

AGENDA
SPECIAL JOINT MEETING
BANNING CITY COUNCIL AND
BANNING PLANNING COMMISSION
CITY OF BANNING
BANNING, CALIFORNIA

April 9, 2013
3:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

I. CALL TO ORDER

- . Roll Call - Councilmembers Botts, Miller, Peterson, Welch, Mayor Franklin
 - Commissioners Arterberry, Briant, Hawkins, Siva, Chairman Barsh

II. WORKSHOP ITEM

- 1. Housing Element Update 1

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 8 a.m. to 5 p.m.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A three-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

**JOINT MEETING
CITY COUNCIL AND PLANNING COMMISSION**

DATE: **April 9, 2013**

TO: **City Council and Planning Commission**

FROM: **Zai Abu Bakar, Community Development Director**

SUBJECT: **Housing Element Update**

PURPOSE OF THE STUDY SESSION: The purpose of the joint study session is to update the City Council and Planning Commission regarding the status of the 2008-2014 Housing Element update (Attachment 1) and the additional actions needed to obtain California Housing and Community Development (“HCD”) certification of the Housing Element. Staff and the City’s consultant, J. H. Douglas and Associates, will also provide a brief introduction to the 2013 Housing Element update, which is due by October 15, 2013.

BACKGROUND: State law requires that each city and county adopt a comprehensive, long-term General Plan to guide development in their city and land outside its boundaries that has relation to its city planning (Govt. Code §65300). The Housing Element is one of the seven (7) required elements of the General Plan along with land use, traffic circulation, safety, parks and recreation, conservation, and noise. State law also requires that the Housing Element be updated on a regular schedule established by the legislature. All jurisdictions within the six-county Southern California Association of Governments (SCAG) region¹ are required to prepare an update to the Housing Element for the “4th Cycle” planning period of 2008-2014. The next Housing Element for the “5th Cycle” will cover the 2013-2021 planning period. The due date for adoption of the 5th cycle Housing Element is October 15, 2013.

State law delegates authority to HCD to review local Housing Elements and issue written findings regarding whether, in HCD’s opinion, the element complies with state law. A finding of substantial compliance from HCD is referred to as “certification” of the Housing Element. Timely certification is important to maximize the City’s eligibility for grant funds, ensure the legal adequacy of the General Plan, maintain local land use control, avoid a “carryover” of unmet housing needs to the next planning period, and avoid the requirement to prepare more frequent Housing Element updates in the future.

As mandated by state law, the Housing Element consists of the following major components:

- Analysis of the City’s demographic and housing characteristics and trends;
- Evaluation of land, financial, and administrative resources available to address the City’s housing needs and goals;

¹ The SCAG region includes Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties.

- Review of potential constraints, both governmental and non-governmental, to meeting the City's housing needs;
- A Housing Action Plan for the planning period, including housing goals, policies, and programs; and
- A review of the City's accomplishments and progress in implementing the prior Housing Element.

The draft 2008 Housing Element was first submitted for HCD review in early 2009 and HCD's comments were issued on April 3, 2009 (Attachment 2). In October 2009 a revised draft Housing Element was submitted to HCD for review, and on December 3, 2009 a second HCD review letter was issued (Attachment 3). Since that time, staff has been working to address remaining issues identified by HCD, and in January 2013 a third draft Housing Element was submitted to HCD, with additional revisions submitted on March 18, 2013. On April 2nd a letter from HCD was received (Attachment 4) finding that additional revisions and policy commitments are needed in order for the element to receive certification.

DISCUSSION AND ANALYSIS: For most cities, the key to obtaining HCD certification is demonstrating sufficient capacity for new housing development equal to the level of need described in the Regional Housing Needs Assessment ("RHNA"). The focus of HCD's review is on sites where the zoning allows multi-family development at densities appropriate to support affordable housing, which is 20-30 units/acre in most portions of the Inland Empire.

Regional Housing Needs Assessment ("RHNA")

State Housing Element law requires that each jurisdiction's share of the regional housing need be established through the process known as the Regional Housing Need Assessment (RHNA). The RHNA is prepared by the Southern California Association of (SCAG) in consultation with member jurisdictions and sub-regional councils of governments such as the Western Riverside Council of Governments (WRCOG). The RHNA is based on the regional forecast of population growth and new household formation during the planning period, and the number of new housing units needed to accommodate additional household growth at each income level. Each locality's RHNA is distributed among the following five income categories:

Income Categories and Affordable Housing Costs
Riverside County

2013 Areawide Median Income = \$65,000	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30% AMI)	\$20,100	\$503	--
Very Low (31-50% AMI)	\$33,500	\$838	\$140,000
Low (51-80% AMI)	\$53,600	\$1,340	\$225,000
Moderate (81-120% AMI)	\$78,000	\$1,950	\$325,000
Above moderate (120%+ AMI)	\$78,000+	\$1,950+	\$325,000+

Assumptions:

Based on a family of 4

30% of gross income for rent or PITI

5% down payment, 4% interest, 1.25% taxes & insurance

Source: Cal. HCD; J.H. Douglas & Associates

The RHNA allocation for the City of Banning in the 2008-2014 planning period is 3,841 units, with the income distribution as shown in the following table.

2008-2014 Regional Housing Growth Needs
City of Banning

Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
436	437	618	705	1,645	3,841

Source: SCAG 2007

RHNA Carryover from the Prior Planning Period

HCD's review letter also notes that because Banning did not have a certified Housing Element from the 2000-2005 planning period, the lower-income portion of the RHNA (766 units) is "carried over" and added to the RHNA for the 2008-2014 planning period. The result is a total lower-income RHNA need of 2,257 units.

Appropriate Zoning to Accommodate the RHNA

It is important to note that the RHNA establishes a planning goal, and not a mandate or quota to build or issue permits for the number of housing units allocated through the RHNA process. Rather, cities are required to demonstrate that there are adequate sites with appropriate zoning available for development commensurate with the RHNA, if property owners and developers choose to pursue such development opportunities.

Under state law, zoning that allows residential development at a density of at least 30 units/acre is automatically considered suitable for lower-income housing in metropolitan areas like Riverside County (this is referred to as the “default density”). However, the law also recognizes that in some areas, lower densities may be appropriate due to lower land cost or local market conditions. In other Inland Empire cities such as Beaumont, San Jacinto and Yucaipa, HCD has accepted densities in the range of 20-24 units/acre as sufficient to enable development of lower-income housing. Regardless of density, deed-restricted affordable housing requires public subsidies, and the level of funding for affordable housing is extremely limited. As a result, very few income-restricted affordable housing projects are built each year, and with the statewide elimination of redevelopment agencies it will make it even less likely that new affordable housing will be developed in the near term. The purpose of state law in stipulating minimum densities is to reduce constraints on affordable housing development due to local land use regulations to the greatest extent feasible.

The highest residential density category in the Banning General Plan and zoning is the *High Density Residential (HDR)* designation, which allows 10-18 units/acre. HCD has indicated that this density is not sufficient to accommodate the City’s very-low- and low-income RHNA allocations. Therefore, revisions to density limits are needed to provide sufficient capacity to accommodate this portion of the RHNA. In its latest letter, HCD indicated that a density of at least 20 units/acre would be sufficient to meet this requirement.

Proposed Rezoning to Accommodate the RHNA and Obtain Housing Element Certification

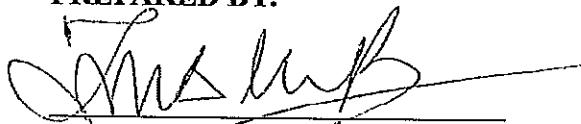
Staff proposes a three-part strategy to provide the additional capacity to accommodate the City’s lower-income RHNA allocation:

1. Creation of an Affordable Housing Overlay Zone in the downtown area. The overlay (Attachment 5) would allow residential or mixed-use projects at densities of 16-30 units/acre;
2. Adopt a provision in the *High Density Residential* district (11-18 units/acre) allowing projects where at least 50% of the units are affordable at lower-income prices or rents to be built at a density of 20 units/acre; and
3. Rezoning approximately 46 acres of land to a new *Very High Density Residential* land use district, allowing densities of 18-22 units/acre. The downtown overlay is shown in Attachment 5 and the parcels proposed to be rezoned are shown in Attachments 6. The proposed sites to be rezoned were carefully considered based on the comments received at the Planning Commission Meeting on May 2, 2012 on the re-zoning to meet the HCD requirements; the comments received from Serrano Del Vista residents provided at the November 14, 2012 community meeting; and receptivity of property owners for the sites to be re-zoned.

CONCLUSION: It is staff's understanding that the strategy described above would enable the City to obtain HCD certification of the Housing Element. This strategy would also ensure that higher density sites are distributed around the city rather than concentrated in any particular area (see Attachment 7). If the proposed approach is acceptable, staff will prepare the necessary revisions to the Housing Element, as well as, the proposed zoning amendments and schedule public hearings as soon as possible for consideration by the Planning Commission and City Council. The Housing Element cannot achieve full certification until both the Housing Element and the proposed zoning amendments are adopted and submitted to HCD for final review.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA): For purposes of this study session, no CEQA documentation is necessary since no formal action is proposed. Prior to adoption of the Housing Element and any changes to land use and zoning designations, CEQA analysis and appropriate findings will be prepared.

PREPARED BY:



Zaf Abu Bakar
Community Development Director

APPROVED BY:



Andrew J. Takata
City Manager

Attachments:

1. 2008-2014 Housing Element Update
2. HCD review letter of April 3, 2009
3. HCD review letter of December 9, 2009
4. HCD review letter of April 2, 2013
5. Proposed Downtown Overlay Zone map
6. Proposed Parcels to be Rezoned to VHDR
7. Existing Zoning Map and Apartment Locations



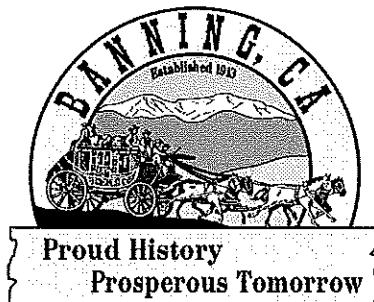
ATTACHMENT 1

Draft 2008-2014 General Plan Housing Element Update

CITY OF BANNING

DRAFT

2008-2014 GENERAL PLAN HOUSING ELEMENT UPDATE



Issued by:
City of Banning
Community Development Department
99 East Ramsey Street
Banning CA, 92220

Date: March 13, 2013

CITY OF BANNING
HOUSING ELEMENT 2008-2014
OF THE GENERAL PLAN

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CITY OF BANNING
HOUSING ELEMENT 2008-2014
OF THE GENERAL PLAN

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HOUSING ELEMENT

CHAPTER 1.0

INTRODUCTION TO THE HOUSING ELEMENT

The Housing Element is an integral component of the City's General Plan. It addresses existing and future housing needs of all types for persons of all economic groups in the City. The Housing Element is a tool for use by citizens and public officials in understanding and meeting the housing needs in City of Banning.

Recognizing the importance of providing adequate housing in all communities, the state has mandated a Housing Element within every General Plan since 1969. It is one of the seven elements required by the state. Article 10.6, Section 65580 – 65589.8, Chapter 3 of Division 1 of Title 7 of the Government Code sets forth the legal requirements of the Housing Element and encourages the provision of affordable and decent housing in all communities to meet statewide goals. Specifically, Section 65580 states the element shall consist of "... *an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing.*" The element must also contain a five-year housing plan with quantified objectives for the implementation of the goals and objectives of the Housing Element. The contents of the element must be consistent with the other elements of the General Plan.

Meeting the housing needs established by the State of California is an important goal for the City of Banning. As the population of the State continues to grow and scarce resources decline, it becomes more difficult for local agencies to ensure the provision of adequate housing opportunities while maintaining a high standard of living for all citizens in the community. State law recognizes that housing needs may exceed available resources and, therefore, does not require that the City's quantified objectives be identical to the identified housing needs. This recognition of limitations is critical, especially during this period of financial uncertainties in both the public and private sectors. Section 65583(b)(2) states:

"It is recognized that the total housing needs... may exceed available resources and the communities' ability to satisfy this need... Under these circumstances, the quantified objectives need not be identical to the identified existing housing needs. The quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period."

This Housing Element (2008-2014) was created in compliance with state General Plan law pertaining to Housing Elements and is scheduled to be adopted by the City of Banning City Council subsequent to review and approval of the State of California Housing and Community Development, Division of Housing Policy Development.

1.1 **ORGANIZATION**

The City of Banning's Housing Element is organized into four (4) primary sections:

Section 1.0 Introduction to the Housing Element: This section includes a review of the current Housing Element, background, the purpose behind the element, and a community profile.

Section 2.0 Existing Conditions and Demographic Data: This section includes a summary of existing conditions, an inventory of resources, housing cost and affordability, at-risk units, the City of Banning's Regional Housing Needs Assessment (RHNA), land suitable for development, and a section discussing constraints, efforts and opportunities.

Section 3.0 Housing Needs, Issues and Trends: This section includes a discussion of state issues and policies, regional housing policies, and housing issues.

Section 4.0 Housing Program: This section identifies housing goals, policies and action programs. Funding sources are identified and schedules for implementation of the action programs are included. In addition, a quantified objectives summary is provided.

1.2 **PURPOSE**

The State of California has declared that "*the availability of housing is of vital statewide importance and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.*" In addition, government and the private sector should make an effort to provide a diversity of housing opportunities and accommodate regional housing needs through a cooperative effort, while maintaining a responsibility toward economic, environmental, fiscal factors and community goals within the General Plan.

Further, state Housing Element law, Section 65583(a) requires "*An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs.*" The law requires:

- 1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs...These existing and projected needs shall include the locality's share of the regional housing need...;
- 2) An analysis and documentation of household characteristics...;
- 3) An inventory of suitable land for residential development...;
- 4) An analysis of potential and actual governmental and non-governmental constraints on the improvement, maintenance and development of housing for all income levels...;
- 5) An analysis of special housing needs...;
- 6) An analysis of opportunities for energy conservation;
- 7) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years...;

The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth policies and schedules, which promote preservation, improvement and development of diverse types and costs of housing throughout the City of Banning.

1.3 RELATIONSHIP TO OTHER ELEMENTS

State law requires that "...the General Plan and elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies..." The purpose of requiring internal consistency is to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement and development of housing within the City.

This Housing Element is part of a comprehensive City of Banning General Plan. All elements of the City of Banning General Plan have been reviewed for consistency and the Housing Element was prepared to assure consistency with the remaining elements.

1.4 CITIZEN PARTICIPATION

In the past, the City of Banning has made diligent efforts to solicit public participation pertaining to the development of the General Plan and Zoning Ordinance. These processes included community workshops, public review, and citizen participation. Other public meetings include the City Council meeting twice a month. All members of the community have had access to the participation process. A public participation mailing list is attached as Appendix A.

Public participation for the 2008-2014 Housing Element update has included a joint workshop with the City Council and Planning Commission conducted on May 27, 2008. Members of the community were invited to address concerns and give input on the contents of the Housing Element. A Housing Element questionnaire insert was mailed to all City utility customers soliciting comment on housing activities and housing policies; notices were mailed during the months of July and August, 2008, and approximately 60 questionnaires were returned to the City; all responses were considered by the City and incorporated, where possible into the Housing Element. A synopsis of the questionnaires is found as Appendix B attached to this document. Notices were posted in both English and Spanish in the local newspaper, at the City Hall, the post office, at the public schools, and at affordable housing complexes in the City. The Public Review Draft, dated December 2008, was made available to the community for a 60-day review period, from February 1, 2009 to April 1, 2009, following the City Council meeting held on January 27, 2009. Copies of the draft were made available in officially recognized public forums/facilities, and include the Senior/Community Center, the City Library, and City Hall. Copies were mailed to local service providers and individuals representing all economic segments of the population including non-profit organizations, city officials, and city organizations.

On May 2, 2012 the Planning Commission held an additional public meeting to review the potential rezoning of properties. That meeting was noticed in Record Gazette, a local newspaper and mailed to property owners within 300' radius of the properties to be rezoned.

The City will continue to strive to involve the public throughout the housing element process by consistently and conscientiously reaching out to members of the public. The City will continue to make the Housing Element available on the web site for review by the General Public.

Staff continues to consider all comments received by the public from all sources; any specific concerns related to development standards or any other City policy or approval process which may have an effect on affordable housing or target populations, have been and will continue to be thoroughly considered by staff in assembling the final draft of the housing element. Where appropriate, comments have been incorporated into the document. As this is a living document, the City will remain open to dialogue with all members of the public, as well as public and private agencies, after the document is adopted by the City Council and certified by the State of California

1.5 REVIEW OF THE PREVIOUS HOUSING ELEMENT

State law requires the City of Banning to review its Housing Element in order to evaluate:

- a. "The effectiveness of the Housing Element in attainment of the community's housing goals and objectives." The effectiveness of the Housing Element should be quantified where possible and may be qualitative where necessary.
- b. "The progress of the City and/or County in implementation of the Housing Element." An analysis should be performed to determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- c. "The appropriateness of the housing goals, objectives and policies in contributing to the attainment of the state housing goal." Describe how goals, objectives, and policies are being changed or adjusted as necessary.

The remainder of this section fulfills this state requirement.

1.5.a. EFFECTIVENESS OF PREVIOUS HOUSING ELEMENT

The State periodically establishes an overall goal for construction of new housing units and makes an assignment of gross allocations of housing unit goals to regional governments, which in turn allocate the housing unit goals to counties and cities. The document produced by regional governments is referred to as the "Regional Housing Needs Assessment" (RHNA). In 2006, the Southern California Association of

Governments (SCAG) prepared a RHNA for Riverside County, including the Western Riverside Council of Governments (WRCOG) sub-region that covered the time period from 2006-2014. The 2008-2014 RHNA is discussed in Section 2.2, New Construction Needs.

The effectiveness of City of Banning's Housing Programs in meeting regional housing needs can be measured by the level of achievement in constructing new housing units. Many uncontrollable factors influence the City's effectiveness. Over the 1998-2005 Housing Element period, as well as during subsequent years, factors such as market fluctuations, available programs, the willingness of lenders, developer qualifications and the political climate, all combined to create 2,540 new housing units in the City of Banning, almost all of which have been affordable to above moderate households.

TABLE III-21
CITY OF BANNING
ACHIEVEMENT OF JANUARY 1998-JUNE 2005 RHNA NEW CONSTRUCTION
GOAL

Income Groups	1998-2005 RHNA Goal	1998-2005 Actual New Construction	Percent of Goal Achieved
Extremely Low	240	0	0.0%
Very Low	241	69	28.6%
Low	285	99	34.7%
Moderate	409	544	133.0%
Above Moderate	604	1,828	302.6%
TOTAL	1,779	2,540	142.8%

Source: City of Banning 1998 Housing Element Housing Needs Assessment; Laurin Associates

The period of 1998-2005 was a period of moderate to rapid growth for the City of Banning. The majority of the construction that took place during this time period was in the above moderate category.

While the City has installed mechanisms to allow for low and very low-income housing, due to lack of developer interest and market factors beyond the City's control, the City did not meet the RHNA affordable housing goals. The City achieved approximately 25.8 percent of the RHNA goals for extremely low, very low, and low income households. The City implemented its affordable housing strategy as outlined in the 1998-2005 Housing Element, but due to the rise in the market value of single family housing and the demand for condominium style housing, developers only produced housing affordable to the moderate and above moderate income households. The City has retained the minimum number of housing choice vouchers and several multi-family complexes have maintained their affordability, most recently, the Westview Terrace Apartments.

Westview Terrace was an at risk project that was to convert to market rate project. The Community Redevelopment Agency entered into an Owner Participation Agreement with the owner of the property Banning Leased Housing Associates I, Limited Partnership on March 22, 2011 and purchased affordable covenants as follows:

- Forty-three (43) units are restricted to extremely low income tenants
- Thirty-one (31) units are restricted for low income tenants.
- One (1) unit is unrestricted as a unit housing the Site Manager

1.5.b. PROGRESS OF CITY OF BANNING'S HOUSING PROGRAM

Housing Goals (from prior Housing Element):

1. Provide housing opportunities for all segments of the community to meet current and future needs.

- 2. Maintain and improve the quality of the existing housing stock and preserve existing residential neighborhoods.
- 3. Ensure that new housing is compatible with existing development and the natural environment.
- 4. Promote equal housing opportunity for all Banning residents.

The following table provides an overview of the housing and housing related policies and action plans in the 1998-2003 Housing Element and its progress on implementation.

TABLE III-22
1998-2003 CITY OF BANNING HOUSING ELEMENT
POLICY OBJECTIVES

A. Housing Opportunities (Goal 1)		
Supporting Policy, Action, or Programs	Original Implementation Date / Responsible Agency	Status
1. Provide a variety of residential development opportunities in Banning, ranging from very low density to high density development as described in the Community Development Element and Plan Map in accordance with the Regional Housing Needs Assessment.		
Program 1.a Land Use Element/Zoning Ordinance 1,780 dwelling units through June 30, 2005, distributed as follows: 481 very low-income, 289 low-income, 405 moderate-income, and 605 above moderate-income.	January 1, 1998- June 30, 2005.	2255 units were constructed. However, a majority were above moderate income. Objectives for all other income groups were not met.
Program 1.b Shared Housing The County shared housing programs assists low-income individuals 18 years of age and older in locating roommates to share housing in the community; the majority of the applicants are senior citizens.	Current and Ongoing.	Current and Ongoing, 2008-2014.
2. Encourage both the private and public sectors to produce or assist in the production of high quality housing to meet the needs of the handicapped, the elderly, large families, female-headed households and homeless.	None.	Addressed in 2008-2014 Housing Element.
3. Promote the development of low- and moderate-income, and senior housing by allowing developers density bonuses or other financial incentives for providing units for low- and moderate-income residents. Provide rental assistance vouchers, as available, for some or all of the affordable units provided.		
Program 3.a Density Bonus Density bonus granted to a developer if they allocate at least 20% of the units in a housing project to lower income households, 10% for very low-income households, or at least 50% for "qualifying residents."	Adopted in 1991, Current and Ongoing. Planning Department and Redevelopment Agency.	Update to current State Law Requirement in 2008-2014 Housing Element.
Program 3.b Mortgage Revenue Bond Financing The Riverside County Multi-Family Bond Program makes financing available to Developers for the construction of multi-family residential rental units in the County. The Single Family Residential Mortgage Revenue Bond Program is designed to provide mortgage loans to first-time homebuyers whose incomes do not exceed maximum Federal limits.	Redevelopment Agency. One Project each in 2003 and 2004.	Continuous and Ongoing, 2008-2014. Coordination for this program was transferred to the Community Development Department after the dissolution of the Redevelopment Agency

Program 3.c Mortgage Credit Certificate Program The County of Riverside has initiated a mortgage credit certificate program for first time homebuyers. Through the program, qualifying households receive a 20% credit on their annual home mortgage interest payments over the life of the mortgage.	Redevelopment Agency, Current and Ongoing.	Completion of two (2) home ownership assistance projects (\$20,000 each); currently processing five (5) more. Continuous and Ongoing, 2008-2014. Coordination for this program was transferred to the Community Development Department after the dissolution of the Redevelopment Agency
Program 3.d Affordable Housing Development with a Nonprofit Partner The Redevelopment Agency will solicit participation by one or more new nonprofit housing organizations interested in developing affordable housing in Banning. A Draft Five-Year Implementation Plan (1999-2004) for the Downtown and Midway Redevelopment Project Areas has been adopted.	Redevelopment Agency. Establish partner by December 2001.	Copeland House Live/work housing project was developed with redevelopment assistance in the downtown area. Coordination for this program was transferred to the Community Development Department after the dissolution of the Redevelopment Agency
Program 3.e Section 8 Rental Assistance Payment/Housing Voucher The Section 8 rental assistance program extends rental subsides to low-income families and elderly which spend more than 30 percent of their income on rent.	Redevelopment Agency, Current and Ongoing.	Continuous and Ongoing, 2008-2014. Coordination for this program was transferred to the Community Development Department after the dissolution of the Redevelopment Agency
4. Require that housing constructed expressly for low-and moderate-income households not be concentrated in any single portion of the city.	None.	Remove.
5. Continue to coordinate with local social service providers, such as HELP, to address the needs of the City's homeless population. Permit the development of emergency shelters in commercial and industrial zones, and transitional housing in residential zones in locations close to services, subject to a conditional use permit.		
Program 5.a Sites for Homeless Shelters/Transitional Housing Continue to coordinate with local social service providers, such as HELP, to address the needs of the City's homeless population. Permit the development of emergency shelters in commercial and industrial zones, and transitional housing in residential zones in locations close to services, subject to a Conditional Use Permit.	Planning Department. Adopted by December 2001.	Addressed in 2008-2014 Housing Element.
6. Encourage the development of residential units, which are accessible to handicapped persons or are adaptable for conversion to residential use by handicapped persons.	None.	Addressed in 2008-2014 Housing Element.
7. Locate higher density residential development in close proximity to public transportation, services and recreation.	None.	Remove.
8. Permit the development of childcare facilities concurrent with new housing development.	None.	Remove.
9. Monitor all regulations, ordinances, departmental processing procedures and fees related to the rehabilitation and/or construction of dwelling units to assess their impact on housing costs.	Continuous and Ongoing.	Addressed in 2008-2014 Housing Element.

Program 9.a Efficient Processing The City will provide a one-stop process for a developer with an affordable housing project. A designated individual within the Planning Department will act as the project manager, or liaison, for the participating City departments and the applicant.	Establish by December 2001.	Addressed in 2008-2014 Housing Element.
Program 9.b Development Fees The City charges various fees and assessments to cover the costs of processing permits and providing services and facilities. Maintain fees at a level commensurate with the services and facilities needed to meet community standards.	Planning Department, Current and ongoing.	Continuous and Ongoing, 2008-2014.
Program 9.c Zoning Ordinance 1.) Amend the Zoning Ordinance to eliminate occupancy restrictions relating to family status as long as the secondary unit meets minimum development standards. 2.) Amend the Zoning Ordinance to allow for reduced parking for any affordable housing development. 3.) Amend the Zoning Ordinance to allow mixed-use residential/commercial structures without limiting housing to one unit occupied by an owner or operator of the business.	Planning Department. Adopted by December 2001.	Action #1 was implemented. The Zoning Ordinance adopted on January 31, 2006 removed this restriction. Action Item #2 was adopted through density bonus ordinance, which was adopted by the City Council on March 12, 2013. Action #3 was implemented on January 31, 2006 which allows mixed-used residential and commercial in the Downtown area.
10.) Encourage the use of energy conservation devices and passive design concepts which make use of the natural climate to increase energy efficiency and reduce housing costs.	None.	Addressed in 2008-2014 Housing Element.
11.) Provide opportunities for move-up housing in Banning.	None.	Remove.
B. Maintenance and Preservation. (Goal 2)		
1. Correct housing deficiencies through the development of a residential rehabilitation program.		
Program 1.a Home Improvement Program Riverside County Community Development Department administers a Home Improvement Program to provide loans to eligible lower income families for necessary home repair and rehabilitation work.	Redevelopment Agency.	Five (5) completed Exterior Rehabilitation Assistance (ERA) projects (\$10,000 each); currently processing 15 more applications. This program was eliminated with the dissolution of the RDA.
2. Continue to utilize the City's code enforcement program to bring substandard units into compliance with City codes and to improve overall housing in Banning.		
Program 2.a Code Enforcement Bring Substandard housing units to compliance with City codes.	Establish before 2002.	Addressed in 2008-2014 Housing Element.
3. Minimize the displacement impacts occurring as a result of residential demolition.	None.	Addressed in 2008-2014 Housing Element.
4. Promote increased awareness among property owners and residents of the importance of property maintenance to long-term housing quality.		

Program 4a Purchase of Abandoned Homes The Banning Redevelopment Agency will purchase abandoned homes and provide necessary rehabilitation	Redevelopment agency, Current and Ongoing.	Addressed in 2008-2014 Housing Element.
5. Encourage the use of rehabilitation funds for room additions to alleviate overcrowding, and for accessibility improvements to address the needs of the handicapped.	None.	Addressed in 2008-2014 Housing Element.
6. Educate property owners on the benefits of home repair and remodeling using design and materials consistent with the historic character of the residence.	None.	Addressed in 2008-2014 Housing Element.
C. Environmental Sensitivity. (Goal 3)		
1. Ensure that multi-family development is compatible in design with single-family residential areas.	None.	Remove.
2. Regularly examine new residential construction methods and materials, and upgrade the City's residential building standards as appropriate	None.	Addressed in 2008-2014 Housing Element.
3. Prohibit new residential development to front on major arterial highways without adequate setbacks and buffering.	None.	Remove.
4. Prohibit housing development in areas subject to significant geologic, flooding, flows and, noise and fire hazards.	None.	Remove.
5. Accommodate new residential development, which is coordinated with the provision of infrastructure and public services.		
Program 5.a Site Suitability Criteria The City will continue to use Design Review Process to evaluate site suitability.	Planning Department, Current and Ongoing.	Continuous and Ongoing, 2008-2014.
6. Encourage the use of energy conservation devices and passive design concepts, which make use of the natural climate to increase energy efficiency and reduce housing.	None.	Addressed in 2008-2014 Housing Element.
D. Fair Housing. (Goal 4)		
1. Affirm a positive action posture, which will assure that unrestricted access is available to the community.	None.	Remove.
2. Prohibit practices, which restrict housing choice by arbitrarily directing prospective buyers and renters to certain neighborhoods or types of housing.	None.	Remove.

3. Continue to support and participation in the Riverside County New Horizon's Fair Housing Program to further spatial de-concentration and fair housing practices.	Riverside County established the New Horizons' Fair Housing Program which offers education on fair housing laws, referrals to public agencies on discrimination matters, training work shops, and a newsletter on fair housing activities. The City supports the Fair Housing Program by providing information on the program to individuals, hosting fair housing events, and referring individuals with fair housing complaints to a program representative.	Continuous and Ongoing, 2008-2014.
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1.5.c. APPROPRIATENESS OF GOALS OBJECTIVES AND POLICIES

The City of Banning has made progress in effectively carrying out programs and policies of the last Housing Element addressing the provision of housing for all income segments of the population. Many goals were not met due to the lack of staffing at the City to accomplish the policies effectively or due to market forces.

The City is addressing these issues and is in the process of reviewing and assessing the City's housing needs, preparing development standards, and implementing a housing rehabilitation program utilizing CDBG funds that target low income single family households.

The City of Banning is currently considering incentives, in addition to the density bonus, and is researching affordable housing programs in order to create more opportunities for multifamily dwellings and to address the fair housing needs. However, as stated later in this document, the issues that were not adequately addressed in the previous Housing Element will be addressed in the "Policy and Programs" section of this document.

TABLE III-23
NEW CONSTRUCTION IN BANNING 1939 TO 2008

Year Structure Built	Number	Percentage	Total City Units
1939 or earlier	610	5.9%	610
1940-1959	566	5.5%	1,176
1960-1969	1,286	12.4%	2,462
1970-1979	1,269	12.3%	3,731
1980-1989	2,409	23.3%	6,140
1990-1994	1,297	12.5%	7,437
1995-1998	720	7.0%	8,157
1999 to June 2008	2,188	21.1%	10,345

The 2000 US Census. SOCDS 2008.

TABLE III-24
HOUSING DEMOLITIONS CITY OF BANNING, 2000-2008

Year	Total Units	Year	Total Units
2000	5	2006	2
2001	11	2007	1
2002	19	2008	1
2003	18	Total	69
2004	10		
2005	2		

1.6 COMMUNITY PROFILE

City of Banning

The City of Banning is located in the San Gorgonio Pass Areas adjacent to US Interstate 10 in west-central Riverside County, California. The City of Banning is one of 24 incorporated cities located within Riverside County. The City was incorporated in 1913, and has a current population of 28,348 persons (SCAG, 2008). The City is currently 23.2 square miles with approximately 1,800 acres zoned for commercial and industrial growth. Residential growth is proposed to be accommodated on lands within the existing City Limits as well as on land surrounding the City within its Sphere of Influence as it is annexed.

Banning was founded in 1884 and benefited as a nexus of various transportation arteries, including the Southern Pacific Railroad, the original Ocean-to-Ocean Highway and Interstate 10. The Colorado Stage & Express Line on its route to the Colorado River used the City as a stagecoach stop in 1862, where gold had been discovered. The route ran through the foothills a half-mile north of downtown Banning, then north of Cabazon and Whitewater, which was the last stop before reaching Palms Springs. The railroad replaced the stagecoach in 1887, but Banning is still known as "Stagecoach Town, U.S.A." and is famous for its annual Stagecoach Days Celebrations featuring a parade, carnival and rodeo. Banning has grown into its own as a place geared toward economic prosperity and rapid population growth. The sunny year-round weather, clean water supply, clean air, and scenic vistas of Mt. San Gorgonio and Mt. San Jacinto serve to draw people to Banning for both industry and peaceful residential living.

The City is named in honor of General Phineas T. Banning, who freighted over the Mormon trail from Salt Lake to San Bernardino and Los Angeles. General Banning is also a prominent figure in the history of the town of Wilmington, California. He developed a shipping company there between San Pedro and Los Angeles, as well as operating the stage line from Wilmington to Yuma, Arizona through the Banning Pass.

Exhibit 1 – Regional Location

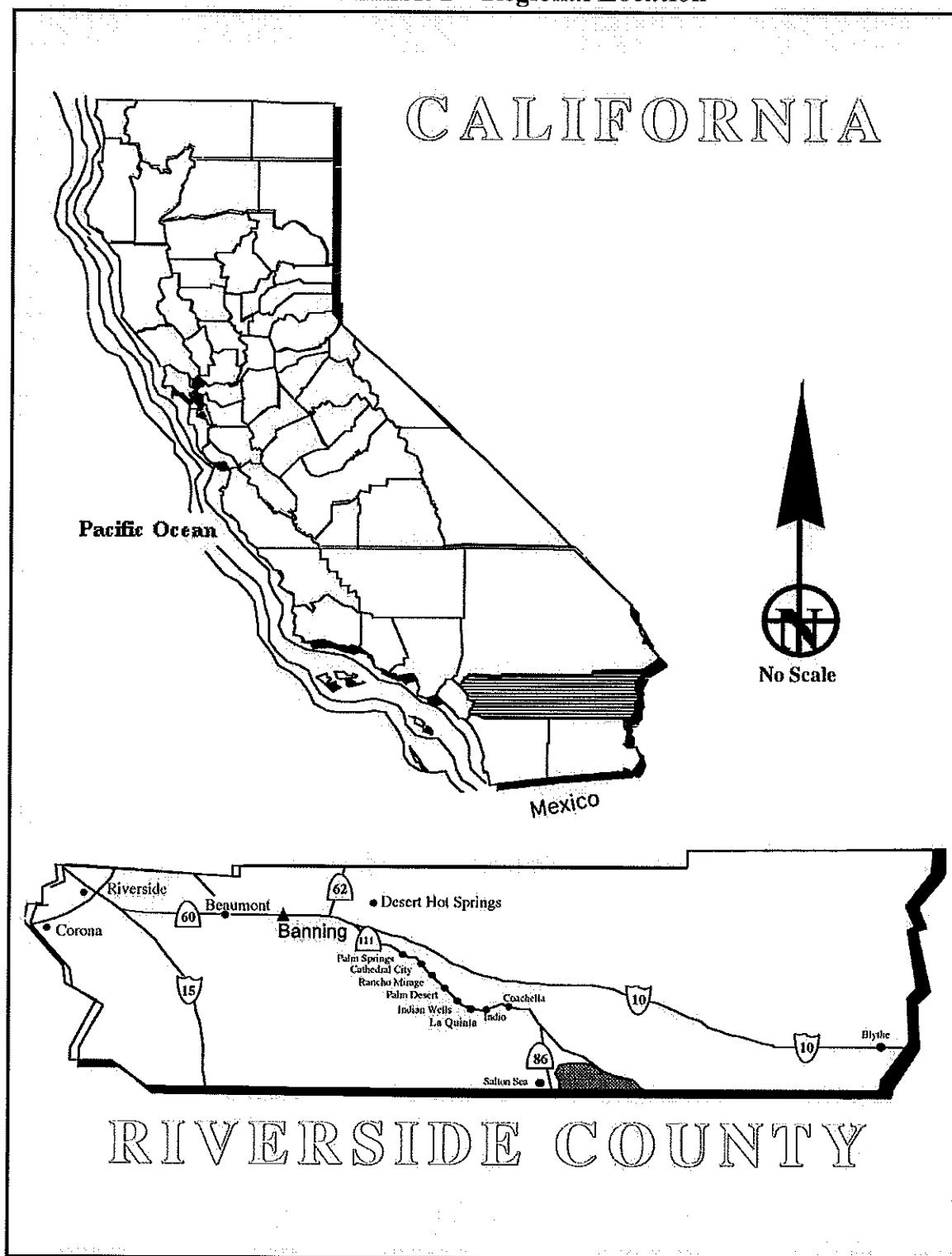


Exhibit 2 -City of Banning

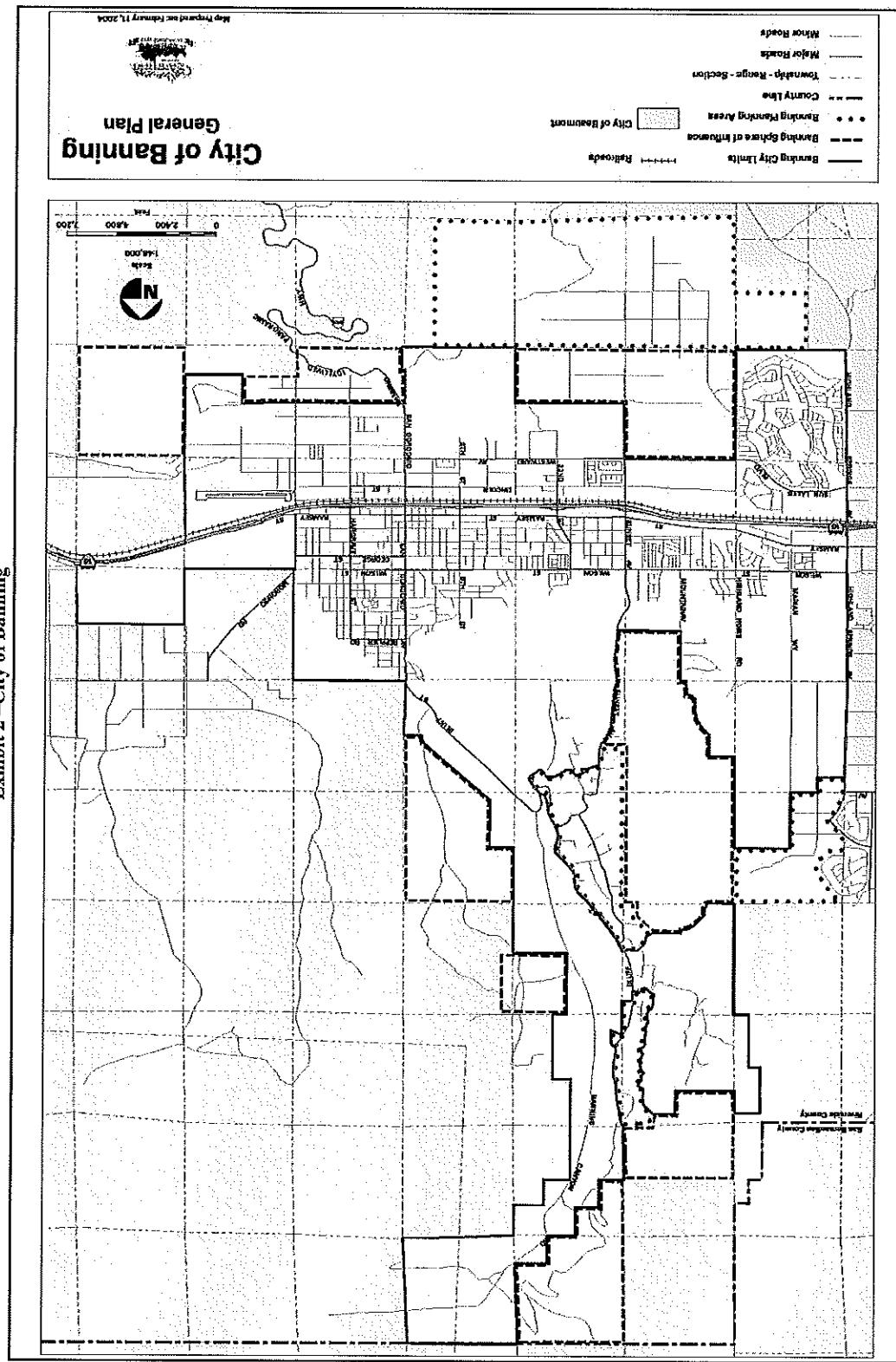
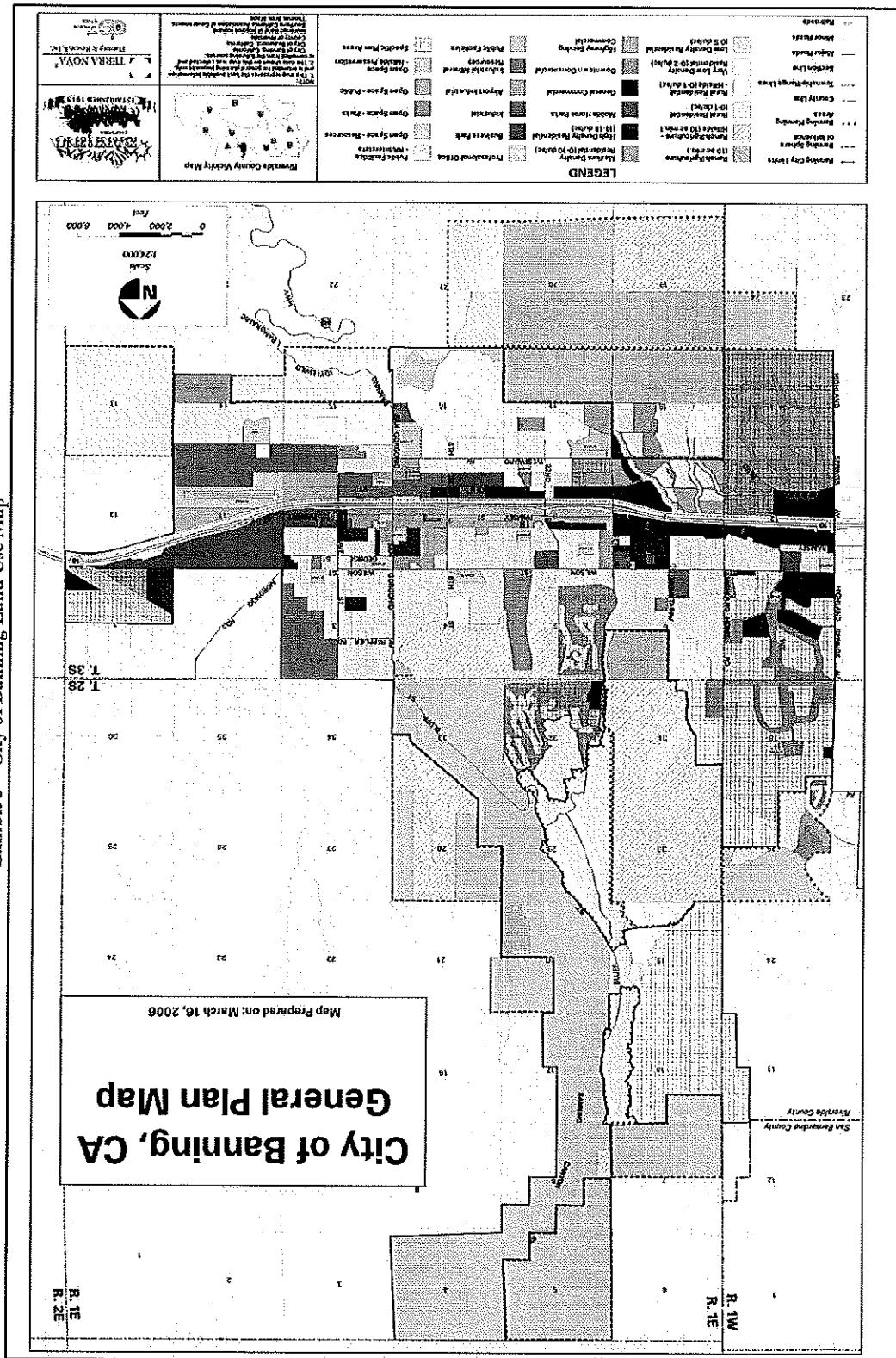


Exhibit 3 – City of Banning Land Use Map



CHAPTER 2.0

EXISTING CONDITIONS AND DEMOGRAPHIC DATA

The purpose of this section is to summarize and analyze the existing housing conditions in the City of Banning. It consists of two major sections: Section 2.1 - Summary of Existing Conditions - an analysis of population trends, employment trends, household trends and special needs groups, and Section 2.2 – Inventory of Resources - an analysis of existing housing characteristics, housing conditions, vacancy trends, housing costs and availability, “at-risk housing”; if applicable, and suitable lands for future development.

2.1 SUMMARY OF EXISTING CONDITIONS

When evaluating housing needs, it is important to analyze demographic variables such as population, employment, and households, in order to assess the present and future housing needs of a city or county. This section presents data gathered from the following sources: 2000 U.S. Census, State Department of Finance (Demographic Research Unit), Southern California Association of Governments (SCAG) and AnySite Technologies. See Appendix C for a complete list of data sources; Appendix D provides a list of commonly used acronyms.

2.1.a. POPULATION TRENDS

Among the five cities located in the surrounding area, the City of Banning, in Riverside County, is fifth in numerical growth and sixth in the percentage of growth in population between 1990 and 2008 (Table III-25). The City of Beaumont had the highest proportionate growth during the same period. Banning grew by 37.8 percent since 1990, or 2.1 percent annually.

TABLE III-25
POPULATION TRENDS - NEIGHBORING CITIES

City	1990	2000	2008	Change (1990-2008)	
				Number	Percent
Banning	20,570	23,562	28,348	7,778	37.8%
Beaumont	9,685	11,384	31,477	21,792	225.0%
Calimesa	4,647	7,139	7,536	2,889	62.2%
Desert Hot Springs	11,668	16,582	26,068	14,400	123.4%
Moreno Valley	118,779	142,379	183,860	65,081	54.8%
Riverside	226,505	255,166	296,842	70,337	31.0%
Riverside County	1,170,413	1,545,387	2,088,322	917,909	78.4%

Source: 2000 Census; CA Department of Finance, 2008

The City's population has been growing at an increasing rate since 1990. Over the last eighteen years, the population in the City of Banning increased by 20.3 percent (Table III-26) and is currently estimated at 28,348. Projections indicate that Banning will continue to experience moderate growth through 2013, albeit at a slower rate than over the past eight years, reaching an estimated population of 31,937. The year 2014 is significant as this correlates with the Southern California Area Government's Housing Element Planning Period.

TABLE III-26
POPULATION TRENDS - CITY OF BANNING

Year	Population	Change	% Change	Annual % Change
1990	20,570			
2000	23,562	2,992	14.5%	1.5%
2007	28,293	4,731	20.1%	2.9%
2008	28,348	55	0.2%	0.2%
2014	31,937	3,589	12.7%	2.1%

Source: 1990 and 2000 U.S. Census; CA Department of Finance, 2008

Over the last eight years there has been a numerical increase in every age group. The 45-54 age group experienced the largest numerical growth since the 2000 Census. According to the AnySite, the 14-20, 45-54, and 65-74 age groups represent the largest age groups in the City. The percent of the population under twenty-one years of age represents 28.1 percent (Table III-27). The senior population, age 65 and over, also experienced an increase in the last eight years, representing 24.3 percent of the population in 2008. The median age increased from 40.7 to 41.2 years of age, which implies an aging population.

TABLE III-27
POPULATION TRENDS BY AGE TRENDS - CITY OF BANNING

Age Group	2000		2008		2014	
	Number	Percent	Number	Percent	Number	Percent
0-5 years	1,983	9.6%	2,183	7.5%	2,779	8.7%
6-13 years	2,897	16.7%	2,978	10.2%	3,258	10.2%
14-20 years	2,160	13.6%	3,013	10.4%	3,130	9.8%
21-24 years	1,017	4.9%	1,365	4.7%	1,501	4.7%
25-34 years	2,258	12.5%	2,902	10.0%	3,226	10.1%
35-44 years	2,644	14.7%	2,972	10.2%	3,098	9.7%
45-54 years	2,275	11.1%	3,537	12.2%	3,557	11.2%
55-64 years	2,006	6.6%	3,055	10.5%	3,290	10.3%
65-74 years	3,244	6.4%	3,410	11.7%	3,864	12.1%
75-84 years	2,486	3.3%	2,753	9.5%	3,130	9.8%
85+ years	473	0.6%	912	3.1%	1,086	3.3%
Total	23,443	100.0%	29,079	100.0%	31,937	100.0%
Median Age	40.7		41.2		40.8	

Source: 2000 US Census; 2007 AnySite

According to the 2000 Census, persons who categorized themselves as White represent 52.5 percent of Banning's population and 51.0 percent of Riverside County's population (Table III-28). The City consists of 30.0 percent of Hispanic origin and 17.5 percent of all other races.

TABLE III-28
POPULATION BY RACE AND ETHNICITY – 2000

Category	City of Banning		Riverside County	
	Number	Percent	Number	Percent
White	12,295	52.5%	787,318	51.0%
Black	1,903	8.1%	92,186	6.0%
Am. Indian	586	2.5%	10,947	0.7%
Asian	1,057	4.5%	53,231	3.4%
Pacific Islander	8	0.0%	2,989	0.2%
Other	28	0.1%	2,226	0.1%
Two or More Races	542	2.3%	37,162	2.4%
Hispanic Origin	7,024	30.0%	559,328	36.2%
TOTAL	23,433	100.0%	1,545,387	100.0%

Source: 2000 US Census

2.1.b. EMPLOYMENT TRENDS

According to AnySite, the top industry providing employment in Banning was Sales/Office, employing 32.5 percent of the labor force (Table III-29). This is a stable factor from 2000 when 32.5 percent of the labor force was also employed in Sales/Office. The next largest industries are Management and Service. The largest change in percentage of the workforce occurred in the Management/Professional Related Industry.

The City's labor force increased between 2000 and 2008, from 8,004 to 10,493. During this period, the Bureau of Labor Statistics has indicated the unemployment rate increased from 6.2 percent to 11.1 percent. The percentage of employed persons has decreased 1.3 percent in the past eight years, from 94.1 percent to 92.8 percent.

TABLE III-29
EMPLOYMENT BY INDUSTRY - CITY OF BANNING

Industry Employed	2000		2008	
	Number	Percent	Number	Percent
Farming/Fishing/Forestry	30	0.4%	42	0.4%
Management/Professional/Related	1,574	20.9%	2,277	21.7%
Service Occupation	1,536	20.4%	2,109	20.1%
Sales/Office	2,447	32.5%	3,410	32.5%
Construction/Extraction/Maint.	813	10.8%	1,133	10.8%
Production/Transport./Material Moving	1,122	14.9%	1,521	14.4%
Labor Force	8,004		10,493	
Total Employed	7,530	94.1%	9,742	92.8%
Total Unemployed	474	5.9%	751	7.2%

Source: 2007 AnySite

Between 1990 and 2000, commuting patterns increased on the extremes, and decreased in the middle range of 30-59 minutes (Table III-30). Projections for 2007 forecast a general trend towards longer commutes. This may indicate persons living in Banning are finding employment opportunities outside the City. In addition, people may be willing to drive longer for other employment opportunities.

TABLE III-30
EMPLOYMENT COMMUTING PATTERNS (1990-2007)

Commute time to Work	1990		2000		2008	
	Number	Percent	Number	Percent	Number	Percent
0-14 Minutes	2,553	40.3%	3,109	42.1%	3,750	39.7%
15-29 Minutes	1,055	16.7%	1,446	19.6%	1,937	20.5%
30-39 Minutes	1,181	18.6%	925	12.5%	1,228	13.0%
40-59 Minutes	822	13.0%	927	12.5%	1,237	13.1%
60+ Minutes	521	8.2%	754	10.2%	1,011	10.7%
Worked at Home	204	3.2%	227	3.1%	283	3.0%
TOTAL	6,336	100%	7,388	100%	9,446	100%

Source: 1990 Census, 2000 Census, 2007 AnySite

2.1.c. **HOUSEHOLD TRENDS**

Between 1990 and 2000, the City of Banning increased by 1,410 households or 18.9 percent (Table III-31). In 2000, AnySite reported a total of 8,882 households for the City. Currently, there is an estimated 10,647 households in the City. Households are projected to increase by 2.1 percent annually over the next six years. The projected increase from 2008 to 2014 is a 12.4 percent change or 1,323 additional households.

The number of households in Riverside County has increased at a substantially faster rate than in the City of Banning. The number of households in Riverside County has been increasing at a stable rate since 1990. Between 1990 and 2000, households increased by 25.9 percent to 506,218. Currently, there are an estimated 691,366 households in the County. Households are projected to continue increasing in the County by 3.3 percent annually through 2014.

TABLE III-31
HOUSEHOLD TRENDS

Year	Households	Change	% Change	Annual % Change
CITY OF BANNING				
1990	7,472			
2000	8,882	1,410	18.9%	1.9%
2008	10,647	1,765	19.9%	2.5%
2014	11,970	1,323	12.4%	2.1%
RIVERSIDE COUNTY				
1990	402,058			
2000	506,218	104,160	25.9%	2.6%
2008	691,366	185,148	36.6%	4.6%
2014	830,227	138,861	20.1%	3.3%

Source: 2000 US Census; 2007 AnySite

Households with five or more persons experienced the largest growth rate between 2000 and 2008, with a proportionate increase from 13.4 percent of households to 15.4 percent (Table III-32). During the same time period, the households containing one person had the largest proportionate decrease of 3.0 percent. In 2008, the largest numerical gain was made by two person households which increased by 852 households, and which make up 40.7 percent of the total households in the City of Banning.

Household size percentages in Riverside County vary from those in the City of Banning. However, both City and County have shown a decline in the one-person household, proportionally in the past eight years. Proportionally the County is more polarized than the City with 37.1 percent of the households being made up of more than four person households, compared to the City, which has 25.4 percent of its households made up of more than four persons. Both the City and the County have seen strong numerical growth for the past eight years in all of the households groups.

TABLE III-32
HOUSEHOLD SIZE TRENDS

Household Size	2000		2008		2014	
	Number	Percent	Number	Percent	Number	Percent
CITY OF BANNING						
1 Person	2,327	26.2%	2,468	23.2%	2,585	21.6%
2 Person	3,481	39.2%	4,333	40.7%	5,051	42.2%
3 Person	1,003	11.3%	1,135	10.7%	1,257	10.5%
4 Person	879	9.9%	1,069	10.0%	1,161	9.7%
5+ Person	1,190	13.4%	1,642	15.4%	1,916	16.0%
TOTAL	8,882	100.0%	10,647	100.0%	11,970	100.0%
RIVERSIDE COUNTY						
1 Person	104,469	20.6%	119,606	17.3%	135,327	16.3%
2 Person	154,027	30.4%	217,089	31.4%	264,842	31.9%
3 Person	76,426	15.1%	97,897	14.2%	116,232	14.0%
4 Person	78,448	15.5%	110,619	16.0%	132,836	16.0%
5+ Person	92,848	18.4%	146,155	21.1%	180,990	21.8%
TOTAL	506,218	100.0%	691,366	100.0%	830,227	100.0%

Source: 2000 Census; 2007 AnySite

Household size is an important indicator of the relationship between the population growth and household formation. For an example, if the persons-per-household is decreasing, then households are forming at a faster rate than population growth. Conversely, if the population were growing faster than households, then the persons-per-household rate would increase. The rate of growth in households in the City of Banning is less than the population growth; therefore, household sizes have been gradually increasing since 2000 (Table III-33).

TABLE III-33
AVERAGE PERSONS-PER-HOUSEHOLD TRENDS

Year	City of Banning	Riverside County
2000	2.6	2.9
2008	2.7	3.1
2014	2.7	3.1

Source: 2000 Census; 2007 AnySite

In 2000, a large percentage of households, 20.0 percent, in the City had incomes less than \$15,000 (Table III-34). During that same time, the households with incomes over \$75,000 accounted for 11.4 percent. Between 2000 and 2008, there were noticeable decreases in the number of households with incomes in the lower and higher income ranges, and increases in the number of households with incomes of \$15,000 - \$50,000. In 2008 the proportion of households in the City of Banning, with incomes less than \$15,000 decreased to 17.9 percent from 20.0 percent in 2000. Currently, the majority of households, 52.5 percent, had incomes between \$25,000 and \$74,999. Households with incomes greater than \$75,000 represent 7.7 percent of all households. In 2014, it is estimated that 9.3 percent of households have incomes greater than, \$75,000, 16.3 percent have incomes less than \$15,000, and 33.9 percent have incomes between \$25,000 and \$50,000.

TABLE III-34
HOUSEHOLD INCOME - CITY OF BANNING

Income Ranges	2000		2008		2014	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	941	10.6%	926	8.7%	910	7.6%
\$10,000-\$14,999	835	9.4%	980	9.2%	1,041	8.7%
\$15,000-\$24,999	1,750	19.7%	2,332	21.9%	2,502	20.9%
\$25,000-\$34,999	1,235	13.9%	1,565	14.7%	1,664	13.9%
\$35,000-\$49,999	1,555	17.5%	2,214	20.8%	2,394	20.0%
\$50,000-\$74,999	1,554	17.5%	1,810	17.0%	2,346	19.6%
\$75,000-\$99,999	568	6.4%	479	4.5%	670	5.6%
\$100,000+	444	5.0%	341	3.2%	443	3.7%
TOTAL	8,882	100.0%	10,647	100.0%	11,970	100.0%

Source: 2000 Census; 2007 AnySite

Between 1990 and 2000, the median annual household income in the city increased by 42.5 percent (Table III-35). Additionally in the County the median annual household income increased by 29.6 percent. In 2000, Riverside County's median income was \$42,887, which is approximately \$10,811 more than the City's median income of \$32,076. Currently, the median household income in the City is estimated at \$31,734 a 1.1 percent decrease from the 2000 number.

TABLE III-35
MEDIAN HOUSEHOLD INCOME TRENDS

Year	Income	Change	% Change	Annual % Change
CITY OF BANNING				
1990	\$22,514			
2000	\$32,076	\$9,562	42.5%	4.2%
2008	\$31,734	-\$342	-1.1%	-0.1%
2014	\$34,621	\$2,887	9.1%	1.5%
RIVERSIDE COUNTY				
1990	\$33,081			
2000	\$42,887	\$9,806	29.6%	2.9%
2008	\$51,754	\$8,867	20.7%	2.6%
2014	\$60,232	\$8,478	16.4%	2.7%

Source: 1990 and 2000 US Census; 2007 AnySite

Area Median Incomes (AMI) and Income Group Limits are estimated and published annually by the California Department of Housing and Community Development (HCD). The California Department of Housing AMI and Income Limits Table are used to determine eligibility for all government housing assistance programs statewide. The 2008 AMI for Riverside County is \$66,600 based on a 4-person household.

The established standard income groups are generally defined as: (1) Extremely Low: households earning less than 30 percent of the Median Income; (2) Very Low-Income: households earnings between 30 percent and 50 percent of the Median Income; (3) Low-Income: households earning between 50 percent and 80 percent of the Median Income; (4) Moderate-Income: households earning between 80 percent and 120 percent of the Median Income; and (5) Above Moderate-Income: households earning over 120 percent of the Median Income.

Based on the 2008 AMI, the proportion of extremely low, very low and low-income groups comprises 77.5 percent of City of Banning households (Table III-36). Approximately, 6.8 percent of households in the City are classified as Above Moderate Income.

TABLE III-36
HOUSEHOLDS BY INCOME CATEGORIES
CITY OF BANNING
2008 AMI FOR RIVERSIDE COUNTY = \$66,600

Income Category	Income Range	Percent
Extremely Low	Less Than \$19,980	28.8%
Very Low	\$19,981 - \$33,300	23.2%
Low	\$33,301 - \$53,280	25.5%
Moderate	\$53,281 - \$79,920	15.7%
Above Moderate	Greater Than \$72,921	6.8%

Source: HUD, 2008; AnySite 2007

Tenure, or the ratio between homeowner and renter households, can be affected by many factors, such as: housing cost (including interest rates, economics, land supply, and development constraints), housing type, housing availability, income status, job availability, and consumer preference.

Over the last eight years, owner households have out-paced renter households in the City of Banning. Both renter and owner households have experienced numeric increases between 2000 and 2008.

In comparison to the City, the County has a higher proportion of owner households. Although both owners and renters continue to increase numerically, the proportion of owner households in the City is on the rise. In 2008, 73.9 percent of City households were owners, a figure that is 3.7 percent higher than the County (Table III-37). Currently, it is estimated that the majority of households in the City are owners, comprising 73.9 percent of households, and the majority of households in the County are owners, comprising 70.2 percent of households.

TABLE III-37
TENURE

Tenure	City of Banning		Riverside County	
	Number	Percent	Number	Percent
2000				
Owners	6,438	72.4%	348,479	68.8%
Renters	2,453	27.6%	157,739	31.2%
2008				
Owners	7,868	73.9%	485,339	70.2%
Renters	2,779	26.1%	206,027	29.8%
2014				
Owners	8,989	75.1%	591,952	71.3%
Renters	2,981	24.9%	238,275	28.7%

Source: 2000 US Census; 2007 AnySite

2.1.d. OVERPAYMENT

Overpayment is an important measure of the affordability of housing within a city. Overpayment for housing is based on the total cost of shelter compared to a household's ability to pay. Specifically, overpayment is defined as a household paying more than 30 percent of their gross household income for shelter. According to the US Census, shelter cost is the monthly owner costs (mortgages, deeds of trust, contracts to purchase or similar debts on the property, taxes, and insurance) or the gross rent (contract rent plus the estimated average monthly cost of utilities).

In 2000, a total of 2,272, or 29.5 percent, of all households in the City of Banning pay in excess of 30 percent of their income for shelter (Table III-38, on next page). Of these, 168 families pay 30 to 34 percent of their household income for rent. Households paying 30 to 34 percent of household income are distributed proportionally across all income ranges for owner occupied structures. Households paying in excess of 35 percent of their income for housing comprise 1,017 of total owner-occupied units and are primarily concentrated in the very low to extremely low income ranges.

The largest concentrations of the occupants of renter occupied units paying 30 to 34 percent of household income for rent are concentrated in the \$20,000-\$34,999 (very low/low-income) annual income range. Of the renter households in the City paying in excess to 35 percent of household income, the majority (100 percent, or 868 units) have annual income ranges below \$34,999 annually.

The number of owners versus renters overpaying was disproportionate, representing 1,185 owners and 2,272 renter households respectively. The overpayment situation is particularly critical for renters with annual incomes less than \$20,000.

TABLE III-38
CITY OF BANNING HOUSEHOLDS OVERPAYING,
BY INCOME AND TENURE (2000)

OWNER-OCCUPIED UNITS						
Income Range	Total Households	% of Total Households	0-20% of HH Income	20-29% of HH Income	30-34% of HH Income	35+% of HH Income
\$0-10,000	317	6.0%	7	37	17	212
\$10,000-19,999	699	13.3%	134	134	24	407
\$20,000-34,999	1,133	21.6%	494	265	83	291
\$35,000-49,999	1,052	20.0%	552	395	31	74
\$50,000 +	2,047	39.0%	1,502	387	13	33
Subtotal	5,248	100.0%	2,689	1,218	168	1,017
RENTER-OCCUPIED UNITS						
Income Range	Total Households	% of Total Households	0-20% of HH Income	20-29% of HH Income	30-34% of HH Income	35+% of HH Income
\$0-10,000	428	17.5%	0	21	18	358
\$10,000-19,999	672	27.5%	49	105	78	410
\$20,000-34,999	627	25.7%	106	290	109	100
\$35,000-49,999	380	15.6%	233	120	14	0
\$50,000 +	333	13.6%	254	62	0	0
Subtotal	2,440	100.0%	642	598	219	868
TOTAL	7,688		3,331	1,816	387	1,885

Source: U.S. Census, 2000 Population and Housing, Summary Tape File 3A- H73 and H97; Household Income in 1999 for specified renter-occupied housing units by gross rent as a percentage of household income, and Household Income in 1999 for specified owner-occupied units by selected monthly owner costs as a percentage of household income.

Note: Some households are not accounted for; therefore, figures may slightly differ for other U.S. Census estimates for Total Households.

Of all renter occupied households within the City, 617 (25.3 percent) are considered to be in the extremely-low income category and for 62.7 percent of those households, the cost of housing is greater than half of the net household income (Table III-39). Similarly, of all owner occupied households within the City, 639 (9.9 percent) are considered to be in the extremely-low income category and for 52.4 percent of those households; the cost of housing is greater than half of the net household income. As indicated in Table 19 as household income increases, the cost burden also decreases, indicating that the City does not have sufficient low income housing to support residents in the very low and extremely low income ranges.

TABLE III-39
HOUSING PROBLEMS FOR ALL HOUSEHOLDS
CHAS DATA BOOK

	Total Renters	Total Owners	Total Households
Household Income <=30% MFI	617	639	1,256
% with any housing problems	90.3%	64.0%	76.9%
% Cost Burden >30%	87.4%	61.0%	74.0%
% Cost Burden >50%	62.7%	52.4%	57.5%
Household Income >30% to <=50% MFI	538	750	1,288
% with any housing problems	72.1%	65.5%	68.2%
% Cost Burden >30%	63.9%	63.6%	63.7%
Household Income >50% to <=80% MFI	602	1,371	1,973
% with any housing problems	50.2%	39.5%	42.7%
% Cost Burden >30%	25.2%	32.0%	30.0%

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data.

2.1.e. HOUSING UNITS

According to the 2000 census, Banning had a total of 8,891 occupied housing units (Table III-40). The remaining 838 are vacant units, and do not show up in the table. Proportionately, the majority of owners, 78.6 percent, lived in single-family homes. A majority of renters, 25.4 percent, lived in multifamily housing, consisting of three or more units, and 64.5 percent lived in single-family housing.

**TABLE III-40
CITY OF BANNING HOUSING TYPE BY TENURE (2000)**

Units in Structure	Total Units	Owner Occupied	Percent Owner Occupied	Renter Occupied	Percent Renter Occupied
1, Detached	6,303	4,960	78.6%	1,343	21.4%
1, Attached	658	420	63.8%	238	36.2%
2	140	21	15.0%	119	85.0%
3 or 4	187	24	12.8%	163	87.2%
5 to 9	201	0	0.0%	201	100.0%
10 to 19	64	9	14.0%	55	86.0%
20 or more	228	22	9.6%	206	90.4%
Mobile home	1,095	967	88.3%	128	11.7%
Other	15	15	100.0%	0	0.0%
Total	8,891	6,438	72.4%	2,453	27.6%

Source: 2000 Census

More recently, the California Department of Finance estimates that in 2006 there were 11,521 housing units in the City, with 10,554 occupied.

2.1.f. SPECIAL NEEDS

As noted in Government Code Section 65583(a)(6), within the overall housing needs assessments there are segments of the population that require special housing needs. Generally, these are people who are low income and have less access to housing choices. Groups of the population that require special housing needs include the elderly, disabled, female-headed households, large households, farm workers, and the homeless.

2.1.f(1) Elderly

Elderly persons often age in-place, living in housing that is too expensive for their fixed incomes or structurally does not accommodate specific needs for assistance. Even though senior citizens may have difficulty living in their own home, they do not often have the options or mobility afforded to other segments of the population. They commonly have to leave their home community and relocate away from family and friends once they do find a suitable unit. The purpose of this section is to determine the housing needs for all segments of the elderly community. The senior population is defined as persons over the age of 65 years.

In 1990, there were 4,363 seniors in Banning, representing 21.2 percent of the total population in the City (Table III-41). Between 1990 and 2000, the senior population increased at a rate of 4.22 percent annually. In 2000, the senior population was 6,203. Currently, the senior population is estimated at 7,675 persons and is expected to increase at a rate of 2.4 percent annually over the next six years.

TABLE III-41
CITY OF BANNING SENIOR POPULATION TRENDS (65+)

Year	Number	Change	% Change	Annual % Change
1990	4363			
2000	6,203	1,840	42.2%	4.22%
2008	7,675	1,472	23.7%	2.96%
2014	8,595	920	12%	2.4%

Source: 1990 and 2000 Census; 2007 AnySite

Between 1990 and 2000, the City's senior households increased by 25.2 percent (Table III-42). In 2000, seniors accounted for 42.45 percent of householders in the City. Currently, senior households comprise approximately 41 percent of all households. The annual change for senior households is projected to increase at a rate of 2.8 percent over the next five years.

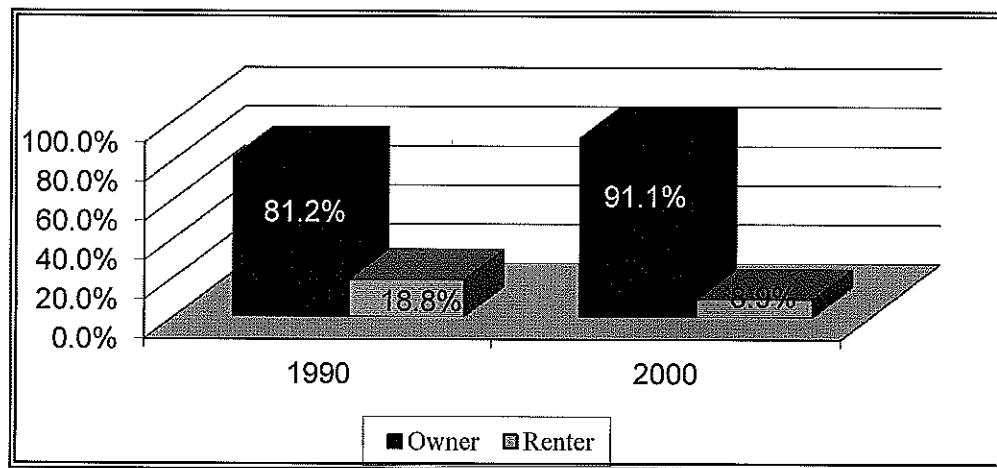
TABLE III-42
CITY OF BANNING SENIOR HOUSEHOLD TRENDS (65+)

Year	Number	Change	% Change	Annual % Change
1990	3,010			
2000	3,770	760	25.2%	2.52%
2008	4,378	608	16.13%	2.02%
2014	4,989	611	14%	2.8%

Source: 2007 AnySite

In 1990, 18.8 percent of the City's senior households were renters (Graph III-1). In the State of California, 31.8 percent of senior households were renters, while 21.7 percent of Riverside County senior households rented their housing. Change in the proportion of senior renters is dependent on the quantity of housing options and the propensity to convert from ownership. In 2000, the proportion of the City's senior renters increased, by 9.9 percent. Senior homeowners represented 91.1 percent, or 3,615 of senior households in 2000.

GRAPH III-1
CITY OF BANNING SENIOR HOUSEHOLDS
BY TENURE (1990- 2000)



Source: 1990, 2000 Census

In 2000, 32.4 percent of all senior citizen households had incomes below \$20,000 (Table III-43). According to the AnySite Technologies, over the last eight years, that proportion has increased by 6.5 percent to 38.9 percent of senior households. The greatest gains since the last census were in the income groups between \$10,000 and \$39,999. In 2000, 42.1 percent of the senior households had incomes between \$20,000 and \$50,000, while in 2008, 48.3 percent of Banning's senior population was within this income range.

TABLE III-43
CITY OF BANNING SENIOR HOUSEHOLDS BY INCOME (2000-2014)

Income Range	2000		2008		2014	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	357	9.3%	372	8.5%	374	7.5%
\$10,000 - \$19,999	898	23.1%	1,331	30.4%	1,462	29.3%
\$20,000 - \$29,999	817	20.2%	1,182	27.0%	1,362	27.3%
\$30,000 - \$39,999	503	13.0%	560	12.8%	674	13.5%
\$40,000 - \$49,999	342	8.9%	372	8.5%	449	9.0%
\$50,000 - \$59,999	294	7.6%	210	4.8%	264	5.3%
\$60,000 - \$74,999	324	8.4%	175	4.0%	210	4.2%
\$75,000 - \$99,999	202	5.3%	105	2.4%	130	2.6%
\$100,000+	159	4.2%	70	1.6%	65	1.3%
TOTAL	3,770	100.0%	4,378	100.0%	4,989	100.0%

Source: 2000 Census; 2007 AnySite

Eligibility for federal programs is based on the median income of the County or statistical area in which the project or program is located. Eligibility for seniors will be based on \$53,300, which is for a two-person household, according to the 2008 HUD Income Limits in Riverside County. The following table is based on the estimated senior household income for 2008.

Senior households classified as Extremely Low and Very Low-Income are those with annual incomes less than \$15,990 (Table III-44), and represent 26.7 percent of all senior households in the City. Low-Income senior households have incomes between 50 and 80 percent of AMI, and households represent 24.1 percent of all senior households. Moderate-Income households have annual incomes between 80 and 120 percent of AMI, and represent 12.2 percent of senior households. Senior households with incomes classified as Above Moderate-Income, or having incomes greater than \$63,961 represented 6.9 percent of all senior households in the City of Banning.

TABLE III-44
SENIORS HOUSEHOLDS BY 2007 INCOME CATEGORIES
CITY OF BANNING

Income Category	Income Range	Percent
Extremely Low	Less than \$15,990	26.7%
Very Low	\$15,991 - \$26,650	30.1%
Low	\$26,651 - \$42,640	24.1%
Moderate	\$42,641 - \$63,960	12.2%
Above Moderate	Greater Than \$63,961	6.9%

Source: 2007 AnySite

Pursuant to the Banning Zoning Ordinance, adopted in 2006, senior housing development is allowed potentially in any residential zone within the City. According to the definitions provided by the California Department of Housing and Community Development, "Senior housing development" means a residential project which may exceed the maximum density permitted for families in the zone in which it is located and which is established and maintained for the exclusive use of low-income or moderate-income senior residents. Currently, provisions for senior housing are the same as for other types of housing in the City. The Zoning Ordinance does not discriminate between end-users based on their individual characteristics; housing is discussed in uniform terms.

Because the residents of such developments have dwelling characteristics which differ from those of families and younger persons, it is not appropriate to apply all of the normal zoning standards; therefore, with the processing of a Conditional Use Permit for such developments, the Planning Commission may make exceptions to the density, off-street parking, minimum unit size, open space and such other requirements as may be appropriate. The Planning Commission may also adjust required setbacks, building height and yard areas as appropriate to

provide an adequate living environment, both within the development and on nearby properties.

There are a number of services and facilities available for senior citizens in Banning, as follows:

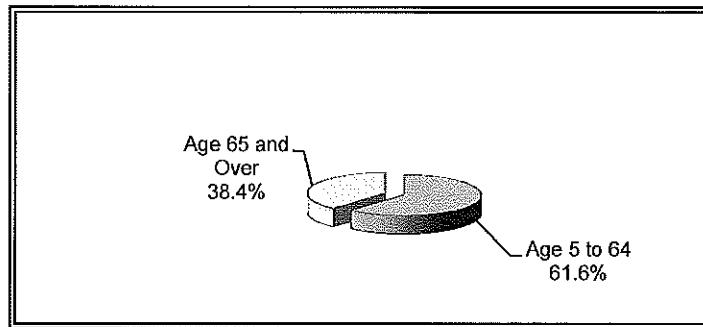
- Banning Senior Center: The City of Banning currently has one Senior Center that is located at 769 North San Gregonio Avenue. A variety of resources are available at the Senior Center such as: a nutrition program, various activities, a library, and a commercial grade kitchen.
- Care Facilities: Several licensed care facilities serving the senior population are currently operating in the City of Banning. These facilities include two Alzheimer/Assisted care facilities, The Lakes (65 beds), located at 5801 Sun Lakes Boulevard, and the Golden Meadows, (49 beds), located at 3863 West Ramsey. The 64-bed Banning Healthcare nursing home is located at 3476 West Wilson; a skilled nursing facility with 132 beds (Cherry Valley) is also located at 5800 West Wilson, as part of the hospital.
- Senior Housing: The City of Banning currently has one active senior community, the Sun Lakes development, an active 55+ senior community, located at 300 Highland Springs Avenue.
- Transportation: The Banning Transit System (PASS) provides transportation services in Banning and provides connections to neighboring jurisdictions. The services provide 3 fixed route services. There is also a dial-a-ride service that is available by reservation.

2.1.f(2) Disabled Persons

There are three types of disabled persons that are considered as having special housing needs: Physically Impaired, Mentally, and Developmentally Disabled. Each type is unique and requires specific attention in terms of access to housing, employment, social services, medical services and accessibility to housing.

In 2000, a total of 10,071 persons, or 42.7 percent of the population in the City had some type of disability. Of these, 61.6 percent, or 6,203 persons were between the ages of 5 and 64, and the remaining 3,868 were 65 years of age or older (Graph III-2).

GRAPH III-2
CITY OF BANNING DISABLED PERSONS BY AGE (2000)



Source: 2000 Census

According to the 2000 Census, 50.8 percent of persons 16 to 64 years of age with a work disability were not employed (Table III-45). With no means to support daily living, those 1,683 disabled persons who are not employed may be in need of housing assistance. Housing targeting disabled persons would be allowed in the very low, low, moderate, and mobile home park land use districts according to the Zoning Ordinance. A policy of the City will be to promote the construction of additional housing targeting the disabled.

TABLE III-45
DISABLED PERSONS WITH WORK DISABILITY BY EMPLOYMENT STATUS

Work Disability Status	16-64 years	
	Number	Percent
Not Employed	1,683	50.8%
Employed	1,630	49.2%
TOTAL	3,313	100.0%

Source: 2000 Census

Developmentally Disabled

Section 4512 of the California Welfare and Institutions Code defines a "Developmental disability" as a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical

attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult. The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Inland Regional Center is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

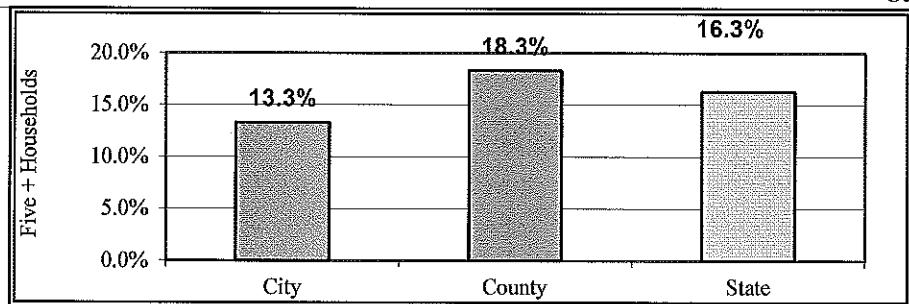
Currently, nearly 600 Inland Regional Center staff members provide services to more than 25,000 people with developmental disabilities and their families in San Bernardino and Riverside counties. Once a consumer is found eligible, he/she is paired with a Consumer Services Coordinator (CSC) who becomes their primary contact at the center. They will meet on an ongoing basis to develop an annual Individual Program Plan (IPP) that lists specific, agreed upon goals and objectives that will enhance opportunities to live more closely in line with the core values of the agency. To better meet the needs of consumers, Inland Regional Center designed programs according to age, specialization, and geographic location. Categories include Early Start/Prevention 0-3; School Age 3-15; Transition 16-22; Adult 23-59; and Senior 60+.

2.1.f(3) Large Households

For the purposes of this section, large households are defined as households consisting of five or more persons. Generally, the needs of large families are not targeted in the housing market, especially in the multifamily market. This sub-section explores the availability of large housing units in Banning.

According to the 2000 Census, 13.3 percent, or 1,186 Banning City households were large households, consisting of five or more persons (Graph III-3). Riverside County had the largest portion of large households amounting to 18.3 percent, larger than both the City and the State for the same time period.

GRAPH III-3 LARGE FAMILIES (2000)



Source: Census 2000

Generally, two-bedroom units are considered to be the most common bedroom type in the housing market. However, according to the 2000 Census, the City of Banning housing stock also has 2,673 three-bedroom units (Table III-46). The predominant rental unit type in 2000 was a two-bedroom unit, representing 43.6 percent of the rental housing. The majority of owner households consisted of two-bedrooms, representing 49 percent of owner-occupied housing units. Four or more bedroom units represented 6.5 percent of all occupied housing, 5.3 percent of all rental units, and 6.9 percent of all owner-occupied units in the City of Banning.

TABLE III-46
CITY OF BANNING BEDROOM TYPES BY TENURE (2000)

Bedroom Type	Owner Units		Renter Units		Total	
	Number	Percent	Number	Percent	Number	Percent
0 BR	81	1.5%	189	7.7%	270	3.1%
1 BR	509	7.9%	614	25.1%	1,123	12.6%
2 BR	3,159	49%	1,070	43.6%	4,229	47.7%
3 BR	2,223	34.7%	450	18.3%	2,673	30.1%
4 BR	439	6.8%	130	5.3%	569	6.4%
5+ BR	27	.1%	0	0%	27	.1%
TOTAL	6,438	100%	2,453	100%	8,891	100.0%

Source: 2000 Census

Large households, consisting of five or more persons, are generally known to have lower incomes than smaller households, frequently resulting in occupying smaller dwelling units, and the acceleration of housing unit deterioration. According to the 2000 Census, there were 1,186 large households in the City and 596 housing units, both owner and renter occupied, with four or more bedrooms (Table III-47). This indicates a significant shortage of large housing units available in the City. Since 1990, the number of large households in Banning has decreased by 1.7 percent. According to primary data collected by City of Banning consultants, there are a total of 5 affordable multi-family complexes offering rental units with 3 or more bedrooms available in the City of Banning. While the number of units available to large households has increased over the past five years, additional units are needed to serve the population of Banning.

TABLE III-47
CITY OF BANNING TENURE BY HOUSEHOLD SIZE

Household Size	1990				2000			
	Owner	Renter	Total	Percent	Owner	Renter	Total	Percent
1 Person	1,140	585	1,725	23.2%	1,777	554	2,331	26.2%
2 Persons	2,211	531	2,742	36.9%	2,951	535	3,486	39.2%
3 Persons	490	462	952	12.8%	598	407	1,005	11.3%
4 Persons	528	367	895	12.1%	511	372	883	10%
5 Persons	260	269	529	7.1%	310	266	576	6.5%
6 Persons	111	159	270	3.6%	126	198	324	3.6%
7 + Persons	124	194	318	4.3%	165	121	286	3.2%
Total	4,864	2,567	7,431	100.0%	6,438	2,453	8,891	100.0%

Source: 1990 and 2000 Census

2.1.f(4) Farmworkers

Estimating farm workers and those households associated with farm work within the State is extremely difficult. Generally, the farm worker population contains two segments of farm workers: permanent and migratory (seasonal) farm workers, and has remained relatively stable. The permanent population consists of farm workers who have settled in the region and maintain local residence and who are employed most of the year. The migratory farm worker population consists of those farm workers who typically migrate to the region during seasonal periods in search of farm labor employment. Traditional sources of population estimates, including the 2000 Census, have tended to significantly underestimate farm worker population. Moreover, different employment estimation techniques result in diverse estimates of local agricultural employment. Nonetheless, a range of estimates of farm workers in the State can be derived. Further, by applying assumptions derived from surveys specifically targeted toward farm workers, aggregate population (both workers and households) can be estimated. These estimates indicate that the average annual employment of farm workers in California is about 350,000, with peak periods of employment being about 450,000. Between 650,000 and 850,000 farm workers contribute to the annual farm labor employment. The total population (including family members) associated with these workers is between 900,000 and 1.35 million persons.

Currently, approximately 4/10ths of one percent of the City's labor force is employed in the farming, fishing and forestry occupation, which is the same as was indicated by the 2000 Census (Table III-48). It is assumed that the majority of these persons are employed in the orcharding and ranching industries.

TABLE III-48
FARMWORKERS

INDUSTRY	CITY		COUNTY	
	2000		2008	
	Number	Percent of Total Employment	Number	Percent of Total Employment
Farming, Fishing and Forestry	30	0.4%	42	0.4%
Employed Persons	7,530		9,742	882,022

Source: 2000 Census; 2007 AnySite;

The City of Banning can accommodate the development of farm worker housing in any zone that permits the type of housing being built (i.e., ranch/agriculture residential, ranch/agriculture residential hillside, rural residential, rural residential hillside, very low density residential, low density residential or group housing) without any special conditions. Because the percent of the City's farm worker population is extremely small, the housing needs of this group are addressed through its standard affordable housing strategies.

2.1.f(5) Homeless Persons (Persons in Need of Emergency Shelter)

Due to their transient nature, it is difficult to count the number of homeless in a given area on any given day. However, according to the "2007 County of Riverside Homeless Count" 102 persons were identified as homeless in the City of Banning on January 24, 2007. Homeless are generally of two types, the "permanent homeless," who are the transient and most visible homeless population, and the "temporary homeless," who are homeless usually due to eviction and may stay with friends, family, or in a shelter or motel until they can find a permanent residence. The farm worker and day laborer are most appropriately classified as part of the temporary homeless population.

HELP Services, the primary service provider to the homeless in Banning, estimates the number of homeless persons visiting its facilities per month for meals assistance to be approximately 2,000 people. Currently, there are no emergency shelters (or transitional shelters) available to the homeless population in Banning, other than those that may be associated with a natural disaster, such as an earthquake.

Special Needs Resources/Emergency Shelters/Single Room Occupancy Units

Homelessness continues as a regional and national issue. Factors contributing to the rise in homelessness include the general lack of housing affordable to lower income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, alcohol and substance abuses, and the de-institutionalization of the mentally ill. Homeless people, victims of abuse, and other individuals represent housing needs, which are not being met by the traditional housing stock. These people require temporary housing and assistance at little or no cost to the recipient.

The City of Banning, according to the Zoning Ordinance, allows group homes, including by inference, homeless shelters by Conditional Use Permit in the business park zone, high density residential zone, and mobile home park zone. Residential occupancy or single room occupancy hotels can also be an important component of the special needs housing picture. Single Room Occupancy hotels can provide low cost housing for those in the extremely low and very low income categories, and can also play a role in the transitioning process from homelessness to more permanent housing. The City's current Zoning Ordinance does not allow emergency shelters by right; however, Single Room Occupancy hotels (SRO's) are allowed with a Conditional Use Permit (CUP) in the GC, General Commercial and HSC Zoning Districts.

To address the requirements of the State of California's SB2 legislation, and to provide increased opportunities for the potential development of a homeless shelter in the City, the City is identifying the AI, Airport Industrial district as the appropriate location for the development of shelters by-right; without the requirement for any discretionary approval. According to the 2006 General Plan,

there are approximately 135.8 acres of land zoned AI, 94.2 of which were noted as being vacant. Due to a very limited amount of development since 2006, there are still approximately 94.2 acres of vacant AI zoned land in the City, with ample capacity to accommodate the development of at least one homeless shelter within the next year.

One particularly suitable parcel is located south of Interstate 10, between Hathaway and Hargrave. The site is between one-quarter and one-half mile from the downtown core and nearby central business district, within easy walking distance from services available in the downtown. Program 5-16 in Section 4.0 commits the City to amending the Zoning Ordinance to permit shelters by-right.

In order to attain approval for group homes, including homeless shelters, the Planning Division first reviews the site design in order to ensure that the project's plan is consistent with building and development standards, and then making a recommendation to the Planning Commission. The project is presented to the Planning Commission for an approval prior to any building permit or other ministerial approvals. Conditions of Approval on this type of housing are limited to those necessary to meet building codes and development standards as described under the Zoning Ordinance. According to the primary care provider of homeless services in the City (HELP Services), the need for emergency shelters in the City is increasing. If and when an emergency shelter is proposed, it would be processed in the same manner as other multiple-family projects.

Special Needs Resources/Transitional and Supportive Housing

Transitional and Supportive Housing are component housing types that help to make up the full continuum of housing types serving move homeless persons from homelessness to self-supportive living. According to the California Health and Safety Code Section 50675.2, Transitional Housing is defined as interim housing helping families move from homelessness to self-sufficiency by providing short-term housing (usually two years) at extremely low rent to qualified families. Transitional Housing may include supportive services helping individuals gain necessary life skills as they become self sufficient

Supportive Housing is defined by Section 50675.14 of the Health and Safety Code and has no limit on the length of stay. Supportive Housing typically offers a wider array and more intensive services to individuals transitioning from homelessness, including counseling, case management, health treatment, in addition to life skills.

Senate Bill 2 requires both Transitional and Supportive housing to be treated as residential uses whether they are multi-family residential or single-family residential in nature. The Banning Zoning Ordinance currently permits by right, Transitional and Supportive Housing in the high-density multifamily residential district. In order to bring the City in compliance with State Law, a Program 1-1 has been included in this Housing Element to clarify that both types of housing

will be treated no different than other types of housing, subject to only those restrictions on residential structures of the same type in the same zoning district.

Manufactured Housing and Mobile Homes

These alternative housing types need to be permitted in the same fashion as other types of housing in the same zone. Currently, manufactured homes, which include mobile homes subject to the National Manufactured Housing Construction and Safety Act of 1974, are allowed in the Mobile Home Park zoning designation by right, and in the High Density Residential zoning designation with a Conditional Use Permit and are required to conform to foundational regulations as per 2.3-2 Code Sect. 65852.3.

2.1.f(6) Single-parent Households

Single-parent households are considered a special needs group due to the need for reasonable day care, health care, and affordable housing. A significant portion of single-parent households has a female as the head of the household. Single-parent households often have lower incomes, limiting their access to available housing, and are at risk of becoming homeless or cost burdened by housing costs.

The 2000 Census counted 1,549 family households with children under 18 years of age in the City of Banning (Table III-49). Of these households 826 or 53.3 percent are headed by a single parent.

TABLE III-49
CITY OF BANNING HOUSEHOLD TYPE AND PRESENCE
OF CHILDREN 18 YEARS OLD AND UNDER (2000)

Household Type	Number*	Percent
Family Households	4,774	77%
With Children Under 18 Years Old	1,549	32.4%
With No Children	3,225	67.6%
Female Householder, no husband present	1,144	18.4%
Female Householder With Children**	652	57%
Female Householder With No Children**	492	43%
Male Householder, no wife present*	310	5%
Male Householder With Children**	174	56.1%
Male Householder With No Children**	136	43.9%
Non-family Households	2,663	30%
TOTAL HOUSEHOLDS	8,891	

Source: 2000 Census * No spouse present

Note: ** Number of households is not mutually exclusive

In the City of Banning, 923 or 14.8 percent of the total family households were below the 2000 Census poverty level (Table III-50). Approximately, 7.0 percent (437) of the family households below poverty level were female-headed households. Of the female-headed households below poverty level, 84.5 percent (370) had children under 18 years of age.

TABLE III-50
HOUSEHOLDS BY POVERTY LEVEL - CITY OF BANNING – 2000

Family Households	Number	Percent
Total Families with Income in 1999 below Poverty Level	923	14.8%
Total Families with Children Under 18 year of age with Incomes in 1999 below Poverty Level	738	11.8%
Total Family Households	6,228	
Female Householder in 1999 below Poverty Level	437	7.0%
Female Headed Households with Children Under 18 years of age in 1999 below Poverty Level	370	32.3%
Total Female Householders	1,144	

Source: 2000 Census

2.1.g.

OVERCROWDING

An overcrowded unit is defined by the U.S. Census as having 1.01 persons or more per room, excluding kitchens and bathrooms. A severely overcrowded unit has 1.5 or more persons per room. Generally, a room is defined as a living room, dining room, bedroom, or finished recreation room.

While family size and tenure are critical determinants in overcrowding, household income also plays a strong role in the incidence of overcrowding. As a general rule, overcrowding levels tend to decrease as income rises, especially for renters (particularly for small and large families). The rate of overcrowding for lower income housing, including extremely-low and very low-income households is generally nearly three times greater than households over 95 percent of the area median income. As with renters, owner households with higher incomes have lower rates of overcrowding.

Between 1980 and 1990, the percentage of overcrowded households in California nearly doubled from 6.9 percent to 12.3 percent. Census 2000 reports more than 15 percent of California households were overcrowded with overcrowding most common among low-income households, and most prevalent in renter housing. Roughly 24 percent of renter households statewide were overcrowded; in some counties, nearly a third of renter households were overcrowded. One quarter of all overcrowded renter households contained more than one family. Of all owner and renter overcrowded households, estimates are that more than half are severely overcrowded (more than 1.5 persons per room). As indicated in Table III-51, in the City of Banning, 6.1 percent of owner-occupied households and 23.7 percent of renter-occupied units are considered to be severely overcrowded.

TABLE III-51
OVERCROWDED UNITS BY TENURE, CITY OF BANNING – 2000

Persons per Room	OWNER		RENTER		TOTAL	
	Households	Percent	Households	Percent	Households	Percent
0.50 or less	4,837	75.1%	980	40.0%	5,817	65.4%
0.51 to 1.00	1,206	18.7%	891	36.3%	2,097	23.6%
1.01 to 1.50	191	3.0%	297	12.1%	488	5.5%
1.51 to 2.00	95	1.5%	130	5.3%	225	2.5%
2.01 or more	109	1.7%	155	6.3%	264	3.0%
Total	6,438	100.0%	2,453	100.0%	8,891	100.0%
% Overcrowded by Tenure	395	6.1%	582	23.7%	978	11.0%

Source: 2000 Census

Substandard housing indices, without physical inspection, can generally be judged as overcrowded, units lacking complete plumbing, and units constructed before 1940 without diligent maintenance. In the City of Banning, the percentage of overcrowded units was 11 percent in 2000 (Table III-52). Approximately 6 percent of the housing was built before 1940 and 0.0 percent of the units lacked complete plumbing facilities. In Riverside County, 12.7 percent of the housing units were overcrowded, and 2.8 percent were built before 1940.

TABLE III-52
INDICATORS OF SUBSTANDARD HOUSING – 2000

INDICATORS	NUMBER	Percent
CITY OF BANNING		
Overcrowded	977	11.0%
Lacking Complete Plumbing Facilities	41	0.0%
Built 1939 or Earlier	527	6.0%
COUNTY OF RIVERSIDE		
Overcrowded	64,168	12.7%
Lacking Complete Plumbing Facilities	2,516	0.0%
Built 1939 or Earlier	14,276	2.8%

Source: 2000 Census

2.2 INVENTORY OF RESOURCES

2.2. a. EXISTING HOUSING CHARACTERISTICS

The population in the City of Banning has grown significantly in the last 17 years, increasing by over 40 percent. In 1990, Banning had 7,431 dwelling units and by 2000 there were 8,891 dwelling units, an approximately 20.0 percent increase. In 2007 there were 10,501 housing units, an approximately 18 percent increase from 2000 (Table III-53).

During this period, however, Banning's housing stock growth slowed considerably in the mid- and late-1990s as compared to the early 1990s and since 2001. The city's housing building permits from 1994-1996 and 1997-1999 totaled 411 and 443, respectively. In contrast, housing building permits from 1990-1993 and 2001-2004 totaled 1,026 and 1,733 respectively. To put the recent growth in perspective, building permits issued in the four-year span from 2001 to 2004 (1,733 permits) were equal to the entire decade of the 1990s (1,738 permits). However, in the most recent years (2005-2007), building permits have begun to slow and were the lowest in 20 years (81, 57, 14 respectively).

TABLE III-53
HOUSING UNITS BY TYPE - CITY OF BANNING

Unit Type	1990		2000		2007	
	Number	Percent	Number	Percent	Number	Percent
Single Family	5,509	74.1	6,961	78.3	8,318	79.2%
Duplex	262	3.5	140	1.6	148	1.4%
3-4 Units	189	2.5	187	2.1	190	1.8%
5+ Units	425	5.7	493	5.5	731	7.0%
Mobile Home & Other	1,046	14.1	1,110	12.5	1,114	10.6%
TOTALS	7,431	100.0%	8,891	100.0%	10,501	100.0%

Source: 1990 & 2000 US Census, Anysite 2007

2.2. b. HOUSING CONDITIONS

The City of Banning Building Division provided information regarding the condition of housing units in the City. For purposes of establishing general conditions, the City can be divided into five subareas: East, Northeast, Central City, South, and West.

The East area is bordered by San Gorgonio Avenue to the west, Wilson Street to the north and the City's boundaries to the east and south. The East area contains a concentration of dwelling units, which were built prior to 1950, establishing this as one of the oldest concentrations of homes in the City. The housing can be generally described as having one to two bedrooms and one bath, single-pane windows, without air conditioning or central heating.

The Northeast Area is bordered by San Gorgonio Avenue to the west, Wilson Street to the south, and the City's boundaries to the north and east. This area includes dwelling units built between 1950 and 1970. The units range from 900 to 2,000 square feet, have multiple bedrooms, 1+ bathrooms, single pane windows, and approximately 35 percent have air conditioning and most have central heating.

The Central City Area is bordered by San Gorgonio Avenue to the east, Wilson Street to the north, Sunset Avenue to the west, and Interstate 10 to the south. The area includes dwelling units built between 1930 and 1960. The Central City subarea is acknowledged as containing older post World War II dwellings in moderate to fair condition. The units are typically 750 to 1,500 square feet in size have one to two bedrooms with one bathroom, single pane windows, and 25 percent air-conditioned and contain a central heating system.

The South Area is bordered by San Gorgonio Avenue to the east, Interstate 10 to the north, Sunset Avenue one the west, and the City's boundary to the south. The area includes dwelling units mostly built after 1960. The units are typically 1,000 to 3,000 square-foot custom homes with multiple bedrooms and bathrooms, dual paned windows, and central heating and cooling.

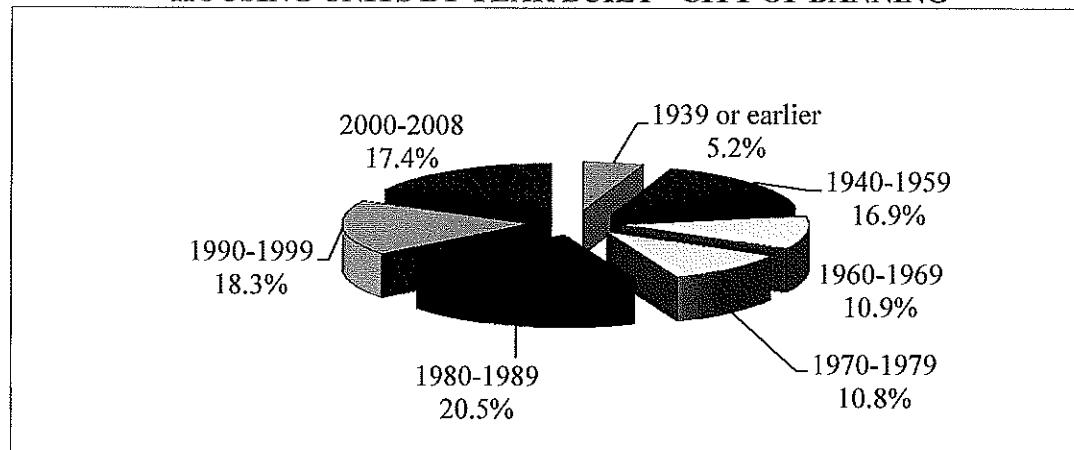
The West Area is bordered by Sunset Avenue on the east, and the City's boundaries to the north, south, and west. This is the newest area of the City and includes the largest number of homes built after 1970. The units typically are greater than 3,000 square feet and are custom homes with multiple bedrooms and bathrooms, dual paned windows, and central heating and cooling.

Of the 10,675 units in the City, 8,980 units (84.1 percent) are in sound condition. However, approximately 1,655 units (15.5 percent) of Banning's housing stock are deemed in need of some form of rehabilitation (Table III-54). The need for rehabilitation exists if the condition is classified as Minor, Moderate or Substantial. The city has approximately 1,200 units (11.2 percent) in need of minor repairs, 365 units (3.4 percent) in need of moderate repairs and 90 units (0.8 percent) in need of substantial repairs. As many as 40 units are considered Dilapidated and should be considered for demolishing. With approximately 130 units in need of either substantial rehabilitation or deemed dilapidated, the City may have a need to place further emphasis on a residential rehabilitation program.

TABLE III-54
HOUSING CONDITIONS

Condition of Units	East	Northeast	Central City	South	West	Total
Sound	830	440	1,525	1,025	5,160	8,980
Minor	135	75	200	40	750	1,200
Moderate	65	20	150	30	100	365
Substantial	30	10	35	5	10	90
Dilapidated	15	5	15	0	5	40
Total (Units)	1,075	550	1,925	1,100	6,025	10,675
Condition of Units	Percent	Percent	Percent	Percent	Percent	Percent
Sound	77.2	80.0	79.2	93.2	85.6	84.1
Minor	12.6	13.6	10.4	3.6	12.4	11.2
Moderate	6.0	3.6	7.8	2.9	1.7	3.4
Substantial	2.8	1.8	1.8	0.5	0.2	0.8
Dilapidated	1.4	0.9	0.8	0.0	0.08	0.4

GRAPH III-4
HOUSING UNITS BY YEAR BUILT - CITY OF BANNING



Source: 2000 Census; SOCDS Data, 2007 Anysite

2.2.c. **RESIDENTIAL CONSTRUCTION TRENDS**

From 2000 to 2007, 2,326 housing units have been constructed in the City of Banning. Of the new units, 92.6 percent were single-family units. A total of 167 (7.2%) were multi-family units and have been built since 2000.

Based on the figures in Table III-55, an average of 233 building permits have been issued each year in Banning since 2000. Depending on the changing market conditions, the City may experience a significant change in the total number of building permits issued over the next planning period. An average of 480 units per year need to be constructed in order to meet the Regional Housing Needs Assessment (RHNA) for 2006-2014. However, the actual construction is determined by the economy. The City's roles is to provide adequate supply of sites to accommodate the regional housing need in the event of construction and have policies and programs in place to address and/or remove any existing constraints to development.

TABLE III-55
BUILDING PERMITS BY YEAR – CITY OF BANNING

Year	Single Family Units	Duplexes	3-4 Unit Multi-family	(5+ Units) Multi-family	Total Units
1998	138	0	0	0	138
1999	147	0	0	0	147
2000	156	0	0	0	156
2001	319	0	0	0	319
2002	388	2	0	164	554
2003	548	0	0	0	548
2004	310	2	0	0	312
2005	78	0	0	3	81
2006	57	0	0	0	57
2007	14	0	0	0	14
2008*	0	0	0	0	0
Total	2,155	4	0	167	2,326

*Values given for the year 2008 are only through June 2008.

Source: SOCDS online database as of June 2008

2.2.d. VACANCY TRENDS

Vacancy trends in housing are analyzed using a “vacancy rate” which establishes the relationship between the number of occupied units and the total number of housing units in the City. The vacancy rate indicates whether or not the City has an adequate housing supply to provide choice and mobility. HUD standards indicate that a vacancy rate of five percent is sufficient to provide choice and mobility.

In 2000, the Census reported a vacancy rate of 8.6 percent in the City of Banning. The California State Department of Finance (DOF) Population Research Unit publishes an annual estimate of population, housing units, vacancy, and household size for all incorporated cities in the State. In 2007, the DOF estimated the vacancy rate for Banning to be 8.4 percent. It should be noted that the DOF estimate is for all housing unit types and does not exclude seasonal, recreational, occasional use or other vacant. According to the 2000 Census, 11.8 percent of the vacant units are rental units and 19.7 percent of the vacant units are for seasonal, recreational, or occasional use.

2.2.d(1) Multi-Family Vacancy

In September 2008, Laurin Associates conducted a vacancy survey of existing rental properties within Banning. A total of 332 multi-family units were surveyed. The survey found that there were 12 vacancies within the City of Banning, for an overall vacancy rate of 3.6 percent. Most managers reported that turnover is rare, waiting lists are long, and when vacancies do occur the units are rented very quickly.

2.2.d(2) Single Family Vacancy

According to the Multiple Listing Service, there were a total of 352 homes and condominiums for sale in the City of Banning in July 2008. The survey found 351 vacant single-family homes, an estimated vacancy rate of 3.3 percent, based on a total of 10,647 single-family units in 2008. This vacancy rate indicates a normal housing market with limited choice and mobility. However, the housing market conditions have changed due to the economic downtown since July 2008. The State Department of Finance reported that the housing vacancy rate in Banning is 10.76% for 2012.

2.2.e. **HOUSING COSTS AND AFFORDABILITY**

One of the major barriers to housing availability is the cost of housing. In order to provide housing to all economic levels in the community, a wide variety of housing opportunities at various prices should be made available. The following table (Table III-56) describes the acceptable monthly payment for households (family of four) in the five major income groups: Extremely-Low, Very-Low, Low, Moderate and Above-Moderate income.

TABLE III-56
INCOME GROUPS BY AFFORDABILITY (2007)

Income Group	Income Range	Monthly Payment Range*
Extremely Low	Less Than \$19,980	Less than \$500
Very Low	\$33,300-\$19,980	\$748-\$501
Low	\$33,301- \$53,280	\$749- \$1,197
Moderate	\$53,281- \$79,920	\$1,198 - \$1,795
Above Moderate	Greater Than \$79,920	Greater than \$1,795

Source: 2008 California Tax Credit Allocation Committee, Riverside County

*NOTE: affordable housing is up to 30% of income used toward gross monthly housing costs.

2.2.e(1) Single-Family Sales Units

The median single-family home sales prices in Banning for the current decade started on the lower end of the spectrum, with a median sales price of approximately \$87,000 in 2000. Since 2000, prices increased dramatically to a high of approximately \$262,450 in 2005, and then fell to a median sales price of \$226,000 in 2008. The majority of active home sales listings in 2008 are from a low of \$150,000 to a high of \$250,000. Based on information provided by a local real estate agent, prices continue to sag, and pre-foreclosures and bank owned properties are in abundance. The current median home prices of \$226,000 are nearly 14 percent lower than the 2005 peak. The City of Banning median home price is substantially lower than the median home price in the State as a whole, which is currently \$395,000.

The median sales price of single-family homes in the City had been increasing at a rapid rate, up until the peak of 2005. From 2000 to 2005 home prices increased dramatically by over 200 percent, and have since declined substantially. This volatility in median sales price is due to the speculative housing demand and relaxed lending standards that have resulted in housing problems throughout the State and nation. In December 2011, the California Association of Realtors reported that Banning has the median home price of \$110,000.00 in November 2011 and \$123,500 as of November 2010. This is a 10.92% decrease in the median home price. This means that more people can afford the price of housing in Banning. The online research from Data Quick website shows that the median home sale price in January 2013 was \$139,500.00 which is 26.82% higher than last year. Although the median home sale's price increased, the increase is considerably lower than the median home sale's price in 2005. Additionally, the

median home price in Banning is considerably lower than the average home price of \$227,000.00 in Riverside County. This shows that Banning housing market is continued to be affordable than the County.

2.2.e(2) Current Single-Family Listings

During July 2008, 325 single-family units were listed for sale in Banning, with the majority priced in the \$150,000 to \$300,000 range (Table III-57). Prices range from a low of \$55,000 to a high of \$1,400,000.

TABLE III-57
CURRENT SALES LISTINGS FOR SINGLE FAMILY HOMES

PRICE RANGE	NUMBER OF UNITS AVAILABLE
Below \$100,000	29
\$100,000- \$149,999	61
\$150,000- \$199,999	79
\$200,000- \$299,999	80
\$300,000- \$399,999	43
above \$400,000	33

Source: Multiple Listing Service, July 2008

During July 2008, 27 condominium properties were listed for sale in Banning, all selling for between \$59,000 and \$285,000 (Table III-58).

TABLE III-58
CURRENT SALES LISTINGS FOR CONDOMINIUMS

PRICE RANGE	NUMBER OF UNITS AVAILABLE
Below \$100,000	1
\$100,000- \$149,999	5
\$150,000- \$199,999	8
\$200,000- \$249,999	11
above \$250,000	2

Source: Multiple Listing Service

2.2.e(3) Rental Units

According to the 2000 Census, the median rent was \$564 in the City of Banning, compared to \$660 for Riverside County. Based on information provided by a local realtor, the average market rents ranged from \$800 for a one-bedroom unit to \$1,300 for a four-bedroom unit.

The identified rental apartments in the City of Banning are a combination of affordable and market rate units. There are currently two complexes providing affordable housing under HUD, USDA, and LIHTC programs for families, farm-workers, and seniors. The affordable housing complexes range in size from 75 units to 81 units in size. The density of these two complexes are 11 du/acre (Peppertree Apartment) and 12 du/acre (summit Ridge Apartment). Home rentals are somewhat more expensive, and range from \$675 to \$1,800 (Table III-59).

TABLE III-59
CURRENT AVERAGE RENTS*

Bedroom Type	Average Market Rents*
Two-Bedroom	\$850
Three-Bedroom	\$1,150
Four-Bedroom	\$1,250

Source: Haskell Real Estate Property Management, September 2008

Note: Rents are net rents (does not include utilities).

2.2.e(4) Affordability

Affordability is defined as a household spending 30 percent or less of household income for shelter. Shelter is defined as gross rent or gross monthly owner costs. Gross rent is the contract rent, plus utilities. In most cases, the contract rent includes payment for water, sewer and trash. Gross monthly owner costs include mortgage payments, taxes, insurance, utilities (electric & gas), condominium fees, and site rent for mobile homes.

As noted in Table III-38, in the previous section, 35.6 percent of renter households pay in excess of 30 percent of their income for shelter while 19.4 percent of owners overpaid in 2000. To put this in perspective, the maximum rent that can be charged to be considered affordable housing based on income is reflected in the following Table III-60. The average rents listed in Table III-59, on the previous page, are less than the maximum affordability for low income households. Despite the regional trend for increasing rents, Banning has remained relatively affordable. For instance, while households within the very low-income categories could not afford the average market rents within the City, most market rents are affordable to those households within the low-income category.

TABLE III-60
AFFORDABLE RENTAL RATES

Income Range	Maximum Affordability				
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Extremely Low	\$349	\$374	\$449	\$519	\$579
Very Low	\$582	\$624	\$748	\$865	\$966
Low	\$931	\$998	\$1,197	\$1,384	\$1,546
Moderate	\$1,397	\$1,498	\$1,795	\$2,076	\$2,318
Above Moderate	>\$1,397	>\$1,498	>\$1,795	>\$2,076	>\$2318

Source: California Tax Credit Allocation Committee Maximum Rent Schedule 2008, Riverside County

While shelter costs for rental units are estimated to be affordable at 30 percent of gross income, households are generally able to obtain a mortgage loan based on 35 to 40 percent of gross income. This is subject to individual credit and budgeting conditions and those with less revolving loan-type debt can usually find financing for a more expensive home. For instance, very low-income households in Banning could afford a home priced at approximately \$168,000, depending on the interest rate; currently there is only one home available in that price range.

2.2.f. AT - RISK HOUSING

California Housing Element Law requires all jurisdictions to include a study of all low-income housing units which may at some future time be lost to the affordable inventory by the expiration of some type of affordability restrictions. The law requires that the analysis and study cover a five-year and a ten-year period, coinciding with updates of the Housing Element. Expiration of the low-income use period includes various financing sources, such as Low-income Housing Tax Credit (LIHTC), tax exempt bond financing, density bonuses, California Housing Finance Agency (CHFA), Community Development Block Grant (CDBG) and HOME funds and redevelopment funds.

2.2.g. INVENTORY OF AT RISK RENTAL HOUSING UNITS

The following inventory includes government assisted rental properties in the City of Banning that may be at risk of opting out of programs that keep them affordable to very low and low income households over the seven year Housing Element Period (2008-2014) and for the subsequent five years (2019). Generally, the inventory consists of Housing and Urban Development (HUD) subsidized and USDA Section 515 properties that are at risk. As indicated by the California Housing Partnership Corporation, these projects target lower income populations including extremely-low income groups, very-low income groups, and seniors. At-Risk units indicate units that may convert to market rate within 5 years; a Lower Risk project may convert within 5-10 years. The City will continue to pursue State and Federal funding sources such as HOME funds to assist with the preservation of at-risk units in the City of Banning. Currently, no properties are at risk of converting in the City of Banning.

The process of selling a subsidized project is a thorough and lengthy process, which requires notices to local government and local housing authorities. Appendix E of this housing element lists housing non-profit organizations known to both the State and local governments that are interested in acquiring at-risk units and maintaining affordability for the life of the structure.

**TABLE III-61
INVENTORY OF AT-RISK COMPLEXES (JULY 2008)**

Project	Financing	# Assisted Units	Target Group	Risk Assessment
Westview Terrace	HFDA/Section 8	75	Extremely Low/Very-Low*	Renewed subsequent to 1/10/2008
Total At Risk Units		75		

* Westview Terrace residents fall primarily into the extremely-low income category (75%) while the remainder (25%) of residents falls into the very-low income category. At the time the Housing Element was originally written, the affordability was set to expire on January 10, 2008; according to CHPC, the complex was renewed. At the time revisions to the Housing Element were written in May, 2009, no other information was available from CHPC about the new expiration date. On March 22, 2011, the City of Banning Community Redevelopment Agency entered into an Owner Participation Agreement with Banning Leased Housing Associates I, Limited Partnership and purchased affordability covenant for 55 years. Forty-three (43) units are restricted for rent to extremely low income tenants; thirty-one (31) units are restricted for low income tenants; and one (1) unit is unrestricted.

Sources: HUD/California Housing Partnership Corporation (CHPC) & Westview Terrace Staff

2.2.h COST ANALYSIS

In order to provide a cost analysis of preserving “at-risk” units, costs must be determined for rehabilitation, or new construction.

2.2.h(1) Rehabilitation

The factors used to analyze the cost to preserve the at-risk housing units include acquisition, rehabilitation, and financing costs. Both new construction and rehabilitation utilize an assumption of 1,000 square foot units, on a typical market rate 40-unit project. These figures are estimates since actual costs will depend on condition, size, location, existing financing, and the availability of financing. Local developers, in addition to the cited sources have added information helping to formulate the numbers in the following tables.

TABLE III-62
REHABILITATION COSTS

Fee/Cost Type	Cost per Unit
Acquisition	\$35,000
Rehabilitation	\$39,750
Financing/Other Costs	\$75,000
TOTAL COST PER UNIT	\$149,750

Source: Laurin Associates, Marshall and Swift Residential Cost Handbook 2007.

2.2.h(2) New Construction/Replacement.

The following cost estimates (Table III-63) are estimates based on recent new apartment construction in Riverside County, i.e. non-specific to Banning. The actual replacement costs for any of the at-risk units will depend on many variables such as the number of units, location, density, unit sizes, on and off-site improvements, and both existing and new financing.

TABLE III-63
NEW CONSTRUCTION/REPLACEMENT COSTS

Cost/Fee Type	Cost Per Unit
Land Acquisition	\$22,000
Construction	\$235,000
Financing/ Other Costs	\$79,500
TOTAL PER UNIT COST	\$336,500

Source: Laurin Associates, Chelsea Investment Corp.

2.2.i. PRESERVATION RESOURCES

Efforts by the City to retain low-income housing must be able to draw upon two basic types of preservation resources: organizational and financial. Qualified, non-profit entities need to be made aware of the future possibilities of units becoming “at-risk”. Should a property become “at-risk” the City maintains an active list of resources in which to preserve that property. A list of potential organizational resources is provided in Appendix F.

In addition, the City of Banning will develop procedures for monitoring and preserving at-risk units, which will include:

- Monitoring the Risk Assessment report published by the California Housing Partnership Corporation (CHPC).
- Maintain regular contact with the local HUD office regarding early warnings of possible opt-outs.
- Maintain contact with the owners and managers of existing affordable housing to determine if there are plans to opt-out in the future, and offer assistance in locating eligible buyers.
- Develop and maintain a list of potential purchasers of at-risk units and act as a liaison between owners and eligible purchasers.
- Ensure that all owners and managers of affordable housing are provided with applicable State and federal laws regarding notice to tenants of the owner’s desire to opt-out or prepay. State law requires a 12 month notice.

The following is a list of potential financial resources considered a part of the City's overall financial plan to deal with retaining affordable units. The number and availability of programs to assist cities and counties in increasing and improving their affordable housing stock is limited, and public funding for new projects is unpredictable. The following is a list of local, state and federal programs.

- Home Investment Partnerships (HOME) Program - The HOME Program was created under Title II of the Cranston-Gonzales National Affordable Housing Act enacted on November 28, 1990. The City of Banning participates in the HOME Program through Riverside County.
- Housing Authority of the County of Riverside is a Public Housing Authority with jurisdiction within the City of Banning and the County of Riverside. It administers federal and state funds for its public housing projects and government assisted housing units such as Housing Choice Voucher Rent Subsidy.
- Community Reinvestment Act (CRA) - Federal law requires that banks, savings and loans, thrifts, and their affiliated mortgaging subsidiaries, annually evaluate the credit needs for public projects in communities where they operate. Part of the City's efforts in developing preservation programs will be to meet with the Community Reinvestment Act Lenders Group organized by the County to discuss future housing needs and applicability of the Community Reinvestment Act. Although an unpredictable resource, it is important to establish a working relationship for future problem solving.
- Low-income Housing Tax Credit Program (LIHTC) - The LIHTC Program provides for federal and state tax credits for private and non-profit developers and investors who agree to set aside all or an established percentage of their rental units for households at 60 percent of AMI or below for a minimum of 30 years. These tax credits may also be utilized on rehabilitation projects, contributing to the preservation program.
- Proposition 1C – California voters approved the Housing and Emergency Shelter Trust Fund Act of 2006, authorizing \$2.85 billion to fund various housing assistance programs. The funds and programs are administered by the California Housing and Community Development Department (HCD).
- The Federal Home Loan System facilitates the Affordable Housing Program (AHP) and Community Investment Program (CIP) for the purposes of expanding the affordable housing supply. The San Francisco Federal Home Loan Bank District provides service to Imperial County, and throughout California. Subsidies are awarded on a competitive basis usually in the form of low-interest loans and must be used to finance the purchase, construction, and/or rehabilitation of rental housing.
- The Predevelopment Loan Program, conducted through HCD, provides the funds to pay the initial costs of preserving existing affordable housing developments for their existing tenants. Priority is given to applications with matching financing from local redevelopment agencies or federal programs.
- Rural Seed Money Loan Programs, operated through the Housing Assistance Council operates revolving loan funds to provide seed money for rural housing and development projects intended to benefit very low- and low-income persons.
- Preservation Financing Program, operated through California Housing Finance Agency (CHFA), offers tax-exempt bond financing for the acquisition or refinancing of a project with an expiring Section 8 contract.

2.2.j. REDEVELOPMENT AGENCY

The Banning Community Redevelopment Agency was created in 1973 and adopted the first five-year implementation plan in 1994. The Agency estimates that 367 residential units have been developed or substantially rehabilitated within the Project Area since adoption of the redevelopment plan. Agency staff anticipates that an additional 370 units will be developed or rehabilitated (paint and patch) within the Project Area during this planning cycle. The Agency is projecting to incur a surplus of 33 low and moderate and 55 very low income units by the end of the 2006-2014 period.

The Community Redevelopment Agency of the City of Banning, along with all 400 redevelopment agencies in California, was dissolved on February 1, 2012, by order of the California Supreme Court in a decision issued on December 29, 2011 (California Redevelopment Association et al. v. Ana Matosantos). On June 27, 2012, the California Legislature passed and the Governor signed AB 1484, a bill making technical and substantive changes to AB 26, the dissolution bill that was found largely constitutional by the Supreme Court on December 29, 2011. In response to the requirements of AB 26 and AB 1484, the City of Banning City Council now serves as the Successor Agency to the former Redevelopment Agency. Pursuant to state legislation, the Successor Agency is governed by one two body, the Banning Oversight Board of the Successor Agency with the ultimate decision making body of the state Department of Finance.

Prior to the elimination of the Banning Redevelopment Agency (The Agency) set aside 20 percent of the gross tax increment revenues received from the Redevelopment Area into a Low and Moderate income housing fund for affordable housing activities. The City's Redevelopment Project area boundaries generally extend along the Interstate 10 corridor and downtown area. Residential areas are generally contained in the central core containing a mix of older residential along with commercial and public areas, and newer residential areas to the northwest, west, and southwest. The Agency provides staff support for administering rehabilitation funds for low-income homeowners and other housing programs. In accordance with California State Law, (CCR Section 33334.4(a), 65% of all expenditures must be targeted to lower income households, including extremely low income.

The Agency begins this 2005-2009 period with a favorable balance in the Low/Mod set-aside fund of approximately \$2.5M dollars. Considering interest and other sources of income, it is estimated that a total of \$2.9 Million will be available through the low and housing set-aside for affordable housing purposes for 2005-2009. During the same term, the Agency expects to accrue an additional \$2.3M to the Low/Mod fund. Through the balance of the Housing Element period (2010-2014), the Agency estimates accruing an additional \$1.2M dollars to the Low/Mod fund. This estimate is conservative, given the current uncertainty of property values. The Plan's identified housing goals are to increase, improve, and preserve the supply of lower income (including extremely low), and moderate income rental and ownership housing opportunities. Specifically, housing efforts will be focused in the following areas:

- Rehabilitation of owner occupied and existing rentals for very-low and low-income households;

- Funding infrastructure improvements in residential neighborhoods to promote development of affordable housing;
- Implementation of an infill housing program;
- Development of and implementation of revolving loan program(s) for owner-occupied low- and moderate-income households.
- First time homebuyer assistance;

The Agency projects Low to Moderate Income funding of the following programs and related expenditures with LMI Funds (set-asides) during the period 2005-2009.

- Housing Exterior Rehabilitation Assistance (ERA) Program – the ERA program is an on-going program which assists very low- and low income residents in a maintenance program for their homes (\$20K per unit, totaling 4 units per year);
- Homeownership Education Program – The program provides educational materials to prospective home buyers to help prepare them for home ownership (\$45K to develop and implement);
- First-Time Homebuyer Program- The Redevelopment Agency contributions are estimated to assist three lower income households, including extremely low income per year (totaling approximately \$150,000);
- New Construction Assistance- LMI funds will be utilized to assist in the construction of both single and multi-family housing units for lower income, including extremely low income, and moderate income persons/families within the Project Area. The Redevelopment Agency has budgeted \$2 million for new housing units.

The survey of housing conditions, as well as discussions with City staff, indicates a high percentage of units in need of more substantial rehabilitation efforts. Dwelling units allowed to deteriorate to the point of not being habitable remove potentially affordable units from the overall supply of housing in the City, increasing the pressure to provide affordable units through other means. In order to further assist in maintaining this affordable housing stock, the City is identifying a new program for the 2008-2014 housing element period, utilizing Agency funds; targeting substantial residential rehabilitation, with an annual expenditure goal of \$100,000. This program has continued and will end in June 2013 as the Redevelopment Agency has been eliminated by the State. Within the period of January 2013 to June 2013, the City will fund 12 single-family homes in exterior rehabilitation at \$10,000.00.

2.2.k. RESIDENTIAL ZONING AND DENSITY

The housing industry typically responds to market demand. In the City of Banning, residential zoning targets all income groups. The City has made it very clear that residential development is welcome and supported.

2.2.k(1) Zoning

Chapter 17 of the Banning Municipal Code provides the zoning provisions for the City. Residential zoning for the City of Banning is defined as follows:

R/A – Ranch/Agriculture District (1 du/10 Acres)

The district allows detached single-family homes on lots of at least ten acres. Also permitted are agricultural and ranching activities, animal keeping (both personal and commercial use), and animal-keeping or agricultural related commercial enterprises, such as feed stores, commercial stables and similar uses. Bed & breakfast lodging and similar uses may be appropriate in this district, with the approval of a conditional use permit. If density transfers from the Ranch/Agriculture Residential --Hillside district are applied to a Ranch/Agriculture Residential parcel, the maximum density shall be one dwelling unit per 5 acres.

RAR-H – Ranch/Agriculture Residential – Hillside (1 du/10 Acres)

This zoning district is assigned to lands in the foothills. Portions of the site exceeding 25 percent slope as well as the ridgelines are to be preserved as open space, but density may be transferred to developable areas. If a density transfer is applied, the maximum density for the developable lands shall be one dwelling unit per 5 acres.

RR – Rural Residential (0-1 du/Acres)

This zoning district allows detached single-family homes on lots of at least one gross acre. Uses also permitted include agricultural and ranching activities, animal keeping (both personal use and commercial). Bed & breakfast lodging and similar uses may be appropriate with the approval of a conditional use permit. Animal-keeping or agricultural related commercial enterprises, such as feed stores, commercial stables and similar uses may be appropriate with approval of a conditional use permit.

RR-H – Rural Residential – Hillside (0-1 du/Acres)

This zoning district is assigned to lands in the foothills. Portions of the site exceeding 25 percent slope as well as the ridgelines are to be preserved as open space, but density may be transferred to developable areas. All other RR development standards apply. If a density transfer is applied, the maximum density allowable is 2 units to the acre, and the standards of the Very Low Density Residential district will be applied.

VLDR – Very Low Density Residential (0-2 du/Acres)

This zoning district allows detached single-family homes at a density of up to 2 units per acre; the district may be appropriate for bed & breakfast and similar uses. Animal keeping is permitted according to zoning restrictions.

LDR – Low Density Residential (0-5 du/Acres)

This zoning district allows the development of attached and detached single family homes, in traditional subdivisions and planned communities. The clustering of condominiums and townhomes may be appropriate with the provision of common area amenities and open space, when a Specific Plan or

Planned Unit Development is prepared. Bed & breakfasts and similar uses may be appropriate with the approval of a conditional use permit. Home Occupations are permitted with approval of a Home Occupation permit.

MDR – Medium Density Residential (0-10 du/Acres)

This zoning district allows the development of attached and detached single family homes, in traditional subdivisions and planned communities. Also allows condominiums and townhomes, garden apartments and duplexes, with the provision of common area amenities and open space. The clustering of condominiums and townhomes may be appropriate with the provision of common area amenities and open space. Bed & breakfasts and similar uses may be appropriate with the approval of a conditional use permit. Home Occupations are permitted with approval of a Home Occupation permit. Convenience retail commercial (“corner store” type development such as convenience stores, grocery or green grocer, video rental, drug stores, sit down restaurants, coffee shops or coffee bars or similar uses), less than 5,000 square feet in total square footage, with approval of a conditional use permit may also be appropriate. Mixed-use projects, which combine residential and commercial uses, are appropriate with approval of a Planned Unit Development.

HDR – High Density Residential (11-18 du/Acres)

Allows condominiums and townhomes, as well as apartments with the provision of common area amenities and open space. The clustering of condominiums and townhomes is appropriate with the provision of common area amenities and open space. Mobile home parks and subdivisions with the provision of common area amenities and open space may also be appropriate, with the approval of a conditional use permit. Home Occupations may be appropriate with approval of a Home Occupation permit.

MHP – Mobile Home Park (9-18 du/Acres)

The district applies to existing mobile home parks or subdivisions within the City. Only mobile parks and subdivisions are permitted. Home occupations may be appropriate with the approval of a conditional use permit. (Zoning Ord. dated 1/31/06, § 9102.01.)

2.2.k(2) Density

Residential growth areas and densities are among issues and policies addressed in the General Plan. Residential densities are specified for each residential land use designation, and the General Plan provides for a range of residential densities. Single-family detached housing densities for the Ranch/Agriculture, Ranch/Agricultural Residential – Hillside, Rural Residential, Rural Residential – Hillside, and Low Density Residential designations range from 1 du/10 acres to five dwellings per acre. The Medium Density designation allows for densities of 0 to 10 dwellings per acre addresses single- and multi-family housing, including duplexes, and zero lot line. Under the Medium Density designation the minimum lot size is 5,000 square feet unless the development is within a Specific Plan or Planned Residential Development. The High Density designation, includes, but is not limited

to condominiums, apartments, and other multi-unit buildings, allows densities ranging from 11 to 18 dwelling units per acre.

Zoning districts specify minimum lot size, permitted uses, conditional uses, building height and front, rear, and side yard setbacks. Zoning districts further the health, safety, and welfare of the residents. In addressing the minimum lot size, the zoning districts must be consistent with the densities of the General Plan. Single-family zoning districts have minimum lot sizes ranging from 6,000 square feet to 1 acre. Residential land zoned LDR has a minimum lot size of 7,000 square feet. Table III-64 defines the minimum lot size and density per acre for the various residential zoning districts.

Specific Plan districts allow for the use of special design criteria for maximum utility of the site and also allow for maximum design flexibility within density limitations. Techniques include clustering of units, or other unique lot orientation, layouts, and varying development standards. The Community Development Director makes recommendation to the Planning Commission, which later makes recommendation for approval, if finding can be made, to the City Council. Unless developed as a Specific Plan, residential densities may not exceed the densities allowed under the adopted zoning designation; however, individual lot size minimums may be altered depending on the proposed project. Specific Plan areas are allowed in all districts with a conditional use permit.

The City's development standards are applicable to residential zoning districts. Development standards include, but are not limited to, building height, yard setbacks, lot area, site plan review, parking space requirements, and parkland requirements. These requirements were adopted through the public hearing process at City Council meetings and reflect the minimum standards thought necessary for protection of the public.

When a developer proposes a housing development, state law requires that the City provide incentives for the production of low-income housing. A density bonus agreement between the developer and City is used to set forth the incentives to be offered by the City and the requirements of the developer. The zoning code allows for the provision of a maximum bonus of 35 percent of density per acre.

TABLE III-64
RESIDENTIAL ZONING CATEGORIES AND USEABLE DENSITY

Zoning Category	Minimum Lot Size	Density Type	Density Per Acre
R/A	10 Acre	Very Low	1 unit/10 acre
R/A-H	10 Acre	Very Low	1 unit/10 acre
RR	40,000	Very Low	0-1 units/acre
RR-H	40,000	Very Low	0-1 units/acre
VLDR	20,000	Very Low	0-2 units/acre
LDR	7,000	Low	0-5 units/acre

City of Banning General Plan			
MDR	6,000	Low / Medium	0 -10 units/acre
HDR	7,000	High	11 - 18 units/acre
MMP	N/A	Medium / High	9 - 18 units/acre

Source: Banning City Code, Sect. 17.08.010 B5-8

2.2.i. INFRASTRUCTURE AVAILABILITY

The City of Banning provides water and sewer services to all residential areas within the downtown area of the City. In addition, the City owns and operates wells, reservoirs, and a distribution line system to deliver domestic water. However, the City anticipates an increase in demand for sewer services with build out of the General Plan and abandonment of individual septic systems. The City of Banning provides sewage treatment service by treating effluent at the Banning Water Reclamation Plant located at 2242 East Charles Street. The City sewer system contains 15-inch and 24-inch trunk lines, which are located within major City public right-of-ways. The present plant has a design flow capacity of 3.6 million gallons per day (MGD).

The Banning Canyon is located in several drainage basins and floodplains on the valley floor, subjecting the area to floods and flash floods. The San Bernardino and San Jacinto Mountains within the Banning Canyon area are very steep and consists of rock that is fairly impermeable. Consequently, little infiltration of rainwater results in flows across the surface as runoffs and down the slopes as overland flows. These overland flows feed in fluvial streams in the drainage basins of the San Gorgonio Valley. Most of the identified 100-year flood plain is located in Banning Canyon area, which is not anticipated for residential development. This area has been designated as open space, due in part to its location in a flood plain, and in part to the natural habitat of the area. The vacant parcels identified in this element are not within this flood plain.

The Banning area is located at the boundary, formed by the San Andreas Fault, between the North American and Pacific plates. In addition several other faults are located within or near the City, including the Banning Fault, San Gorgonio Pass Fault Zone, San Jacinto Fault Zone, Garnet Hill Fault, Grady Ranch Fault, Missions Creek Fault, Beaumont Plain Fault Zone, and Cox Ranch Fault Zone. The City requires engineering reports to establish appropriate design standards and mitigation measures taken to alleviate these hazards. However, the necessity of these reports is offset by the need for public safety and welfare, and thus the City does not consider the reports a constraint to housing development. There are three remaining Williamson Act contracts in the Banning General Plan Study area, which encompass 3,500 acres. The areas under Williamson Act contracts are being phased out of the contracts due to urbanization, although residential land uses allow for agricultural and ranching activities.

2.2.m. NEW CONSTRUCTION NEEDS

The City of Banning falls under the jurisdiction of the Southern California Association of Governments (SCAG), with input from the Western Riverside Council of Governments (WRCOG). SCAG uses a predominately demographic formula to allocate the regional housing needs among the incorporated cities and unincorporated county. This process results in a Regional Housing Needs Assessment (RHNA) and the number reflected in that assessment must be considered when the housing element is prepared.

Historically, Councils of Government (COG's) prepared RHNA's every five years according to a schedule prepared by the State. However, in 2004, the State legislature

extended the 3rd revision Housing Element Update Cycle one year. The current RHNA is for the January 1, 2006 to June 30, 2014 planning period.

SCAG housing needs figures are limited to new housing construction. That number is then allocated among income groups.

2.2.m(1) Income Group Goals

The purpose of the income group goals is to ensure that each jurisdiction within a COG attains its share of the state housing goal without any relative disproportionate distribution of household income groups. The following household income groups are defined according to the HUD Median Family Income (MFI) and Income Limits Table: Extremely Low Income (generally less than 30% of MFI); Very Low (generally less than 50 percent of MFI), Low (generally between 50-80 percent of MFI), Moderate (generally between 80-120 percent of MFI) and Above Moderate (greater than 120 percent of MFI).

2.2.m(2) Banning RHNA

The Southern California Association of Governments (SCAG) Regional Housing Needs Allocation for the period January 1, 2006 to June 30, 2014, allocated the number of units per income category as shown in Table III-65 below.

Construction needs are derived from SCAG population and household growth projections. The income group proportions are applied toward the identified construction need, which results in a goal for the number of housing units by income group within the City of Banning. For the period 2006 to 2014, the City of Banning was allocated a construction need of 3,841 new housing units. Construction need is annualized for each of the nine years of the planning period.

TABLE III-65
BANNING REGIONAL ALLOCATION (2008-2014)

Income Group/Percent of Households	Construction Need	Typical Annual Construction Needs	2007 Construction
Extremely Low -11.3%	436	55	0
Very Low – 11.4%	437	55	0
Low – 16.1%	618	77	0
Moderate – 18.4%	705	88	0
Above Moderate – 42.8%	1,645	206	14
Total	3,841	481	14

Source: 2006-2014 Regional Housing Allocation Plan, SCAG

2.2.n. RHNA SITES INVENTORY

In addressing the estimated housing needs identified in the Housing Needs Assessment section of this housing element, State law requires that this element contain “*An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment...*” This inventory must identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of housing types for households of all income levels.

According to the State Department of Housing and Community Development’s “*Housing Resources – Q&A*,” - “*The analysis of the relationship of suitable sites to zoning provides a means for determining the realistic number of dwelling units that could actually be constructed on those sites within the current planning period of the housing element. The analysis should also identify the zones the locality believes can accommodate its share of the regional housing needs for all income levels.*”

As part of the 2008-2014 Housing Element update, an analysis of residential development potential in the City of Banning was performed in July of 2008 by Laurin Associates. Appendices D and E included at the end of this document provide detailed parcel specific lists of the available sites, including both approved (entitled) projects and available residentially zoned sites within the City, as well as accompanying illustrative location maps. The City is proposing to utilize a combination of approved but not yet built- projects, including Specific Plans, as well as vacant sites zoned for High Density, Medium Density, and Low Density. In addition, the Housing Plan includes programs to rezone vacant sites with approximately 45 acres to Very High Density Residential (20-30 units/acre) and also establish a Mixed Use Overlay District in the downtown commercial area allowing residential development at 16-30 units/acre. All of the included sites serve to demonstrate the City’s ability to meet the 2006-2014 RHNA goals.

Table III-66 provides a summary of the identified sites for the 2008-2014 City of Banning Housing Element. The RHNA inventory includes a total of approximately 2,587

acres of land currently either entitled for development or zoned for High Density (HDR), Medium Density (MDR), or Low Density Residential (LDR) uses in the City of Banning.

All of the available land has utilities, including sewer and water, available to the sites, or provisions exist within City policies to ensure that adequate infrastructure is provided to those sites as part of the development fee programs. None of the sites were noted to have any inhibiting conditions or restrictions. The combination of already entitled projects plus vacant and underutilized land provide sufficient capacity to accommodate the City's share of regional housing need during the current planning period.

2.2.n(1) Approved Projects Inventory

Approved (entitled) residential projects (reference Appendix G), within the City of Banning would be able to accommodate a total of 7,967 dwelling units. The units are broken down as follows:

- 1,262 multi-family (high density) units on approximately 77 acres,
- 2,607 single-family or duplex Medium Density Residential dwelling units on approximately 420 acres.
- 30 acres (30 units) of Residential/Agriculture (R/A),
- Approximately 780 acres (1,036 units) of Very Low Density Residential (VLDR),
- Approximately 800 acres (3,032 units) of Low Density Residential single family units.

The overall approved project densities based on calculations made from project approvals are *1.3 DU/AC* for Very Low Density, *3.8 DU/AC* for Low Density, *6.2 DU/AC* for Medium Density, and *16.3 DU/AC* for High Density. Construction of these projects is subject to the vagaries of the market, but when builders are ready to proceed with their projects, the units can be built, subject to building permit approval.

2.2.n(2) RHNA Vacant Sites Inventory

The City of Banning utilizes General Plan and Zoning classifications systems that apply identical densities. For purposes of the 2006-2014 RHNA, land identified in Appendix H "RHNA Vacant Sites Inventory" consists of lands within the City zoned High Density Residential (HDR), Medium Density Residential (MDR) and Low Density Residential (LDR). Identified sites are predominately large, vacant parcels, with most sites in close proximity to already urbanized areas of the City, making them good candidates for development. In fact, a large percentage of the sites included are part of a large land holding under one ownership located in the southern portion of the City between Interstate 10 and the City limits.

The sites analysis is based on income and development patterns that have been projected based upon the needs for housing of various income levels and on emerging development patterns within the City of Banning (Table III-66).

TABLE III-66
SUMMARY OF ALL RHNA ACRES
AND UNIT COUNTS

Zoning	RA	VLDR	LDR	MDR	HDR	Total
Approved Acres	32.6	777.5	807.4	419.8	77.26	2,114.5
Expected Density	1	1.3	3.8	6.2	16.3	NA
Approved Units	30	1,036	3,032	2,607	1,262	7,967
Zoned Acres	NA	NA	137.23	222.35	113.30	472.87
Expected Density	NA	NA	1	5.1	11	N/A
Realistic Unit Capacity	NA	NA	137	1,134	1,246	2,517

Note: Expected Densities were used to estimate realistic development potential. The expected density is based upon historic development trends and local development practices, taking into account required on-site improvements such as streets, sidewalks, and open space (with an assumed 20% allowance for such improvements), based on a Unit/Net Acre standard.

Source: Laurin Associates Sites Survey, January 2008

2.2.n(3) Residential Units Built or Approved January 2006-June 2008

Table III-67 below illustrates a summary of units constructed within the City of Banning that are credited toward the 2008-2014 RHNA requirement. As illustrated in the table, 120 units were either built or approved during the years 2006, 2007, and 2008. The 71 single family residences were targeted for the moderate and above moderate income categories.

TABLE III-67
BUILT/APPROVED UNITS FOR 2008-2014 RHNA PERIOD

				Affordable	Single-Family Target Income #	Total Units
	Single-Family Permits	Multi-Family Permits	Multi-Family Units		Units	
2006	40	0	0	No	0	40
2007	31	0	0	No	0	31
2008 (January 1 – July 31)		0			0	0
Units Counted Toward 2006-2014 RHNA Period	71	0	0		0	71

2.2n(4) Second Units

With the cost of land increasing and the availability of vacant land decreasing, the construction of second units within the City of Banning may become a viable method in which to provide housing affordable to low-and moderate-income households. Furthermore, as outlined in Section 2.2.d, rental vacancies are low within the City of Banning; therefore, the market for rental housing should be strong. According to City building permit records, a total of five (5) second dwelling units were constructed in the City of Banning during the period 2000-2008. The City anticipates that an additional five (5) second units will be constructed during this Housing Element period (2008-2014).

Second units are currently a conditionally allowed use within all residential zoning districts, and are subject to Planning Commission review. However, with the changes enacted by AB 1866 (Chapter 1062, Statutes of 2002), and the increased cost of housing and the lack of available housing to low and moderate income households, the City of Banning will re-examine these preclusions and adopt a new Second Unit Ordinance that satisfies the provisions found under the amended Section 65852.2 which requires that second units be ministerially reviewed and approved.

2.2.n(5) Land Suitability and Zoning to Accommodate Housing for Lower Income Households

According to HCD requirements, development densities identified in the inventory must be sufficient to encourage and facilitate the development of housing affordable to lower income households (Section 65583.2)(A) and (B). The City of Banning does not meet the State of California “default” density standards; therefore, the City is providing an alternative analysis based on the acceptable model identified by HCD. Although the City’s analysis demonstrates that current permitted densities (minimum of 11 units per acre and maximum of 18 units per acre) are adequate to provide affordable housing opportunities to serve lower income households, programs have been included in the Housing Plan (Chapter 4) to rezone vacant sites to a new Very High Density Residential district allowing 20-30 units/acre and also establishing a Mixed Use Commercial Overlay in the downtown area.

The analysis is broken down into the following components. Each component is discussed below.

- A history of affordable development in the community,
- Financial feasibility of projects serving lower income households,
- Incentives provided by the City that will serve to encourage and facilitate the development of affordable housing projects.

Historical Trends

Two tax credit projects were developed in Banning in 2002. Both projects are high density projects, located in the High Density Residential (HDR) district at a site built density of 11.5 units per acre. Both the Peppertree Apartments, located at 426 East Nicolet Street, and the Summit Ridge Apartments, located at 555 North Hathaway Drive utilize Low Income Housing Tax Credits (LIHTC), and provide 162 units of affordable housing serving residents in the 40% to 60% income range.

Historically, HDR sites in Banning, under the provisions in the existing General Plan and Zoning Ordinance will accommodate affordable housing for lower income households.

The Table below provides home sales price comparison among Riverside County, Banning, and its neighboring city of Beaumont. Based on the home sales price, Banning has a lower home sale price which concluded that it is more affordable for low income population.

County/City/Area	# Sold	Jan 2013	Jan 2012	% Change Yr-to-Yr
Riverside County	2,886	\$227,000	\$180,500	25.76%

BANNING	41	\$139,500	\$110,000	26.82%	
BEAUMONT	77	\$193,000	\$173,500	11.24%	

Source Data Quick Online Information March 16, 2013.

As with many cities, within the City of Banning, the (HDR, High Density Residential District is best suited for the construction of housing affordable to extremely low income, very low income, and low income households. The identified high density sites have the greatest potential to accommodate housing affordable to lower income households, not to mention lower per unit fees and any lower per unit construction costs that may be realized.

Several large parcels have been identified in the RHNA inventory of vacant land that are well suited to the development of affordable housing. Parcels 53-080-004 (55.80 acres), 537-100-003 (41.31 acres) and 537-110-008 (15.24 acres) are zoned HDR and are unencumbered and ripe for development. The City expects that the large parcels will be attractive to developers because of increased flexibility for different types of residential. Once a developer acquires the property, they have the ability to create smaller parcels by filing a tentative parcel map or subdivision map with the City. The developer is able to create the parcel size best suited to his development project, while maintaining ownership of the remainder either for future projects, as investment property, or they may choose to sell off portions. Contrary to large parcels constituting a deterrent to the development of affordable housing, large parcel sizes become an opportunity and are attractive for such projects.

According to information provided by the development community, a five (5) acre parcel is an ideal size to accommodate an affordable project at an approximate density of 15 units per acre. Given the remainder of the City's development framework, an affordable project, assuming a five acre site, and a development density of 15 units per acre, is feasible.

Development of five (5) to (10) acre affordable projects is not without precedent in Banning or in Riverside County. The Palm Desert Development Company (PDDC) has been highly successful developing such projects in the region. Palm Desert currently operates twelve (12) multi-family tax credit projects in cities throughout Riverside County, including projects in the communities of Indio, Coachella, Palm Desert, Moreno Valley, and other locations in the Inland Empire.

According to the Riverside County General Plan, large lot sizes can provide opportunities for a mix of housing types, including affordable housing. The General Plan identifies High Density Residential (HDR) as a land use designation allowing detached, small lot single family and attached single family homes, patio homes, zero lot line homes, multi-family apartments, duplexes, and townhouses. The General plan also notes opportunities for clustered development in this land use category. The density range is 8.0 to 14.0 dwelling units per acre, quite similar to the densities permitted in the City of Banning.

Financial Feasibility

According to a proforma provided by PDDC, developing affordable housing projects in the City of Banning under the current development framework is financially feasible. Palm Desert has a demonstrated ability to successfully develop an affordable project at a density threshold that is much lower than the default density would suggest. PDDC has indicated that for the Inland Empire, a 15 unit per-acre density is most conducive for the construction of affordable projects. Remaining development assumptions used by Palm Desert include the following:

- 5 acre site zoned at 15 units acre density
- Tax Credit Equity project with 15% participation by the Banning Redevelopment Agency
- Conventional Loan terms for permanent financing
- Land costs of \$300,000 per acre
- Rents in the 30% to 60% of AMI range
- A 2-story garden style apartment project with a 2-3 bedroom mix

Attached as Appendix I to this Housing Element is a proforma provided by PDDC illustrating a sample affordable project in Banning. Subject to City funding participation, likely Redevelopment Agency participation, or another source of public dollars, and subject to the award of tax credits, an affordable project can reasonably be developed in the HDR, High Density Residential district.

Incentives

The City currently provides comprehensive development assistance, to the development community, including the services of the Land Development Task Force (LDTF) process, and concurrent application processing. However, to further demonstrate the City's commitment to encouraging the development of affordable projects, several Action Programs are included in Chapter 4 of this Housing Element that will serve to further encourage and facilitate the development of affordable housing, primarily through financial incentives and other assistance offered by the City and/or the Redevelopment Agency. Incentive programs are as follows:

- Action Program 5 under Objective 3- City staff assistance with the application process.
- Action Program 1-6 For SRO projects targeting extremely low income persons, the City will consider reducing or waiving application and processing fees.
- Action Program 3-6- The City will offer a reduced off-street parking requirement for projects targeting extremely low income households.
- Action Program 5-3- For affordable projects with built in affordability levels, the City will offer deferral of fees, or fee reductions, up to and

including fee waivers, on a case-by-case basis, depending on the level of affordability.

- Action Program 6 under Objective 5- City financial participation for projects offering a minimum number of units affordable to lower income households, on a case-by-case basis.
- Action Program 5-4- The City will adopt a Mixed Use Overlay district with an allowable density of 16 -30 UPA.
- Action Program 5-5- City shall adopt as a priority the installation of infrastructure upgrades in the downtown (MU) to facilitate the development of housing, including affordable housing.
- Action Program 5-6- The City shall offer Redevelopment agency funded financial assistance for affordable residential projects in the MU district
- Action Program 5-7- The City shall seek to establish partnerships with builders to construct affordable multiple-family residential projects; the City will establish agency funding participation guidelines.

2.2.n(6) Downtown Mixed Use Zoning

The Community Development Chapter of the General Plan, Goal 2, Policy 7, identifies principles, standards, and guidelines for high quality, high density mixed use residential development in the Downtown Commercial zoning designation. According to the General Plan, the Downtown Commercial district contains a total of 92.3 acres of land, 81 acres developed as of 2006 (date of General Plan approval), and 11.3 acres vacant. The Downtown Commercial District is located on Ramsay Street, between 8th Street and Hargrave Street on the west and east, by Interstate 10 on the south, and by Williams and Nicolet on the North. The area makes up the City's historical core district, with office, small retail, entertainment and restaurant uses. According to the General Plan, the City encourages, mixed use residential land uses, in combination with commercial businesses in the historical downtown core. Other allowed and desired uses in the downtown core include bed and breakfast inns, and hotels/motels.

As part of the Housing Plan, the City has included a program to adopt an overlay Mixed Use zoning designation to be used in conjunction with the Downtown Commercial zoning designation, allowing for the development of residential with a minimum density of 16 UPA and a maximum density of 30 units per acre (UPA). Increased densities would be possible by applying the City's density bonus program. No residential densities are currently identified for the Downtown Commercial district in the Banning Zoning Ordinance, so a minimum density of 16 UPA will increase the allowed density by 100%.

The City is including as part of this Housing Element, incentive programs that will encourage the revitalization of the Downtown Commercial district by providing City funding programs supplementing private investment to increase the viability of mixed use projects.

2.2.n(7) Remaining Residential Need for 2006-2014 RHNA Period

As identified in Table III-68, the existing need for the 2006-2014 RHNA period has been adjusted by units already developed between 2006-2008, and includes the total number of residential units currently proposed or under construction at the time of the drafting of this Housing Element, as well as an accounting of the realistic development capacity of vacant sites. The realistic development capacity calculations utilize one (1) unit per acre for Low Density (LDR) and 11 units per acre for the High Density (HDR), lower than the actual mean densities for approved projects of 3.8 units per acre (LDR) and 16.3 units per acre (HDR).

TABLE III-68
RHNA ACHIEVEMENT STATUS AND REMAINING NEEDS FOR THIS
RHNA PERIOD (JANUARY 2006-JUNE 2014)

	Income Category			
	Lower	Mod	Above Mod	Total
Vacant parcels – Low Density Residential			137	137
Vacant parcels – Medium Density Residential		1,134		1,134
Vacant parcels – High Density Residential		1,246		1,246
Potential second units	5			5
Subtotal – existing capacity	5	2,380	137	2,522
Sites to be Rezoned (Table B-4)	1,149			1,149
Downtown Overlay Sites (Table B-5)	568			568
Total land inventory	1,722	2,380	137	4,239
RHNA (net 2009-2014)	1,491	656	1,574	3,721
Adequate Sites?	Yes	Yes	Yes*	Yes

Source: City of Banning, 1/2013

*Reflects excess moderate sites

2.2.n(8) Conclusion

Based upon approved, entitled residential development, and anticipated residential construction projects on properly zoned vacant land, and sites to be rezoned, the City's inventory of sites will exceed its Regional Housing Needs Allocation for all income categories.

An analysis of the Zoning Ordinance indicates there are no undue constraints to the development of projects designed to serve the needs of lower income families,

including lot coverage, setback, or other site development standards. The allowed height in the HDR zone is 4 stories or 60 feet, sufficient to accommodate densities yielding projects suitable to lower income households. The sample development proforma provided by Palm Desert Development Company supports the City's position that Banning's current General Plan and Zoning allow densities suited to affordable development. Incentives proposed by the City as part of this Housing Element will encourage future affordable development in the City. Finally, the City's desire, and accompanying commitment to adopt an overlay zone in the Downtown Commercial District will provide additional opportunity for high density residential units as part of mixed use projects.

CHAPTER 3.0

HOUSING NEEDS, ISSUES, AND TRENDS

3.1 STATE ISSUES AND POLICIES

On January 1, 2007, the State Legislature amended Article 10.6, reauthorizing the Government Code regarding Housing Elements, first enacted in 1980. By reauthorizing this statute, the legislature continues to find that "the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order. The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels. Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community..."

A May 22, 2000 update to the statewide (1996-2000) Housing Plan indicates that California may have to accommodate 45 million people by 2020. To meet the enormous needs for housing and other services, the State will have to use all the resources at its disposal.

The five-year housing strategy is intended for the utilization of federal resources toward housing needs in the State. Three broad objectives are identified for the use of federal funds:

- Meeting low-income renters needs
- Meeting low-income homeowners needs
- Meeting the needs of homeless persons and households requiring supportive services

Within the five year strategy is a sub-list of strategies that are intended to address housing as a statewide concern:

- Development of New Housing (assisting local governments in preparing and implementing housing elements of their general plan, expedited permit processing for affordable housing, funding resources, and fostering partnerships between housing providers).
- Preservation of Existing Housing and Neighborhoods (rehabilitation of existing homes, code enforcement, preserving government-assisted housing projects, and mobile home ownership).
- Reduction of Housing Costs (development on surplus and under-utilized land, self-help construction and rehabilitation programs, tax-exempt bonds for development and rehabilitation financing and modular homes, eliminating duplicative environmental review procedures, and revising regulations that add to the cost of housing development).

- Much higher levels of housing construction are needed to adequately house the State's population.
- High housing cost burdens are increasingly an issue for both owners and renters. The combination of upward price pressure in the housing markets and relatively tight urban housing markets has led to increasing cost burdens, particularly for low-income renter residents.
- In some portions of the State, the level of overcrowding has dramatically increased.
- A substantial portion of affordable rental housing developments statewide are at risk of conversion to market rate use.
- Significant numbers of temporary agricultural workers migrate throughout the State, facing housing challenges that impact their welfare.
- Homeless individuals and households face significant difficulties in obtaining shelter and reintegrating themselves into the broader society.

3.2. TRENDS

The following is a summary of housing trends in Banning:

- Over the last Housing Element period, the Banning Housing Program was effective in establishing a dialogue and setting goals toward meeting the Regional Housing Needs Assessment (RHNA) goals for new construction. There were two projects, Peppertree Apartments and Summit Ridge Apartments, that were approved for tax credits in 2002.
- Six key household trends impacting Banning's housing stock and the development of new housing are:
 - Prior to 2006, a continuing increase in the cost of housing in the region.
 - A continuing demand for subsidized rental units.
 - A continued demand for housing for homeless persons and those threatened with homelessness.
 - A. increased demand for large family multifamily units.
 - A tight supply of appropriately zoned vacant land.
 - Increased difficulties realizing the potential for redevelopment opportunities.
- According to the 2008 determination, 15.9 percent of Banning's housing needs some level of repair.

One rental project, the Westview Terrace Apartments, is considered "at-risk" of converting to market rate over the next ten years. This project is at low risk of being sold out of the affordable program. The City of Banning Redevelopment Agency entered into and Owner Participation Agreement on March 22, 2011 with Banning Leased Housing Partnerships I and provided \$500,000.00 funding in exchange for the purchase of affordable covenants.

3.3. POLICY GOALS

The goals, objectives, and programs of the 2008-2014 City of Banning Housing Element focused on maintaining housing affordability, increasing the supply of housing for moderate and above moderate income groups, and meeting the needs of special needs populations. The current update continues to address these issues.

The objectives in this update will be quantified to meet the RHNA for the City, as prescribed by the Southern California Association of Governments (SCAG).

The City of Banning's housing goals are as follows:

1. Provide adequate housing in the City by location, price, type and tenure, especially for those with low and moderate income and households with special needs.
2. Achieve balanced growth in the City by designating the suitable sites for residential development.
3. Conserve and improve the condition of the existing affordable housing stock within the City.
4. Reduce residential energy usage within the City, thereby reducing overall housing costs.
5. Promote and support equal housing opportunity for all residents of the City regardless of race, color, national origin, ancestry, religion, marital status, familial status, sex or disability.
6. Facilitate the maintenance, improvement, and development of housing commensurate with local needs.
7. Support the provision of adequate housing to meet the needs of all economic segments of the community.

3.4. QUANTIFIED OBJECTIVES

The quantified objectives of this Housing Element for new construction, rehabilitation and conservation are included below:

TABLE III-75
QUANTIFIED OBJECTIVES

Income Groups	New Construction	Rehabilitation	Conservation
Extremely Low-Income	436	2	26
Very Low Income	437	3	9
Low-Income	618	4	0
Moderate-Income	705	5	0
Above-Moderate Income	1,645	10	0
Total	3,841	24	35

4.0 **HOUSING PROGRAM (revised 3/18/2013)**

The purpose of this section is to formulate a set of Housing Element Action Programs that will guide the City of Banning and all of its housing stakeholders toward the preservation, improvement and development of housing for all economic levels. The City intends to create a municipal climate that encourages varied and quality affordable housing developments by both the public and private sectors.

The City has identified housing action programs to meet the housing needs of all economic segments of the population during the 2008-2014 Housing Element period. Action Programs will establish specific time frames for achieving adopted goals, and objectives. Department/agency responsibility and funding source is also indicated. The policies and programs adopted by the City relate to four strategies:

- Provide housing opportunities for all segments of the community to meet current and future needs.
- Maintain and improve the quality of the existing housing stock and preserve existing residential neighborhoods.
- Ensure that new housing is compatible with existing development and the natural environment.
- Promote equal housing opportunities for all Banning residents.

4.1 GOALS, OBJECTIVES, POLICIES AND ACTION PROGRAMS

4.1.a. GOALS

The housing goals for the 2008-2014 Housing Element are as follows:

1. Provide adequate housing in the City by location, price, type, and tenure, especially for those of low and moderate income and households with special needs.
2. Achieve balanced growth in the City by designating suitable sites for residential development.
3. Conserve and improve the condition of the existing affordable housing stock within the City.
4. Reduce residential energy usage within the City and thereby reduce overall housing costs.
5. Promote and support equal housing opportunity for all residents of the City, regardless of race, religion, marital status, age, sex, nationality, physical disabilities, family size, source of income, or other arbitrary factor.

6. Facilitate the maintenance, improvement, and development of housing commensurate with local needs.
7. Support the provision of adequate housing to meet the needs of all economic segments of the community.

4.1.b OBJECTIVES, POLICIES, AND ACTION PROGRAMS

Objective 1: HOUSING OPPORTUNITIES AND ACCESSIBILITY

The City will encourage the construction of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet existing and future needs for all income groups including extremely low income. The provision of a balanced inventory of housing in terms of unit type (e.g. single-family, multifamily, etc.), style, and affordability levels will allow the City to fulfill a variety of housing needs.

Policies

1. Provide a wide range of housing types to meet the existing and future needs of the residents of the City of Banning.
2. Encourage alternative opportunities for, and development of, housing units affordable to all residents within the City.
3. Encourage the development of housing and programs to assist special needs persons, including emergency shelters, transitional housing, and SRO units.
4. Provide the opportunity for affordable housing in every part of the City.
5. Provide homeownership opportunities whenever possible.

Action Programs in Support of Objective 1: Housing Opportunities and Accessibility

1. **Program:** The City shall amend the Zoning Ordinance to define Transitional and Supportive Housing in accordance with the Health and Safety Code, Sections 50675.14 and 50675.2, and also specify that both types of housing shall be treated as residential uses of property, subject to the same restrictions/regulations as other types of housing in the same zoning district.

Anticipated Benefit: Increased opportunities to develop both types of housing, thereby increasing homeless services and supportive capabilities in the community for those transitioning from homelessness to self sufficiency.

Responsible Agency: Community Development Department, Planning Commission, & City Council.

Financing: Department Budget.

Schedule: Zoning Ordinance Amendment to be completed by August, 2013

2. **Program:** In order to provide a wider variety of residential development opportunities in Banning for households of all income levels, in accordance with the Regional Housing Needs Assessment, zoning amendments will be initiated to redesignate sites totaling at least 45.97 acres, as shown in Appendix H Table X-5, to Very High Density Residential. Rezoned sites will allow owner- and renter-occupied multi-family residential development by-right at a minimum density of 20 units/acre and a maximum density of 30 units/acre and sites shall accommodate at least 16 units per site. At least 50% of the capacity of rezoned sites shall be provided on sites allowing exclusively residential use.

Anticipated Benefit: Rezoned sites will ensure that adequate capacity is available to accommodate the City's affordable housing needs, including lower income (and extremely low-income) households as identified in the Regional Housing Needs Assessment for the current planning period.

Responsible Agency: Community Development Department, Planning Commission, & City Council.

Financing: Department Budget.

Schedule: Initiation of zoning amendments by June 2013.

3. **Action Program:** Continue to update elements of the General Plan, as needed.

Anticipated Benefit: Assurance that land is designated for residential development needs through 2014.

Responsible Agency: Banning Community Development Department.

Financing: CDBG Planning and Technical Assistance Grant and General Fund.

Schedule: As per State law thereafter.

4. **Action Program:** The Share Housing programs operated by Riverside County assist low-income individuals, including seniors and farmworkers, to locate roommates to share existing housing in the community; the majority of the program's applicants are senior citizens. Services offered include information and referral, outreach, client counseling, placement

and follow-up. Shared housing provides an affordable housing alternative for many single-person households. The City will publicize the program on the City web site and also by producing a flyer to be placed at the front counter.

Anticipated Benefit: Affords additional options and availability of affordable housing to residents in the City that may otherwise be forced to overpay for housing.

Responsible Agency: Community Development Department, , and Riverside County Staff.

Financing: Riverside County.

Schedule: First public notice produced by July, 2009; Continuous and On-going through 2014.

5. **Action Program:** Coordinate with homeless service providers and law enforcement agencies in the City of Banning and Riverside County to monitor the number of homeless persons residing in Banning, and facilitate finding housing for those in need of shelter. The City will fund an active public relations campaign (community flyers and web site postings) to actively market the City's programs (see Program 1-5 below).

Anticipated Benefit: Will promote the awareness and availability of services for homeless persons, therefore, decreasing the number of persons without shelter.

Responsible Agency: Community Development Department, and Planning Commission.

Financing: General Fund Budget.

Schedule: First public notice and mailer due by July 2009, Annual campaign thereafter through 2014.

6. **Action Program:** The City Zoning Ordinance currently permits Single Room Occupancy hotels (SRO's) in the GC and HSC Commercial zoning designations.

To further demonstrate the City's commitment to housing opportunities, particularly for those in the extremely low income (ELI) category, Single Room Occupancy (SRO's) developments shall be encouraged and facilitated through identification of potential locations and through city assistance with grant writing for the development of SRO projects. The City shall prepare and maintain a map of suitable sites to be kept on file in the Community Development Department to facilitate developers in finding suitable sites for

such projects. In accordance with Program 5-4, projects, including SRO's targeted to extremely low income households, will be eligible for a reduction or waiver of City of Banning application and processing fees.

Anticipated Benefit: Increased affordable housing opportunities for extremely low income persons.

Responsible Agency: Community Development Department.

Financing: Community Development Department budget.

Schedule: Creation of map by December 2009, annual updates thereafter, through 2014.

7. **Action Program:** Establish a Homeownership Education Program (HEP) for prospective homebuyers as well as for renters (potential future purchasers). This educational program will assist those considering purchasing a home in understanding the process and helping them decide if the timing is right to make a home purchase.

Anticipated Benefit: By offering education about the home buying process, eliminating myths, and providing clear, factual information, the City will help insulate itself and prospective home buyers, as well as renters, from default, or other financial difficulties in the long term.

Responsible Agency: Community Development Department.

Financing: Community Development Department budget.

Schedule: Program and procedures identified by July 2010, and On-going thereafter, 2008-2014.

8. **Action Program:** Create incentives and reporting procedures that can be implemented to encourage and monitor the development of housing opportunities for special needs housing.

Anticipated Benefit: Will better streamline policies and procedures, thus making development of special needs housing more accessible.

Responsible Agency: Building Official, Community Development Department.

Financing: Community Development Department Budget.

Schedule: Procedures identified by July 2010, and On-going thereafter, 2008-2014.

9. **Action Program:** The City will actively work with interested developers to identify sources of funding for affordable multifamily housing, including; tax-exempt mortgage revenue bonds; HOME funds; HCD's Multifamily Housing Program; and tax credits. Affordable housing projects shall include projects to address the needs of large families in Banning. The City shall offer assistance to developers for projects that include units for large families, including new construction and room additions. In addition, the City shall provide letters of support for funding applications to further increase the chances for funding awards.

Anticipated Benefit: Increased opportunity for the development of affordable multi-family projects in the City.

Responsible Agency: Community Development Department.

Financing: County and State of California funding sources.

Schedule: A list of available funding sources shall be generated by the Planning Department and updated on an annual basis. The list shall be completed by July 2013 and be made available continuously on the City's web site.

10. **Action Program:** Riverside County has two programs to assist qualified families to purchase a home: First-Time Home Buyer Program and the Mortgage Credit Certificate program. The City will assist potential homeowners identified under the HEP program, and provide them with the information to access the County's programs.

Anticipated Benefit: Increased opportunity for the development of affordable rental and for-sale single family housing.

Responsible Agency: Community Development Department, and Riverside County.

Financing: State Bond funds administered by the County.

Schedule: Continuous and On-going, 2008-2014.

11. **Action Program:** The County of Riverside has initiated a Mortgage Credit Certificate Program for first time homebuyers. The City will continue to promote potential first time homebuyers to the County for approval, with the goal of funding 10 First Time Homebuyer applications per year, for a total of 60 during the housing element period. Additionally, the City will assist applicants with filling out the applications or other technical assistance.

Responsible Agency: Riverside County Staff, Community Development Department.

Financing: Department Budget.

Schedule: Continuous and On-going.

12. Action Program: To ensure that the City building codes, and development ordinances comply with the provisions of SB 520 (Chapter 671 of the Government Code), the City will revise the zoning ordinance to allow by right State licensed group homes, foster homes, residential care facilities, and similar state-licensed facilities in a residential zoning district, pursuant to state and federal law.

Anticipated Impact: Provision of foster homes, residential care facilities, and similar facilities.

Responsible Agency: Community Development Department, including Building Inspection Division .

Financing: Department Budget.

Schedule: Zoning Ordinance revision to occur by July 2009, annually thereafter through 2014.

13. Action Program: To better assess the need for farm worker housing, the City will determine, in partnership with farm owners and labor providers, the number of farm workers who may be in need of housing in the area surrounding Banning. The City will identify sites suitable for farm worker housing.

Anticipated Benefit: The City, in conjunction with local developers will identify potential sites and/or provide or seek financial assistance to prospective developers of housing for farm labor through the Joe Serna Farm worker Grant Program and other state programs.

Responsible Agency: Community Development Department, Planning Commission, and City Council.

Financing: General Fund Budget.

Schedule: Identify sites by December 2009; annual updates 2008-2014.

14. Action Program: Revise the City's Zoning Ordinance to ensure compliance with Employee Labor Housing Act, specifically H & S 17021.5 and 17021.6. Employee housing for six or fewer persons shall be considered a residential use of property.

Responsible Agency: Community Development Department, and Planning Commission.

Financing: Department Budget.

Schedule: Zoning Ordinance revisions to be completed by December 2010.

15. Action Program: Continue to use zoning and other land use controls to ensure the compatibility of residential areas with surrounding commercial and other non-residential uses.

Anticipated Benefit: Creation and maintenance of desirable living areas for all.

Responsible Agency: Community Development Department.

Financing: Department budget.

Schedule: Current and ongoing through 2014.

16. Action Program: Monitor the availability of vouchers and the waiting list for assistance under the Riverside County Housing Authority (RCHA) to meet the growing demand for public housing units and rental assistance. The City will continue to assist the authority by promoting the program with fliers and applications at City Hall, along with program information on the City's website.

Anticipated Benefit: Increased awareness of benefits to the program to increase opportunities for lower income housing, including extremely low-income.

Responsible Agency: Riverside County Housing Authority and Community Development Department .

Financing: HUD.

Schedule: Continuous and On-going 2008-2014.

17. Action Program: Adopt procedures as part an update to the Zoning Ordinance to provide reasonable accommodation for persons with disabilities that allow for administrative approval of handicapped accessible features.

Anticipated Benefit: Specified procedure that clearly outlines the handling of requests for reasonable accommodation in housing for persons with disabilities

Responsible Agency: Community Development Department, Planning Commission, and City Council.

Financing: City General Fund

Schedule: A Reasonable Accommodation Ordinance was adopted by the City Council on March 12, 2013.

18. **(The previous Program 18 is now covered under Program 2 above)**
19. **Action Program:** The City will provide technical assistance to property owners and developers in support of lot consolidation including identifying opportunities for potential consolidation and providing available funding and incentives to encourage consolidation of parcels as appropriate. For example, the Planning Department will utilize design, development, impact fee, processing and streamlining incentives, such as reduction in setbacks, parking requirements, and other standards, deferral or lowering of development fees if feasible to encourage densities, residential uses and lot consolidation, and to promote more intense residential development in the Downtown Specific Plan area. Information on these financial and regulatory incentives will be made available at City Hall.

Anticipated Benefit: Promote development of one mixed use project for lower and moderate-income households

Responsible Agency: Community Development Department

Financing: City General Fund, Tax Credits, HOME funds, CDBG, CHFA funds, HUD, Local Lenders

Schedule: Ongoing 2008-2014; Sites will be made available during the 2008-2014 planning period.

Schedule: Ongoing 2008-2014

Objective 2: MAINTENANCE AND PRESERVATION

The objective of housing maintenance and preservation is to protect the existing and investment in housing and to avoid a degree of physical decline that will require a larger rehabilitation effort to restore quality and value. The housing conditions survey identified concentrated districts of deferred housing maintenance in the City's Central Core and East Banning in particular. Housing rehabilitation efforts will continue to be focused in these areas to facilitate unit upgrading.

Policies:

1. Correct housing deficiencies with expansion of a residential rehabilitation program to preserve and protect the existing housing throughout the City. Promote the substantial rehabilitation of deteriorated dwellings on an average annual rate of four (4) units per year (2 low income, 1 very low income and 1 extremely low income), or 24 units by 2014.
2. To bring substandard housing units into compliance with City codes and upgrade/revitalize blighted neighborhoods. The programs shall target units at extremely low, very low, and low-incomes.
3. Continue to use available state and federal funds for housing rehabilitation, in a manner that will benefit the largest number of lower income households, including extremely low income.
4. Allow utilization of rehabilitation assistance funds to alleviate overcrowded conditions.
5. Encourage the rehabilitation of substandard dwelling units instead of requiring their demolition, whenever possible, to preserve the existing affordable housing stock.
6. Utilize the neighborhood enhancement capabilities of the City to ensure that landlords renting unsanitary and unsafe housing units correct identified code violations.
7. Encourage continued maintenance of currently sound housing through a local information and assistance program.
8. Ensure that all new housing units constructed in the City are safe and livable through vigorous enforcement of the Uniform Building Code.
9. Minimize and prevent where possible the displacement of residents due to City assisted rehabilitation activities.
10. Preserve the physical character of existing neighborhoods.

Action Programs in Support of Objective 2; Maintenance and Preservation

1. **Action Program:** The City will continue to pursue grant programs, such as HOME and CDBG for the rehabilitation of lower income, including extremely low income owner/renter occupied housing units in Banning. The City is committed to prioritizing funding as it becomes available to target projects benefitting extremely-low-income households. In accordance with the limitations outlined in Program 5-4, projects may be eligible for the deferral and/or waiver of Banning application and processing fees.

Anticipated Benefit: More efficient and productive use of land zoned for residential purposes.

Responsible Agency: Banning Community Development Department.

Financing: Department of Housing and Urban Development (HUD), via County of Riverside Consortium.

Schedule: Continuous and ongoing, 2008-2014.

2. **Action Program:** The Riverside County Community Development Department administers a Home Improvement Program to provide loans to eligible lower income families for necessary home repair and rehabilitation work, including room additions to alleviate overcrowding. The City will continue utilizing a public notification program to publicize assistance offered by the County. The program consists of flyers available at the City Planning counter, a bi-annual mailer, and a notice on the City's web site.

Anticipated Benefit: Improved awareness of and participation in the County program.

Responsible Agency: Community Development Department, on behalf of Riverside County.

Financing: Community Development Department budget .

Schedule: Continuous and On-going, 2008-2014.

3. **Action Program:** The Banning Redevelopment Agency has established the Housing Exterior Rehabilitation Assistance Program (ERA), funded with Redevelopment Agency set-aside funds. The current program assists households with minor rehabilitation activities, mostly exterior improvements, paint, and windows. The City will expand the ERA program to include substantial rehabilitation work, including but not limited to, roof repair, foundation repair, electrical upgrades, and major appliances. The program will also be expanded to include energy efficiency improvements (see Program 4-3). Delete program?

Anticipated Benefit: To increase the number of rehabilitated dwellings to maintain housing stock affordable to lower income families, including extremely low income, preventing the displacement of residents from their homes. The target is four (4) projects per year.

Responsible Agency: Redevelopment Agency.

Financing: Redevelopment Agency 20 percent Set-Aside Funds.

Schedule: Program guidelines to be established by July, 2009; continuous thereafter, throughout Housing Element period, 2008-2014.

4. **Action Program:** The City will identify potential code violations on a proactive basis, utilize property maintenance inspections, and also work with property owners to resolve code and property maintenance issues to maintain the quality of housing units in the City. The City has brought Code Enforcement and Building Inspection staff under one department, and engaged in a cross-training effort to more actively and efficiently address code violations and also to improve communication, and facilitate the flow of funding to properties in need of improvement.

Anticipated Benefit: Decrease the number of unresolved code violations within the City and increase the number of improved properties.

Responsible Agency: Code Enforcement, and Building Inspection, and Banning Redevelopment Agency Staff.

Financing: Community Development Department Budget .

Schedule: Cross training established by July, 2009; On-going thereafter through Housing Element period, 2008-2014.

5. **Action Program:** The City shall pursue participation in the HUD sponsored Neighborhood Stabilization Plan Grant program to assist with the purchase of foreclosed homes at a discount.

Anticipated Benefit: Decrease the number of dilapidated housing units, increased supply of affordable housing, and improve neighborhood quality.

Responsible Agency: Community Development Department.

Financing: HUD Neighborhood Stabilization Plan Grant.

Schedule: On-going, 2008-2014, upon release of NOFA (typically twice per year).

6. **Action Program:** The City of Banning will continue to pursue State and Federal funding sources such as the HOME and MHP to assist at-risk units in the City. The City shall continue to be the source for information and technical assistance to potential purchasers and tenants of properties that could potentially convert to market rate. Within one year of the adoption of the Housing Element, the City will contact area non-profits to develop a preservation strategy so that both the City and developers are prepared to act quickly upon notice of units becoming at risk. The City will monitor the owners of at-risk projects on an ongoing basis, at least every three months, in coordination with other public and private entities to determine their interest in selling, preparing, terminating, or continuing participation in a subsidy program. The City will also actively engage property owners to take advantage of deferred loan programs for rehabilitation, mortgage refinancing, and acquisition to keep units affordable long term (typically 55 years)

Anticipated Benefit: Preservation of the identified 35 lower income rental units that are at risk of converting to market rate housing within the next 10 years; as other units are identified, the City will also actively engage property owners to take advantage of deferred loan programs for rehabilitation, mortgage refinancing, and acquisition to keep units affordable for a long term (typically 50 years).

Responsible Agency: Community Development Department .

Financing: HOME funds, Tax-exempt mortgage revenue bond, tax credits.

Schedule: The City will develop a preservation strategy by July 2013; active coordination continuous and on-going thereafter through 2014.

Objective 3: REMOVE CONSTRAINTS

This objective is intended to remove constraints that hinder the construction of affordable housing.

Policies:

1. Provide the citizens in the City of Banning with reasonably priced housing opportunities within the financial capacity of all members of the community.
2. Provide technical assistance to developers, nonprofit organizations, or other qualified private sector interests in the application and development of projects for federal and state housing program/grants.
3. Periodically reexamine local building and zoning codes, in light of technological advances and changing public attitudes, for possible

amendments to reduce housing construction costs without sacrificing basic health and safety considerations.

4. Charge development fees that do not unreasonably contribute to the cost of housing.

Action Programs in Support of Objective 3; Remove Constraints

1. **Action Program:** Require active participation in an annual meeting of local lending institutions to foster high performance with regard to the Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA). A meeting shall be hosted annually by the City to encourage progress and participation, the first meeting to occur by July, 2009.

Anticipated Benefit: Assurance that conventional financing is available to all economic segments of the community.

Responsible Agency: Community Development Department, Redevelopment Agency.

Financing: Department budget.

Schedule: Biennial review of HMDA/CRA statements, annual meeting throughout Housing Element period, 2008-2014.

2. **Action Program:** Periodically reexamine the Zoning Ordinance (i.e. every 2 years) for possible amendments to reduce housing construction costs without sacrificing basic health and safety considerations.

Anticipated Benefit: Utilization of codes that do not unnecessarily add to the cost of housing, while reflecting technological advances and changing public attitudes.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: Every two (2) years.

3. **Action Program:** Periodically survey (i.e., every 2 years) development fees of other cities in the Riverside County area to ensure that the City's local development fees are reasonable in comparison.

Anticipated Benefit: Assurance that local development fees are reasonable and do not unnecessarily contribute to the cost of housing.

Responsible Agency: Community Development Department.

Financing: Department budget; possible CDBG Planning and Technical Assistance Grant.

Schedule: First survey to be completed by July 2009, then every 2 years thereafter through 2014.

4. **Action Program:** The City shall continue to encourage developers to take advantage of concurrent processing of entitlement projects offered by the City to reduce costs and processing times. Department staff will notify applicants upon project submittal of the City's LDTF policy and place public notice of the City's policies on the web site.

Anticipated Benefit: Reduction in overall development processing time, resulting in greater time and cost savings to applicants.

Responsible Agency: Community Development Department.

Financing: Departmental Budget.

Schedule: Continuous and on going through 2014.

5. **Action Program:** The City shall adopt streamlined permit processing procedures and a "one-stop shopping" counter to expedite the development of affordable housing projects, as such developments come under the consideration of the City.

Responsible Agency: Community Development Department and Building Department.

Financing: Department General Fund budget.

Schedule: The one stop shopping counter to be established by December 2009, continuous and ongoing thereafter through Housing Element Period, 2008-2014.

6. **Action Program:** Prepare a Zoning Ordinance to implement a reduced parking requirement for residential projects serving lower income groups, including extremely low-income groups and special needs groups, and/or which is located close to public transportation or commercial services. On a case-by-case basis, projects targeting extremely low income (ELI) households may eliminate up to a maximum of 90% of the otherwise required off-street parking, excluding the need for employee and guest parking. The total amount of parking waived shall be determined by the number of units affordable to extremely low income persons.

Responsible Agency: Community Development Department.

Financing: Department budget.

Schedule: The City Council adopted the parking standards for affordable housing as part of the density bonus ordinance on March 12, 2013.

7. **Action Program:** Monitor the Design Review process to ensure it does not constrain residential development, particularly for projects containing five (5) or more units, including multifamily housing affordable to low and moderate income households. The planning department will complete an annual review to evaluate application processing and analyze processing times and the impact of conditions of approval to determine whether the Design Review process acts as a significant constraint on residential development. The review will be presented in an annual staff report to the Planning Commission and made publicly available.

If the Design Review process is found to adversely constrain large (5 or more units) residential projects, the City will take action to amend Design Review or establish guidelines and other mechanisms to reduce processing times to the extent feasible by State law, or to develop alternate procedures as may be necessary. The review will be conducted as part of the City's Housing Element Annual Report submitted to the state.

Responsible Agency: Community Development Department.

Financing: Department budget.

Schedule: Fast track development review was implemented in July 2009 and is on-going.

Objective 4: ENVIRONMENT, CONSERVATION AND COMMUNITY SENSITIVITY

The City maintains an on-going awareness to ensure that residential growth is sensitive to the needs and limitations of energy resources, and the social needs of the community. The City will encourage development that will accommodate available community resources and infrastructure, and which is designed to minimize impacts on the natural environment, including energy and other resources.

Policies:

1. Ensure that all new residential construction is compatible with the surrounding neighborhood.
2. Ensure that all new residential construction maintains environmental integrity.
3. Encourage the use of energy conserving techniques in the siting and design of new housing.
4. Actively enforce all state energy conservation requirements for new residential construction.
5. Encourage and promote the use of energy conservation techniques above and beyond Title 24 including but not limited to LEED certification in housing units to increase opportunities for energy conservation and reducing overall long term housing costs.

Action Programs in Support of Objective 4: Environment Conservation and Community Sensitivity

1. **Action Program:** To encourage developers/property owners to incorporate energy conservation techniques into the siting and design of proposed residences, the City will augment the current design guidelines by either adopting a set of sustainable design guidelines, or incorporating guidelines into a City-wide design book. In order to encourage the use of the new guidelines, the City will provide user friendly access and links to information about energy friendly techniques.

Anticipated Benefit: Minimize energy consumption in new housing projects.

Responsible Agencies: Community Development Department, Utility Department.

Financing: Department budget.

Schedule: Supplemental design guidelines to be adopted by December 2010.

2. **Action Program:** Regularly examine new residential construction methods and materials, and upgrade the City's residential building standards as appropriate.

Anticipated Benefit:

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: Annually through 2014.

3. **Action Program:** Expand existing energy program guidelines to allow energy conservation measures as improvements eligible for assistance under the City's residential rehabilitation program. Additional measures could include, but would not be limited to, a minimum SEER 13 air conditioning efficiency in all retrofits, the use of R-10 insulation in exterior walls, incorporation of dual glazed windows, and the use of R-38 insulation for ceiling. Reduced costs available through the rehabilitation program, and lower long-term energy costs, will encourage homeowners to install energy efficient measures.

Anticipated Benefit: Reduction in energy consumption in existing residences.

Responsible Agency: Community Development Department.

Financing: CDBG, HOME, and Western Riverside Council of Governments through their HERO (Home Equity Retrofit Opportunities) program .

Schedule: The guidelines were adopted in August 2009; then ongoing through 2014.

4. **Action Program:** The City shall continue to require that, at a minimum, all new residential development comply with the energy conservation requirements of Title 24 of the California Administrative Code.

Anticipated Benefit: Compliance with State energy efficiency requirements.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: Continuous and On-going through 2014.

5. **Action Program:** To promote future in energy efficient priorities, the City shall prepare a sustainable PRD set of standards or an addition to the PRD Ordinance for sustainable projects early in the housing element period. The standards shall use the criteria established by LEED and/or recognized Green Building codes addressing the following conservation areas of focus.

Anticipated Benefit: Long-term increases in energy efficient projects and reduced energy costs.

- Sustainable site development
- Water savings;
- Energy efficiency;
- Material selection; and
- Indoor environmental quality.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: The Green Building Code was adopted in January 2010, continuous, implementation thereafter through 2014.

Objective 5: HOUSING AVAILABILITY AND PRODUCTION

This directive is intended to provide adequate, suitable sites for residential use and development or maintenance of a range of housing that varies sufficiently in terms of cost, design, size, location, and tenure to meet the housing needs of all economic segments of the community at a level which can be supported by the infrastructure.

Policies:

1. Provide information to for-profit and non-profit developers and other housing providers on available vacant land.
2. Continue to provide opportunities for mixed-use development.
3. Provide a sufficient amount of zoned land to accommodate development for all housing types and income levels.
4. Employ a range of housing densities to provide housing for all economic segments of the community consistent with good planning practice.
5. Maximize use of vacant land within the City and contiguous to existing development in order to reduce the cost of off-site improvements and create a compact City form.
6. Ensure the compatibility of residential areas with surrounding uses through the separation of potentially hazardous or damaging uses, construction of adequate buffers, and other planning and land use techniques.
7. Continue to provide opportunities for mixed use development, particularly adaptive reuse, where appropriate, to achieve a higher density housing mix.
8. Require that adequate public and private services and facilities are or will be provided to all new residential developments as a prerequisite for their approval.
9. Promote and encourage the use of innovative construction techniques.

Action Programs in support of Objective 5; Housing Availability and Production.

1. **Action Program:** The City will update the inventory of vacant land on an annual basis or as projects are constructed. In addition, as projects are approved the City will update the website to show current projects.

Anticipated Benefit: Keep the residents and potential developers informed of projects currently being planned or proposed in the City.

Responsible Agency: Planning and Engineering Divisions.

Financing: Department Budget.

Schedule: Continuous and On-going through 2014.

2. **Action Program:** Inform residents of the below market interest rate mortgage programs operated by the California Housing Finance Agency (CalHFA) and direct interested property owners to CalHFA, as a means to facilitate homeownership for low and moderate income households. The City's Redevelopment Agency will provide an annual direct mailing to all citizens through the utility billing notices, advertising the CalHFA program.

Anticipated Benefit: Production of new, affordable housing for purchase by low and moderate income, first-time homebuyers.

Responsible Agency: Community Development Department and Redevelopment Agency

Financing: CHFA Home Mortgage Purchase Program.

Schedule: Annual mailing, current and on-going through 2014.

3. **Action Program:** The City will work with non-profit and for-profit developers of affordable housing to apply for available funding sources such as MHP, Joe Serna Farmworker Housing Grant Program, CalHome, Low Income Housing Tax Credits, tax-exempt bonds, and Proposition 1-C funds. The City will offer incentives to expedite processing and approvals for affordable housing projects, including offering the waiver of processing fees for projects that include 'affordable units. In instances where affordable projects include units targeted to extremely low income households, on a case-by-case basis, the City will waive the payment of processing fees, as an additional incentive.

The City will also provide letters of support for funding applications during the application process to increase the chances of a project being awarded funds.

Anticipated Benefit: Increase the supply of affordable housing for large families, for extremely low-income households, and for special needs households including seniors and farmworker households.

Responsible Agency: Community Development Department.

Financing: MHP funds, Joe Serna Farmworker Housing Grants, Tax-exempt Mortgage Revenue bonds, Tax Credits, Proposition 1C.

Schedule: Current and On-going through 2014.

4. **Action Program:** To increase opportunities for a wider range of housing production in the City of Banning, and to provide additional avenues for the production of housing affordable to lower income households in higher density areas, the City shall adopt, as an amendment to the existing Zoning Ordinance, a new overlay district to be used in conjunction with the Downtown Commercial designation. The new Mixed Use Downtown Commercial (MUDC) designation will apply within the existing defined area of the Downtown Commercial district, in conformance with the intent of the General Plan. The permitted density range in the MUDC overlay zone will be no less than 16 units per acre (UPA), up to a maximum of 30 UPA.

Anticipated Benefit: By establishing an opportunity for high quality mixed development projects, including high density residential, in conjunction with commercial uses, the City will create additional development opportunities and increase the production of housing across all income ranges.

Responsible Agency: Community Development Department, Planning Commission, City Council

Financing: City General Fund

Schedule: The current Zoning Ordinance adopted on January 31, 2006 allows mixed use commercial and residential in the Downtown area

5. **Action Program:** In order to encourage and facilitate development of mixed use residential, as well as other allowed uses in the Mixed Use Downtown Commercial (MUDC) district, the City shall install infrastructure upgrades and public facilities (street, curb, gutter, sidewalk, drainage facilities, and utilities) to stimulate private investment in the district.

Anticipated Benefit: The City hopes to establish a high quality base condition in the MUDC district that will lead to increased investment downtown and encourage the development of mixed use commercial and residential projects, including units affordable to lower income households.

Responsible Agency: Community Development Department.

Financing: City General Fund

Schedule: Uncertain due to the dissolution of the Redevelopment Agency.

6. **Action Program:** To further incentivize the development of affordable housing for low and moderate-income households, the City will offer financial incentives to properties located within the MUDC district that offer specified affordability levels in residential projects. Subject to funding availability, the City will offer below interest rate loans for construction financing and/or permanent financing. Funding participation levels will be evaluated on a project-by-project basis, and will be dependent on the level and extent of affordability offered.

Anticipated Benefit: Encourage the development of additional affordable housing units by offering financial incentives to developers utilizing higher affordability levels.

Responsible Agency: Community Development Department

Financing: General Fund; grant funds

Schedule: Uncertain due to the dissolution of the Redevelopment Agency.

7. **Action Program:** The City shall work to establish partnerships with developers for the construction of affordable multi-family projects, including, but not limited to developers/builders with a proven track record of success in the Inland Empire. In anticipation of funding participation, the City will ensure that funding mechanisms and policies are in place to facilitate City financial participation in future projects. The level of City funding participation will be evaluated on a project-by-project basis.

Anticipated Benefit: Increased City visibility and role in working to develop affordable housing projects in the City. Establish the groundwork enabling the City to act in a partnering role financially in the development of additional affordable housing projects in the City.

Responsible Agency: Community Development Department, Planning Commission, City Council

Financing: General Fund

Schedule: Uncertain due to the dissolution of the Redevelopment Agency.

8. **Action Program:** The City shall annually apply for or support development and rehabilitation applications for State and Federal funding for affordable housing, including the following funding sources:

Pursue Key Federal Affordable Housing Funding Sources: Successful implementation of housing programs to create affordable housing depends on a community's ability to pursue additional funding sources. This program

focuses on the six funding sources that are most pertinent to Banning: CDBG and HOME, and Section 523.

Community Development Block Grant (CDBG): The State Department of Housing and Community Development (HCD) administers the federal CDBG program for non-entitlement cities and counties. Banning is eligible to apply to HCD for CDBG funding.

HOME: Under the HOME program, HUD will award funds to localities on the basis of a formula that takes into account the tightness of the local housing market, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist either rental housing or homeownership through acquisition, construction, reconstruction, and/or rehabilitation of affordable housing. Also possible is tenant-based rental assistance, property acquisition, site improvements, and other expenses related to the provision of affordable housing and for projects that serve a group identified as having special needs related to housing. The local jurisdiction must make matching contributions to affordable housing under HOME.

USDA Section 523 Mutual Self-Help Housing Program: Technical assistance and site grants are provided to homeowners who complete at least 65 percent of the work to build his or her own home through "sweat equity". Once accepted into the Self Help program, each individual enrollee generally applies for a Single-Family Housing Direct Loan (Section 502).

Anticipated Benefit: Securing of funding for expansion of affordable housing within the City of Banning to the maximum extent feasible. In addition, the applications for additional/continual funding would serve to counterbalance issues within the City related to the overpayment of rent through the expansion of affordable housing and increase the availability of funding.

Responsible Agency: Community Development Department .

Financing: HUD/Riverside County, USDA.

Schedule: Twice annually and on-going 2008-2014.

9. **Action Program:** The Zoning Ordinance shall be revised to incorporate updated Density Bonus provisions, with options, as per SB 1818.

Anticipated Benefit: Compliance with State density bonus law.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: The ordinance was adopted by the City Council on March 12, 2013.

10. Action Program: Annually review the Housing Element for consistency with the General Plan as part of its General Plan progress Report.

Anticipated Benefit: Ensuring the most up-to-date information is available enabling the City to make better decisions.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: Annually (due to State of California by April 1st of each year)

11. Action Program: Continue to utilize the City's General Plan and Zoning Ordinance to prevent the encroachment of incompatible uses into established residential areas.

Anticipated Benefit: Protection of established residential neighborhoods from incompatible land uses.

Responsible Agency: Community Development Department.

Financing: Department budget.

Schedule: Current and On-going through 2014.

12. Action Program: To ensure adequate sites are available throughout the planning period to meet the City's RHNA, the City will continue to annually update an inventory that details the amount, type, and size of vacant and underutilized parcels to assist developers in identifying land suitable for residential development and that also details the number of extremely low-, very low-, low-, and moderate-income units constructed annually. If the inventory indicates a shortage of available sites, the City shall rezone sufficient sites to accommodate the City's RHNA.

To ensure sufficient residential capacity is maintained to accommodate the RHNA need, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863. Should an approval of development result in a reduction of capacity below the residential capacity needed to accommodate the remaining need for lower-income households, the City will identify and zone sufficient sites to accommodate the shortfall pursuant to AB 2292.

Anticipated Benefit: Ensure availability of adequate sites for development commensurate with the RHNA throughout the planning period.

Responsible Agency: Community Development Department

Financing: City General Fund

13. Action Program: The City shall revise the Zoning Ordinance to adopt a new Second Unit Ordinance that satisfies the provisions found under the amended Gov't Code Section 65852.2 which requires that second units be ministerially reviewed and approved.

Anticipated Benefit: Reduced constraints on the development of residential second as an additional source of affordable housing.

Responsible Agency: Community Development Department and Building Department

Financing: Department General Fund Budget

Schedule: The Second Unit Ordinance was adopted on January 26, 2010.

14. Action Program: In order to further encourage and facilitate the development of Second Units to increase affordable housing opportunities, the City shall prepare and adopt standard "second unit" building plans for use by applicants at a reduced cost or no cost.

Anticipated Benefit: Increases ease of use for applicants desiring to build second units and facilitates applicants/property owners getting through the process faster and at less cost.

Responsible Agency: Community Development Department and Building Department

Financing: Department General Fund Budget

Schedule: Standard second unit plans to be available before the end of Fiscal Year 2013-2014 if staffing is available, Continuous and Ongoing thereafter, throughout Housing Element Period, 2008-2014.

This is covered under Program 12 above

16. Action Program: The City shall amend the Zoning Ordinance to identify one zoning district that will allow the development of homeless shelters by-right, without the need for discretionary approvals. The City will designate the AI, Airport Industrial district as the appropriate zoning

district to accommodate emergency shelters by right. The City shall also ensure that the capacity exists to develop one shelter within the next year.

Anticipated Benefit: Increased opportunity for the development of homeless shelters, addressing the needs of the homeless population.

Responsible Agency: Community Development Department, Planning Commission and City Council.

Financing: General Fund Budget

Schedule: Zoning Ordinance amendment to be completed by July 2013.

Objective 6: PROVIDE HOUSING FREE FROM DISCRIMINATION

This objective is intended to ensure that all existing and future housing opportunities are open and available to all members of the community without discrimination on the bases of race, color, religion, sex, national origin or ancestry, marital status, age, household composition or size, or any other arbitrary factors.

Policies:

1. Eliminate housing discrimination.
2. Support the letter and spirit of equal housing opportunity. Ensure all new multifamily construction meets the accessibility requirements of the federal and State fair housing acts through local permitting and approval processes.
3. Increase or maintain resources to establish and support outreach, public education and community development activities through community based or neighborhood organizations.

Action Programs in support of Objective 6; Provide Housing Free from Discrimination

1. **Action Program:** Conduct annual meetings with all recipients of locally administered housing assistance funds to assure their understanding of fair housing law and affirm their commitment to the law.

Responsible Agency: Community Development Department and City Attorney.

Financing: Department Budget.

Schedule: First meeting by July 2009, annually thereafter through 2014.

2. **Action Program:** Provide fair housing materials to residents, including all pertinent resource, posters and information available through the Department of Fair Employment and Housing (DFEH) and Housing and Urban Development (HUD) to educate on a variety of fair housing issues. Develop information flyers and brochures that highlight (1) disability provisions of both federal and state fair housing laws and (2) familial status discrimination. Distribute fair housing materials, brochures and flyers at outreach events, including school fairs, health fairs, and City sponsored events. Collaborate with service agencies to distribute educational materials.

Anticipated Benefit: Creation of an information file containing all pertinent materials.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: First fliers to be created by July 2009, then annually thereafter through 2014.

3. **Action Program:** Maintain active dialogue with the State Fair Employment and Housing Commission who will work with the Community Development Director to resolve complaints of housing discrimination.

Responsible Agency: Community Development Department.

Financing: Department Budget.

Schedule: Continuous and On-going through 2014.

Appendix H Residential Land Inventory

This Appendix summarizes the realistic potential development capacity of vacant and underutilized parcels that are suitable for residential development. The assumptions regarding affordability and realistic capacity of vacant sites are described below.

Affordability Assumptions for Vacant Sites

Housing Element law (AB 2348 of 2004) provides “default densities” that are assumed to be adequate to facilitate the production of lower-income housing. For most cities in metropolitan counties, including Banning, the default density is 30 units/acre. Banning is located in an area of Riverside County where prices and rents are typically lower than areas in the far western part of the county (e.g., Corona, Riverside) which are close to major job markets in Orange and Los Angeles counties, or the more expensive resort areas of the Coachella Valley (e.g., Palm Springs, Indian Wells). Unlike those areas, Banning has very low land cost that makes virtually all market-rate multi-family housing affordable to lower-income households. For comparison, in the City of San Jacinto (which is immediately south of Banning) every new multi-family or condominium project built in recent years, regardless of density (including market-rate projects) has been affordable at low-income prices and rents. In fact, even new single-family detached homes are selling at prices affordable at low-income levels. Conversations with non-profit housing developers familiar with this market area confirmed that densities of 16-18 units/acre are desirable for affordable multi-family projects.

Based on these local conditions, potential new units in the land inventory are allocated to income categories as follows:

- **Lower income:** HDR sites (11-18 units/acre) and sites proposed to be rezoned to Very High Density Residential allowing a density of 20-30 units/acre are assigned to the lower-income category. Potential second units are also included in the low-income category.
- **Moderate income:** Parcels designated for Medium Density Residential (up to 10 units/acre) and High Density Residential (up to 18 units/acre) are assigned to the moderate-income category
- **Above moderate income:** Rural and Low Density Residential single-family parcels.

Realistic Capacity

The following density assumptions were used to estimate the realistic capacity of potential development sites:

- Low-Density Residential – 1 unit/acre
- Medium Density Residential - 5.1 units/acre
- High Density Residential – 16 units/acre

These assumptions are conservatively based on recent projects approved in the city.

In order to create additional capacity for lower-income housing commensurate with the RHNA, the Housing Plan (Chapter 4) includes Program 1-2 to process zoning amendments for the parcels identified in Table B-5, below. These parcels are proposed for redesignation to Very High Density Residential (20-30

units/acre). The realistic capacity for these parcels is conservatively assumed to be the midpoint of the allowable density range (25 units/acre).

The Housing Plan also includes Program 5-4 to establish a new Mixed Use Downtown Commercial overlay zone for the downtown area. The overlay zone would allow multi-family or mixed-use development with a density range of 16-30 units/acre. Realistic capacity for these parcels (Table H-6) is conservatively assumed to be 20 units/acre.

Land Inventory Summary

The following tables show the City's land inventory for the current planning period. Table H-1 shows the net remaining regional housing need, while Table H-2 summarizes the land inventory compared to the remaining need. Table H-3 shows approved projects while Table H-4 contains a parcel-specific inventory of vacant residential sites based on current zoning designations and the realistic capacity assumptions noted above. Figure H-1 shows the location of buildable vacant parcels designated for residential development. The parcels to be rezoned to Very High Residential are shown in Table H-5 and Figure H-1, while the parcels in the Downtown overlay district are shown in Table H-6 and Figure H-2.

Table H-1
Net Remaining RHNA 2009-2014

	Income Category					
	Ex. Low	Very Low	Low	Mod	Above Mod	Total
RHNA (total)	436	437	618	705	1,645	3,841
Units Completed or Approved 2006-2008 (Table III-67)	-	-		49	71	120
RHNA (net remaining)	436	437	618	656	1,574	3,721

Source: SCAG; City of Banning (Table III-67)

The land inventory analysis shows that with the proposed zoning amendments described in the Housing Plan (Chapter 4), the City will have adequate capacity to accommodate its share of regional housing need in all income levels for the planning period.

Table H-2
Land Inventory vs. RHNA

	Income Category			
	Lower	Mod	Above Mod	Total
Approved Projects (Table H-3)				
Approved projects – R-A			30	30
Approved projects – Very Low Density Residential			1,036	1,036
Approved projects – Low Density Residential			3,032	3,032
Approved projects – Medium Density Residential		2,607		2,607
Approved projects – High Density Residential		1,262		
Vacant parcels (Table H-4)				
Vacant parcels – Low Density Residential			137	137
Vacant parcels – Medium Density Residential		1,134		1,134
Vacant parcels – High Density Residential	1,805			1,246
Potential second units	5			5
Subtotal – existing capacity	1,810	5,003	4,235	10,489
Sites to be Rezoned (Table H-5)	917			1,149
Downtown Overlay Sites (Table H-6)	568*			568
Total land inventory	2,722	5,003	4,235	12,206
RHNA (net 2009-2014)	1,491	656	1,574	3,721
Adequate Sites?	Yes	Yes	Yes	Yes

Source: City of Banning, 3/2013

*These sites not counted toward the lower-income totals

Table H-3
Approved Residential Projects

APN	Project	GP/Zone	Specific Plan	Acres	Approved Units	Constraints
531-240-008, 009, 010	Tahiti Group	R-A		32.62	30	None
Total R-A				32.62	30	
543-150-001(need replaced parcel(s))	Carri Construction	VLDR		7.42	13	None
535-020-004, 016, 024, 535-030-039	Fiesta Dev.	VLDR		158.5	303	None
543-030-002-3	Haiem	VLDR		10	17	None
538-272-001	Martin	VLDR		4.08	6	None
537-150-005-7, 537-170-002-3, 537-190-001-5, 537-190-019-021	Rolling Hills Ranch	VLDR		145	213	None
543-020-021, 543-030-004, 543-040-001-2, 543-050-001-3	C. W. Teft	VLDR		452.51	484	None
Total VLDR				777.5	1,036	
531-080-010, 406-170-002, 406-200-004, 419-020-008-9, 006, 021,	Pardee-Deutsch	LDR	X	537.2	2,230	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	LDR	X	13.1	53	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	LDR	X	29.4	125	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	LDR	X	11.3	48	None

APN	Project	GP/Zone	Specific Plan	Acres	Approved Units	Constraints
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	LDR	X	25.5	108	None
535-180-002-5	Charter Mgmt/Galleher	LDR		2.83	9	None
534-183-014, 534-200-004, 008, 047	CitiCom/William Fox Homes	LDR		40.5	41	None
541-122-010	CTK Inc.	LDR		2.37	7	None
534-253-006-7	HLCD	LDR		6.42	26	None
541-082-016-18	Labastida	LDR		3.31	10	None
535-070-008	Madrid	LDR		19	53	None
534-152-022-025	Rifai	LDR		4.87	19	None
535-110-002, 006, 011, 012, 535-311-006-23, 535-312-001-24, 535-070-014	Gilman-St. Boniface	LDR		73	186	None
534-283-011, 014	TMS Homes, LLC.	LDR		7.083	23	None
535-070-004, 006	Madrid	LDR		16.48	44	None
535-030-038 (need replaced parcel(s))	Nordquist	LDR		6.3	19	None
534-171-008, 015, 534-172-002, 004	Vic Seth Const.	LDR		7.98	31	None
Subtotal LDR				807.4	3,032	
531-080-010, 406-170-002, 406-200-004, 419-020-008-9, 006, 021,	Pardee-Deutsch	MDR	X	325.4	1,961	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	MDR	X	24.2	127	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	MDR	X	20.8	109	None

APN	Project	GP/Zone	Specific Plan	Acres	Approved Units	Constraints
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	MDR	X	25.9	136	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	MDR	X	12.3	68	None
531-060-014-017, 032, 033-34, 531-070-002, 004, 006-9, 012-19, 535-060-002	Banning Bench/Loma Linda	MDR	X	23.5	170	None
540-250-006	Barbour Villas	MDR			36	None
<i>Subtotal MDR</i>				<i>419.8</i>	<i>2,607</i>	
531-080-010, 406-170-002, 406-200-004, 419-020-008-9, 006, 021,	Pardee-Deutsch	HDR	X	73.8	1,196	None
419-140-062	Careage Dev.	MDR (senior)		1.43	17 (32 beds)	None
541-103-024-25	Shadow Brooke Family Apts	HDR		2.03	49	None
<i>Subtotal HDR</i>				<i>77.26</i>	<i>1,262</i>	

*Note: W/WW infrastructure availability present for all approved project sites. Service subject to the payment of City hookup fees and installation/extension.

Table H-4
Residential Vacant Parcel Inventory

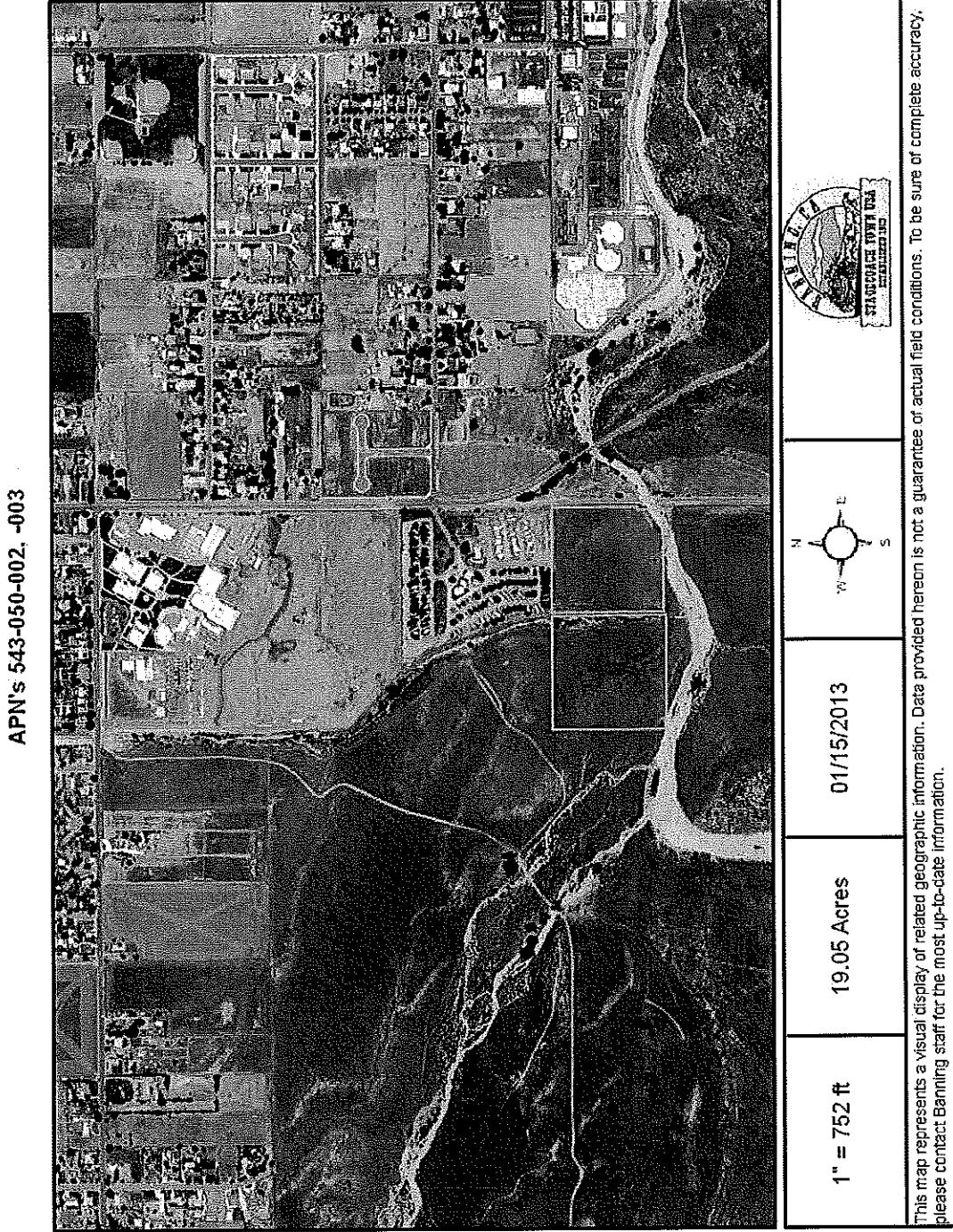
GP Desig.	APN_List	Acreage	Realistic Unit Capacity	Total Acreage
HDR	419034008	0.40	6	113.30
HDR	419140059	3.31	52	
HDR	532080004	55.80	892	
HDR	534161008	0.42	6	
HDR	534161009	0.67	10	
HDR	534161010	1.06	16	
HDR	537110003, 005, 006, 008	33.86	541	
HDR	537110008	15.24	243	
HDR	540082006 thru 008	0.56	8	
HDR	540083002	1.71	27	
HDR	540151021 - 022	0.27	4	
Total HDR Units			1,805	
LDR	532080001	29.63	29.63	137.23
LDR	532080004	40.91	40.91	
LDR	532080006	41.96	41.96	
LDR	537110007, 009	24.73	24.73	
Total LDR Units			137.23	
MDR	532080004	0.95	4.83	222.35
MDR	532080004	19.28	98.34	
MDR	532080005	21.00	107.12	
MDR	537110003	24.83	126.66	
MDR	537110003, 007, 008	27.08	138.12	
MDR	537110007, 008	18.91	96.43	
MDR	537110007, 009, 011	39.63	202.11	
MDR	537110008	28.54	145.58	
MDR	537190018	39.91	203.54	
MDR	538101027	0.24	1.21	
MDR	538150014	0.54	2.77	
MDR	538165005	0.23	1.18	
MDR	538173010	0.44	2.26	
MDR	540130025, 026	0.75	3.83	
Total MDR Units			1,133.97	
TOTAL			3,076	472.87

Realistic Unit capacity calculation based on LDR (1 UPA); MDR (5.1 UPA), HDR (11 UPA).

Table H-5
Residential Sites to be Rezoned
City of Banning

APN	Parcel Size (acres)	Existing Zoning	Proposed Zoning	Allowable Density (units/acre)	Assumed Density (units/acre)	Realistic Capacity (units)
543-030-003	7.51	VLDR	VHDR	20-30	20	150
543-030-019	2.53	VLDR	VHDR	20-30	20	50
543-040-002	8.86	VLDR	VHDR	20-30	20	177
543-050-002	10.00	VLDR	VHDR	20-30	20	200
543-050-003	9.05	VLDR	VHDR	20-30	20	181
543-090-003	1.13	Industrial	VHDR	20-30	20	22
543-090-014	0.17	Industrial	VHDR	20-30	20	3
543-090-016	3.00	Industrial	VHDR	20-30	20	60
543-090-017	3.72	Industrial	VHDR	20-30	20	74
Totals	45.97					917

Figure H-1 – Residential Rezoning Sites Map



APN's 543-030-003, -019; 543-040-002



1" = 752 ft	18.9 Acres	01/15/2013		
<p>This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Banning staff for the most up-to-date information.</p>				

APN's 543-090-003, -014, -016, -017



1" = 188 ft	8.02 Acres	01/15/2013		
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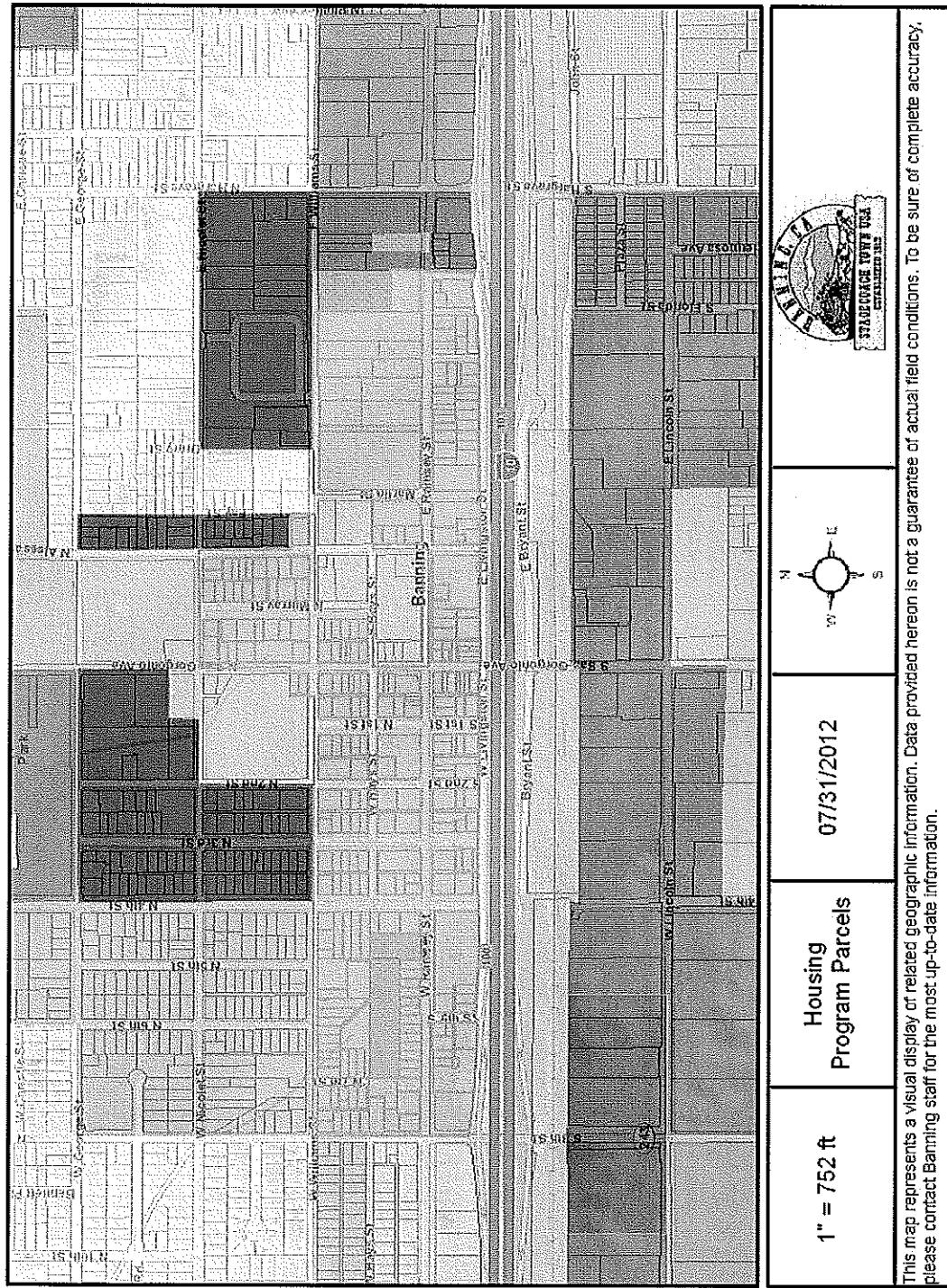
This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Banning staff for the most up-to-date information.

Table H-6
Downtown Overlay Sites
City of Banning

APN	Address			Parcel size (acres)	Realistic Capacity (25 du/ac)	Existing Use
540-153-004	235	N	SAN GORGONIO AVE	0.1341	3	vacant bldg
540-153-005	221	N	SAN GORGONIO AVE	0.1312	3	vacant
540-161-005				0.2126	5	vacant
540-161-006	182	N	4TH ST	0.2127	5	residential
540-161-010	116	N	4TH ST	0.1347	3	vacant
540-162-001	111	N	2ND ST	0.1327	3	church
540-162-002				0.1330	3	vacant
540-162-003				0.1337	3	vacant
540-162-004	181	N	2ND ST	0.3498	9	residential
540-162-008	142	N	3RD ST	0.1323	3	residential-c.1955
540-162-009	128	N	3RD ST	0.1323	3	commercial
540-162-010				0.1320	3	vacant
540-163-001	111	N	1ST ST	0.1332	3	residential
540-163-002	125	N	1ST ST	0.1324	3	vacant bldg
540-163-003				0.1333	3	vacant
540-163-004	157	N	1ST ST	0.1344	3	residential
540-163-005	177	N	1ST ST	0.2154	5	commercial
540-163-006	170	W	WILLIAMS ST	0.4836	12	residential
540-164-009				0.1330	3	vacant
540-164-010				0.1316	3	vacant
540-165-002	90	N	4TH ST	0.2542	6	commercial
540-165-003	56	N	4TH ST	0.1345	3	vacant
540-165-004	385	W	RAMSEY ST	0.1444	4	vacant
540-165-007	363	W	RAMSEY ST	0.1121	3	vacant
540-168-002				0.1067	3	vacant
540-168-004	66	N	1ST ST	0.2408	6	vacant bldg-c. 1920
540-168-010				0.0635	2	vacant
540-170-001	178	N	8TH ST	0.1191	3	residential
540-170-002	760	W	WILLIAMS ST	0.1192	3	residential
540-170-007	113	N	7TH ST	0.1450	4	residential
540-170-008	131	N	7TH ST	0.1463	4	residential
540-170-009	145	N	7TH ST	0.0460	1	residential
540-170-010	143	N	7TH ST	0.0975	2	residential
540-170-017	102	N	7TH ST	0.7982	20	residential
540-170-027	548	W	WILLIAMS ST	0.1999	5	residential
540-170-028	508	W	WILLIAMS ST	0.6089	15	residential
540-170-029	530	W	WILLIAMS ST	0.6836	17	residential
540-170-031	155	N	4TH ST	0.2965	7	residential
540-170-032	141	N	4TH ST	0.2973	7	residential
540-170-033	127	N	4TH ST	0.3044	8	residential
540-170-034	111	N	4TH ST	0.3026	8	residential
540-170-037	437	W	RAMSEY ST	0.3034	8	vacant
540-170-051				0.1386	3	vacant
540-170-052	693	W	RAMSEY ST	0.1389	3	vacant
540-170-053	711	W	RAMSEY ST	0.2322	6	residential-c. 1905
540-170-058	80	N	8TH ST	0.3590	9	church

APN	Address			Parcel size (acres)	Realistic Capacity (25 du/ac)	Existing Use
540-170-059	89	N	EXCELSIOR	CT	0.5158	13
540-170-068					0.0659	2
540-191-008	646	W	RAMSEY	ST	0.2127	5
540-191-009	614	W	RAMSEY	ST	0.1408	4
540-191-010	45	S	6TH	ST	0.0732	2
540-192-003	557	W	LIVINGSTON	ST	0.1452	4
540-192-004	579	W	LIVINGSTON	ST	0.1371	3
540-192-005	583	W	LIVINGSTON	ST	0.1288	3
540-201-002					0.2621	7
540-201-003					0.0787	2
540-201-004					0.0769	2
540-201-005	69	S	3RD	ST	0.1500	4
540-201-006	57	S	3RD	ST	0.1096	3
540-202-001	270	W	RAMSEY	ST	0.1588	4
540-202-002	260	W	RAMSEY	ST	0.2347	6
540-202-003	60	S	3RD	ST	0.0899	2
540-202-004	271	W	LIVINGSTON	ST	0.1812	5
541-102-019					0.2837	7
541-103-021					0.3787	9
541-141-002	128	N	SAN GORGONIO	AVE	0.1360	3
541-141-003					0.0561	1
541-141-004					0.0815	2
541-141-005					0.1354	3
541-141-006					0.2097	5
541-145-012	255	E	RAMSEY	ST	0.8400	21
541-150-004	447	E	RAMSEY	ST	1.2798	32
541-150-006	492	E	WILLIAMS	ST	0.7060	18
541-150-008					0.7923	20
541-150-010	553	E	RAMSEY	ST	2.1573	54
541-184-005	355	E	LIVINGSTON	ST	0.2626	7
541-184-006					0.1423	4
541-191-013					0.1109	3
541-191-015					0.1487	4
541-191-016	59	S	ALOLA	ST	0.0763	2
541-191-017	475	E	LIVINGSTON	ST	0.1492	4
541-191-018	489	E	LIVINGSTON	ST	0.1531	4
541-192-001					0.2076	5
541-192-002					0.2062	5
541-192-003					0.2090	5
541-192-004					0.1454	4
541-192-005					0.1706	4
541-192-006	590	E	RAMSEY	ST	0.2427	6
541-192-007	616	E	RAMSEY	ST	0.1498	4
541-192-008					0.0653	2
541-192-009	630	E	RAMSEY	ST	0.6035	15
Totals					22.7	568

Figure H-2 – Downtown Mixed Use Overlay Map



Appendix I

Analysis of Unaccommodated Need from the Previous Period

The RHNA allocation for Banning in the 3rd Housing Element cycle (1998-2005) was 1,780 total units, distributed to income categories as follows:

481	Very Low
285	Low
409	Moderate
604	Above Moderate

The adopted 2006 Housing Element identified a total lower-income RHNA of 766 units (Table III-55, p. 3-145). The High Density Residential land use category allows development at 11-18 units/acre and is suitable for lower-income housing based on market conditions in Banning. As described in the Residential Land Inventory (Appendix H), unlike the far western portions of Riverside County (e.g., Corona, Riverside) which are close to major job markets in Orange and Los Angeles counties, and the more expensive resort areas of the Coachella Valley (e.g., Palm Springs, Indian Wells) Banning has very low land cost that makes virtually all market-rate multi-family housing affordable to lower-income households. For comparison, in the City of San Jacinto (which is immediately south of Banning) every new multi-family or condominium project built in recent years, regardless of density (including market-rate projects) has been affordable at low-income prices and rents. In fact, even new single-family detached homes are selling at prices affordable at low-income levels. Conversations with non-profit housing developers familiar with this market area confirmed that densities of 16-18 units/acre are desirable for affordable multi-family projects.

The HDR land use district allows a density of 11-18 units/acre, and recent projects in this district have averaged approximately 16 units/acre. At this density, a total of 48 acres of land is needed to accommodate the lower-income RHNA of 766 units. The table below provides a list of vacant HDR parcels. As shown in this table, vacant parcels totaling more than 133 acres are available, which is more than double the amount required to satisfy the 3rd cycle Housing Element RHNA, and therefore no carryover of unmet need is required for the 4th cycle.

Table D-1
HDR Vacant Sites

APN	Parcel Acreage	Realistic Unit Capacity
419034008	0.40	6
419140059	3.31	52
532080004	55.80	892
534161008	0.42	6
534161009	0.67	10
534161010	1.06	16
537110003, 005, 006, 008	33.86	541
537110008	15.24	243
540082006 thru 008	0.56	8
540083002	1.71	27
540151021 - 022	0.27	4
Total HDR Units	133.3	1,805

Realistic Unit capacity calculation based on 16 units/acre.

ATTACHMENT 2

HCD review letter of April 3, 2009

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF HOUSING POLICY DEVELOPMENT

1800 Third Street, Suite 430

P. O. Box 952053

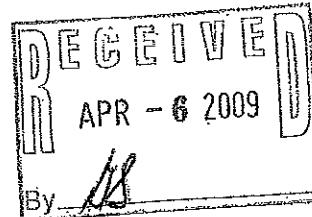
Sacramento, CA 94252-2053

(916) 323-3177

FAX (916) 327-2643



April 3, 2009



Mr. Matthew Bassi
Interim Community Development Director
City of Banning
PO Box 998
Banning, CA 92220

Dear Mr. Bassi:

RE: Review of the City of Banning's Draft Housing Element

Thank you for submitting Banning's draft housing element received for review on February 2, 2009. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on March 30, 2009 with Ms. Kim Clinton, Senior Planner, and Ms. Jayne Raab and Mr. Eric Veerkamp, the City's consultants, facilitated the review.

The draft element addresses many statutory requirements, including energy conservation through rebate and incentive programs and extensive public participation procedures. However, some revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should include a complete analysis to determine the adequacy of identified sites to accommodate the regional housing need for lower-income households. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department would be happy to provide any assistance needed to facilitate your efforts to bring the element into compliance. If you have any questions or would like assistance, please contact Janet Myles, of our staff, at (916) 445-7412.

Sincerely,

Cathy E. Greswell
Deputy Director

Enclosure

cc: Kim Clinton, Senior Planner
Eric Veerkamp, Raney Planning and Management, Inc.

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APPENDIX

CITY OF BANNING

The following changes would bring Banning's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

The City has a regional housing need allocation (RHNA) of 3,841 housing units, of which 1,491 are for lower-income households. To address this need, the element relies on approved projects within high density residential zones and Specific Plan areas, as well as vacant sites. However, to demonstrate the adequacy of the sites and strategies to accommodate the City's share of the RHNA, the element must include a complete analysis, as follows:

Progress toward the RHNA: The element lists two pending or approved projects to address its RHNA for lower-income households; Shadowbrook Apartments (49 units) and Careage Development (17 units). To credit Shadowbrook Apartments toward the City's share of the RHNA, the element must demonstrate the affordability of the units based on actual rents and sales prices or other mechanisms ensuring affordability in the planning period. To credit housing units within Careage Development, the element must demonstrate the affordability of those units based upon the full cost of living, including rents or sales, services and other costs, and demonstrate the Development consists of housing units, as defined by the US Census. For a definition of "housing unit," refer to <http://www.census.gov/population/cen2000/phc-2-a-B.pdf>.

In addition, the inventory lists 1,196 units approved in the Pardee-Deutsch Specific Plan and assumes the units are affordable to lower-income households based on a density of approximately 16 units per acre. Where projects have been approved and sites will not be available for development other than what is currently approved, the element should credit the approved units based on the anticipated rent and sales prices. However, where there are no projects approved or proposed, the element must demonstrate the adequacy of 16 units per acre to encourage and facilitate housing for lower-income households, as described on the next page.

Zoning to Encourage and Facilitate Housing for Lower-Income Households: Pursuant to Government Code Section 65583.2(c)(3)(A) and (B), the element must identify the zones and densities appropriate to encourage and facilitate the development of housing for lower-income households based on factors such as market demand, financial feasibility and development experience within zones. For communities with densities that meet specific standards (at least 30 units per acre for Banning), this analysis is not required (Section 65583.2(c)(3)(B)).

The element does not include an analysis demonstrating the adequacy of the density in the HDR zone of 11 to 18 units per acre and notes an estimated density of 11 units per acre for sites (Table III-66). While the element describes two affordable tax credit projects, identifying examples of lower density subsidized housing projects alone is not sufficient or appropriate to demonstrate the adequacy of a zone and/or density to accommodate this need. The element must demonstrate densities of 11-18 units per acre can encourage and facilitate development affordable to low-income households, based on factors such as market demand, financial feasibility and development experience within the zones. Additional information is available on the Department's website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php.

Large Sites: The City is relying heavily on two sites greater than 30 acres in size (Appendix E) to accommodate a significant portion of this remaining need. The size of these sites, however, could be a deterrent to the development of housing affordable to lower-income households. For example, most assisted housing developments utilizing State or federal financial resources typically include 50 to 150 units. To demonstrate the appropriateness of this site, the City should discuss opportunities such as subdivision or other methods that could facilitate development of housing for lower-income households.

Sites with Zoning for a Variety of Housing Types

Emergency Shelters: Pursuant to Chapter 633, Statutes of 2007 (SB 2), jurisdictions must identify a zone(s) to permit emergency shelters without a conditional use permit (CUP) or other discretionary action. SB 2 provides flexibility and encourages multi-jurisdiction coordination by allowing local governments to address SB 2 through a multi-jurisdictional agreement with a maximum of two adjacent jurisdictions. Since Banning proposes to use the multi-jurisdictional agreement provision, the element must demonstrate at least one year-round shelter will be developed within two years of the housing element planning period, by June 30, 2010. This is particularly important since the City does not plan to complete an agreement until December 2009. In addition, the element should demonstrate a commitment by each participating jurisdiction and describe the following:

- how the capacity of the emergency shelter will be allocated for each participating jurisdiction;
- how the joint facility will address the local governments need for emergency shelters;
- the local governments contribution for both the development and ongoing operation and management of the shelter;
- the amount and source of the funding to be contributed to the shelter; and,
- how the aggregate capacity claimed by all of the participating jurisdictions does not exceed the actual capacity of the shelter facility.

Should the City decide to amend an existing or establish a new zoning district to address SB 2 requirements, the element must include a program to, among other things, identify at least one zone(s) where emergency shelters are permitted without a CUP or other discretionary action within one year of the beginning of the planning period. The zone must provide sufficient opportunities for at least one new emergency shelter in the planning period. For additional information and assistance in addressing these requirements, refer to the Department's SB 2 memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

Transitional and Supportive Housing: The element indicates transitional and/or supportive housing is allowed by-right in the high density multifamily residential district. However, pursuant to SB 2, both transitional and supportive housing must be treated as residential uses subject only to the same permitting processes as other similar residential uses in the same zone without undue special regulatory requirements. In addition, the element should distinguish transitional housing, as typically limited to stays of no more than two years, from supportive housing as a use having no limit on length of stay. The element must be revised to include programs to allow both uses, as described above, within the planning period.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Local Processing and Permit Procedures: While the element indicates processing timeframes and permitting procedures vary by project size and complexity (Table III-71 and pages 178-181), it must specifically describe and analyze the City's permit processing and approval procedures by zone and housing type. To address this requirement, the element should discuss typical steps and processing procedures for typical single- and multi-family projects, including type of permit, level of review, and any discretionary approval procedures.

In addition, the element should include a description of the City's predevelopment review process and review guidelines and analyze the impact of design review requirements (page III-171) on multifamily projects of 10 or more units. Additional information, including sample analyses, is available in the *Building Blocks*' website at http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php.

3. *Analyze any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and person in need of emergency shelter (Section 65583(a)(7)).*

The element must include an estimate of the number of homeless in Banning. While the element included a monthly estimate of 2000 homeless persons visiting HELP Services for meals, this appears to be an estimate of the number of meals served, and not a specific estimate of persons in need of emergency shelter for Banning. The City

could utilize information from the 2007 County of Riverside Homeless Count at <http://www.riversidehomeless.org/pdfs/HomelessCount0907.pdf>, which estimates 102 homeless persons in Banning. Additional information and sample analyses on special needs populations are available in the *Building Blocks* at http://www.hcd.ca.gov/hpd/housing_element/screen10_hn.pdf.

4. *Analyze the opportunities for energy conservation with respect to residential development (Section 65583(a)(8)).*

While the element includes general policies and programs to "encourage" energy conservation measures, programs do not describe how the City will encourage such measures. For example, Program 4-1 should describe how the City uses the development review process to incorporate energy saving techniques. Program 4-3 should describe how the City will encourage developers to employ additional energy conservation measures. Banning could also provide expedited processing for developments with additional energy conservation features. Additional information on potential policies and programs to address energy conservation are available in the *Building Blocks*' website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_conservation.php.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in finding A1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

Please note, where the inventory does not identify adequate sites pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must include a program to make sites available in accordance with subdivision (h) of 65583.2 for 100 percent of the remaining lower-income housing need, with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. In addition, the element must clearly demonstrate sufficient sites will be rezoned to ensure 50 percent of the remaining need will be accommodated on sites zoned exclusively for residential uses.

Pursuant to SB 2, the element must include a program to explicitly amend zoning to permit transitional and supportive housing as distinct residential uses, subject only to the same permitting processes as other similar residential uses in the same zone without undue special regulatory requirements, such as a CUP or other discretionary action.

Program 1-5 must identify the partnering cities under the multi-jurisdictional agreement, a timeframe for adoption, actual funding amount and additional specific actions, as noted under finding A1. Also, pursuant to Health and Safety Code Section 33021.1, redevelopment set-aside funds shall not be used for the development or operation of emergency shelters.

2. *The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of extremely low-, low- and moderate-income households (Section 65583(c)(2)).*

The element must include specific actions to assist in the development of a mix of housing types, including rental multifamily, for extremely low-, very low-, low- and moderate-income households, and special housing need households. While Programs 1-1, 2-1, and 3-6 generally indicate they will assist in meeting the needs of lower-income households, including extremely low-income (ELI), they do not specifically indicate how these actions will address the unique housing needs of ELI households. To address this requirement, the element could revise programs to *prioritize* use of a portion of the identified funding for the development of housing affordable to ELI households, include programs offering financial incentives or regulatory concessions to developers who agree to include a portion of their units affordable to ELI households or to encourage the development of housing types, such as single-room occupancy units, which address the particular needs of this income group.

Large Family Households: While the element identifies a need for additional affordable rental housing for large families, no programs are included. Actions could include assistance with site identification and entitlement processing, fee waivers and deferrals, modifying development standards and granting concessions and incentives for projects that provide housing for lower-income large family households.

While Program 1-9 indicates the City will identify sources of funding for multifamily housing development, it does not include a commitment to apply for or assist in the application of such funds. The program should include actions the City will take to apply for or assist in the application of appropriate funds for multifamily rental housing and specify timeframes.

3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints. In addition, the City has deferred impact fees until occupancy lower or

eliminate fees, increase densities and provide flexible application of codes and standards (page III-188). However, no programs have been included to commit the City to continue implementing these incentives.

Program 5-10 should be revised to include the zoning update process and timeframe for ministerial approval of second units (page III-169), as required by Government Code Section 65852.2.

4. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (8) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance (Section 65583(c)(6)).*

The element identifies 35 housing units at-risk of converting to market-rate by January 2013. Therefore, Program 2.6 must be revised to include specific actions to assist in preserving units at-risk. For example, the program should monitor at-risk units, ensure compliance with noticing requirements and include a tenant education component. The program should also commit the City to contacting non-profits immediately to develop a preservation strategy by a date certain and be ready to quickly act when notice of conversion is received. Additional information and resources are available at the California Housing Partnership Corporation (<http://www.chpc.net/>).

ATTACHMENT 3

HCD review letter of December 9, 2009

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF HOUSING POLICY DEVELOPMENT

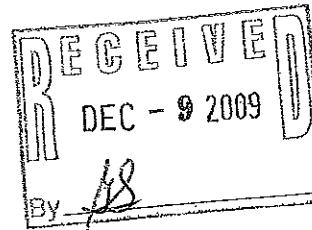
1800 Third Street, Suite 430

P. O. Box 952053

Sacramento, CA 94252-2053

(916) 323-3177

FAX (916) 327-2643



December 3, 2009

Mr. Matthew Bassi
Interim Community Development Director
City of Banning
P.O. Box 998
Banning, CA 92220

Dear Mr. Bassi:

RE: Review of the City of Banning's Revised Draft Housing Element

Thank you for submitting Banning's revised draft housing element received for review on October 7, 2009. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on March 30, 2009 with Ms. Zai Abu Bakar, Community Development Director, Ms. Kim Clinton, Senior Planner, and Ms. Jayne Raab and Mr. Eric Veerkamp, the City's consultants, facilitated the review.

The draft element addresses most statutory requirements described in the April 3, 2009 review; however, the following revisions are still necessary to comply with State housing element law (Article 10.6 of the Government Code):

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

The City has a regional housing needs allocation (RHNA) of 3,841 housing units, of which 1,491 are for lower-income households. To address this need, the previously submitted draft relied on approved projects within high density residential zones and Specific Plan areas, as well as vacant sites. However, according to the most recent correspondence, Shadowbrook Apartments was not awarded tax credits and it appears the project has no other source of funds requiring income restrictions at this time. In addition, conversations with the City confirmed the approved Deutsch Specific Plan project (1,196 units) will not include requirements for units affordable to lower-income households; therefore, it appears the City is relying on vacant HDR sites with maximum densities of 18 units per acre (Appendix H) to accommodate its regional need for lower-income households.

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However, as noted in the previous review, pursuant to Government Code Section 65583.2(c)(3)(A) and (B), the element still does not demonstrate maximum densities of 18 units per acre (actually average appears to be 11 units per acre based on historic development trends and development standards) in the HDR zone are appropriate to encourage and facilitate the development of housing for lower-income households based on factors such as market demand, financial feasibility and development experience within zones.

For your information, other Coachella Valley jurisdictions have zoning to provide densities of 20 units per acre or greater. For example, the City of Coachella has residential densities at 30 units per acre and Beaumont, Yucaipa, and Yucca Valley have established minimum densities of 20, 24 and 35 units per acre respectively in specific plan and higher density residential zones. Pursuant to conversations with local developers, densities of 20-30 units per acre are necessary to maximize efficient use of land and financial resources to promote affordable housing development.

The element includes one sample proforma from a local housing developer proposing 15 units per acre based upon tax credit financing (pages III-172 through III-178 and Table III-66) and identifies two affordable tax credit projects completed in 2002 as examples of lower-density subsidized housing. It is recognized that housing affordable to lower-income households requires significant subsidies and financial assistance; however, identifying low density subsidized projects alone does not demonstrate the adequacy of a zone and/or density to accommodate the regional housing need for lower-income households. In addition, given regional comparisons identified above, the element still does not demonstrate how Banning's market and development trends differ significantly from the region, as was discussed in the conference call, nor does it specifically describe financial/subsidy programs to encourage and facilitate development affordable to lower-income households at densities (11-18 du/ac) below that of both neighboring jurisdictions and the City's default density of 30 du/ac.

Therefore, to demonstrate the adequacy of the densities between 11-18 units per acre, the element should specifically address the impacts of allowable densities on financial feasibility. For example, the element could evaluate the level of subsidies needed, or feasibility of housing developed at 11-18 units per acre compared to 20-30 units per acre. In addition, by promoting opportunities for development at higher densities, local governments, facilitate the development of multifamily housing affordable to lower-income households and maximize the efficient use of land and financial resources, promote compact, sustainable development and preserve important agriculture and open space resources.

In addition, as described in the previous review, to demonstrate the appropriateness of two large sites of 40 and 55 acres, the element should describe opportunities the City could facilitate, such as subdivision or other methods of development of housing for lower-income households. For example, the City could consider adding a program to assist in lot splits and/or purchase remaining parcels with redevelopment funds.

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The element also includes Program 5-4 to establish the Mixed Use Downtown Commercial (MUDC) overlay zone in the existing Downtown Commercial district at densities of 16-30 units/acre. The City could identify opportunities for development of housing for lower-income households to meet the RHNA in the MUDC, including a parcel specific inventory with size, zoning, general plan designation, describing existing uses for any non-vacant sites and include a calculation of the realistic capacity of each site. For more information on addressing these statutory requirements, refer to the Department's previous review.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

Depending on the outcome of the analysis detailed above, the City may need to include a program to rezone additional sites (above and beyond the requirements limited to 127 units as outlined in Program 1-18) at densities adequate to meet the RHNA for lower-income households in the planning period pursuant to Government Code Section 65583.2(h).

For more information on addressing these statutory requirements, refer to the Department's previous review and the Department's *Building Blocks* website at http://www.hcd.ca.gov/hpd/housing_element2/PRO_adqsites.php.

The Department would be happy to provide any assistance needed to facilitate your efforts to bring the element into compliance. If you have any questions or would like assistance, please contact Janet Myles, of our staff, at (916) 445-7412.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosure

cc: Zai Abu Bakar, Community Development Director
Kim Clinton, Senior Planner
Eric Veerkamp, Raney Planning and Management, Inc.

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ATTACHMENT 4

HCD review letter of April 2, 2013

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
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www.hcd.ca.gov



April 2, 2013

Ms. Zai Abu Bakar
Community Development Director
City of Banning
P.O. Box 998
Banning, CA 92220

Dear Ms. Bakar:

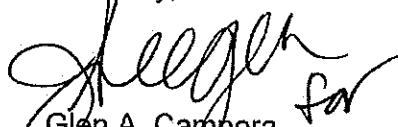
RE: Review of the City of Banning's (2008-2014) Revised Draft Housing Element

Thank you for submitting Banning's revised draft housing element received for review on February 1, 2013, along with additional revisions received on March 19, 2013. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A site visit on December 18, 2012 and a telephone conversation on February 27, 2013, with Ms. Zai Abu Bakar, Community Development Director, Mr. Brian Guillot, Associate Planner, and John Douglas, the City's consultant, facilitated the review.

The draft element addresses some statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must be revised to demonstrate adequate sites to accommodate the City's regional housing need allocation for lower-income households, and to confirm commitments and timeframes for actions to address needs and constraints. The enclosed Appendix describes this and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation of Ms. Bakar and Mr. Guillot during the course of our review. We are committed to assist Banning in addressing all statutory requirements of housing element law and are available to provide any and all necessary technical assistance to assist Banning in preparing a compliant housing element. The Department will contact the City in the next week to discuss options for providing technical assistance. If you have any questions, please contact Janet Myles, of our staff, at (916) 445-7412.

Sincerely,


Glen A. Campora
Assistant Deputy Director

Enclosure

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APPENDIX CITY OF BANNING

The following changes would bring Banning's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

This most recent revision of the element now proposes to meet the City's regional housing need for the current planning cycle through the rezone of approximately 46 vacant acres to very high density residential (VHDR) at 20-30 du/ac and the inclusion of approximately 113 vacant acres currently zoned for high density residential (HDR) at 11-18 du/ac, before any density bonus is applied. The element also includes possible excess potential for higher density mixed-use residential infill development in the downtown commercial district upon adoption of a mixed-use residential Overlay, allowing 16-30 du/ac, once any density bonus has been applied. Banning's regional housing need for the 2008-2014 cycle is 3841 housing units, of which 1491 are for lower-income households. The City also has an additional unaccommodated need from the previous planning period for lower income households.

However, as noted in the two previous review letters, pursuant to Government Code Section 65583.2(c)(3)(A) and (B), the element still does not include an analysis adequate to demonstrate these sites and strategies can accommodate the City's share of the RHNA for all income levels. The element should be revised as follows:

Unaccommodated Need From Prior Planning Period Has Not Been Addressed:
Review of the prior draft element identified an unaccommodated need for lower-income households from the planning period prior to the current 2008-2014 planning cycle. As a result, the City was required to zone or rezone sites to accommodate the unaccommodated need within the first year of the current planning period. Since more than one year has lapsed since the beginning of the current planning period, the Department cannot find the element in compliance until the required zoning or

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rezoning is complete and the element is amended to reflect same. For additional information, see Department's AB 1233 Technical Assistance Memo at http://www.hcd.ca.gov/hpd/hrc/plan/he/ab_1233_final_dt.pdf and the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/GS_reviewandrevise.php.

Inventory and Adequate Sites Analysis: The element must be revised to demonstrate the appropriateness of identified sites as detailed below. In addition, the Department noted during the review of this revised draft that some omissions and/or inconsistencies now exist, when compared to the previously submitted draft element reviewed by the Department December 3, 2009.

Appendix H includes approximately 46 acres of land to be rezoned to Very High Density Residential (VHDR), at densities between 20-30 du/ac, to accommodate the City's regional need for lower-income households. However, even with capacity estimates per site at 25 du/ac, the total capacity for meeting the lower income need is not adequate to provide for the current and previous planning period regional need. As a result, it appears the City is relying on a potential mix of strategies to accommodate this remaining need and therefore the element should be revised as follows:

- The element narrative identifies three large parcels, zoned for high density residential uses allowing between 11-18 units per acre (parcels 532-080-004 (55.80 acres), 537-100-003 (41.31 acres) and 537-110-008 (15.24 acres), as unencumbered and ripe for development (page III-176). However, Table H-4 does not include parcel 537-100-003. If the City is relying on this site to accommodate a portion of its regional need, Table H-4 should be revised.
- While it would appear from the narrative the three parcels detailed above are the only large HDR sites, Table H-4 in Appendix H also includes one 33.86 acre site aggregating portions of parcels 537-110-003, 005, 006 and 008, and a separate parcel 537-110-008 of 15.24 acres. The element should clarify which sites, or portions of sites, are considered available and suitable to accommodate the City's regional need, and specifically the regional need for lower-income housing.
- The Banning Zoning Overlay Map shows four of the biggest parcels (537-110-003, 006, 007 and 008) are currently zoned for mixed densities and uses (low and medium density residential, parks and open space) with only a very small portion of parcel 537-110-008 shown as zoned for high density residential. It is unclear, therefore, if these sites are all currently zoned for high density residential uses as indicated in the narrative.
- As three HDR sites listed in the sites inventory are comprised of multiple parcels, the element may aggregate parcels but must also list each parcel by parcel number or unique reference, parcel size, zoning, general plan designation, and include a calculation of the realistic capacity of each parcel. Therefore, the analysis should describe the division and aggregation of parcels into sites as

identified on Table H-4, and the actual acreage of sites available for high density residential development. This will impact the acreage of sites available at densities demonstrated to accommodate the City's lower-income regional need.

In addition, according to the Zoning Overlay Map, the following two parcels listed in the sites inventory appear to have been designated for specific plan development; 532-080-004 (55.80 ac) and 419-140-059 (3.31 ac). However, the element contains no description of subdivision status or timing issues for these HDR sites. Where the housing element relies upon Specific Plan areas to accommodate any portion of the City's regional housing need for lower income households, it must also provide an analysis demonstrating the suitability for development in the planning period or potential affordability, if known. To include residential capacity within Specific Plans the element must indicate whether suitable sites have approved or pending projects, or are otherwise available for development during the planning period, by including the following:

- If projects are approved or pending, the element must describe the status of the project, including any necessary approvals or steps prior to development, development agreements, conditions or requirements such as phasing or timing requirements that impact development in the planning period, and the affordability of project units based on anticipated rents, sales prices or other mechanisms (e.g., financing, affordability restrictions) ensuring their affordability.
- For suitable sites without pending or approved projects, the element must list sites by parcel number or unique reference, size, General Plan designation, zoning and include a calculation of the realistic capacity of each site.

Finally, the element also proposes to adopt a Mixed-Use Downtown Commercial (MUDC) Overlay (Program 5-4) to allow multifamily mixed-use development with a density range of 16-30 du/ac. It is unclear whether the City is relying on these sites to accommodate any portion of its need for lower-income households. However, please note, the program as proposed does not meet the adequate sites program requirements pursuant to Government Code Section 65583.2(h) as described in the Department's prior reviews. Specifically, among other requirements, sites rezoned to accommodate any portion of the City's lower-income need must establish minimum densities of 20 units per acre. For additional information and a sample sites inventory, see the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/SIA_land.php.

2. *Pursuant to Government Code Section 65583.2(c)(3)(A) and (B), the element must identify the zones and densities appropriate to encourage and facilitate the development of housing for lower income households based on factors such as market demand, financial feasibility, and development experience within zones.*

Zoning to Encourage and Facilitate Housing for Lower-Income Households: While the element identifies the HDR (11-18 units per acre) and proposed VHDR (20 to 30 units

per acre) zones to accommodate housing for lower income households, it does not include analysis adequate to support the assumption. Specifically, the revised element proposes to meet a substantial portion of the regional need for lower-income households on sites zoned for a maximum density of 18 du/ac.

While the revised element now includes information on average market sales and rents and affordable monthly housing costs by income level, the analysis still does not demonstrate the adequacy of a zone and/or density to accommodate the regional housing need for lower income households as detailed in the Department's prior review. General statements about the competitive cost of existing housing on the market relative to the countywide average do not demonstrate housing in Banning is affordable to lower income families (pg III-155, III-175 and H-1), particularly where the analysis of need appears to indicate a high percentage of all lower income owner occupants and renters overpay for housing in Banning (note – the element includes contradictory numbers on levels of overpayment depending on the Table reference - See Tables III-38 and III-39, pages III-131 and 132), 23.7% of rental units are overcrowded (Table III-51, pg III-148), and, while large families make up 13.3% of all households in the City, the existing housing stock comprises 43.6% 2-bedroom rental units. 49% 2-bedroom occupant/owner units and only 6.1% units of 4 bedrooms or more (Table III-46, pg III-141 and Table III-51, pg III-148).

As was discussed during the site visit and the conference call, an analysis of appropriate densities should give detailed description of specific, recent examples of housing developed at proposed densities affordable to lower-income households and describe how existing and proposed policies and resources have and will be applied to facilitate development of affordable housing opportunities. Where examples of recent development are not available in Banning, regional examples of recent development and development proposals under review from the surrounding area could be included to appropriately demonstrate reasonable densities and identify potential development partners. (It should be noted one comparable jurisdiction within the surrounding region found in compliance with State housing element law relied on proposed program actions to adopt an overlay program with minimum densities of 20 du/ac within the medium residential zone and encouraging at least 22 du/ac within the very high density zone, and another proposed to adopt a Specific Plan Overlay reserved for a minimum of 20 du/ac on 90 acres).

As was noted in an earlier review, given regional comparisons identified above, the element still does not demonstrate how Banning's market and development trends differ significantly from the rest of the region, or describe how financial and/or subsidy programs will encourage and facilitate development affordable to lower-income households at densities (11-18) below that of neighboring jurisdictions.

For further guidance on preparing the capacity analysis and analysis of sites, refer to the Department's previous reviews on April 3 and December 3, 2009. The Department will send recent examples of analyses under separate cover to assist the City in addressing this statutory requirement. Additional information and sample analysis are also available on the Department's Building Blocks website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#zoning.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by-right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

The revised element now indicates **Program 1-18** to rezone 12 acres in the HDR zone at 20 du/ac has been removed and replaced by **Program 1-2**. However, the action in **Program 1-18** was designed specifically to address the City's unaccommodated need for lower income housing from the previous planning period and appears to continue to be necessary to address the requirements of AB 1233 (Statutes 614, Chapter 2005). Therefore, the element must still identify adequate sites appropriately zoned or include a rezone program to address the identified shortfall of sites from the prior planning period, as detailed in the Department's prior review.

Program 1-2 now proposes to rezone identified HDR sites to VHDR at a minimum density of 20 du/ac and a maximum density of 30 du/ac to address a portion of the City's shortfall of sites in the current planning period. The program action could be revised to include additional sufficient acreage, where necessary, to accommodate both the current planning period shortfall and the City's unaccommodated need from the previous planning period. Please note, as detailed in the prior review these sites must meet the requirements of 65583.2 (h) and (i).

Program 5-4 commits the City to adopt a MUDC Overlay for the existing Downtown Commercial zone to allow residential development at 16-30 du/ac. However, the revised element now indicates an ordinance allowing residential development in the downtown district was adopted on January 31, 2006. It is the Department's understanding based on conversations with City staff that the 2006 adopted ordinance does not specifically identify densities for residential development within the MUDC overlay. Therefore, **Program 5-4** should include a timeframe to establish the MUDC Overlay to allow for residential mixed use development at densities of 16-30 du/ac within the planning period, in order to include these sites towards meeting the overall RHNA for the 4th planning period. Please note, as stated in Finding A1, above, if the City is relying on sites within the MUDC overlay to accommodate any portion of its lower-income need, the program should also be revised to address the adequate sites program requirements of 65583.2(h) and (i).

Program 5-12 requires review of available sites on a parcel-by-parcel basis to insure an adequate supply of sites for housing affordable to lower-income whenever subsequent market rate development removes existing high density sites

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from the inventory. If development during the planning period reduces the inventory of available sites required to meet the City's portion of regional need for lower income, the program requires the element to identify additional sites appropriately zoned to maintain an adequate inventory of sites throughout the planning period. This is of particular importance considering the majority of all sites in the HDR and VHDR zones would require development at maximum calculated densities (16 in the 11-18 du/ac HDR zone and 25 in the 20-30 du/ac VHDR zone) to support residential development affordable to the lower-income households.

However, the maintenance of sites zoned at densities adequate to address a combined 4th and 3rd cycle regional housing need of applies not only during this planning period, but if the City continues to be reliant on these sites for the 5th cycle update for the 2013-2021 planning period, ongoing monitoring will be necessary and may result in the need to identify additional sites to continue to maintain capacity to accommodate the City's regional throughout the longer 5th cycle planning period of eight years -assuming Banning's 5th cycle housing element will be adopted within 120 days of the due date of October 15, 2013.

Therefore, as was discussed during the conference call in February, the city could consider adding a program to increase minimum densities for affordable housing development in the HDR zone by adopting an overlay allowance with a targeted percentage of units affordable to lower-income households meeting the following requirements; 1) non-discretionary review of single and multifamily housing development, 2) a minimum of 20 du/ac and capacity at least 16 units per site (excluding density bonus) for developments 3) with non-discretionary review of single and multifamily housing development, in order to insure a sufficient supply of adequate sites is maintained throughout the planning period, to facilitate the ongoing development of housing affordable to lower-income households.

In addition, while **Program 5-12** commits the City to maintain an inventory of vacant and underutilized parcels, develop and implement a formal project-by-project evaluation, and rezone sufficient sites to address any shortfall during the planning period, it must also identify a schedule by which any action taken to address those constraints will be implemented. For example, the Schedule could state the inventory will be updated annually, a formal evaluation procedure will be adopted by a certain date within the planning period, and the inventory will be reviewed for adequate sites each time a site within the inventory is developed.

2. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households (Section 65583(c)(2)).*

Program 1-9 commits to working with interested developers to identify sources of funding for affordable housing by July 2013, and specifically identifies the need for housing to accommodate large families. However, the program action does not identify how the City will provide additional assistance to that special needs group. The program could provide examples for assistance, i.e. prioritize or streamline

funding requests from developers interested in including 4+ bedroom units in their MF housing proposals, specifically to assist large families.

Program 3-6 commits the City to adopt a zoning ordinance to reduce off-street parking for residential development serving special needs populations and/or proximate to public transit and commercial corridors, and further provides - on a case by case basis - reductions of parking requirements of up to 90 percent as a strategy to encourage the development of housing for extremely low-income households.

Program 3-6, as revised, now indicates access to this incentive will be directed to projects qualifying for a density bonus. However, parking reduction is one of several incentives provided for in state density bonus law. It is unclear how the implementation strategy is furthered by the limitation to density bonus applicability, including whether or not a schedule of implementation still exists for the remaining actions. At the very least, **Program 3-6** could be expanded to describe additional incentives and concessions the City might offer to facilitate residential development to meet Banning's extremely low-income housing need.

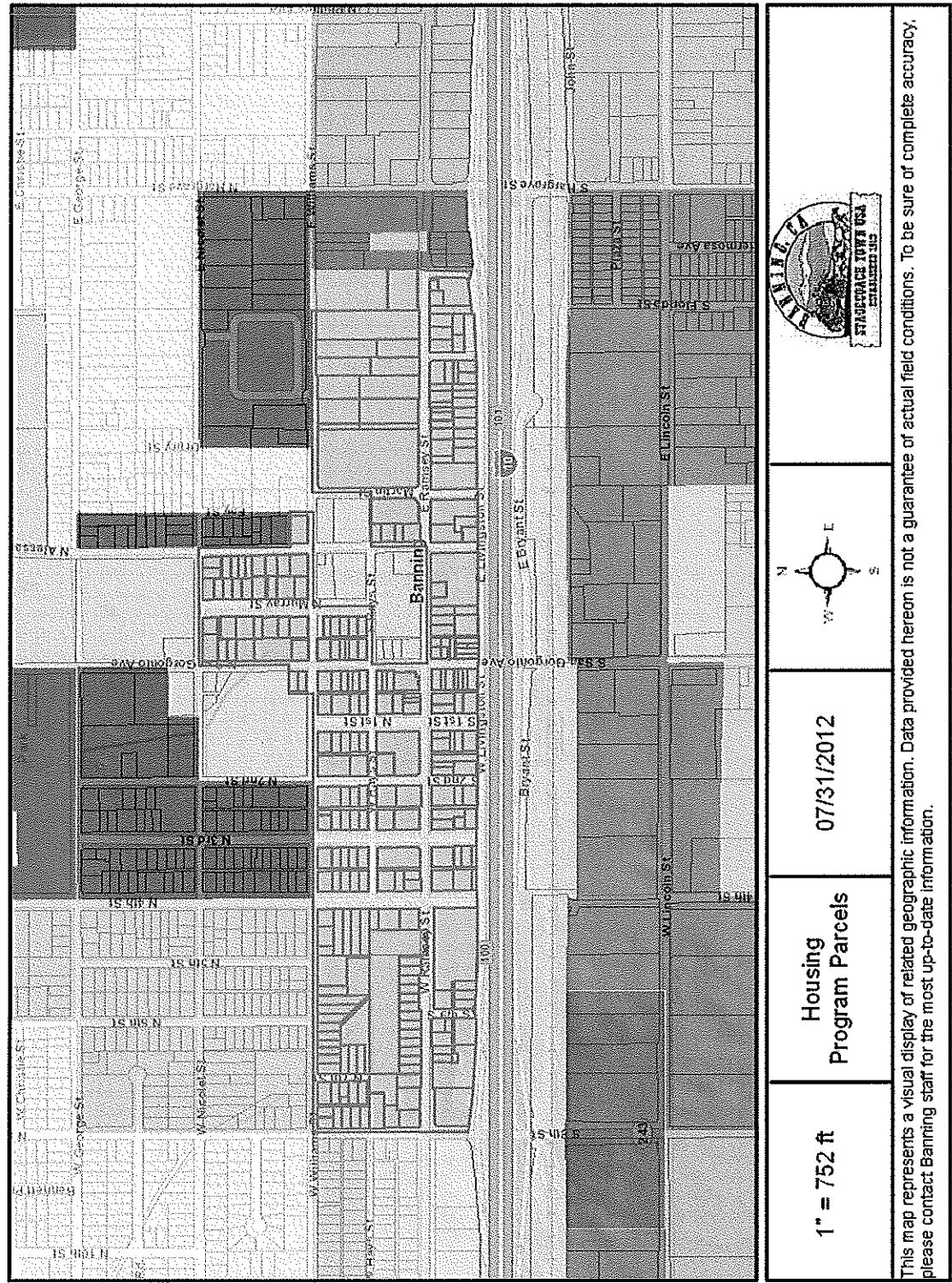
4. *The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).*

Program 3-7 includes an action to monitor the design review process on an annual basis for potential constraints to affordable housing, particularly processing times and the impact of conditions of approval on projects of 5 units or greater. However, as the most recent revision no longer includes a schedule for implementation, the element should indicate the annual timeframe for this monitoring action, as noted in the Action Program narrative. The significance of the fast track development review implemented in July 2009, prior to the previous element revision, remains unclear.

Programs 5-5, 5-6, 5-7 all identify a schedule to implement as "Uncertain, due to dissolution of Redevelopment Agency" however, as the element has identified constraints to development and has proposed program actions to address or mitigate those constraints, it must also identify a schedule by which any action taken to address those constraints will be implemented, as staff and funding resources allow, or describe other actions and a timeframe by which the city can remove or mitigate identified constraints. For example, where financial incentives from redevelopment agency funds are no longer viable, the element could commit to researching and applying for regional, state and federal infrastructure funding. Where resources to establish a roundtable workshop are not currently available, the element could commit to identifying and soliciting interest from developers involved with affordable housing development and preservation in the Banning area, and regionally.

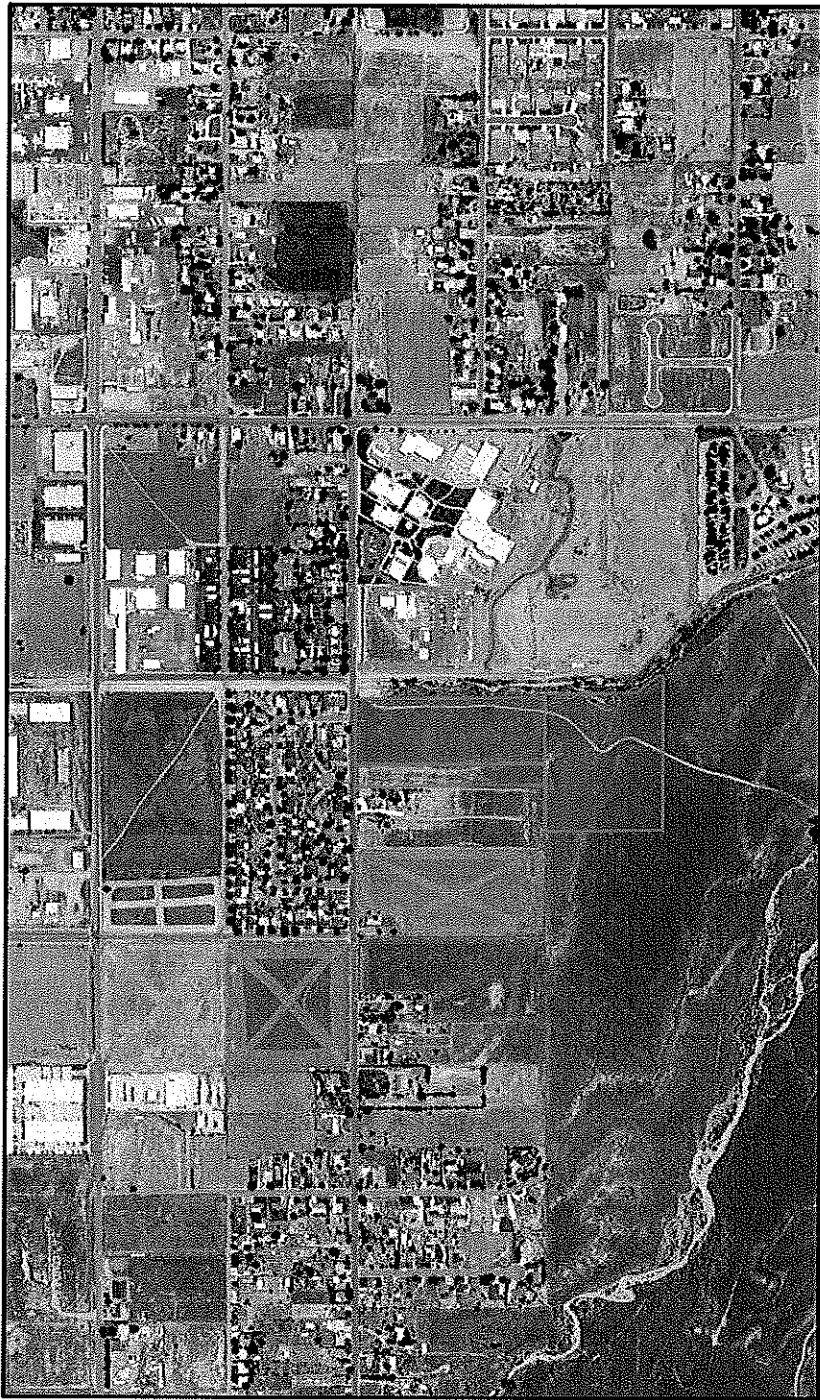
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ATTACHMENT 5
Proposed Downtown Overlay Zone



ATTACHMENT 6a
Proposed VHDR Sites

APN's 543-030-003, -019; 543-040-002

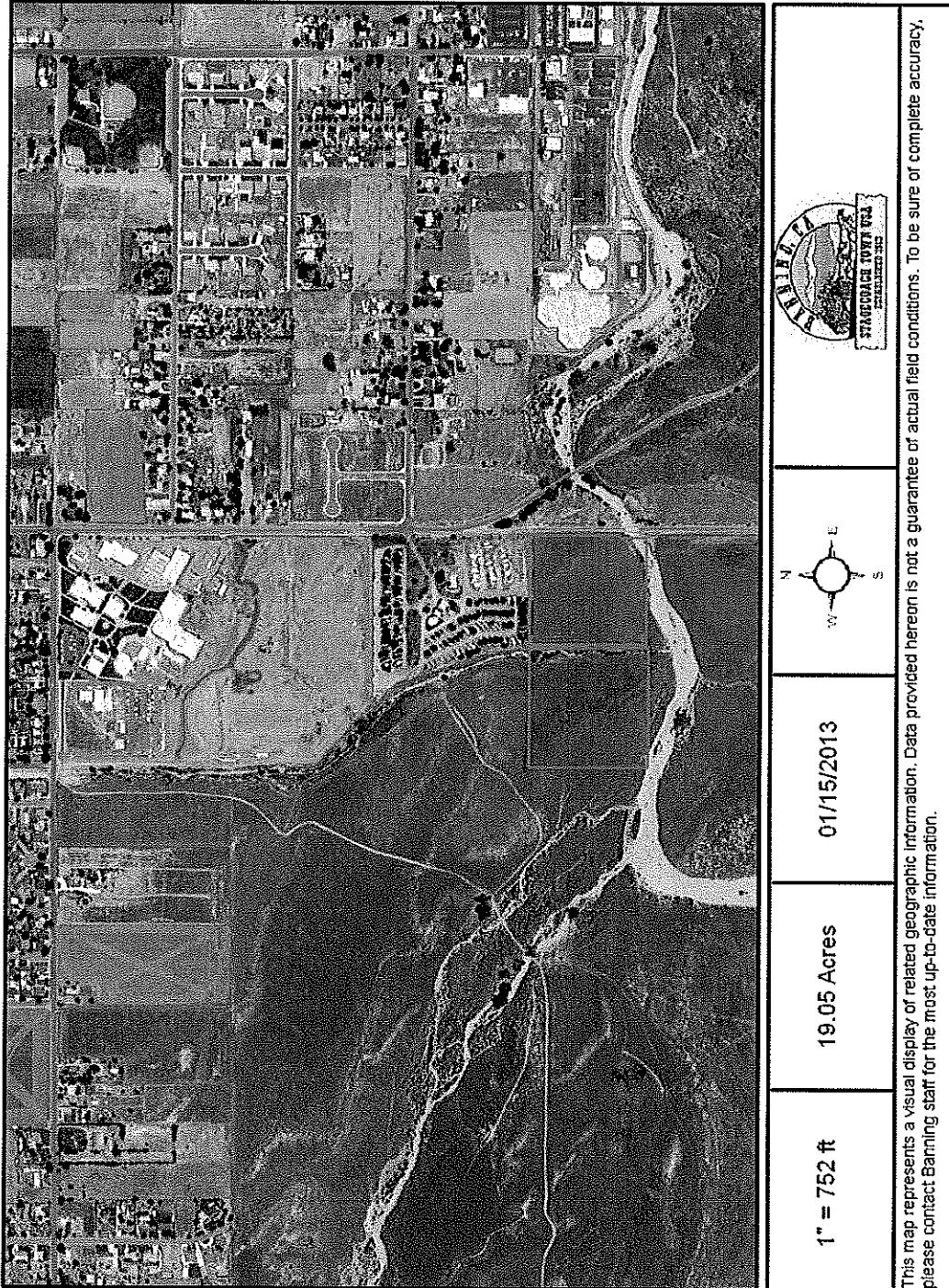


1" = 752 ft	18.9 Acres	01/15/2013	
<p>This map represents a visual display of related geographic information. Data provided herein is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Banning staff for the most up-to-date information.</p>			

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ATTACHMENT 6b
Proposed VHDR Sites

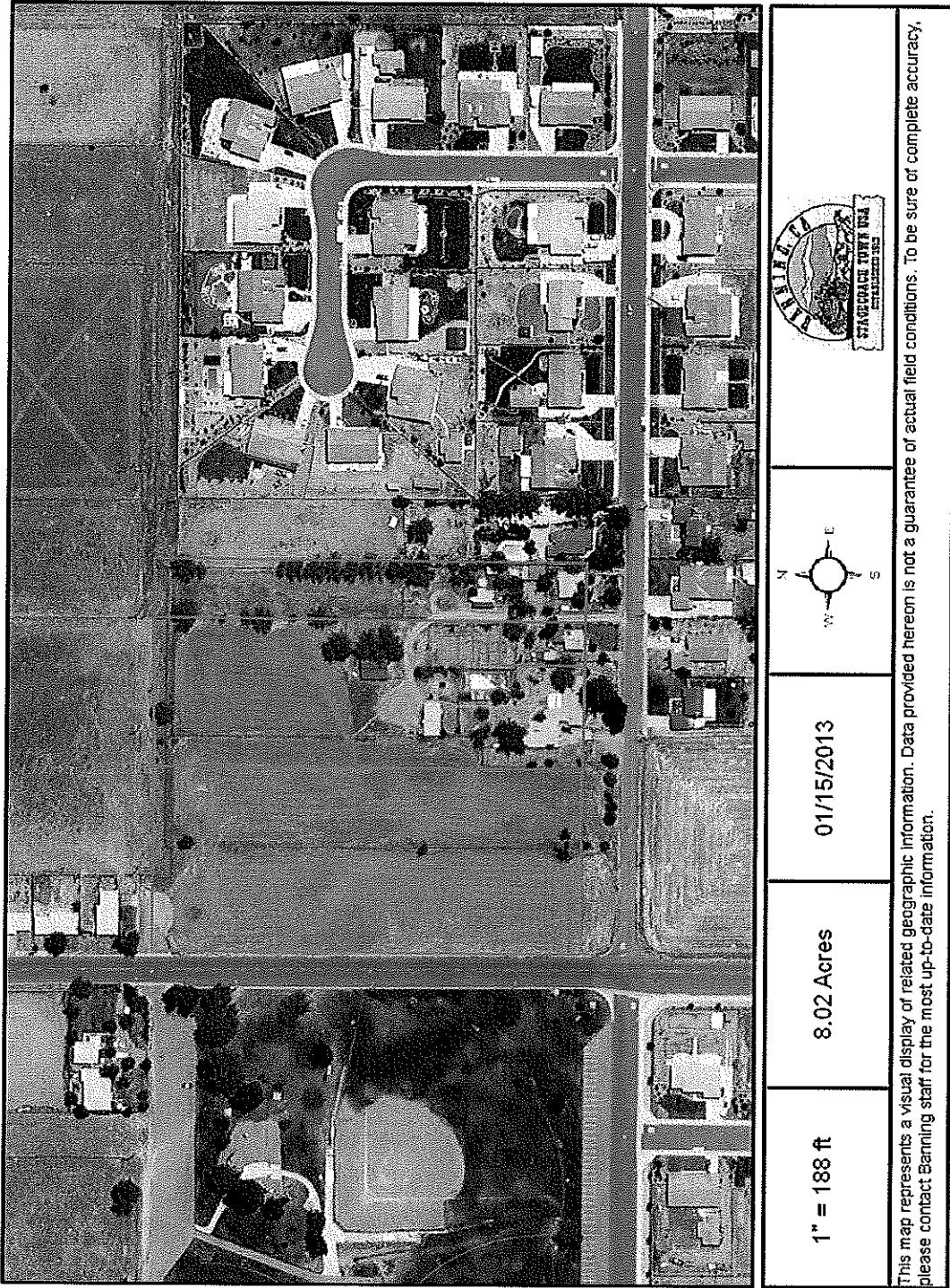
APN's 543-050-002, -003



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ATTACHMENT 6c
Proposed VHDR Sites

APN's 543-090-003, -014, -016, -017



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ATTACHMENT 7
Existing Zoning Map and Locations of Existing Apartments

