1	7	7,000	50%	30' (2 stories)	5'	20'	20'
R-2	10	8,000	45%	35' (2 stories)	5'	20'	10'
R-3	21	10,000	50%	35' (2 stories)	5'	20'	10'
A	7	n/a	10%	30' (2 stories)	40'	40'	40'
C	None	5,000	85%	50' (3 stories)	(1)	(1)	(1)
MU	15	NA	85%	50' (3 stories)	(2)	(2)	(2)

Source: City of San Juan Bautista Municipal Code, Title 11

Notes: (1) The same as the bordering residential district.

(2) 10 percent of the depth of the lot or 10 feet, whichever is less. Planning Commission may allow deviations of the setbacks based upon individual project site plan and building layout.

In October 2019, the City revised its Zoning Ordinance to include special development standards for a mixed-use parcel added to the list of available sites after the close of the update period, to accommodate the City's RHNA (see Table 4-1 in Chapter 4, below). These standards read as follows:

Special standards and conditions apply to one affordable housing site (APN 002-350-002) in this zoning district (MU Mixed Use) through the year 2024 only, as follows:

- *The allowable density for the designated affordable housing site is a minimum of 20 units per acre and a maximum of 24 units per acre;*
- *Twenty (20) percent of the development on the affordable housing site must be owner-occupied and/or rental multi-family uses that are affordable to lower-income households; and*
- *All development on this affordable housing site must be permitted by right (i.e., no conditional use permit, planned development permit, or other discretionary review or approval).*
- *The owner of the site has the right to develop this mixed-use site as 100 percent multi-family housing without a Conditional Use Permit or other discretionary action,*
- *If the owner of the site chooses to develop the site as mixed use (commercial and residential, combined), then at least 50 percent of floor area must be developed as a minimum of 16 multi-family dwellings; and*
- *Any development that takes place on APN 002-350-002 would accommodate necessary historic preservation efforts on or off site that would be in compliance with the City of San Juan Bautista Historic Resource Preservation Ordinance (Chp. 11-06) and the Secretary of Interior Standards.*

Except for those usual standards in conflict with the special standards and conditions above, all usual development standards for this zoning district (as shown in the table) also apply to the affordable housing site.

In general, development standards may limit the number of units that may be constructed on a particular piece of property and thus increase the unit costs of development. However, as described below, there is no direct evidence that the development standards have impeded the production of housing in the City.

The City does require that residential or mixed use projects of six or more units shall not be approved in any area of the City unless at least one such housing unit is reserved for sale to very low- or low- income households or reserved as rental units for very low- or low-income households for each five units of market-rate housing. The City will continue to evaluate its development standards to ensure that the standards do not impede housing production.

Density: The maximum density permitted, defined in terms of the number of units per acre, varies by zone. The maximum density ranges from 5.0 units per acre in the R-1 (single family) zone to 21 units per acre in the high-density R-3 zone (up to 24 units per acre for a designated affordable housing site). The City also permits housing in the Mixed Use zone. By permitting a range of densities, the City facilitates the development of a variety of housing types, ranging from low-density single-family residences to apartment and condominium complexes. The City also encourages new housing to be developed at the highest end of the permitted density ranges to maximize the number of units available. An analysis of actual development densities and permit times is presented in the next section.

Structural Limits: Zoning Ordinance regulations affect the size of structures by setting limits on lot coverage and height. Generally, San Juan Bautista's residential development standards are comparable to those Hollister and San Benito County, including minimum lot area and height standards. For example, the maximum building height (35 feet) in San Juan Bautista's R-3 zone is the same as the 35 feet in the Hollister R-3 zoning district. Single-family lot sizes are also generally the same size as in Hollister and San Benito County.

Parking Requirements: The City's parking requirements for residential districts vary by housing type and anticipated parking needs, and increase by unit size (number of bedrooms). For single-family projects, every dwelling shall be provided with at least 2 parking spaces, at least one space shall be covered by a

garage or carport. For multi-family projects, a minimum of one covered space is required, plus guest parking at a ratio of one-half space per unit. The number of required uncovered spaces required varies from zero for a studio unit to a maximum of 2 uncovered spaces for 4 or more bedroom units. The ordinance provides the opportunity for Planning Commission waiver of the covered parking requirement. Parking requirements may also be reduced through the use of Density Bonus per State law. The City's parking requirements are similar to those in many jurisdictions in California and reflective of private vehicle ownership rates in San Juan Bautista. Table 3-5 shows parking requirements for the base residential districts.

The City requires one parking space for ADU, and that space can be provided in tandem with existing spaces or in the front yard setback. No parking is required for ADUs if the ADU meets any of the following:

- Is within a half mile from public transit;
- Is within an architecturally and historically significant historic district;
- Is part of an existing primary residence or an existing accessory structure;
- Is in an area where on-street parking permits are required, but not offered to the occupant of the ADU; or
- Is located within one block of a car share area.

Table 3-5: Parking Requirements

Housing Type ¹	Covered Spaces	Uncovered Spaces	Guest Parking
Single-Family Dwelling	1	1	--
Multifamily Dwelling			
Studio	1	--	½ space per unit
1-Bedroom	1	--	½ space per unit
2-Bedroom	1	1	½ space per unit
3-Bedroom	1	1	½ space per unit
4-Bedroom	1	2	½ space per unit
Emergency Shelter	1 space per 5 beds	--	--
Transitional Housing	1 space per unit	--	--
Affordable Housing	1	--	--
ADU ²	--	1	--

Source: SJB Zoning Ordinance, Chapter 11-11.

Note: ¹Off-Street Parking Reduction. For parcels with mixed use development within the MU district, the number of off-street parking spaces required by this section shall be reduced by 10 spaces or 25 percent of the otherwise required number of spaces, whichever is greater, if the parcel is within 400' of a public parking lot or garage.

²See explanation above

Flexibility in Development Standards

The City offers various mechanisms to provide relief from development standards typically required of all residential projects, including allowing residential uses in commercial districts, density bonuses, variances, and planned unit development.

Residential Uses in Commercial Districts: As the availability of vacant and underutilized residential land has diminished, property owners have considered building housing in the downtown commercial area. The City permits housing in the Mixed Use (MU) district, and conditionally in the Commercial (C) district if the residential use is located above a commercial use. By allowing residential uses in commercial areas, the City has identified additional areas where new housing may be built. Several units have been approved and/or constructed in the MU district.

Density Bonus: In compliance with State law, the City offers a density bonus (up to 50 percent) in the Mixed Use District for special needs housing and 100 percent affordable housing to developers. The City relies on California Government Code Section 65915 for guidance on proposals.

Non-conforming Ordinance: The Non-conforming Ordinance was structured to help the City maintain its existing housing stock. The Ordinance allows existing parcels to maintain non-conforming units based on density, setbacks, or lot coverage. The ordinance also permits the expansion of non-conforming use by conditional use permit and a non-conforming structure by administrative review. The non-conforming ordinance protects existing housing by allowing residents an option to maintain and in some cases expand existing units.

Reasonable Accommodation: State housing law requires a Housing Element to contain an analysis that demonstrates local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and from meeting the need for housing for persons with disabilities, including persons with developmental disabilities. This requirement came about in the 2001 legislative session (SB 520) and supplements the provisions of the Federal Fair Housing Amendments Act of 1988. In 2010, this requirement was supplemented with Senate Bill 812 requiring housing elements to include an analysis of persons with developmental disabilities.

Consistent with recent changes in State law, the City of San Juan Bautista amended its municipal code in 2019 to provide reasonable accommodations for individuals with disabilities to make requests for reasonable accommodation with respect to zoning, permit processing, or building laws. A new housing program has been added to this Housing Element update to advertise these new reasonable accommodation provisions to the community at large (see Program 5.2, in Chapter 5, below).

On a related matter, the City has defined “Family” in its Zoning Ordinance (see Chapter 11-29 of the San Juan Bautista Municipal Code) as follows:

“Family” means 2 or more persons living together as a single housekeeping unit in a dwelling unit; provided, that this shall not exclude the renting of rooms in a dwelling unit as permitted by district regulations.

As this definition makes no reference to “blood relationship,” it does not pose an unreasonable government constraint on the price and availability of housing and in particular, the provision of affordable housing.

3. Development Permit Procedures

The Community Development Director/City Planner is principally responsible for review and processing of residential development applications and as appropriate, coordinating the processing of those applications with other City functions and outside agencies. The City uses various development permits to ensure quality housing within San Juan Bautista, while minimizing the costs associated with lengthy review. The following permits are most frequently used in San Juan Bautista.

Site Plan and Design Review (and Historic Review)

The City requires Site Plan and Design Review for new commercial and multi-family projects in the City. Depending on the nature of the project, remodels of residential structures may be subject to review where located within the City's Historic District. This process is intended to ensure that development standards are met and aesthetic qualities are maintained both in and outside the Historic District. From the time of submittal and completeness to Planning Commission review, the processing timeline is generally up to 2 months. The process is straight forward so long as the applicants have met all of the applicable codes regarding building, fire, engineering, planning, etc.

Required findings for Site Plan and Design Review include:

- The project is consistent with the standards and requirements of the San Juan Bautista Municipal Code.
- The project is consistent with the goals and policies of the General Plan and any applicable specific or community plans.
- The project contributes to safeguarding the City's heritage and cultural and historic resources.
- The project is compatible with the surrounding character of the environment because the architectural design, materials and colors harmonize with the character of surrounding development, or other improvements on the site and specific design elements (e.g., balconies, fencing, screening of equipment and utility installations, signs, and lighting) are incorporated into the project.
- The location and configuration of the project harmonizes with the site and with surrounding sites or structures. Structures do not dominate their surroundings to an extent inappropriate to their use and do not unnecessarily block significant views or solar access to adjacent properties.
- The project effectively uses architectural details to break up mass. Roof planes are varied without being overly complex. Otherwise monotonous long or 2-story walls are well-articulated with details such as building off-sets and window features that are compatible with the design and not overly ornate.
- The landscape design, if any, including the location, type, size, color, texture, and coverage of plant materials, provisions for irrigation, and protection of landscape elements have been considered to create visual relief and complement the structures to provide an attractive and water-conserving environment.
- The design and layout of the proposed project does not interfere with the use and enjoyment of neighboring existing or future development, does not result in vehicular and/or pedestrian hazards, and promotes public health, safety, and welfare.
- The existing or proposed public facilities necessary to accommodate the proposed project (e.g., fire protection devices, public utilities, sewers, sidewalks, storm drains, street lights, traffic control devices, width and pavement of adjoining streets, etc.) are available to serve the subject site.

These findings constitute an objective set of standards and guidelines that allow an applicant for a residential development permit to determine what is required in order to mitigate cost impacts. Planning Commission approval is required for Site Plan and Design Review.

Multifamily Housing Permits

The City has an informal review opportunity allowing an interested developer to present their tentative project plans to the Planning Commission to get input before making the building application. The City is

also available to help give guidance on what the City's standard are for multifamily residential. The applicant will need fill out a building permit and give the City all the required pieces of information to review the project. Once the information is reviewed by staff it will be brought to the Planning Commission for review. If the applicant took advantage of the informal review and addressed the concerns of the Planning Commission then the project has a higher rate for approval the 1st time. Once the Planning Commission approves the project then the build permit can be issued. This process time frame can vary from between one and 3 months.

Conditional Use Permits

The City may require a Conditional Use Permit (CUP) for projects requiring special attention to site planning. Such projects currently include residential uses in commercial zones, larger community care facilities, emergency shelters and transitional housing. Under SB-2, the City has amended the Zoning Ordinance to allow transitional housing without requiring such conditional use permits in the R-1, R-2 and R-3 Zoning Districts. To apply for these permits, an applicant must submit site plans, floor plans, elevation illustrations, grading/drainage plan, soils and drainage reports, and other material. The time frames associated with securing a discretionary permit depends on the public hearing process and staff review process. Depending on environmental review times and public hearings, a CUP may take a few months, with final action by the Planning Commission.

Planned Unit Development (PUD) Permits

The PUD process is an integrated development review process; meaning the application covers all applicable planning review processes. The PUD process provides the City and developer flexibility in design and utilization of land which yields a more cost effective and better product for both the applicant and community. Without an EIR, PUD applications are processed from initiation to approval in 6-9 months. Developers often use the Planned Development (PUD) process to produce creative projects on problem lots larger than one acre in size, where conventional zoning requirements and approaches would often preclude them.

Permit Streamlining

In 2017, the California Legislature passed SB 35 to address streamlined review for affordable housing projects. SB 35 applies to cities and counties that have not made sufficient progress toward meeting their affordable housing goals for above-moderate and lower income levels as mandated by the State. In an effort to meet the affordable housing goals, SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects through a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act ("CEQA"). HCD has determined that the City of San Juan Bautista is subject to SB 35 streamlining provisions.²

A new housing program has been added to in this Housing Element update to address the provisions of SB 35 (see Program 4.4, in Chapter 5, below).

Permit Processing Summary

In summary, the City's permit processes facilitate the construction of quality housing in a timely manner. The timeframes are reasonable and, where applicable, well within the requirements of the Permit Streamlining Act. To further streamline processing and reduce constraints on the production and improvement of housing, the PUD process uses concurrent processing. In addition, qualified affordable housing projects receive priority processing in advance of all non-priority items. Finally, the City's one-stop

² http://www.hcd.ca.gov/community-development/housing-element/docs/SB35_StatewideDeterminationSummary01312018.pdf

permit center continues to provide prompt service, benefiting the City and developers by facilitating the production of quality housing.

4. Developed Densities and Permit Times

The following is an analysis of requests to develop housing at densities below those anticipated in compliance with Government Code §65583.2.

There were 3 housing developments approved by the City of San Juan Bautista since 2014. These include:

- Rancho Vista – 91 units
- Copperleaf – 55 units
- Hillside Vistas – 27 units

The data for each of the 3 developments is listed below.

Rancho Vista

Rancho Vista was developed by Meritage Homes (permits being pulled/construction on going)

- 85 lots, 1 unit per lot to equal 85 units, plus 6 additional Secondary Dwelling Units placed on 6 various lots within the development. Total is 91 units
- 29.43 acres
- R-1 Zone (Low Density Residential)
- 3.1 units per net acre (actual)
- The project was first proposed in early 2014. City Council approved zone change and the Mitigated Negative Declaration on December 4, 2014. The final map was approved by City Council on June 26, 2018. Building permits are currently being pulled.

This Housing Element assumes a density of 5.0 dwelling units per gross acre in the R-1 Zoning District (see Table 4.1 below). This is roughly equivalent to 4.0 dwelling units per net acre (assuming a 20 percent gross-to-net conversion factor). Rancho Vista achieved 3.1 dwelling units per acre.

Copperleaf

Copperleaf was developed by Edenbridge Homes (permits being pulled/construction on going).

- 45 lots, 1 unit per lot to equal 45 units, plus 10 additional Secondary Dwelling Units placed on 10 various lots within the development. The total is 55 units.
- 13.3 acres
- R-1 Zone (Low Density Residential)
- 4.1 units per net acre (actual)
- The Planning Commission first reviewed the tentative map and design on March 1, 2016. The final map was approved by City Council on April 13, 2017. Permits are currently being pulled.

This Housing Element assumes a density of 5.0 dwelling units per gross acre in the R-1 Zoning District (see Table 4.1 below). This is roughly equivalent to 4.0 dwelling units per net acre (assuming a 20 percent gross-to-net conversion factor). Copperleaf achieved 4.1 dwelling units per acre.

Hillside Vistas

Hillside Vistas was developed by Elite Development (no construction has started, final map needs to be completed).

- 27 lots. No units have been proposed or constructed. Final map approved for 8 lots as single family residential.
- 5 acres
- R-2 Zone (Medium Density Residential)
- 5.4 units per net acre (actual)
- Planning Commission approved the tentative Map for 27 lots on August 5, 2014. The City Council approved the Final Map for 8 lots out of the 27 lots on October 18, 2016. The remaining 19 lots need to be complete via Final Map. Currently, there has been discussion with the developer and City Staff about increasing the density of the area where the remaining 19 lots are located. No action has been taken at this time.

This Housing Element assumes a density of 8.0 dwelling units per gross acre in the R-2 Zoning District (see Table 4.1 below). This is roughly equivalent to 6.0 dwelling units per net acre (assuming 20 percent gross-to-net conversion factor). Hillside Vistas achieved 5.4 dwelling units per net acre.

Of the three projects undertaken since the last Housing Element, two came in slightly under the assumed density, and one came in slightly above. Given the minimal amount of housing construction that has occurred since 2008, these results do not conclusively indicate that housing policies are a hindrance to the construction of the San Juan Bautista's share of regional housing needs. Instead, the shortfalls are more likely a result of site conditions that resulted in an actual gross-to-net conversion factor that was greater than 20 percent.

5. Growth Management

The City of San Juan Bautista has a history of growth control ordinances. On January 12, 2009, by Order and Judgment of the Superior Court of San Benito County, the City's Growth Management Ordinance was found to be invalid, unlawful and unenforceable. Per Ordinance No. 2009-03, a new Growth Management Ordinance was enacted with the express intent of:

1. Providing adequate opportunity for residential development in accordance with the General Plan; and
2. Within the limitations of sewer and water capacity. The growth management ordinance, as revised, has not impacted production of housing. The growth cap is representative of General Plan capacity. Further, the allocation process reflects incentives for development of senior, disabled and lower income households. The Growth Management Ordinance does not apply beyond 2015, and a program is included to remove it from the City's municipal code.

The City currently has no growth control ordinance in effect.

6. Building Codes and Site Improvements

Section 10-1-110 of the City's zoning ordinance states, "The Building Code for the City of San Juan Bautista shall be the latest current edition of the Uniform Building Code and any appendices thereto as adopted by the International Building Officials Conference." Therefore, in essence, the City has adopted the current 2016 California Building Code (CBC) and will adopt the upcoming 2020 CBC (effective January 1, 2020),

which establishes standards and requires inspections at various stages of construction to ensure code compliance and minimum health and safety standards. The City has adopted no amendment to the CBC.

The City's Building Code also requires new residential construction to comply with the Federal Americans with Disabilities Act (ADA), which specifies a minimum percentage of dwelling units in certain developments that must be fully accessible to the physically disabled. Although these standards and the time required for inspections increase housing production costs and may impact the viability of rehabilitation of older properties, the codes are mandated for all jurisdictions in California.

Every 3 years, the State of California selects and adopts new construction regulations substantially based upon uniform model codes. Local governments may incorporate local amendments to the California Standards Building Code, provided appropriate findings are made. Most recently, the California Building Standards Commission adopted the 2016 California Building Standards Code effective January 1, 2017. The 2019 update will become effective on January 1, 2020.

Site improvements cover the range of water, sewer, circulation, and other services and infrastructure needed to facilitate residential developments. To ensure adequate improvements are in place, San Juan Bautista requires pro-rata payments for off-site extension of water, sewer and storm drain systems, and traffic signals. Requiring developers to make site improvements, pay pro-rata shares toward infrastructure costs, and pay for additional public services will increase the cost of housing and impact the affordability of the homes. While site improvements increase housing costs, they are standard for most jurisdictions. Moreover, site improvements are necessary to maintain the quality of life desired by City residents, and ensure that public services and facilities are in place at the time of need.

7. Fees and Exactions

Housing construction imposes short- and long-term costs on communities. Short-term costs include the cost of providing planning services and inspections. New residential developments can also result in significant long-term costs to maintain and improve the City's infrastructure, facilities, parks, and streets. In response to the taxing constraints imposed by Proposition 13, many California cities have relied increasingly on planning and development fees to fund the provision of services needed by new housing.

To help encourage development and limit government fee constraints, the City of San Juan Bautista has streamlined and lowered its processing fees. The City collects various fees from developers to cover the costs of processing permits. The fees are collected as a deposit by the City with hours tracked by the City. These include fees for planning and zoning approvals, Subdivision Map Act approvals, CEQA review, plan check services, building permits, etc. Common Planning fees (as adopted in April 2019) include:

- Conditional Use Permit (Major/Minor): \$1,575/\$787.50
- Site Plan and Design Review (Major/Minor): \$1,575/\$603.75
- Tentative Parcel Map (Major/Minor): \$5,250/\$2,625
- General Plan Amendment: \$3,675
- Rezoning: \$3,675
- Planned Unit Development Permit/Amendment: \$5,250
- CEQA Review: Consultant Cost + Fish & Wildlife Fee

San Juan Bautista also collects fees to cover the costs of providing the necessary services and infrastructure related to new development projects and it collects impact fees pursuant to AB 1600. These fees are typically assessed on a per square foot basis. City staff estimates that City impact fees for a 1,800 square foot home would be approximately \$38,400 and for a 3,000 square foot 4-plex the fees per unit would be about \$9,600. The multifamily estimate is based off a 3,000 square foot 4-plex with an

estimated construction cost of \$375,000. The cost of the fees would be about 10 percent of the total costs of development.

Given the size of the community and the nature of public improvements, these fees are necessary to insure that existing residents are not subsidizing new development. These development fees are also assessed to commercial and industrial projects; residential uses are not being unfairly burdened. Fees have not constrained the development of affordable housing. To ensure that fees do not constrain affordable housing, fee reductions or waivers are sometimes granted based on project-specific findings. Moreover, a variety of residential uses are not required to pay fees or provide units under the City's Inclusionary Housing Ordinance.

The practice of reducing planning and development fees in light of SB-975 has impacted construction costs and also made private/public partnerships scant. This will have the unintended effect of reducing the availability and affordability of housing. Although it is hoped that land costs will decrease to reflect the increased costs associated with SB-975, the most recent housing cycle provides insufficient basis for such a conclusion.

8. Short-Term Rental Ordinance

The City does not currently have a short-term rental ordinance that regulates the use of housing in the city for short-term use. The City is, however, in the process of adopting an ordinance that would apply its transient occupancy tax to short-term rentals. This ordinance is expected to be adopted in late 2019.

C. Environmental and Infrastructure Constraints

Physical environmental conditions affect the feasibility and cost of residential developments. Environmental issues include the suitability of land for development, as well as the provision of adequate infrastructure and services. This section addresses potential environmental and infrastructure constraints.

1. Environmental Constraints

Environmental constraints and hazards affect existing and future residential developments in varying degrees. Discussed below are the major environmental constraints in the City. (More detailed discussion of environmental safety issues is provided in the Safety Element of the General Plan.)

Geologic Hazards

San Juan Bautista lies adjacent to the San Andreas Fault zone. The U.S. Geological Survey has estimated that the San Andreas Fault could produce an earthquake of 8.5-magnitude on the Richter Scale. Such events would be expected to cause significant structural damage. The City is also subject to ground shaking from the Calaveras Fault located 8 miles east of the City. Throughout the years, San Juan Bautista has been impacted and structures damaged by seismic activity; the most recent occurring in 1989.

While liquefaction and ground failure are problems in areas adjacent to the City, the primary threat to San Juan Bautista is ground shaking and fault "creep". Ground shaking can cause major structure failure while Fault "creep" is a serious threat to City infrastructure including wet utilities, roads and sidewalks. There is a threat of landslides in a small portion of the City. Due to the presence of unreinforced masonry structures in San Juan Bautista, a sizable earthquake could cause structures to fail. To mitigate the risks of seismic activity, building costs are necessarily higher in San Juan Bautista.

Flood Hazards

Floods do not represent a significant hazard to most of the City of San Juan Bautista. A small portion of the City is affected by the San Juan Creek and its tributaries. However, some lands identified for residential

development in this housing element are not impacted by flood hazards. Refer to the map of vacant sites, which also shows flooding constraints.

Fire Hazards

Residential fire potential is comparatively high in certain areas of the City due to the age of a significant portion of the housing stock and the historic downtown. In 2008, a series of over 800 wildfires broke out across the State including wildfires in Santa Cruz County. As drought conditions persist, the risk of wildfire remains high. Wildland fires occasionally break out in the grasslands and on the dry, chaparral-covered hills, but are normally contained long before they threaten urban areas. The California Division of Forestry has primary responsibility for fire suppression in watershed areas. Under provisions of mutual aid agreements, the San Juan Bautista volunteer fire provides reciprocal aid to other jurisdictions.

2. Public Facilities and Services

In planning for growth, it is important to ensure that adequate public facilities and services are available to meet the anticipated demand. In compliance with the provision of AB 1087, the City provides a copy of its current Housing Element to water and sewer service providers.

Discussed below are some of the public services in the City.

Water Supply

Water use in the San Juan Bautista area consists of a combination of residential, agricultural irrigation, and water-intensive food processing/industrial uses. Agricultural uses continue to comprise between 80 to 90 percent of the water demand for the region. San Juan Bautista's metered water supply is obtained from City-owned groundwater wells. The water system serves the City and a small portion of unincorporated areas of the County. The system currently consists of one storage facility, 3 wells. Two replacement wells (Well #4 and Well #5) were recently constructed and a State Water Resources Control Board violation noted in October 2016 resulted in a moratorium on new connections. The moratorium was officially lifted in December 2018. According to the City's Water Forum in January 2017, the combination of Well #1, Well #5, and Well #6 meets or exceeds the redundancy and source capacity requirements from the State for both current and future demand. As of 2017, the City's water system serves approximately 2,212 residents and the City has installed 720 water meters and 275 new meter boxes. The new water system must have the capacity to meet the projected Maximum Day Demand of approximately 371,091 gallons per day. Water availability is a critical planning issue for San Benito County and the State as a whole. The City works collaboratively with the San Benito County Water District. It is anticipated that discussion will continue regarding intertie of the City and District water systems. Most areas of the underlying aquifer do not show significant groundwater depletion, although some agricultural areas within the basin have been excessively pumped. As of December 2018, the connection moratorium, previously implemented in October 2016 by the State Water Resource Control Board, had been lifted and a new water system permit has been issued to the City in 2019.

Sewer Service

San Juan Bautista provides wastewater treatment for the incorporated City. The existing wastewater treatment plant is located at the northerly terminus of Third Street. The present capacity of the City's sewer treatment plant is adequate to meet existing and future anticipated waste water flows.

The General Plan EIR states that the City's sewer plant has a dry capacity of 0.27 million gallons per day and a wet capacity of 0.5 million gallons per day. The sewer plant can currently process flows greater than the current average in the city and therefore, can accommodate the expected increase in wastewater production. According to the City's August 2018 reporting, the City pumped an average of approximately

0.096 million gallons of wastewater per day from pump station #1. The current sewer plant has sufficient capacity to serve additional housing. New residential projects are required to pay water and sewer connection and user fees to the City.

San Juan Bautista presently provides new water and sewer services to all in-City applicants who are permitted to develop new residential development. If the provision of new water and sewer services becomes limited as the utility approaches capacity, priority for new services will be given to affordable housing projects as required by section 65589.7 of the California Government Code.

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This section analyzes the resources available for the development, rehabilitation, and preservation of housing in San Juan Bautista. This includes an evaluation of the availability of land resources, the City's ability to satisfy its share of the region's future housing needs, the financial resources available to support housing activities, and the administrative resources available to assist in implementing the City's housing programs.

A. Regional Housing Needs

As presented in Section 1, San Juan Bautista is allocated 41 new units for the entire 5th Cycle 2015-2023 planning period (see Table 1-1). San Juan Bautista must demonstrate that adequate sites will be available to address its share of the regional housing need for the planning period of 2015 - 2023.

The Department of Housing and Community Development allows cities three ways to address this requirement:

- a. **New Housing Production.** Since the RHNA takes several years to develop prior to the Housing Element planning period of 2015-2023, jurisdictions may count the number of new units built and occupied from 2014 toward their RHNA requirements.
- b. **Rehabilitation/Preservation.** Under State law, cities can also count up to 25 percent of their RHNA for the rehabilitation of qualified substandard units. Cities may also count a portion of the affordable units which would otherwise revert to market rents but are preserved through committed assistance from the jurisdiction.
- c. **Available Land for Development.** Cities may also count potential housing production on suitably zoned vacant and underutilized sites within the community. Cities must document how zoning and development standards on the sites facilitate housing.

The following discussion shows how the City will meet its RHNA for the 2015-2023 planning period, including accommodation of housing for low and very low income households.

B. City Incentives towards Housing Production

This section discusses city incentives for housing production.

1. Inclusionary Housing Ordinance

In 2007, the City adopted an Inclusionary Housing Ordinance as a means to provide permanent affordable housing for very low and low income households. For sale projects of 6 or more units and rental projects of 5 or more units are required to either provide units affordable to very low or low income households or pay an affordable housing in-lieu fee. The in-lieu fee is established at the time of entitlement and is based on the amount sufficient to subsidize a median priced home in San Juan Bautista. The in-lieu fees are estimated for multifamily and single family to be from \$5,000 - \$11,000. Through the development agreement negotiation process, fee reductions or waivers are sometimes approved based on project-specific findings.

The Ordinance does not apply to congregate care, residential care facilities, secondary dwelling units and similar facilities. One constraint is that most lots developable in the City due to the size don't hit the threshold of providing mandatory affordable units. The City has found that developers fit under the

requirement of fewer than six units. The City will continue to monitor this ordinance as part of the Inclusionary Housing Program to make sure it does not become a constraint for any future developments. Reservation requirements pursuant to the City's Zoning Ordinance are as follows:

Reservation of For-Sale Units

1. No for-sale residential project of six (6) or more units subject to this Chapter shall be approved in any area of the City unless at least one (1) such housing unit is reserved for sale to very low- or low-income households or reserved as rental units for very low- or low-income households for each 5 (5) units of market-rate housing.
2. Calculation of Reservation Requirement. The calculation of the number of housing units to be reserved shall be made utilizing the total number of housing units in the residential project prior to including any increase in the allowable number of such housing units authorized by any density bonus granted pursuant to Government Code Section 65915 et seq. If the calculation of the number of housing units to be reserved results in a fraction of a whole number, the developer may either reserve one (1) additional housing unit or pay a partial in-lieu fee equal to the remaining fraction. The amount of the in-lieu fee shall be determined according to SJBMC 11-09-505.
3. Timing for Construction of Reserved Units. The reserved units shall be constructed either prior to or simultaneously with the non-reserved units within the development. If the development is being constructed in phases, the percentage of reserved units to be constructed in each phase shall be equivalent to one (1) reserved unit for every five (5) market rate units being constructed in that phase.
4. Sales Price. The initial sales price and the resale sales price of reserved units shall be limited to ensure that the price is and remains affordable to very low- or low-income households as defined in SJBMC 11-09-300.
5. Sales Restriction. Reserved units shall be sold or resold only to eligible very low- or low-income households. A deed restriction, covenant, and/or other instrument enforceable by the City and approved by the City Attorney limiting the resale of such units to eligible very low- or low-income households shall be recorded against the title of all reserved units. The duration of such resale restrictions shall be a minimum of fifty-five (55) years.
6. Rental Restriction. The requirements in subsection (B) of this Section shall apply if rental housing is provided as the reserved units.

Reservation of Rental Units

1. No rental residential project subject to this Chapter (including time extensions) shall be permitted unless at least one (1) affordable unit is reserved for very low- or low-income households for each five (5) units of market-rate housing.
2. Calculation of Reservation Requirement. The provisions of this subsection shall apply to the calculation of the number of housing units to be reserved in any rental housing development.
3. Design and Construction of Reserved Units. The design and exterior appearance of the reserved units shall be compatible with and substantially the same as the non-reserved units within the development and shall contain proportionately the same or a larger number of bedrooms and square footage per reserved unit as the non-reserved units.
4. Rental Restriction. The rent to be charged for a reserved housing unit shall be so limited as to be affordable to very low- or low-income households.

5. **Deed Restriction.** A deed of restriction, covenant, and/or other instrument enforceable by the City and approved by the City Attorney shall be recorded against the title of the property within which the reserved units are located limiting the rental of the reserved units as described in subsection (B)(4) of this section. This rent restriction shall be in effect for a minimum of fifty-5 (55) years. Additionally, the property shall be so restricted as to prohibit the conversion of the restricted units for the term of the rent restriction to a condominium, stock cooperative, community apartment, or such other form of ownership which would eliminate the restricted units as rental units.

The Ordinance will help to ensure that units affordable to low and very low income households will be produced or acquired.

2. Affordable Housing Incentives

Under the State density bonus law projects may be eligible for an additional density bonus (up to a 35 percent). Moreover, per State law, the City is obligated to offer additional regulatory and financial incentives, including a reduction in development standards, modified parking, modified street widths, direct financial aid or loans, etc. To date, no project proponents have sought density bonus under State law.

3. Planned Unit Developments

The City provides other regulatory and financial incentives to encourage creative housing projects. The Planned Unit Development permit process allows for significant modifications in lot sizes, street widths, density, open space, and many other features in a residential project. Projects which are larger than one acre are encouraged to file for a PUD to take advantage of design flexibility afforded the project by the ordinance. During the planning period, one PUD application has been filed.

4. Mixed Use District

The City's Mixed Use District allows for types of housing that would not otherwise be accommodated within the City, such as upper floor apartments over commercial uses. This housing type is generally less expensive than single family homes, and provides a chance to live near the downtown area.

5. Cooperation with Non Profit Organizations

The City of San Juan Bautista works with nonprofit organizations on a variety of issues and needs within the community. The City will continue to work with non-profits to address housing needs in the City. Limited financial capacity and land capacity limits the attractiveness of San Juan Bautista to such partnerships.

6. Access to Persons with Disabilities

State law requires that cities analyze potential and actual constraints upon housing for persons with disabilities, demonstrate efforts to remove government constraints, and include programs to accommodate housing designed for disabled persons, including those with developmental disabilities. As part of the City's 5th Cycle Housing Element process, the City analyzed its Zoning Ordinance, permitting procedures, development standards, and building codes to identify potential impediments. Where found, the Program Section (Chapter 5) proposes specific actions and implementation schedules to remove such impediments. The City will continue to review and enhance those proposed actions and implementation schedules in this Housing Element. The following summarizes the findings from the analysis.

1. **Zoning and Land Use.** State and Federal housing laws encourage an inclusive living environment, where persons of all walks of life have the opportunity to find housing suited to their needs. The City's zoning code permits a range of housing types suitable to special needs groups covered under the uses "Residential Care Facilities." Group homes (home where a small number of unrelated people in need of care, support, or supervision can live together) serving 6 or fewer persons are permitted by right in all three residential zoning districts and larger facilities (seven or more persons) are permitted in the R-3 zoning district.
2. **Building Codes and Development Standards.** The City enforces Title 24 of the California Code of Regulations, which regulates the access and adaptability of buildings to accommodate persons with disabilities. In addition, the City's building code requires compliance with the 1988 amendments to the Fair Housing Act, which requires a minimum percentage of dwelling units in new developments to be fully accessible to the physically disabled. The Americans with Disabilities Act (ADA) requires new residential buildings consisting of three or more units to incorporate design features, including: (1) adaptive design features for the interior of the unit; (2) accessible public and common use portions; and (3) sufficiently wider doors to allow wheelchair access. The City ensures that building plans meet ADA accessibility standards.

The City provides for modified/reduced parking for projects located within the Mixed Use District. Additionally, the parking ordinance allows joint use of parking as well as in-lieu parking fees. Each of these provisions could assist in the development of housing for persons with disabilities.

3. **Permitting Procedures.** The City does not require special building codes or additional levels of review to build, improve, or convert housing for disabled persons. Per State law, requests for modifications to ensure housing access, such as ramps up to 30 inches in height, do not require a building permit and are processed over the counter. The City uses a standard entitlement processes to ensure that facilities are sited and operated in a manner compatible with surrounding land uses.

C. Availability of Sites for Housing

A critical component of the Housing Element is the identification of adequate sites to accommodate projected future housing development, and evaluation of the adequacy of these sites in fulfilling the City's share of regional housing needs as determined by SB+COG. The adequacy of sites is demonstrated by analyzing the density and development standards of various parcels to determine development potential and by ensuring that appropriate infrastructure, public services, and facilities will be available to serve the sites. Citywide constraints to development were discussed in earlier sections, specifically Chapter 3.

For this Housing Element update, a parcel-specific vacant and underutilized site inventory was performed by updating a survey conducted for the General Plan, and using data from San Benito County's GIS and the County Assessor's database. Existing uses on each site were considered. City staff refined the list to include only lots that could realistically be developed. Development capacity for sites situated in flood plains or sensitive habitat areas was reduced. Sites selected also had or will have adequate infrastructure, public services, and access to facilities. A 20 percent reduction was applied to larger sites to yield a net development area to accommodate infrastructure improvements. Smaller sites (one acre or less) with immediate street access were assumed developable at full density.

1. Vacant and Partially Vacant Development Sites

The City has identified a number of vacant sites, and one partially vacant site, within the existing City limits that are zoned for residential use or mixed use (that includes residential component). These sites are adjacent to local streets and could be developed with localized improvements to water, sewer, storm drainage lines, and dry utilities. As discussed in the next section of this chapter, several of the sites have water, sewer, and storm drainage constraints. Further analysis for the partially vacant site is provided below.

Partially Vacant Affordable Housing Site

With regard to APN: 002-350-002 listed in Table 4-1 below (Map #2.5), the City added special development standards to its Zoning Ordinance in October 2019 to ensure that the regulations governing development of this late-adopted affordable housing site complied with state law. These special development standards were inserted in the form of two new footnotes—Footnote #14 and Footnote #15—as follows:

¹⁴ *Special standards and conditions apply to one affordable housing site (APN 002-350-002) in this zoning district through the year 2024 only, as follows:*

- *The allowable density for the designated affordable housing site is a minimum of 20 units per acre and a maximum of 24 units per acre;*
- *Twenty (20) percent of the residential development on the affordable housing site must be owner-occupied and/or rental multi-family uses that are affordable to lower-income households; and*
- *All development on this affordable housing site must be permitted by right (i.e., no conditional use permit, planned development permit, or other discretionary review or approval).*
- *Any development that takes place on APN 002-350-002 would accommodate necessary historic preservation efforts on or off site that would be in compliance with the City of San Juan Bautista Historic Resource Preservation Ordinance (Chp. 11-06) and the Secretary of Interior Standards.*

Except for those usual standards in conflict with the special standards and conditions above, all usual development standards for this zoning district (as shown in the table) also apply to the affordable housing site.

¹⁵ *Additional special standards and conditions apply to one affordable housing site (APN 002-350-002) in this zoning district, as follows:*

- *The owner of the site has the right to develop this mixed-use site as 100 percent multi-family housing without a Conditional Use Permit or other discretionary action,*
- *If the owner of the site chooses to develop the site as mixed use (commercial and residential, combined), then at least 50 percent of floor area must be developed as a minimum of 16 multi-family dwellings; and*
- *Any development that takes place on APN 002-350-002 would accommodate necessary historic preservation efforts on or off site that would be in compliance with the City of San*

Juan Bautista Historic Resource Preservation Ordinance (Chp. 11-06) and the Secretary of Interior Standards.

This affordable housing site (Map #2.5) was evaluated in an addendum to the Initial Study prepared for Housing Element adoption. This site is a partially vacant parcel comprised of 3.84 acres and zoned for mixed use, with public utilities available to the site. The property to the west of the site is zoned for commercial use, and property to the east is zoned for residential use. The size of this site would accommodate a large residential project whose residents would provide ready market for neighboring commercial and other mixed uses.

The Initial Study addendum indicated that development of this site would be constrained by four categories of environmental impact—historical resources, biological resources, air quality, and land use.

Historical Resources: With regard to historical resources, the 3.84-acre site contains the old Chalmers House, which is located on approximately 0.4 acres of the site and considered a locally significant historical resource. The special MU (Mixed Use) conditions placed on this site included a requirement to protect the potentially historic Chalmers House from any significant degradation. This condition ensures that impacts related to historical resources would be less than significant.

Biological Resources: With regard to biological impacts, the site is also located within 0.39 miles of a known breeding habitat for the California tiger salamander, which means that biological monitoring would be required during ground disturbance activities.

Air Quality Impacts: With regard to air quality impacts, the site is located immediately adjacent to Highway 156 and therefore subject to toxic air contaminants generated by vehicles operating on the highway. This means that property developers would have to undertake a toxic air contaminants analysis to determine what measures might be necessary to ensure future residents are not exposed to contaminants.

Land Use Impacts: With regard to land use impacts, the site is located next to a vacant commercial property on one side, an existing single-family development on the other side, an existing multi-family development across the street, and Highway 156 immediately south of the site. The neighboring vacant commercial property, once developed, would be minimally compatible with the proposed high-density residential use. The highway use to the south would be considered a less-than-perfect neighbor.

Complete Housing Sites Inventory

A complete list of housing sites is shown in Table 4-1 and illustrated in Figure 4-1. Table 4-2 provides a summary of the sites by income level.

Table 4-1: Housing Sites Inventory

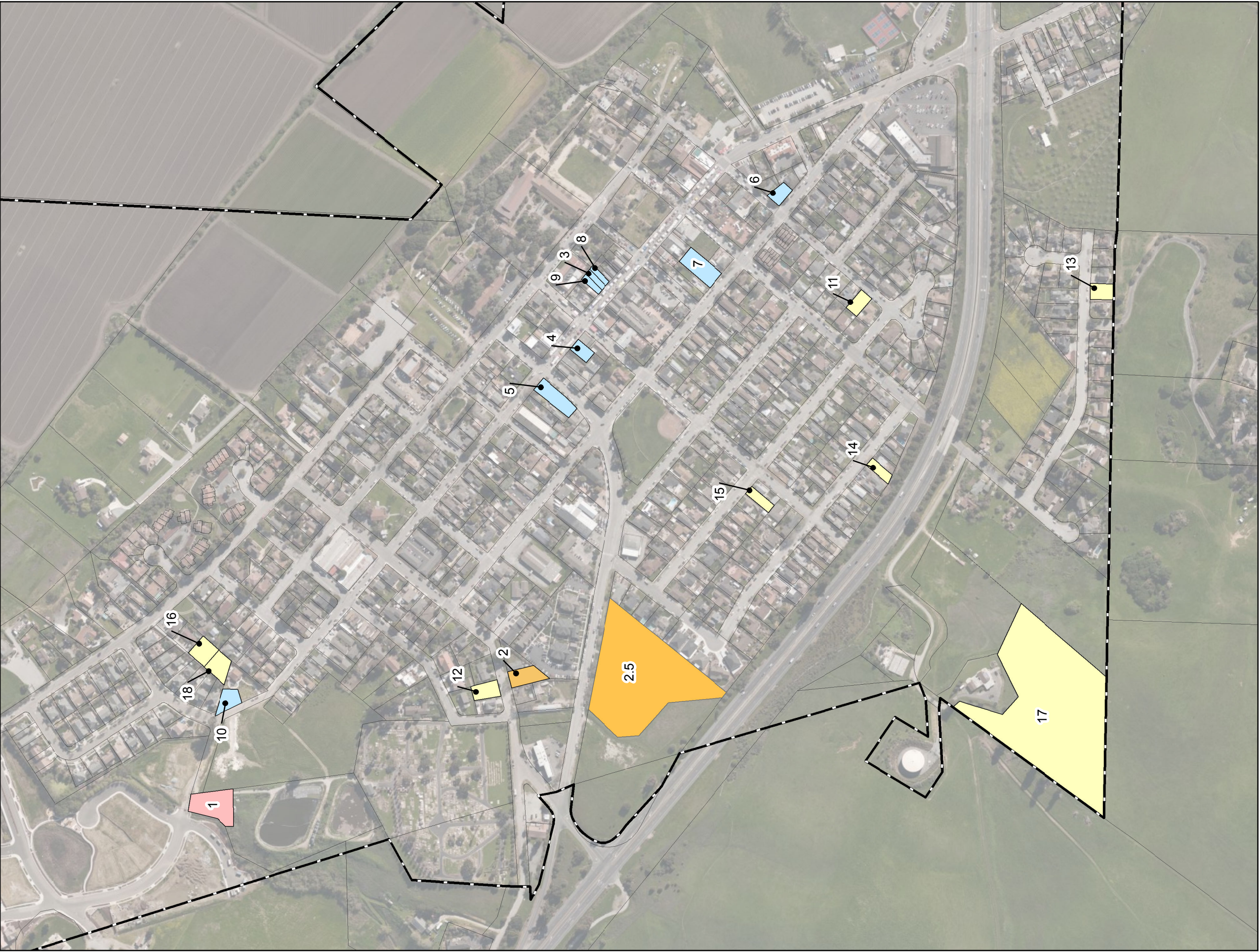
Map #	APN	Acres	Net Acres	General Plan	Zoning	Density	Afford. Level	Capacity
1	0022200030	0.48	0.48	Public Facility	PF	FAR 0.7	See note (1)	See note (1)
	Subtotal		0.48				--	--
2.5	0023500020	3.84	3.44	Mixed Use	MU	20	L VL	68 See note (2)
	Subtotal		3.44				Subtotal	68
2	0023200090	0.22	0.22	Medium Density	R-3	15	M	3
3	0021600130	0.05	0.05	Mixed Use	MU	10	M	1
4	0021500030	0.11	0.11	Mixed Use	MU	10	M	1
5	0021300040	0.27	0.27	Mixed Use	MU	10	M	3
6	0024700080	0.12	0.12	Mixed Use	MU	10	M	1
7	0021900100	0.31	0.31	Mixed Use	MU	10	M	3
8	0021600140	0.05	0.05	Mixed Use	MU	10	M	1
9	0021600120	0.06	0.06	Mixed Use	MU	10	M	1
10	0022600460	0.17	0.17	Medium Density	R-2	10	M	2
	Subtotal		1.36				Subtotal	16
11	0024300200	0.13	0.13	Medium Density	R-1	5	AM	1
12	0022900430	0.17	0.17	Medium Density	R-1	5	AM	1
13	0025630020	0.15	0.15	Low Density	R-1	5	AM	1
14	0024200170	0.11	0.11	Low Density	R-1	5	AM	1
15	0023800130	0.11	0.11	Low Density	R-1	5	AM	1
16	0022600240	0.19	0.19	Low Density	R-1	5	AM	1
17	0025400070	9.72	7.78	Low Density	R-1	5	AM	39
18	0022600230	0.20	0.20	Low Density	R-1	5	AM	1
	Subtotal		8.84				Subtotal	46
	Total		14.12				Subtotal	130

Source: EMC Planning Group, Inc.; City of San Juan Bautista

Notes: (1) Zoning appropriate for homeless shelter.

(2) This site is partially vacant. Approximately 0.4 acres of this site is occupied by a farmhouse that is considered historically significant. Special development conditions that have been incorporated into the Zoning Ordinance require preservation of this farmhouse and its 0.4-acre site. In addition, special development conditions apply to this site as required by Government Code §65583.2(h).

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Legend Affordability Level

-  City Limit
-  Zoning Appropriate for Homeless Shelter
-  Very Low Income
-  Moderate Income
-  Above Moderate

Note: See table 4-1 for map number explanation.



Source: ESRI 2019, San Benito County GIS 2018

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Table 4-2: Summary of Vacant Sites by Assumed Income Level

Affordability Level	Net Acres	Capacity	RHNA	Unmet Need
Homeless Shelter	0.48	n/a	n/a	n/a
Extremely Low, Very Low, and Low	3.44	68	16	0
Moderate	1.36	16	8	0
Above Moderate	8.84	46	17	0

Source: EMC Planning Group, Inc.; City of San Juan Bautista

The development capacity estimates are based on the low-end of the allowed density range for each district, with at least one unit per lot. As can be seen, the City has adequate sites within the city limits to accommodate its share of low and very low income units.

2. Additional Capacity for Affordable Housing

In addition to the sites listed in Table 4-1, above, the City has mechanisms in place that will also contribute to meeting the City's current and future RHNA. These include the City's Inclusionary Housing Ordinance, mixed-use infill, and accessory dwelling units.

Inclusionary Housing Ordinance

Upon application of the City's Inclusionary Housing Ordinance, one out of every six market-rate housing units shall be reserved for sale to very low, low, or moderate income households or reserved as rental units for very low, low, or moderate income households. Therefore, a portion of the homes constructed on these sites would be required to be made available as affordable units, and would reduce the land necessary for re-zoning to R-3.

Mixed-Use Infill

The City's General Plan and Zoning Ordinance apply a "Mixed Use" land use category to the central business district and the City's two "gateway" areas. Residential uses are encouraged on the second floors of commercial buildings on sites with this designation and live-work and artist studio development is supported. This type of development has been an important affordable housing resource in San Juan Bautista. A number of lower priced rental units and shop owner residences exist above stores and restaurants on Third Street. The designation also provides places where housing, small business, and workshop space can be combined on the same site. The City is targeting this area for attaining its moderate income housing.

Residential development within the Mixed Use District is allowed subordinate to commercial uses at a density up to 15 units per acre when located above or behind a commercial use with the exception of senior and affordable housing projects. Per the City's Inclusionary Housing Ordinance, new construction for uses that are exclusively residential (i.e. that do not include a commercial component) on a property that does not already contain a commercial use is only allowed if the proposed new use meets an identified affordable housing need. Such projects would also receive an increase in allowable density of at least 50 percent (if the project is 100 percent affordable) and flexibility in parking requirements. These provisions provide incentive to preserve existing residential uses and construct new affordable housing. With the residential density of 15 units per acre combined with commercial uses, each residential unit is anticipated to be relatively small and thus deemed "affordable" by design. Having only residential without a commercial component, the realistic capacity could reach 20 units per acre.

From 2000 to 2014, nine housing units were constructed within the Mixed Use District: four within a new mixed use project and five on underdeveloped sites that contained a commercial component. Since 2014, no additional mixed use residential units have been built.

Secondary Dwelling Units (ADUs)

In fall 2019, the City revised its Second Unit Ordinance to comply with all state law regulating ADUs. According to the City's 2018 adopted planning fees, a use permit would cost the applicant \$1,500 for major development or \$750 for minor.

During the City's initiation of changes to the Second Unit Ordinance, many property owners expressed interest in pursuing permits for second units. Six accessory dwelling units were built during this planning period.

3. Additional Housing Capacity within the Urban Growth Boundary

The General Plan designates an Urban Growth Boundary that encompasses about 325 acres within the City limits and another 145 acres to be annexed and provided with urban services by the City. Development of land outside the City limits at urban densities requires annexation to the City. City Annexations are subject to review and approval by the Local Agency Formation Commission of San Benito County (LAFCO).

The City annexed 6 different portions of land within the urban growth boundary between 2015 and 2017. The City's approximately 13-acre Copperleaf residential subdivision project was annexed into the City in 2016 (Document ID 2016-0009779). The remaining annexations were of non-residential land: a 32-acre piece of land on the southeastern-end of the City was annexed in 2015 for industrial development (Document ID 2015-0010254); an approximately one-acre piece of land on the western side of the City was annexed in 2015 (Document ID 2015-0010253); an approximately two-acre and three-acre piece of land were annexed in 2017 and 2015, respectively (Document IDs 2017-0009704 and 2015-0010258); and another two-acre piece of land to the north of the City was annexed in 2015 (Document ID 2015-0010256).

D. Progress toward RHNA

San Juan Bautista has made some progress towards meeting its share of the regional housing needs during the first four-year segment of the 2015-2023 planning period. According to the California Department of Finance, San Juan Bautista added 53 units between 2015 and 2019. Six of these units were accessory dwelling units built on lots containing single family dwellings. Table 4-3 below illustrates the number of housing units by income level that have been built during this planning period.

Table 4-3: Housing Units Built During Current Planning Period (2015-2019)

Affordability Distribution	Housing Units by Income Level
Very Low	0
Low	0
Moderate	0
Above Moderate	53
Total Units	53

Source: DOF Table E-5 2019; City of San Juan Bautista

As summarized in Table 4-4, the City can fully address its RHNA through a combination of past housing production during this planning period, remaining capacity in residential and commercial areas, and a combination of second units and infill development.

Table 4-4: Remaining Need Based on Units Approved/Under Construction

Affordability Distribution	RHNA	Credits Toward RHNA	
		Units Approved	Remaining Need
Very Low	10	0	10
Low	6	0	6
Moderate	8	0	8
Above Moderate	17	53	0
Total Units	41	53	24

Source: City of San Juan Bautista

E. Financial Resources

San Juan Bautista currently has no staff or financial resources to develop a “stand alone” housing development program. As such, the City will need to partner with non-profit agencies, San Benito County and other parties to address housing needs in the City. While the City currently does not access many of the programs and funds available, the City may in the future choose to avail itself to the affordable housing funds provided via local, State, Federal and private resources. The following section describes the 5 largest housing funding sources the City can use for housing production, rehabilitation, or preservation: CDBG grants, HOME funds, redevelopment set-aside funds, affordable housing in-lieu fees, the Housing Choice Voucher Program, and Proposition 46 funds. Table 4-5 provides an inventory of financial resources available.

Table 4-5: Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
1. Federal Programs		
Community Development Block Grant (CDBG)	Grants awarded to the City on a formula basis for housing and community development activities. The City is currently not eligible for CDBG due to non-certification of Housing Element.	-Acquisition -Rehabilitation -Home Buyer Assistance -Economic Development -Homeless Assistance -Public Services
Emergency Shelter Grants (ESG)	Grants potentially available to the City through the County to implement a broad range of activities that serve homeless persons. Funding availability is uncertain for the current year.	-Shelter Construction -Shelter Operation -Social Services -Homeless Prevention
HOME	Grant program available to the City on a competitive basis for housing activities. City competes for funds through the State’s allocation process.	-Acquisition -Rehabilitation -Home Buyer Assistance -Rental Assistance

Program Name	Description	Eligible Activities
Low-Income Housing Tax Credits (LIHTC)	Tax credits available to persons and corporations that invest in low-income rental housing. Proceeds from the sales are typically used to create housing.	-New Construction -Acquisition -Rehabilitation
Mortgage Credit Certificate (MCC) Program	Income tax credits available to first-time homebuyers to buy new or existing single-family housing. Santa Cruz County Housing Authority makes certificates available.	-Home Buyer Assistance
Housing Choice Voucher Program	Rental assistance payments through Santa Cruz County Housing Authority to owners of private market rate units on behalf of very low-income tenants.	-Rental Assistance -Home Buyer Assistance
Section 202	Grants to non-profit developers of supportive housing for the elderly.	-Acquisition -Rehabilitation -New Construction
Section 203(k)	Provides long-term low interest loans at fixed rate to finance acquisition and rehabilitation of eligible property.	-Land Acquisition -Rehabilitation -Relocation of Unit -Refinance Existing Indebtedness
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities	-Acquisition -Rehabilitation -New Construction -Rental Assistance
U.S. Department of Agriculture (USDA) Housing Programs (Sections 514/516)	Below market-rate loans and grants for farmworkers rental housing.	-New Construction -Rehabilitation
2. State Programs		
SB 2 Planning Grants Program	Provides funding and technical assistance to all local governments to prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.	- Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans. -Updates to zoning ordinances. -Environmental analyses that eliminate the need for project-specific review. -Local process improvements that expedite local planning and permitting.
Affordable Housing Partnership Program (AHPP)	Provides lower interest rate CHFA loans to home buyers who receive local secondary financing.	-Home Buyer Assistance

Program Name	Description	Eligible Activities
CalHOME	Provides grants to local governments and non-profit agencies for local home buyer assistance and owner-occupied rehabilitation program and new home development projects. Will finance the acquisition, rehabilitation, and replacement of manufactured homes.	-Home Buyer Assistance -Rehabilitation -New Construction
California Housing Assistance Program	Provides 3 percent silent second loans in conjunction with 97 percent CHFA first loans to give eligible buyers 100 percent financing.	-Home Buyer Assistance
California Housing Finance Agency (CHFA) Rental Housing Programs	Below market rate financing offered to builders and developers of multi-family and elderly rental housing. Tax exempt bonds provide below-market mortgages.	-New Construction -Rehabilitation -Acquisition
California Housing Finance Agency (CHFA) Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below-market loans to first-time buyers. Program operates through participating lenders who originate loans for CHFA.	-Home Buyer Assistance
California Self-Help Housing Program (CSHHP)	Provides grants for the administration of mutual self-help housing projects.	-Home Buyer Assistance -New Construction
Downtown Rebound	Funding to facilitate infill development and conversion of commercial buildings for "live-work" spaces.	-Rehabilitation
Emergency Housing and Assistance	Provides grants to support emergency housing.	-Shelters & Transitional Housing
Emergency Shelter	Grants awarded to non-profit organizations for shelter support services.	-Support Services
Extra Credit Teacher Program	Provides \$7,500 silent second loans with forgivable interest in conjunction with lower interest rate CHFA first loans to assist eligible teachers to buy homes.	-Home Buyer Assistance
Farmworker Housing	Provides State tax credits for farmworker housing projects.	-New Construction -Rehabilitation
Housing Enabled by Local Partnerships (HELP)	Provides 3 percent interest rate loans, with repayment terms up to 10 years, to local government entities for locally-determined affordable housing priorities.	-New Construction -Rehabilitation -Acquisition -Home Buyer Assistance -Site Acquisition -Site Development
Joe Serna Jr. Farmworker Housing Grant Program (FWHG)	Provide recoverable grants for the acquisition, development and financing of ownership and rental housing for farmworkers.	-Home Buyer Assistance -Rehabilitation -New Construction
Multi-Family Housing Program (MHP)	Deferred payment loans for the new construction, rehabilitation and preservation of rental housing.	-New Construction -Rehabilitation -Preservation

Program Name	Description	Eligible Activities
Self-help Builder Assistance Program (SHBAP)	Provides lower interest rate CHFA loans to owner-builders who participate in self-help housing projects. Also provides site acquisition, development and construction financing for self-help housing projects.	-Home Buyer Assistance -New Construction -Site Acquisition -Site Development
Supportive Housing/Minors Leaving Foster Care	Funding for housing and services for mentally ill, disabled and persons needing support services to live independently.	-Supportive Housing -Foster Care
3. Local Programs		
Affordable Housing In- Lieu Fees	The City collects in-lieu fee contributions from residential, commercial, and industrial development under the provisions of the Inclusionary Housing Ordinance.	-Acquisition -Rehabilitation -New Construction
Financial Incentives under the	The City's Density Bonus Ordinance offers financial incentives. The City uses the State provisions for density bonuses.	-New Construction
Tax Exempt Housing Revenue Bond	The City can support low-income housing by issuing housing mortgage revenue bonds requiring the developer to lease a fixed percentage of the units to low-income families at specified rental rates.	-New Construction -Acquisition -Rehabilitation
4. Private Resources/Financing Programs		
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long term debt financing for affordable multi-family rental housing. Non-profit and for profit developers contact member banks.	-New Construction -Rehabilitation -Acquisition
Federal National Mortgage Association (Fannie Mae)	-Fixed rate mortgages issued by private mortgage insurers.	-Home Buyer Assistance
	-Mortgages which fund the purchase and rehabilitation of a home.	-Home Buyer Assistance -Rehabilitation
	-Low Down-Payment Mortgages for Single-Family Homes in underserved low-income and minority cities.	-Home Buyer Assistance
Freddie Mac Home Works	Provides first and second mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Households earning up to 80% MFI qualify.	-Home Buyer Assistance
Savings Association Mortgage Company Inc.	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	-New construction of rentals, cooperatives, self-help housing, homeless shelters, and group homes

Source: Compiled by Cotton/Bridges/Associates, November 2002.

1. Community Development Block Grant (CDBG) Funds

The CDBG program provides funds for a range of community development activities. The program is flexible in that the funds can be used for a range of activities including, but not limited to: acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction (under certain limitations) of housing, homeownership assistance, and also clearance activities. Currently, the City is not a recipient of funds. The City may choose, upon Housing Element Certification, to pursue CDBG funds on a competitive basis. CDBG funds are currently being targeted in federal budget reductions. It is unknown to what extent CDBG will be available to assist the City.

2. HOME Investment Partnership Program Funds

Federal HOME funds can be used for activities that promote housing and homeownership for lower-income households. Such activities include the following: building acquisition, new construction, moderate or substantial rehabilitation, first-time homebuyer assistance and tenant-based assistance. A federal priority for use of these funds is preservation of at-risk housing stock. The State HOME Income Limits for San Benito County were updated in 2019 and became effective in June 28, 2019.

San Juan Bautista has not applied for or secured HOME funds through the State HCD (through a competitive process). Administrative costs of the program and the limited size of San Juan Bautista may limit the utility of this program. The City currently does not receive any HOME funds.

3. Affordable Housing In-Lieu Fee

The City collects in-lieu fee contributions from residential projects if housing is not provided onsite, under the provisions of the Inclusionary Housing Ordinance. These fees, by ordinance, are required to be used to address affordable housing needs in the City. The City's Municipal Code Chapters 11-09-500 through 11-09-510 provide descriptions of the in-lieu fees.

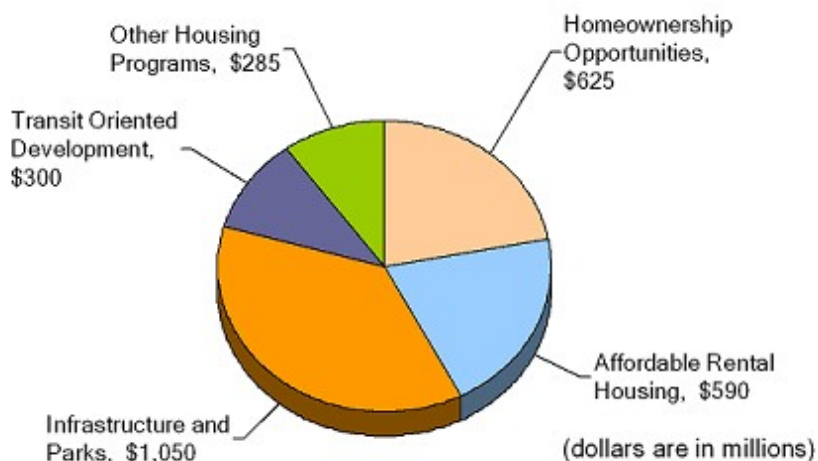
4. Housing Choice Voucher Program

The Housing Choice Voucher Program is a Federal program that provides rental assistance to very low-income persons in need of affordable housing. The Housing Choice Voucher Program offers a voucher. A voucher pays the difference between the payment standard (an exception to fair market rent) and what a tenant can afford to pay (e.g. 30 percent of their income). A voucher allows a tenant to choose housing that may cost above the payment standard, with the tenant paying the extra cost. The County of San Benito contracts with the Housing Authority of Santa Cruz County to administer the Housing Choice Voucher Program in San Benito County (San Juan Bautista). The Housing Choice Voucher Program may now be used to assist certificate holders to buy a home as well. According to the Housing Authority of Santa Cruz County's data for 2018, a total of 15 households in the City are receiving vouchers.

5. Proposition 1C: Housing and Emergency Shelter Trust Fund Act of 2006

Due to the State's budget deficit, only limited State funds have been available for affordable housing activities. However, California voters in 2006 approved a \$2.9 billion bond (Proposition 1c) to address the State's affordable housing challenges. According to the Department of Housing and Community Development (HCD), the housing bond will establish funding for housing and infrastructure programs to produce an estimated 118,000 housing units, 2,350 homeless shelter spaces, and infrastructure projects that help infill housing development such as water, sewer, parks, and transportation improvements. Specifically, the bond will be allocated according to Figure 4-2 as shown below.

Figure 4-2: Prop 1C Bond Allocation



Source: State Department of Housing and Community Development

These bond funds will be available on a competitive basis for the entire state and represent a major opportunity for the City to leverage local monies in support of affordable housing.

F. Administrative Resources

Described below is a sample of public and non-profit agencies that have been involved in housing activities in the San Juan Bautista area. These and other agencies play important roles in meeting the housing needs of the community. In particular, they are or can be involved in the improvement of housing stock, expansion of affordable housing opportunities, preservation of existing affordable housing, and/or provision of housing assistance to households in need.

1. San Benito County/Housing Authority of the County of Santa Cruz

The Housing Authority of the County of Santa Cruz was created to provide housing assistance for Santa Cruz County's lower- and moderate-income residents. The Housing Authority administers the Housing Choice Voucher Program and manages public housing developments. The Housing Authority also administers various programs, including the Mortgage Credit Certificate and Mobile Home Resident Ownership Programs. In addition, the Authority issues mortgage-backed revenue bonds to assist developers in providing affordable rental housing and single-family bonds for homeownership assistance. San Benito County contracts with the Housing Authority.

2. South County Housing (SCH)

SCH is a private non-profit organization that provides housing for low- income families living in coastal, mid-California. SCH has achieved distinction through the creation of 1,300 single-and multifamily units for farmworker families, seniors, seasonal laborers, single parents, low-income families and the homeless. SCH is also the owner/manager of more than 700 rental units affordably priced for low-income individuals and families. These properties, housing more than 3,000 residents, are maintained under the auspices of South County Housing Property Management Corporation.

3. Mid-Peninsula Housing Coalition (MPHC)

Mid-Peninsula is an established regional nonprofit organization involved in the development, management, acquisition and rehabilitation of affordable rental housing. MPHC primarily develops affordable family and senior rental apartments. Since it was founded in 1971, MPHC has developed over

3,700 affordable housing units in 6 Northern California counties. MPHC has also rehabilitated over 300 units in blighted neighborhoods. In addition, MPHC has been involved in the preservation of affordable housing units that are at risk of converting to market rate uses.

4. Community Housing Improvement Systems and Planning Association, Inc. (CHISPA)

CHISPA is one of the largest private non-profit developers in Monterey and Santa Cruz County. To date, CHISPA has produced more than 1,000 units of very low, low, and moderate-income housing throughout Monterey County. Most of CHISPA's rental, homeownership, and cooperative projects serve large families and include 3- and 4-bedroom townhouse-style units with open space and tot lots. CHISPA remains a resource and a potential partner for San Juan Bautista.

5. Habitat for Humanity

Habitat for Humanity is a non-profit, Christian organization dedicated to building affordable housing and rehabilitating homes for lower income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans. Volunteers, churches, businesses, and other groups provide most of the labor for the homes. Government agencies or individuals typically donate land for new homes.

6. Salvation Army

The Salvation Army is a Christian non-profit organization that offers a variety of services, including: services for youth and seniors; a transitional housing program for persons in need, including those recovering from addictive behaviors; human services; and emergency/disaster relief. When a natural disaster or civil disorder occurs, the Salvation Army provides various recovery services, including shelter, counseling, congregate feeding, financial assistance, and reconstruction. Shelters may be established in Salvation Army facilities or other sites.

7. Housing Choices Coalition (HCC)

Housing Choices Coalition is a local nonprofit organization that creates and implements innovative strategies to provide quality living options for people with developmental disabilities in Santa Clara County, Monterey County, and Santa Cruz County. The Coalition aims to ensure that a variety of housing options are available to people with developmental disabilities, including rental housing, home ownership and cooperative and/or shared housing. The Coalition works in partnership with developers, funders, and others in the planning and development of new affordable housing and the securing of housing units for use by people with developmental disabilities.

8. Project WeHOPE / Dignity on Wheels

WeHOPE offers 4 main programs to help homeless individuals:

- a. Transitional/Supportive Housing Program. This is a 120-day program that is intended to deal with the systemic issues related to homelessness. Clients entering this program take a series of classes, set weekly goals, meet weekly with his or her case manager, participate in a mandatory savings program, do daily housing searches, and are a positive role model for emergency clients also staying at the WeHOPE Shelter.
- b. Dignity on Wheels Mobile Hygiene Outreach Program. Dignity on Wheels is a mobile hygiene outreach program that provides free showers and laundry service for the homeless living in encampments, rotating shelters, in their vehicles or other temporary spaces where they do not have access to such amenities.

- c. H.O.P.E. Jobs H.O.P.E. Jobs is a program that offers WeHOPE clients and the general community with free certification courses to become a Security Guard or Custodial Technician. The classes are taught by nationally certified instructors within their professional industry. Each individual who successfully receives a certificate of completion for either class are able to apply for hundreds of qualified jobs throughout California.
- d. Dignity @ Work This program is offered to support formerly incarcerated individuals to become successful in all aspects of their lives. We offer comprehensive training in diverse related disciplines that provide life, communication, problem solving and financial management skills followed by job and entrepreneurship training to set the stage for successful employment either as a business owner or employee in a high-demand, low barrier to entry fields.

9. Schools/Social Services

San Juan Bautista's local high school, Anzar High School, has programs that work with migrant household's children to help them pass the California High School Exit Exam (CHASEE). English learners, who have not passed one or both parts of the CHASEE are entitled to receive "intensive instruction and services" for up to 2 consecutive academic years after their completion of grade 12 or until they pass both parts of the CHASEE. Because many migrant households experience language barriers, this program works with children, who claim English as their second language, to help them receive a high school diploma. The Aromas-San Juan Unified School District also operates bus systems which have designated stops in rural areas of Aromas and San Juan Bautista. These bus routes help ensure migrant children, who may live in more remote locations and have parents who leave for work in the fields early, still have access to attending school.

G. Opportunities for Energy Conservation

Not since the 1970s has energy conservation been a more important issue in California. With the escalation in energy prices during the past few years, consumers and builders have once again become more aware of energy costs. The City of San Juan Bautista recognizes that prosperity and economic development cannot be achieved at the expense of our environment. The City must strike a balance between development and environmental stewardship to keep our economy strong and, at the same time, protect our environment. The following section highlights building standards and conservation codes contributing to that success.

Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an "energy budget." In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations. In February 2015, San Juan Bautista worked with the Monterey Bay SEED Fund to analyze several sites within the City (City Hall, City Yard, Community Center, Wastewater Treatment Plant, and the Pellet Plant) to determine any potential technical issues with implementing solar installation and in March 2015, each signed an agreement for cooperative purchasing of renewable energy. Since this agreement in 2015, the City has not adopted a Solar Energy Code for the purpose of reducing energy costs for new residential developments nor has the City adopted an energy budget. However, State law (both the Residential Building Code and CalGreen) have standards that significantly reduce energy use in new residential construction.

The following are among the alternative ways to meet these energy standards. Alternative 1 is a passive solar approach which requires proper solar orientation, appropriate levels of thermal mass, south facing windows, and moderate insulation levels. Alternative 2 generally requires higher levels of insulation than

Alternative 1, but has no thermal mass or window orientation requirements. Alternative 3 is without passive solar design but requires active solar water heating in exchange for less stringent insulation and/or glazing requirements.

Increasing energy costs, persistent drought and climate change have reshaped how Californians think when it comes to buying new homes. Solar roof panels have become increasingly commonplace over the past several decades, with both State and federal tax credits available. Energy-efficient appliances and landscaping have become amenities of choice for this class of homebuyer. Developers can make the most of this paradigm shift by embracing “green” building practices that incorporate the energy and water efficiencies that consumers desire as well as environmentally friendly construction that minimizes waste and maximizes the use of resources.

1. Monterey Bay Community Power and Pacific Gas & Electric (PG&E)

Monterey Bay Community Power, the new community choice aggregation agency in the 3-county region, opened its doors in 2018, providing 100 percent carbon-free electric power to its customers. In addition, Pacific Gas & Electric provides both natural gas and electricity to residential consumers in San Benito County, including the City of San Juan Bautista. PG&E also participates in several other energy assistance programs which help qualified homeowners and renters conserve energy and control costs. These include:

- a. The California Alternate Rates for Energy Program (CARE) provides a 15 percent monthly discount on energy rates to income-qualified households, agricultural employee housing, shelters, hospices and other qualified non-profit group living facilities.
- b. The Relief for Energy Assistance through Community Help (REACH) Program provides one-time energy assistance to low-income customers who have experienced severe hardships and have no other way to pay their energy bill.
- c. The Balanced Payment Plan (BPP) is designed to eliminate big swings in a customer's monthly payments by averaging energy costs over the year.
- d. The Low Income Home Energy Assistance Program (LIHEAP) provides eligible low-income persons, via local governmental and nonprofits, financial assistance to offset energy costs and weatherize homes to improve efficiency.

Beyond the savings involved with making intelligent efficiency investments there are a variety of funds available to the community that can help absorb some of the initial cost. PG&E Rebates are available at: <http://www.pge.com/myhome/saveenergymoney/rebates/index.shtml>.

2. AMBAG EnergyWatch

The City of San Juan Bautista is a member of the Association of Monterey Bay Area Governments (AMBAG). AMBAG operates a PG&E funded EnergyWatch Program that provides energy saving assistance to local governments, non-profits, schools and low to moderate income households.

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Sections 2, 3, and 4 of the Housing Element establish the housing needs, constraints, and resources in San Juan Bautista. This section of the Housing Plan sets forth the City's goals, policies, programs, and quantified objectives to address the identified housing needs for the 2019-2023 planning period, and reviews progress made during the prior planning period.

A. Housing Goals

The goals and policies contained in the Housing Element address San Juan Bautista's housing needs and are implemented through the programs, policies, and staff of the City. In drafting these goals and policies, Section 65583 of the Government Code requires the housing element to address 5 major areas:

- Housing and Neighborhood Conservation
- Provision of Housing Assistance
- Housing Production
- Removal of Governmental Constraints
- Equal Housing Opportunity

1. Housing and Neighborhood Conservation

Conserving and improving the housing stock is an important goal. Approximately 64 percent of the occupied housing units in San Juan Bautista are 50 years old or older, an age when most homes begin to have major rehabilitation needs. The City supports neighborhood preservation and upgrading through provisions of the building code and code enforcement.

2. Housing Assistance

San Juan Bautista is a small community of just over 2,000 residents. As such, the number of persons with special housing needs, including seniors, large families, disabled persons, homeless persons, single parent families, and students, among others is relatively small. Nevertheless, these groups may face greater difficulty in finding decent and affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, disability, or health issues. The City remains committed to addressing the special needs of San Juan Bautista residents.

3. Housing Production

Housing diversity is important to ensure that all households, regardless of age, income level, and household type, have the opportunity to find housing suited to their lifestyle. Part of this diversity is addressed through the regional housing needs assessment process, which encourages the provision of housing for all economic segments in the community. However, housing diversity is also addressed by supporting alternative housing options for residents with special housing needs.

The City has an Inclusionary Housing ordinance to promote the development of housing for lower income households in San Juan Bautista.

4. Removal of Government Constraints

Under State law, the Housing Element must address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. The City's programs are designed to mitigate government constraints on housing and facilitate development of housing affordable to lower-and moderate-income households, including families, seniors, and persons with special needs.

5. Fair and Equal Housing Opportunity

Ensuring fair and equal housing opportunity is an important goal. Whether through mediating disputes, investigating bona fide complaints of discrimination, or through the provision of education services, the provision of fair housing services is important to ensuring fair and equal access to housing. San Juan Bautista supports the provision of fair housing opportunity through its housing element policies.

The following are the 5 overarching goals of the City for the 2019-2023 housing planning period:

- | | |
|-----------------|---|
| GOAL 1.0 | SAFE AFFORDABLE HOUSING MEETING THE NEEDS OF ALL RESIDENTS |
| GOAL 2.0 | HOUSING OPPORTUNITIES FOR ALL ECONOMIC SEGMENTS AND SPECIAL NEEDS GROUPS |
| GOAL 3.0 | AVAILABLE HOUSING FOR ALL INCOME GROUPS |
| GOAL 4.0 | REASONABLE GOVERNMENTAL CONSTRAINTS ON THE DEVELOPMENT OF HOUSING |
| GOAL 5.0 | FAIR AND EQUAL HOUSING OPPORTUNITY FOR ALL PERSONS |

B. Policies and Programs

The housing programs described under this section contain existing programs as well as future programs needed to address identified housing needs. It is important to note that the current State budget crisis, withholding of housing funds, and unfunded mandates may restrict the ability of the City to implement these programs.

GOAL 1.0: SAFE AFFORDABLE HOUSING MEETING THE NEEDS OF ALL RESIDENTS

- | | |
|------------|--|
| Policy 1.1 | Encourage homeowners and landlords to maintain properties in sound condition through the City's residential rehabilitation assistance programs and code enforcement efforts. |
| Policy 1.2 | Encourage citizen involvement to preserve, maintain, and revitalize the City's housing stock and neighborhoods including historical and architecturally significant buildings and neighborhoods. |
| Policy 1.3 | Support housing builders in the acquisition, rehabilitation, and maintenance of older residential properties, and development of new projects, as long-term affordable housing. |

- | | |
|------------|--|
| Policy 1.4 | Preserve the existing stock of affordable housing, including mobile homes, through City regulations and financial and other forms of assistance. |
| Policy 1.5 | Invest in public infrastructure and provide appropriate public services and facilities as financially practicable. |

1.1. Code Enforcement Program

Code enforcement is a means to ensure that the character and quality of neighborhoods is enhanced and maintained, and safety hazards resolved. Code enforcement efforts in San Juan Bautista focus on bringing substandard units into compliance with City building, housing, and property maintenance codes.

Program Objective:

The City will continue to carry out code enforcement activities, including performing property inspections and citing code violations, when necessary.

ONGOING

General Fund

Building Official and City Manager

1.2. Housing Rehabilitation Program

Housing rehabilitation is critical to improve neighborhoods. The City does not currently have financial resources to develop a housing rehabilitation program. The City may choose to seek CDBG funds which could be used, in part, to assist lower income households in weatherization and other rehabilitation. The City also anticipates partnerships with non-profits in the area that may provide these types of services and opportunities for City residents.

Program Objective:

The City anticipates, upon certification, seeking CDBG funds. As part of that process, the City will determine the amount requested and the percentage that might go to housing rehabilitation and authorizations. Additionally, the City will annually contact area non-profits that provide assistance to low and moderate income households continue to seek out partnerships. The City will advertise the availability of any funding/programs through brochures at City Hall, and posting on the City's website.

Quantified Object

2 units per year

Annually

CDBG

Building Official and City Manager

1.3. Lead and Asbestos Abatement Education Program

As an older and established community, San Juan Bautista has a significant stock of older homes, many of which are historically significant, located in and around the downtown as well as recently annexed areas. Some of these units are in poor condition and are predominantly occupied by lower-income households. Because of their age, many of these units are likely to contain lead-based paint and/or asbestos hazards.

Program Objective:

The City will offer brochures on lead and asbestos containment and abatement. The City will also, in conjunction with the air quality district, implement applicable State and/or federally mandated containment and abatement procedures for remodels and demolitions. Information will be made available at City Hall and posting on the City's website.

ONGOING

General Fund

Building Official and City Manager

1.4. Preservation of Affordable Housing Program

San Juan Bautista has a limited stock of affordable housing units receiving public subsidies or regulated by the City's Inclusionary Housing Ordinance. The Inclusionary Housing Ordinance units have a 55-year affordability restriction, and all are new units. None of the Community Choice vouchers have been identified to be at risk during this cycle. If one or more affordable housing units are lost, the City will actively work to replace the lost affordable housing.

Program Objective:

The City will continue to monitor affordable housing units through establishment of a database. The City will work with San Benito County to ensure Housing Choice Voucher Program vouchers remain available to San Juan Bautista residents.

ONGOING

General Fund and Housing In-lieu fees

City Planner and City Manager

GOAL 2.0 HOUSING OPPORTUNITIES FOR ALL ECONOMIC SEGMENTS AND SPECIAL NEEDS GROUPS.

- | | |
|------------|---|
| Policy 2.1 | Encourage the provision of jobs and housing by annexing areas for new employment opportunities and promoting the City's programs with current and future business owners. |
| Policy 2.2 | Continue to support the provision of rental assistance to lower-income households, and encourage property owners to list units with the Housing Authority of the County of Santa Cruz. |
| Policy 2.4 | Continue to enforce notification requirements for lower income persons displaced due to demolition, reuse, or rehabilitation as a result of code enforcement. |
| Policy 2.5 | Support efforts by non-profits to evaluate the needs for transitional and emergency housing in San Juan Bautista, including support of grant applications and assistance in identification of suitable sites. |
| Policy 2.6 | Encourage and support, as feasible, non-profit and for-profit agencies who provide supportive services and alternative housing options for persons with special housing needs in San Juan Bautista and San Benito County. |
| Policy 2.7 | Support the provision of child care facilities throughout the community. |

- Policy 2.8 Allow emergency shelters in at least one zone by right, allowing residential uses in order to provide housing for families or individuals on a limited, short-term basis.
- Policy 2.9 Recognize transitional housing as a residential use and allow this use in all zones that allow residential uses.
- Policy 2.10 Support the development of housing for special needs populations by continuing to allow residential care facilities, manufactured housing, and transition/supportive housing in all zones where single family development is allowed.

2.1. Housing Choice Voucher Program

The County of Santa Cruz Housing Authority administers the Housing Choice Voucher Program on behalf of San Benito County (San Juan Bautista). The Housing Choice Voucher Program extends rental subsidies to very low-income households, including families, seniors, the disabled, and farmworkers. The Housing Choice Voucher Program offers a voucher that pays the difference between the current fair market rent (FMR) and what a tenant can afford to pay (i.e. 30 percent of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided that the tenant pays the extra cost. According to the Housing Authority of the County of Santa Cruz, a total of 15 households in San Juan Bautista as of 2018 receive vouchers. Housing Choice Voucher Program may now be used to assist certificate holders to purchase a home as well.

Program Objective:

The City will continue to support San Benito County's efforts to provide rental vouchers to needy residents. The City will continue to encourage San Benito County, the Housing Authority or other agencies to list available rentals for the San Juan Bautista area.

ONGOING

Federal

City Manager in liaison with County

2.2. Child Care Facilities Program

Most San Juan Bautista residents commute to work outside the City. As such, there is and likely will continue to be, a need for child care facilities.

Program Objective:

The City will continue to allow child care facilities in residential districts, and facilitate the development child care component with larger developments. The City will also evaluate Title 11 to ensure that it meets applicable State laws relative to child care facilities.

ONGOING

General Fund

City Planner and City Manager

2.3. Grants Program

Over the years, California voters and legislators have authorize the issuance of bonds to support new and continued affordable or special needs housing programs, emergency shelters,

neighborhood and downtown revitalization efforts, supportive services, mobility improvements, and a variety of other programs that help meet the housing needs of communities across the State. The Federal Housing and Urban Development Department offers a large number of grants, including Community Development Block Grants, Continuum of Care, and Choice Neighborhood Grants.

Program Objective:

The City will investigate funds available under a variety of programs, and where staffing and other limitations allow, pursue those funds bi-annually until the funds expire with a designated nonprofit partner in order to meet the housing needs of San Juan Bautista residents.

ONGOING

General Fund/Grants

City Planner and City Manager

GOAL 3.0 AVAILABLE HOUSING FOR ALL INCOME GROUPS.

- | | |
|------------|--|
| Policy 3.1 | Encourage the production of housing that meets the needs of all economic segments, including lower-, moderate-, and above moderate-income households, to achieve a balanced community. |
| Policy 3.2 | Provide high quality rental and ownership housing opportunities for current and future residents that are affordable to a diverse range of income levels. |
| Policy 3.3 | Encourage a variety of housing types to address the needs of farmworkers, including affordable rentals, mobile homes, single room occupancy hotels, manufactured and factory-built housing, and group housing. |
| Policy 3.4 | Continue to implement the Inclusionary Housing Ordinance, Density Bonus Ordinance, and other programs as a means of integrating affordable units within new residential development. |
| Policy 3.5 | Pursue State, Federal, and other funding sources for housing activities as a means to leverage local funds and maximize assistance. |
| Policy 3.6 | Encourage and support the efforts of non-profit organizations that develop housing affordable to very low-, low-, and moderate-income households. |
| Policy 3.7 | Examine the feasibility of developing quality live/work housing, as appropriate, as a means to provide affordable housing. |
| Policy 3.8 | Ensure that adequate infrastructure, public facilities, water and services are available or in place to support the development of new housing. |

3.1. Adequate Sites Program

A key component of the Housing Element is maintaining adequate sites to accommodate the City's RHNA share. The City currently has identified sufficient sites to meet its RHNA. Nonetheless, in anticipation of a higher affordable housing allocation in the next housing element cycle, the City is working prepare a specific plan for a new growth area.

Program Objective:

The City will pursue an SB 2 Planning Grant to fund the development of a specific plan for an area located south of State Route 156.

2020

General Fund

City Planner and City Manager

Program Objective:

The City will prepare a specific plan for an area located south of State Route 156 to accelerate the development of housing in the City.

2020

SB 2 Grant

City Planner and City Manager

Program Objective:

The City will initiate annexation of the area for which a specific plan was prepared with SB 2 grant funds.

2022

General Fund

City Planner and City Manager

3.2. Inclusionary Housing Ordinance Program

Under the Inclusionary Housing Ordinance (Chapter 11-09), developers are required to set aside a certain portion of units in projects of six or more units for targeted income level groups. The term of affordability is a minimum of 55 years. Developers who exceed the minimum number of affordable units may be eligible for density bonuses per State law. The Inclusionary Housing Ordinance also allows for an in-lieu fee, but this fee is insufficient to fund affordable housing that is not built under the Inclusionary Housing Ordinance.

Program Objective:

The City will review and revise its Inclusionary Housing Ordinance to ensure that the private sector assists in meeting the housing needs of all income groups in San Juan Bautista through direct construction of affordable units. Part of this revision will include an assessment of raising the in-lieu fees.

ONGOING

General Fund

City Planner and Finance Manager

Program Objective:

The City will identify suitable affordable housing projects and fund direct financial assistance, land write-downs, regulatory incentives, and other forms of assistance from its accumulated Inclusionary Housing Program account. It will also pursue SB 2 Grant Funds that after the initial year will be devoted to activities that directly reduce the cost of affordable housing.

ONGOING

General Fund

City Planner and Finance Manager

3.3. Non-Profit Housing Partnership Program

Non-profit housing developers play an important role in providing affordable housing in the State. The City has the authority to grant direct financial assistance, land write-downs, regulatory

incentives, and other forms of assistance to a number of developers to provide both ownership and rental housing to extremely low income, lower- and moderate-income households.

Program Objective:

The City will continue to form relationships with non-profit organizations and look at opportunities in forming partnerships. As funds are available, the City will grant financial assistance, land write-downs, regulatory incentives, and/or other forms of assistance to non-profit developers of affordable and special needs housing.

ONGOING

General Fund/Grants

City Planner and City Manager

3.4. Mixed-Use Development Program

San Juan Bautista has zoned a large portion of the downtown area as Mixed Use. These areas have been historically commercial with some residential uses. Adding additional residential development in these areas will create more activity within the downtown, provide a variety of housing types near work and shopping, and enhance public safety. Inclusion of residential uses in the mixed-use area is encouraged through the use of incentives such as reduced parking requirements and shared parking (between commercial and residential uses). The City has several incentives for the provision of special needs and affordable housing in the Mixed Use District, including a density bonus of up to 50 percent (for a maximum density of 22.5 units per acre for 100 percent affordable housing projects).

Program Objective:

The City will continue to promote residential uses in the Mixed Use District. Whenever feasible, the City will encourage the highest allowable residential densities in MU zone through the Density Bonus and Planned Unit Development.

ONGOING

General Fund

City Planner and City Manager

3.5. Single Room Occupancy

To ensure zoning flexibility that allows for the development of single-room occupancy units (SROs), the City will update its zoning ordinance to allow SROs by conditional use permit in the Mixed Use zones near services and the Abbe Park transit station. In addition, to help meet the needs of extremely low-income households, the City will prioritize funding and/or offer financial incentives or regulatory concessions to encourage the development of SROs.

Program Objective:

The City will amend the zoning ordinance to comply with statutory requirements for single-room occupancy residences.

2020

General Fund

City Planner and City Manager

3.6. Small and Nonconforming Lot Consolidation

The City will provide technical assistance to property owners and developers in support of lot consolidation through a variety of actions. Such actions include identifying and publicizing

opportunities for potential consolidation. In addition, these opportunities will be flexibly paired with Planned Unit Development (PUD) and density bonus options to allow the greatest amount of flexibility possible. This could include permit streamlining, reduction in setbacks, parking requirements or fees for parking district impacts and other impact fees. The ultimate goal of this policy is to encourage and incentivize more intense residential development in areas that are historically underutilized and nonconforming when 2 adjacent lots are vacant or underutilized.

Program Objective:

The City will facilitate consolidation of smaller parcels in the Mixed Use District and other residential districts by publicizing the underutilized sites inventory on the City's website and making it available at the planning counter, providing technical assistance to property owners and developers in support of lot consolidation. The Council will also evaluate the deferral or lowering of development fees as appropriate.

Annually

General Fund

City Planner and City Manager

3.7. Supportive Housing by Right

The City will streamline and expedite the approval of supportive housing to better address the need of its residents experiencing homelessness, as required by AB 2162 adopted in 2018.

Program Objective:

The City will revise its Zoning Ordinance to allow supportive housing by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. This revision will also address any other changes to the Zoning Ordinance required by AB 2162.

December 2020

General Fund

City Planner and City Manager

3.8. Low Barrier Navigation Centers

The City will accommodate the approval of low barrier navigation centers to better address the need of its residents experiencing homelessness, as required by Government Code 65660 et seq.

Program Objective:

The City will revise its Zoning Ordinance to allow low barrier navigation centers by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. This revision will also address any other changes to the Zoning Ordinance required by Government Code 65660 et seq.

December 2020

General Fund

City Planner and City Manager

GOAL 4.0: REASONABLE GOVERNMENTAL CONSTRAINTS ON THE DEVELOPMENT OF HOUSING.

- Policy 4.1 Provide regulatory and/or financial incentives, where appropriate, to offset or reduce the costs of affordable housing development, including density bonuses and flexibility in site development standards.

- | | |
|------------|--|
| Policy 4.2 | Implement and enforce residential design guidelines to ensure that the community's expectations are met with respect to the quality and style of housing projects. |
| Policy 4.3 | Provide priority processing to affordable housing projects |
| Policy 4.4 | Expressly permit and educate the public about secondary units as a means to provide additional affordable housing opportunities. |
| Policy 4.5 | Periodically review City regulations, ordinances, departmental processing procedures and residential fees related to rehabilitations and/or construction to assess their impact on housing costs, and revise as appropriate. |
| Policy 4.6 | Provide regulatory and financial incentives, as appropriate and financially practicable, to facilitate the development of supportive housing for families with children, and other special needs groups |
| Policy 4.7 | Review and update Title 11, Zoning Ordinance, of the San Juan Bautista Municipal Code, to achieve community-wide objectives. |
| Policy 4.8 | Continue to support the incorporation of energy efficient devices in existing housing and utilization of energy efficient designs for new housing |
| Policy 4.9 | Revise the land use map within the General Plan and rezone several parcels of land on the outer boundaries of the City limits to help facilitate low income housing development consistent with State requirements |

4.1. Planned Unit Development District (PUD) Program

A PUD designation allows the regulations of the underlying zoning district to be superseded, modified, or amended, to create a superior housing development design. The City will continue to use this tool to allow a PUD to, among other things, permit higher densities through smaller than standard lots, reduced set-backs, narrower streets, and other deviations from conventional zoning regulations.

Program Objective:

The City will continue to allow PUDs in order to provide flexibility in developments and facilitate creative housing options.

ONGOING

General Fund

City Planner and City Manager

4.2. Site Plan and Design Review Process Program

The City requires site plan and design review (or Historic Review) for new development and substantial remodels. Within the designated Historic Districts, the City bases its decisions on the City's Historic District Ordinance. The Planning Commission, meeting as a separate body, serves as

the Historic Board. This action has served to streamline processes for the City and applicant alike. Site Plan and Review approvals outside the Hillside area, are administrative.

Program Objective:

The City will continue to utilize the Site Plan and Design Review processes as a means to reduce processing times and reduce the potential impact the design review process may have on housing supply.

ONGOING

General Fund

City Planner and City Manager

4.3. Accessory Dwelling Unit Ordinance Program

Accessory Dwelling Units provide an important housing opportunity for seniors, college students, and other lower income or special needs groups. Given the limited supply of developable land in San Juan Bautista, integrating accessory dwelling units in existing residential neighborhoods presents an opportunity for the City to accommodate needed rental housing. In 2013, the City Council adopted Chapter 11-02-050 of the Zoning Code, regulating (formerly called) Secondary Dwelling Units, in compliance with new State law, which required all jurisdictions to permit such uses by right in residential zones. Since adoption of the Ordinance, a minimal number of accessory dwelling units have been constructed in the City. The City has not adopted the more recent assessor dwelling unit provisions from AB-1069 and AB-2299.

Program Objective:

The City will continue to use the Accessory Dwelling Unit Ordinance to provide in-fill residential housing throughout the City. The City will consider potential additional approaches to encourage accessory unit development including establishing pre- approved design prototypes to encourage and stimulate the development of accessory units.

QUANTIFIED OBJECTIVE

SEPTEMBER 2020

General Fund

2 units per year

(consider additional approaches)

City Planner and City Manager

4.4. SB 35 Permit Streamlining

SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects through a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act ("CEQA"). This process does not allow public hearings to consider the merits of the project; rather, only design review or public oversight of the development is allowed, which must be objective and strictly focused on assessing compliance with criteria required for streamlined projects as well as objective design review of the project.

Program Objective:

The City will revise its zoning ordinance to provide a streamlined development review process for affordable housing projects in the city, consistent with the provisions of SB 35.

December 2020

General Fund

City Planner and City Manager

GOAL 5.0 FAIR AND EQUAL HOUSING OPPORTUNITY FOR ALL PERSONS.

- Policy 5.1 Continue to enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling or renting of housing on the basis of race, religion, family status, national origin, disability, or other such factors.
- Policy 5.2 Continue to support organizations that offer fair housing and mediation services to San Juan Bautista residents.
- Policy 5.3 Promote and support, as feasible, housing that meets the special needs of large families, single-parent/female-headed households, families with children, students, elderly persons, homeless persons, farm workers, and the disabled.
- Policy 5.4 Encourage the provision of housing adaptable to the physically disabled through integration of universal design features in new development, and compliance with Title 24 of the California Health and Safety Code.

5.1. Fair Housing Program

The City supports fair housing and refers all alleged cases of discrimination to the State Office of Fair Employment and Housing and the California Rural Legal Assistance (CRLA). The City supports equal opportunity lending programs and non-discriminatory practices.

Program Objective:

The City will continue to support the State Office of Fair Employment and Housing, California Rural Legal Assistance, and equal opportunity lending programs. The City will support efforts by the Housing Authority or other agency to list units accessible to disabled persons. The City will also make available at City Hall copies of the Consumer Affairs "Tenant Rights and Responsibilities" booklet, and Fannie-Mae's "Your Credit Rights."

ONGOING

General Fund

City Planner and City Manager

5.2. Advertise Reasonable Accommodations

In 2019, the City revised its Municipal Code to provide a procedure wherein reasonable accommodations in the application of building and planning regulations are provided to persons with disabilities. To ensure that residents are aware of these new provisions, the City intends to advertise the new provisions.

Program Objective:

The City will publish, post, and distribute informational flyers advertising and explaining new provisions in the San Juan Bautista Municipal Code related to reasonable accommodations.

January 2020

General Fund

City Planner and City Manager

C. 5th Cycle (Part 2) Quantified Objectives

Table 5-1 summarizes San Juan Bautista's Quantified Objectives for the 5th Housing Element Cycle.

Table 5-1 Quantified Objectives

Income Level	New Construction	Rehabilitation	Conservation / Preservation (1)
Extremely Low	2	1	n/a
Very Low	7	1	n/a
Low	7	0	n/a
Moderate	20	0	n/a
Above Moderate	94	0	n/a
Total	130	2	n/a

Note: (1) The City has no units at risk of conversion in the current Housing Element period

D. General Plan Consistency

According to Government Code Section 65300.5, the California Legislature intends that the General Plan and its elements comprise an integrated, internally consistent and compatible statement of policies for the local jurisdiction. Accordingly, it is necessary during the course of the Housing Element update to evaluate any impact new policies, objectives, or programs may have on other elements of the General Plan.

At this time, the Housing Element does not necessitate or propose significant changes to any other element of San Juan Bautista's General Plan. However, if it becomes apparent that changes to any element are needed, the Planning Commission and City Council will propose such changes for consideration. The City will also review the Housing Element for internal consistency when any amendments are made to safety, conservation, and land use elements, based on the requirements of Government Code Section 65302.

E. Review of 5th Cycle Programs (1st 4-Year Update)

To address community conditions and housing needs identified in the adopted 2015-2019 Housing Element, the City took action to facilitate the development of housing. The actions sought to accommodate the City's regional housing needs allocation, assist in the production and rehabilitation of a wide range of housing and shelter, and establish supportive services for all income levels and special interest groups. The goals and programs have been evaluated in light of what the City has done or what other agencies or groups have completed during 2015-2019.

Overall, the goals, policies, and programs in the 2015-2019 Housing Element assisted in providing housing opportunities for all income categories, as well as meeting a diversity of housing needs. According to California Department of Finance data, a total of 53 new housing units were built within the City of San Juan Bautista between the years 2015-2019. Table 5-2 reviews progress made on implementation of housing programs from the previous Housing Element.

Table 5-2 Review of Adopted Programs from 4th Cycle Housing Element

Program	Review for 2015-2019 planning period
Code Enforcement	The City has continued to carry out code enforcement activities.
Housing Rehabilitation	The City did not implement this program during this planning period.
Lead and Asbestos Containment and Abatement Education	The City has continued to carry out these activities in conjunction with the air quality district.
Preservation of Affordable Housing	The City did not have any deed-restricted or other program-driven affordable housing units to conserve during this planning period.
Section 8 Rental Assistance	The City has continued to support San Benito County's efforts to provide rental vouchers to needy residents during this planning period.
Child Care	The City did not implement this program with regard to facilitating the development of child care components with larger developments during this planning period.
Application for Grants and Loans	The City applied for SB 2 Planning Grant funds to support the preparation of a specific plan for an area south of State Route 156 that is within the City General Plan planning area and Sphere of Influence, but outside of the current city limits.
Adequate Sites Program	The City added special development conditions to APN 002-350-002 to High Density/R-3 and thereby completed its efforts to ensure that sufficient sites are available to meet San Juan Bautista's RHNA. The City also adopted special development standards for this site in compliance with Government Code §65583.2(h). This program has been modified to focus on preparation of a specific plan for a development area south of State Route 156.
Inclusionary Housing Ordinance	In fall 2019, the City adopted a local density bonus ordinance consistent with current state law governing density bonus. This program has been re-written for the 2019-2023 period to acknowledge the revised code, plus devote time to re-tooling the Inclusionary Housing Ordinance to make it more effective. This includes evaluating the in-lieu fee structure to ensure that such fees actually cover the costs of providing affordable housing.
Partnership with Non-Profit Housing Agencies	The City has continued to form relationships with non-profit housing agencies during this planning period.
Mixed-Use Development	The City has continued to promote mixed-use development in Downtown San Juan Bautista. The City is currently (fall 2019) working with a private property owner to develop new mixed housing and commercial use in Downtown.
Transitional Housing, Supportive Housing and Emergency Shelters	In fall 2019, the City adopted an ordinance correcting deficiencies in the San Juan Bautista's Municipal Code addressing transitional and supportive housing and emergency shelters in its zoning regulations. This program has been deleted in this 2019-2023 update.

Small and Nonconforming Lot Consolidation	The City did not implement this program during this planning period.
Density Bonuses	In fall 2019, the City adopted a local density bonus ordinance consistent with current state law governing density bonus. This program has been deleted in this 2019-2023 update.
Planned Unit Development District (PUD)	The City has continued to allow Planned Unit Development designations in order to provide flexibility in developments and facilitate creative housing options.
Site Plan and Design Review Process	The City has continued to utilize the Site Plan and Design Review process during this planning period.
Accessory Dwelling Unit Ordinance	In fall 2019, the City began work on a local accessory dwelling unit ordinance. Planning Commission considered the revised code at its September 3 and October 1, 2019 meetings. This effort was put on hold pending new legislation that may come into effect in January 2020.
Zoning Ordinance Update	In fall 2019, the City adopted an ordinance making various changes to the San Juan Bautista Municipal Code. The work addressed transitional and supportive housing, emergency shelters, and special development standards for affordable housing sites, consistent with Government Code §65583.2(h). This program has been deleted in this 2019-2023 update.
Fair Housing Program	The City has continued to support the State Office of Fair Employment and Housing, California Rural Legal Assistance, and equal opportunity lending programs.
Housing for Disabled Persons	Completed. See report on Zoning Ordinance Update above. This program has been deleted in this 2019-2023 update.
Reasonable Accommodations	In fall 2019, the City adopted an ordinance addressing transitional and supportive housing. This program has been deleted in this 2019-2023 update.
Special Needs Housing	Completed. See report on Zoning Ordinance Update above. This program has been deleted in this 2019-2023 update.
Water Service Priority	In fall 2019, the City adopted an ordinance addressing water and sewer service priority for affordable housing projects. This program has been deleted in this 2019-2023 update.
Farmworker Housing	The City did not implement this program during this planning period.

SOURCE: EMC Planning Group 2019

Housing production during the planning period is compared to the 2015-2019 RHNA in Table 5-3 below:

Table 5-3: Comparison of Housing Needs to Production 2015-2019

Income Category	City's Share of Regional Housing Needs	
	Number of Units	Constructed
Very Low	10	0
Low	6	0
Moderate	8	0
Above Moderate	17	53
Total	41	53

Source: City of San Juan Bautista 2019

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

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January 28, 2020

Don Reynolds, City Manager
City of San Juan Bautista
311 Second Street
P. O. Box 1420
San Juan Bautista, CA 95045

Dear Don Reynolds:

RE: San Juan Bautista's 5th Cycle (2015-2023) Adopted Four-Year Housing Element Update

Thank you for submitting the City of San Juan Bautista's Housing Element adopted December 17, 2019 and received for review on December 27, 2019. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the adopted Housing Element in full compliance with state Housing Element law (Article 10.6 of the Government Code). The adopted element was found to be substantially the same as the revised draft Housing Element that HCD's November 25, 2019 review determined met statutory requirements.

Government Code section 65588, subdivision (e)(4) requires a jurisdiction that failed to adopt its Housing Element within 120 calendar days from the statutory due date to revise its element every four years until adopting at least two consecutive revisions by the applicable due dates. The city is subject to the four-year revision requirement. Adoption of this Housing Element meets the requirements of the first four-year update. Provided the city adopts a Housing Element pursuant to the requirements of Gov. Code section 65585 on or before the due date for 6th cycle Housing Elements, it will meet the second four-year update requirement and return to an eight-year update schedule.

For your information, some General Plan element updates are triggered by Housing Element adoption. HCD reminds the city to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at:

http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and

http://opr.ca.gov/docs/Final_6.26.15.pdf.

Several federal, state, and regional funding programs consider Housing Element compliance as an eligibility or ranking criteria. For example, CalTrans Senate Bill (SB) 1 Sustainable Communities grants; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program; the SB 2 Planning Grants as well as ongoing SB 2 funding (Permanent Local Housing Allocation) consider Housing Element compliance and/or annual reporting requirements pursuant to Gov. Code section 65400. With Housing Element compliance, San Juan Bautista meets the Housing Element requirements for these funding sources.

HCD appreciates the hard work and dedication Todd Kennedy, Associate Planner and Martin Carver, the City's Consultant provided throughout the course of the Housing Element review. HCD wishes the city success in implementing its Housing Element and looks forward to following its progress through the General Plan annual progress reports pursuant to Gov. Code section 65400. If HCD can provide assistance in implementing the Housing Element, please contact Jose Ayala, of our staff, at (916) 263-5116.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" written in a larger, more prominent script than the last name "West".

Shannan West
Land Use & Planning Manager