

6. HOUSING

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A. INTRODUCTION

This chapter addresses existing housing conditions, future housing needs, and emerging directions within the City of Clearlake. The purpose of this chapter is to provide background information to aid in the creation of the Housing Element of the General Plan. The Housing Element uses the information provided in this report to plan for the goals, objectives and implementation measures necessary to meet Clearlake's future housing needs for the next thirty years.

The most recent Housing Element, adopted in 2010, provides guidance through the year 2016. Goals and policies of the new update will be consistent with the current Housing Element as well as state law.

The goals and objectives of the City of Clearlake's Housing Element are listed below. The goals of the updated Housing Element will be consistent with state and local goals.

State Housing Goals

- Provision of new housing
- Preservation of existing housing and neighborhoods
- Reduction of housing costs
- Improvement of housing conditions for special needs groups

Local Housing Goals

- Support rehabilitation of substandard housing
- Establish better private-public partnerships, specifically with non-profit organizations dedicated to providing affordable housing
- Establish procedures to make County surplus and tax-default properties better available for the provision of affordable housing

State Requirements

The Housing Element is one of the seven required elements in the General Plan, and is mandated through Article 10.6 of the State of California Government Code Section 65580 through 65590 (California Department of Housing and Community Development [HCD], 1969a). It serves as a planning guide which addresses the long-term, comprehensive housing needs for residents of each income level within the City by providing a variety of housing types. The process of creating or updating a Housing Element includes the identification and analysis of current and projected housing needs, followed by the development of goals, policies, and programs that aim to preserve, improve, and increase supply of housing in the community. The Housing Element must remain consistent and compatible with other General Plan elements and State Law.

The State's goal is to provide "decent housing and a suitable living environment for every California family" (HCD, 1969b, Section 65580(a)). The state recognizes that planning and zoning are valuable tools that can help turn this goal into a reality through the Housing Element. Because the Housing Element is essential to a community, State law requires each city to update and certify the Housing Element every five years. However, with the passing of Senate Bill 375 in 2008, the period has extended to eight years to better synchronize the development of the Regional Transportation Plan (RTP) with the Regional Housing Needs Allocation (RHNA) and Housing Element update process (Government Code section 65588(b) 7 (f)). If a local government fails to update its Housing Element within the eight-year deadline, it will be placed into a shorter four-year deadline by the California Department of Housing and Department of Housing and Community Development (HCD). Once the local government successfully certifies two Housing Elements in the four-year cycle, it is then eligible to return to an eight-year cycle. The Housing Element is subject to precise statutory requirements and mandatory review by the State of California and the Department of Housing and Community Development (HCD).

The State Housing Element Law Government Code Section 65583(a), requires the assessment and inventory of the following:

- Analysis of population and employment trends and projections and a quantification of existing and projected housing needs for all income levels
- Analysis of household characteristics, including level of payment compared to ability to pay
- Analysis of housing characteristics, including overcrowding and housing stock condition
- Inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment
- Analysis of potential and actual government constraints on the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees, and other exactions required of developers, and local processing and permit procedures
- Analysis of local efforts to remove governmental constraints
- Analysis of potential and actual non-governmental constraints on the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction
- Analysis of any special housing needs for the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter
- Identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit
- Analysis of opportunities for energy conservation with respect to residential development

State law requires each city and county to accommodate growth within its boundaries through the Regional Housing Needs Allocation (RHNA) process. RHNA determines the number of additional housing units each city shall plan to accommodate based on its expected share of new regional households throughout a seven-year period. In order to reduce constraints on very low and low-income housing developments, HCD requires zoning with a minimum density of 30 units per acre for sites to qualify for very low or low-income standing in RHNA allocations (Creswell, 2005, p. 1).

Senate Bill 2 (SB 2) amended GC Sections 65582, 65583, and 65589.5 of State Housing Element Law. This legislation took effect January 1, 2008, and applies to all jurisdictions with Housing Elements due after June 30, 2008. The law requires local jurisdictions to “strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit” (HCD, Chapter 633).

Regional Programs and Requirements

The Lake County/City Area Planning Council (APC), which is the Regional Transportation Planning Agency (RTPA), is the governing agency for the Lake County region. The RTPA was established in 1972 with the passing of the Transportation Development Act (TDA). The APC contains eight members – “two board members from the Lake County Board of Supervisors, two council members from the City of Lakeport, two council members from the City of Clearlake, and two at large citizen members appointed by the Board of Supervisors” (lakeapc.org).

RTPA’s responsibilities have gradually increased over the years from ensuring appropriate local transportation planning to working on broader state transportation projects. This is due to Senate Bill 45 (SB 45), passed in 1997, which increased RTPA’s duties relative to the State Transportation Improvement Program (STIP). STIP is a five-year list of transportation projects produced by the California Transportation Commission (CTC).

APC is also responsible for drafting Regional Housing Needs Allocations (RHNA) pursuant to Government Code 65584. The current RHNA numbers address housing units within Lake County and incorporated cities through 2014 as estimated by the State of California Department of Housing & Community Development (HCD).

Local Requirements

In addition to following state and regional requirements, the City of Clearlake’s Housing Element contains goals and objectives, which recognize the specialized needs within the City. The City’s current Housing Element was adopted in 2010, and is a five-year plan for the 2010-2016 planning period. The local goals of the Housing Element are as follows:

- To designate sufficient land at appropriate densities with development standards to accommodate housing for a broader range of income groups
- To provide for the housing needs of special population groups; including seniors, persons with disabilities, large families, female households, and the homeless
- To encourage development of new housing for a broader range of income groups
- To improve the neighborhoods of Clearlake by addressing appearance and safety, structural housing conditions, and infrastructure needed for housing; including streets, drainage facilities, flood control, and sewer and water system improvements
- To promote fair housing opportunities for all persons regardless of age, race, sex, marital status, ethnic background, source of income, or other arbitrary factors
- To promote energy conservation in new and existing residential homes and neighborhoods
- To encourage the development of housing for moderate-income and above moderate-income families so Clearlake is similar to the distribution of Statewide income levels

B. EXISTING CONDITIONS

1. Characteristics of the Housing Stock

Quantity and Type of Units

Housing in Clearlake consists mainly of single-family, modular, and mobile homes. Housing units are primarily one-story and located on a variety of parcel types. The United States Census Bureau (U.S. Census) estimated that Clearlake had 8,487 housing units in 2010. Of these units, more than half are single-family detached structures and over one-third are mobile homes (See Figure 6.1). As shown in Table 6.1, the number of mobile homes in Clearlake decreased between 2000 and 2010, while single-family homes and multiple-unit housing increased. The overall number of housing units increased by about 11%, or 829 units, between 2000 and 2010, an increase of 82.9 units per year, on average.

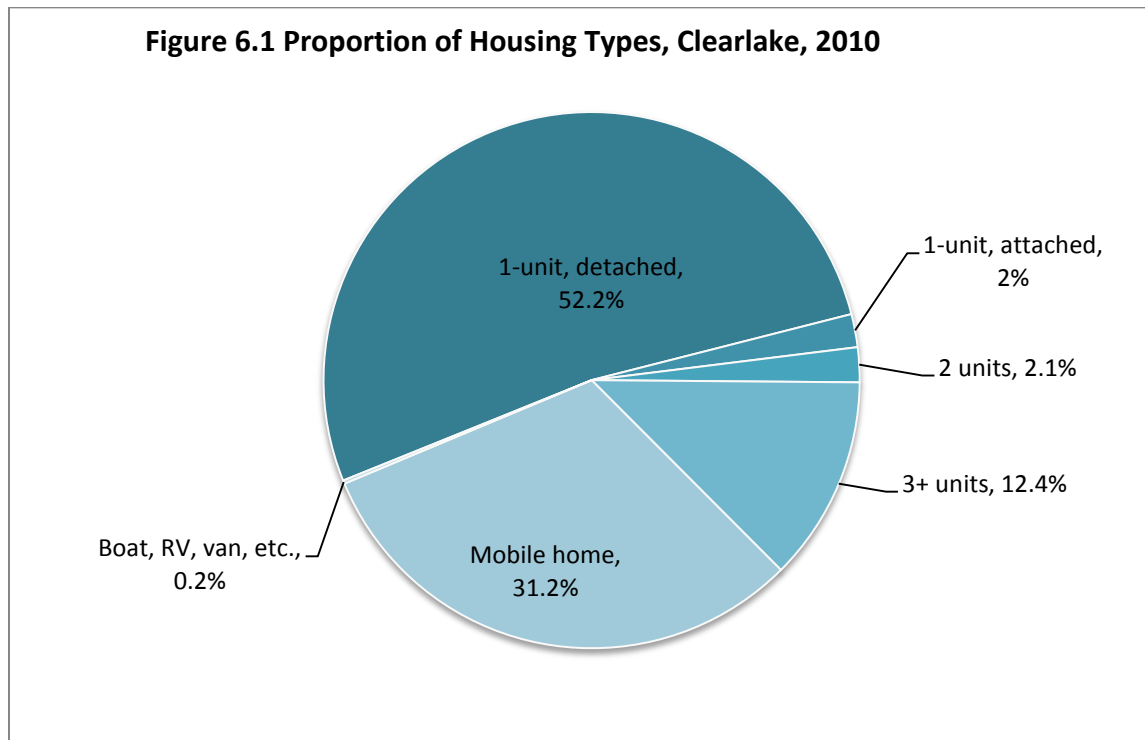
Noticeable changes over time include the increase in 5 to 9 unit housing structures and the increase of 20 or more unit housing structures. This increase in multi-family housing may account for the decrease in the number of mobile homes.

Table 6.1 Proportion of Housing Types in Clearlake, 2000 and 2010

Units in Structure	2000		2010		Change from 2000 to 2010	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total housing units	7,658	100%	8,487	100%	829	10.83%
1-unit, detached	3,656	47.74%	4,426	52.20%	770	21.06%
1-unit, attached	100	1.31%	171	2.00%	71	71.00%
2 units	135	1.76%	176	2.10%	41	30.37%
3 or 4 units	116	1.51%	257	3.00%	141	121.55%
5 to 9 units	109	1.42%	424	5.00%	315	288.99%
10 to 19 units	25	0.33%	51	0.60%	26	104.00%
20 or more units	87	1.14%	319	3.80%	232	266.67%
Mobile home	3,314	43.28%	2,650	31.20%	-664	-20.04%
Boat, RV, van, etc.	116	1.51%	13	0.20%	-103	-88.79%

U.S. Census, Table DP04, 2010

Figure 6.1 Proportion of Housing Types, Clearlake, 2010



U.S. Census, Table DP04, 2006-2010

Age of Housing Units

A majority of Clearlake’s existing housing units, 61.8 percent, were built between 1960 and 1989. 15.8 percent of the housing units were built after 1990. Table 6.2 shows age of housing structures.

Year Structure Built	Estimate	Percent
Total housing units	8,487	100%
Built 2005 or later	434	5.10%
Built 2000 to 2004	211	2.50%
Built 1990 to 1999	696	8.20%
Built 1980 to 1989	1,268	14.90%
Built 1970 to 1979	2,401	28.30%
Built 1960 to 1969	1,577	18.60%
Built 1950 to 1959	1,061	12.50%
Built 1940 to 1949	458	5.40%
Built 1939 or earlier	381	4.50%

U.S. Census, Table DP04, 2006-2010

Housing Condition

The planning team conducted a survey of the condition of existing housing structures in Clearlake as part of the land-use inventory in October 2012. Housing conditions were classified as Good, Fair, Poor, or Bad. The rating system used is shown in Figure 6.3.

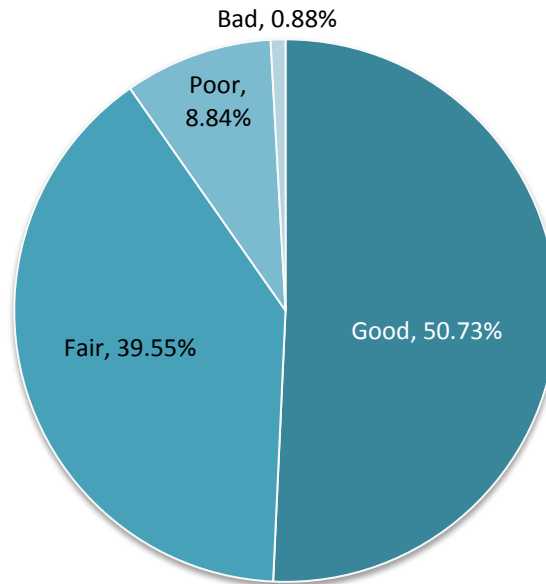
Housing quality in Clearlake was measured by the land-use inventory team. As shown in Figure 6.3, about half of all housing units in the City are considered to be of “good” quality, followed by 40 percent considered to be of “fair” quality. The remaining 10 percent of all housing units are of “poor” or “bad” quality.

Figure 6.2 Housing Rating System



Cal Poly Land Use Inventory, 2012

Figure 6.3 Housing Quality in Clearlake, 2012



Cal Poly Land Use Inventory, 2012

2. Vacancy Rate

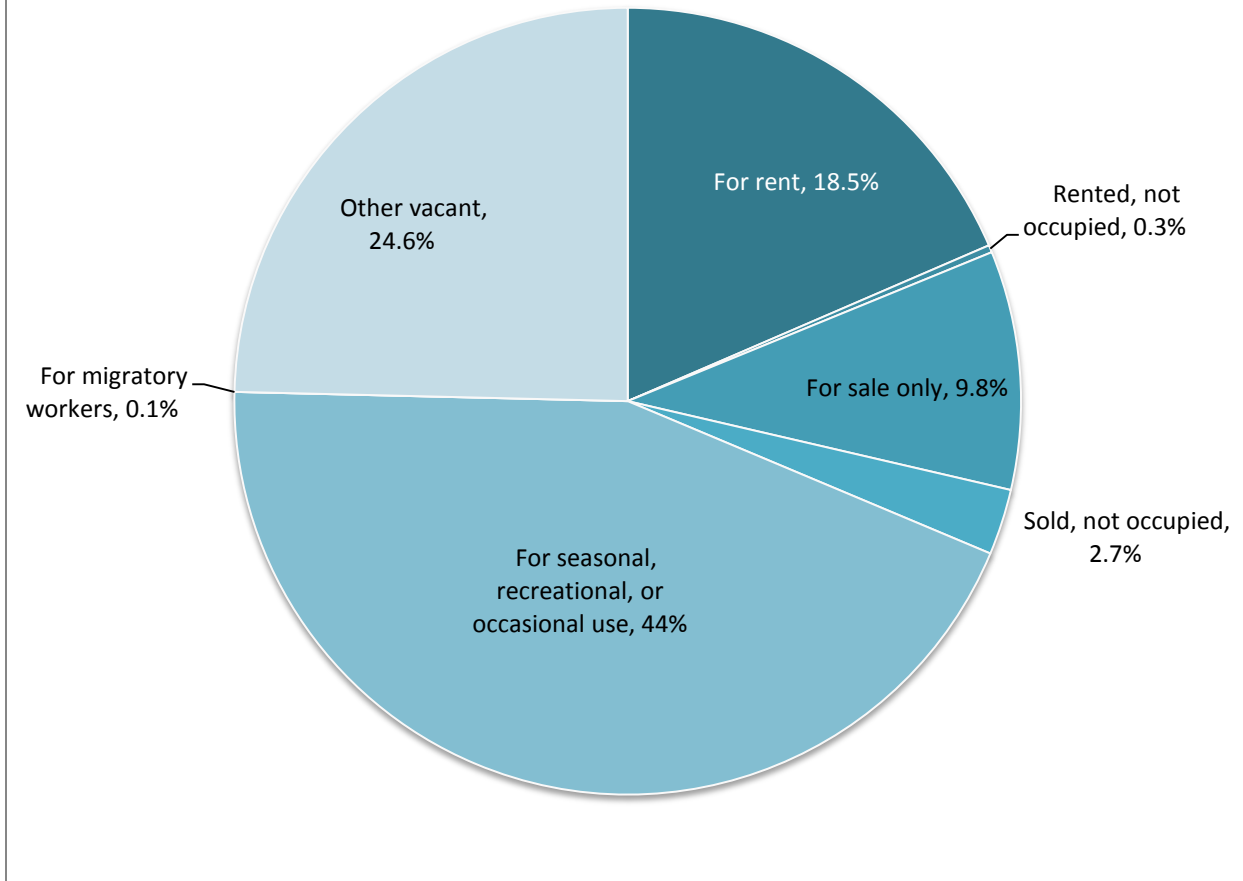
According to 2010 U.S. Census data more than 25 percent of Clearlake’s housing units are vacant. This is shown in Table 6.3. This was widely noted during the land-use inventory, conducted in October 2012. While this rate is close to the Lake County percentage of housing units, the California average is only 8 percent vacancy. Assessment of uses for these vacant parcels is a huge necessity in improving housing conditions for Clearlake.

Table 6.3 Occupancy Status of Housing Units, 2010						
Housing Occupancy	Clearlake, California		Lake County, California		California	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total housing units	8,035	100%	35,492	100%	13,680,081	100%
Occupied housing units	5,970	74.30%	26,548	74.80%	12,577,583	92%
Vacant housing units	2,065	25.70%	8,944	25.20%	1,102,583	8%

U.S. Census, Table DP-1, 2010

As illustrated in Figure 6.4, almost half of all vacancies can be attributed to seasonal or occasional usage, most likely summer homes. 18.5 percent of vacancies are for rent. The remaining 25 percent of vacancies are due to “other” reasons.

Figure 6.4: Status of Vacant Housing Units in Clearlake, 2010



U.S. Census, Table DP-1, 2010

3. Regional Housing Needs Allocation

According to State Housing Law, jurisdictional Housing Elements must include the Regional Housing Needs Allocation (RHNA). Table 6.4 shows a breakdown of estimated new units required for each income level.

Income Category	Number of Units	Percent
Very Low	196	16%
Low	138	11%
Moderate	270	22%
Above Moderate	624	51%
Totals	1,228	100%

Regional Housing Needs Plan, 2008

HCD calculates RHNA requirements for each City using information provided by the California Department of Finance. Clearlake’s projected housing needs allocation for the 2010 to 2016 planning period call for 624 above moderate housing units, accounting for more than half of the entire housing needs allocation. Low and very low-income housing needs make up 27 percent of the projected needs estimate.

4. Clearlake Household Characteristics

Housing Tenure

Housing tenure is classified by tenant ownership, either owner or renter-occupied. According to 2010 census data shown in Table 6.5, there are only a few more owner rather than renter-occupied units in Clearlake. The percentage of owner and renter-occupied units are very similar in share to the state of California. Lake County has a greater number of owner-occupied housing units than the City or State.

	2000				2010				California Percent
	Clearlake		Lake County		Clearlake		Lake County		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Occupied housing units	5,532	100	23,794	100	5,970	100	26,548	100	100
Owner-occupied	3,490	63.1	16,914	70.6	3,190	53.4	17,472	65.8	55.9
Average household size	2.2		2.3		2.38		2.31		2.99
Renter-occupied	2,042	36.9	7,060	29.4	2,780	46.6	9,076	34.2	44.1
Average household size	2.62		2.6		2.59		2.55		2.89

U.S. Census, Table DP-1, 2010

Household Size

Table 6.6 shows that the largest proportion of owner-occupied housing units are made up of 2-person households, while the largest proportion of renter-occupied housing units are single person households. Households with over 3 people are very rare. In 2010, the average household size of owner and renter-occupied units in Clearlake was 2.38 and 2.59 persons per household, respectively. This is similar to Lake County yet a smaller average household size

than the California average of 2.99 and 2.89, respectively, for owner occupied and renter occupied housing units (See Table 6.5).

Table 6.6 Household Size in Clearlake, 2010		
Household Size	Number	Percent
Owner Occupied Housing Units	3,190	100.0%
1-person household	956	30.0%
2-person household	1,222	38.3%
3-person household	418	13.1%
4-person household	293	9.2%
5-person household	163	5.1%
6-person household	78	2.4%
7-person household	60	1.9%
Renter Occupied Housing Units	2,780	100.0%
1-person household	942	33.9%
2-person household	678	24.4%
3-person household	444	16.0%
4-person household	350	12.6%
5-person household	197	7.1%
6-person household	89	3.2%
7-person household	80	2.9%
<i>U.S. Census, Table QT-H2, 2010</i>		

Overcrowding

Overcrowding refers to livable rooms being occupied by more than one person per room, not including kitchens and bathrooms. Severe overcrowding occurs when more than 1.5 people occupy a room, on average. Overcrowding has been attributed to health and safety concerns (California Department of Housing and Community Development, 2011).

Table 6.7 shows that Clearlake depicts minimal levels of overcrowding, with about 4 percent of the population living in overcrowded or severely overcrowded housing conditions. This is only slightly more than the level of overcrowding in Lake County.

Table 6.7 Overcrowding 2010

Occupants per Room	Lake County, California		Clearlake, California	
	Estimate	Percent	Estimate	Percent
Occupied housing units	25,180	100%	6,223	100%
1.00 or less	24,310	96.50%	5,950	95.60%
1.01 to 1.50 (overcrowded)	582	2.30%	166	2.70%
1.51 or more (severely overcrowded)	288	1.10%	107	1.70%

U.S. Census, Table DP04, 2006-2010

Households and Families

Overall trends in household types are shown in Table 6.8. This table illustrates an increase in number of households with children under the age of 18, as well as a decrease in number of single senior occupied households as well as the number of households with one or more seniors aged 65 and over. Interestingly, the number of family households has decreased since 2000, while the number of non-family households has increased by 40 percent. Additionally, female householders with no male householder present have increased, in addition to the number of households with the householder living alone. Female householders with children under 18 years old have increased by about 25 percent. These trends signify an increase in single mothers in the area. Special consideration should be given to single mothers and their financial housing needs.

Table 6.8 Household Types in Clearlake, 2010

Households by Type	2000		2010		Percent Change
	Estimate	Percent	Estimate	Percent	
Total households	5,532	100%	6,223	100%	12.5%
Family households (families)	3,312	59.9%	3,102	49.8%	-6.3%
With own children under 18 years	1,461	26.4%	1,649	26.5%	12.9%
Married-couple family	2,105	38.1%	2,019	32.4%	-4.1%
With own children under 18 years	692	12.5%	898	14.4%	29.8%
Male householder, no wife present, family	n/a	n/a	134	2.2%	n/a
With own children under 18 years	n/a	n/a	22	0.4%	n/a
Female householder, no husband present, family	868	15.7%	949	15.2%	9.3%
With own children under 18 years	571	10.3%	729	11.7%	27.7%
Non-family households	2,220	40.1%	3,121	50.2%	40.6%
Householder living alone	1,822	32.9%	2,321	37.3%	27.4%
65 years and over	892	16.1%	736	11.8%	-17.5%
Households with one or more people under 18 years	1,706	30.8%	1,950	31.3%	14.3%
Households with one or more people 65 years and over	1,971	35.6%	1,305	21.0%	-33.8%
Average household size	2.35	(X)	2.4	(X)	2.1%
Average family size	2.96	(X)	3.18	(X)	7.4%

U.S. Census, Table DP01, 2006-2010; DP-1, 2000

Housing Affordability

Cost-burdened housing is a major problem for both homeowners and renters in Clearlake. Cost-burdened means that residents spend 30 percent or more of their income on housing costs. A majority (60.5 percent) of those who own their own home and have mortgages are spending 35 percent or more of their monthly incomes on housing costs. An additional 13.8 percent of owners with mortgages are spending 30-35 percent of their monthly income on housing costs. Therefore, nearly three-fourths of homeowners with mortgages are cost-burdened. Those homeowners without a mortgage are substantially less cost burdened, with only about 19 percent of homeowners spending 30 percent or more of their monthly income on housing costs.

Household Type	Lake County, California		Clearlake, California	
	Total Number of Units	Percent Cost Burdened	Total Number of Units	Percent Cost Burdened
Owner Occupied with a mortgage	10,218	44.8%	1,708	74.3%
Owner Occupied without a mortgage	6,535	21.7%	1,273	19.1%
Renter Occupied	1,359	66.2%	2,719	58.7%

Census Table DP02 and DP04, 2006-2010

Clearlake residents who are renters are substantially cost-burdened as well. About 60 percent of renters spend 30 percent or more of their monthly income on housing costs. This is slightly less than the percent of cost-burdened renters in Lake County as a whole, which is 66 percent. Overall, a majority of households in Clearlake are cost-burdened, whether they are renting or own their home.

5. Housing Needs and Resources

The Housing Element has an important function which is to establish current housing needs for all income levels based on the adequacy of available land supply. This and the following sections outlay the analyses undertaken to determine Clearlake’s land availability, funding resources, special housing needs, and housing constraints. Findings from these analyses are the factual premise for updating the Housing Element with adequate policies and implementation programs to meet current and future resident needs.

Land Availability

The City recently inventoried all lands within City limits to determine suitable parcels for future residential developments. This was undertaken in accordance with State law requiring the community to provide an adequate number of sites for housing production to meet the City’s regional share of housing needs. There are currently 7,943 vacant lots surveyed by the City with

almost 80 percent of these lots serviced with public water and sewer. These vacant lots are not constrained by slopes, poor soils, floodplains, conservation easements, lack of access, or land use controls. Of these lots, 64 percent are 5,000 square feet and 11 percent are between 5,001 to 10,000 square feet in size (City of Clearlake Housing Element, 2010). Based on the projected growth rate of almost 13 percent over the next 30 years, these identified vacant lots are sufficient to meet the City's need for low-income homes.

State law requires that parcels zoned at 20 or more units per acre or sites large enough to accommodate 16 or more units are allocated in order to meet the needs for low and very low-income housing. Currently, all multi-family developments in Clearlake are for low-income housing. The identified vacant parcels are currently zoned for single family residential and are available for zoning conversion to an R3 or Planned Development overlay designation. Under State law, multi-family developments are entitled to a density bonus increase of 35 percent, increasing the allowed density of these parcels to 27-units per acre. Based on the proposed R3 or PD zoning density, these parcels are capable of holding up to 1,255 potential units for low-income housing. The Regional Housing Needs Plan (RHNP) for affordable housing requires the City to provide 334 affordable housing units for low-income residents. The City will be able to meet 275 percent of the RHNP affordable housing requirement for 2016 (City of Clearlake Housing Element, 2010).

Housing Funding & Administrative Resources

Housing developments in the City can obtain funding from various sources; local providers, private non-profit agencies, state and federal programs. The various resource groups are identified in the following subsections.

LOCAL

Lake County Housing Commission

The Lake County Housing Commission administers housing programs for the entire county and some programs within the City of Clearlake. The Housing Commission is responsible for the First Time Homebuyer Assistance Program and Section 8 Housing Choice Voucher Certificates. Within these programs, there is a small provision for the residents of Clearlake.

Redevelopment Housing Set-Aside Funds

Clearlake's Redevelopment Agency is required by State law to allocate a minimum of 20 percent of all tax increment revenue generated from redevelopment projects for affordable housing. These set-aside funds are only to be used for activities that increase, improve or preserve affordable housing supply in the City. Housing developed with these funds is conditioned to remain affordable to targeted income groups for at least 55 years as rentals and 45 years as ownership housing. Since 2010, the Agency has been developing a Homebuyer Program, which consists of loaning and rehabilitation programs. This Agency will support 23 units for affordable housing through homebuyer loan subsidy, and substantially rehabilitate 42 units through the rehabilitation loan program.

Community Reinvestment Act (CRA) Compliance

Lending institutions are required by federal law to reinvest in their communities through low-income construction or rehabilitation loans. There are plans for local lending institutions to collaborate with the Agency using the set-aside funds from the Homebuyer Program.

Habitat for Humanity

Habitat for Humanity (HFH) is a non-profit, faith based organization dedicated to building affordable housing and rehabilitating homes for lower income families. HFH homes are built with the help of volunteers and partner families. The HFH program works on an equity basis and the homes are sold to qualified families at no profit with an affordable, no-interest loan. Mortgages paid by low-income families help finance subsequent home building. Lands are procured by HFH or donated by government agencies or individuals. The Agency plans to collaborate with HFH by providing silent second loans using the Housing Set-Aside funds.

STATE AND FEDERAL

Community Development Block Grant Funds (CDBG)

CDBG funds are a statewide program and are administered by the State Department of Housing and Community Development (HCD). These funds are available to the City and are offered through a variety of competitive and non-competitive programs. These programs provide funding for eligible activities that include, but are not limited to acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction of housing, homeownership assistance, and clearance activities. Funding varies from year to year and city staff may decide on pursuing these funding programs based on perceived competitive advantage of potential projects.

HOME Investment Partnership Program Funds (HOME)

HOME is a federal funding program that promotes affordable rental housing and homeownership for lower-income households. HOME funds are also administered by the HCD through a variety of competitive and non-competitive programs. These funds are prioritized for the preservation of at-risk housing stock. Activities that are eligible for HOME funds include, but are not limited to acquisition, new construction, rehabilitation, first-time homebuyer assistance, and tenant-based assistance.

Mortgage Credit Certificate Program (MCC)

MCC is a federally funded program administered by the State to provide first-time homebuyers a credit on their federal income taxes. MCC is an annual application for homebuyers to credit up to 20 percent of the mortgage interest paid for the year on their federal income taxes. The remaining 80 percent of the mortgage interest paid will remain as income tax deduction. This program is available in conjunction with the City's First Time Homebuyer Program.

Cal Home Program

Another program geared towards the first-time homebuyers, Cal Home program, offers financial assistance to cities and non-profits for purchasing, rehabilitation programs, or home

ownership development projects. The program prioritizes assistance to owners of manufactured housing units and shared housing operators.

Special Housing Needs

This section addresses the types of special housing and the issues faced by special housing needs groups. . Special housing types include farm labor housing, manufactured housing, mobile homes, elderly housing, emergency shelters, transitional housing, group quarters, family care homes or day cares, childcare centers, and granny units or residential second units.

Farm Labor Housing

Farm labor housing is defined as living accommodations provided for agricultural workers and is typically divided into two categories: migrant and permanent farm workers. Permanent farm workers work and reside permanently nearby agricultural areas. These workers are typically low-income and are entitled to low-income housing assistance. Migrant farm workers are seasonal agricultural workers and normally reside in and around the community during crop seasons. Migrant workers typically arrive in large numbers and often require specialized housing to meet their needs.

There are a few parcels zoned for agriculture use in the City. These parcels are being used to grow agricultural crops but are too small to support viable agricultural operations. The City's Zoning Ordinance identifies and allows for farm labor housing but does not identify zoning districts where this housing type is permitted. It is a challenge to enforce the agricultural land use compatibility under the City's Zoning Ordinance. Permitted uses are deemed non-discretionary and are approved administratively by staff. Permit review considerations are only limited to parking, setbacks, coverage, and height limitations. There is limited zoning enforcement to determine land use compatibility and permitted locations. It is also unclear how many people the existing farm labor housing accommodates.

Secondary Living Units

Secondary living units are separate dwelling units that provide complete independent living facilities for one or more persons. The City Zoning Ordinance permits secondary living units in all residential zoning districts, subject to approval of a ministerial site plan permit.

6. HOUSING CONSTRAINTS

Local housing markets can be impacted by various constraining factors. These factors can be governmental in nature such as local policies and regulations or non-governmental conditions such as availability of land and financing, environmental limitations, land and development costs. This section discusses the constraints the City faces in housing development, in particular the provision of affordable housing.

Governmental

Land Use Controls

The City of Clearlake regulates the type, location, density, and scale of residential developments through the Zoning Ordinance. Authorized by State law, local cities enforce zoning regulations to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. Cities can also shape and preserve desired neighborhood characters through the Zoning Ordinance.

Table 6.10 shows the development requirements for lots zoned Residential Rural (RR), Single Family Residential (R-1) and Multi-Family Residential (R-3). The City's parcel sizes are determined based on the availability of off-site sewer and water. Land serviced with off-site sewer and water is purposefully smaller than parcels requiring on-site water or sewer, or both. The City encourages multi-family housing by regulating development standards for both C-2 zone and R-3 zones, in hopes to incentivize more production of affordable housing in the City. The City also utilizes a Planned Development (PD) overlay district, which allows for flexible siting, clustering, and development of home structures to increase open space and better use of site layout. The use of PD overlay zone will need to meet the requirements of Homeowners' Associations (HOA), site sensitivity to existing natural features, and consistency with the base zoning district requirements.

	RR	R-1	R-3
Minimum Lot Size			
With off-site water and sewer	1.25-5 ac.	5,000 sq. ft.	5,000 sq.ft.
With off-site water or sewer	1.25-5 ac.	15,000 sq.ft.	5,000 sq.ft.
With on-site water and sewer	1.25-5 ac.	40,000 sq.ft.	5,000 sq.ft.
Maximum Height	35 feet	35 feet	45 feet
Maximum FAR			
One-Story	N/A	60%	60%
Two-Story	N/A	50%	60%
Minimum Lot Width			
Interior Lot	N/A	50 feet	50 feet
Corner Lot	N/A	60 feet	60 feet
Required Setbacks			
Front	20 feet	20 feet	20 feet
Side	5 feet	5 feet	5 feet
Rear	10 feet	10 feet	10 feet

City of Clearlake Housing Element 2010 – 2016

Single Family Residential Development Standards

As shown in Table 6.10, the City has a simple and straightforward development standard that is almost similar for the RR, R-1 and R-3 zones. All these zones have the same setback requirement, and R-1 and R-3 have similar lot minimum lot width and height standards. The Single Family Residential parcels vary in sizes depending on the availability of municipal sewer and water services but the Multi-Family Residential parcels have a minimum of 5,000 square foot lots, regardless of the availability of municipal services. The City does not impose height limitations on property owners in order to achieve maximum densities as allowed under the City's General Plan. Zoning standards allow for residential structures up to 35 feet high in the R-1 zones and 45 feet high in the R-3 zone. This may translate to varying heights and structure build up on lots similarly zoned, which are found in many residential neighborhoods in the city.

Multi Family Development Standards

Section 189.4-7 of the Zoning Ordinance requires multi-family projects to comply with development standards for lot size, building coverage, height, yard, and setbacks. There is additional requirement for multi-family buildings which face each other. These structures must maintain a 30-foot separation, and there needs to be an additional 5-foot setback for each story after the first. If the buildings are rear or side facing, this separation can be reduced to as little as 15 feet, with additional 2.5 feet for each story in excess of one. The City requires projects with seven or more units to provide 400 square feet of usable open space per dwelling unit, half of which is to be private and accessible by each dwelling unit. These requirements are typical for multi-family developments and have not been considered as a constraint to the development of affordable housing. However, chronic funding gaps will require the City to reevaluate development feasibility to encourage more affordable housing developers.

Parking Standards

Parking requirements can be a constraining factor to housing production, especially affordable housing development. Minimum number of required spaces can increase development expenses and take away valuable land from residential square footage and open space. Table 6.11 shows the standard parking requirements for all housing types. The City's parking standards are similar to parking requirements in other cities. However, due to the chronic lack of development funding, such parking requirements may jeopardize the feasibility of housing projects and affordable housing developments in particular.

Table 6.11 Residential Parking Requirements	
Residential Use	Parking Standard
Single Family	Two(2) spaces per unit
Second Unit/ Granny Unit	One(1) space per unit
Multiple Family	Two (2) spaces per dwelling unit (One space for 1 bedroom unit), plus 0.5 spaces per unit for guest parking
Elderly Housing	0.75 spaces per unit
Transient Lodging	One(1) space per sleeping room
Group Quarters	One(1) space per two occupants at maximum occupancy
Family Care Homes	Two (2) spaces per 6 adults receiving care, plus one(1) space per two (2) employees
Large Family Day Care Homes	One (1) additional space beyond requirement for underlying residential use
Child Care Centers	One (1) space for each employee plus three (3) passenger loading spaces per eight (8) children
Mobile home Park	Two (2) off-street spaces for each mobile home space, and 0.25 spaces of guest parking per mobile home space
<i>City of Clearlake Housing Element 2010 – 2016</i>	

Site Improvement Standards

New developments are subject to site improvement regulations and impact assessments. Site improvement requirements include streets, water, sewer, and other infrastructure necessary to serve the new development. The City regulates required site improvements for new developments through Design Construction Standards. Often times, these site improvements can be a cost deterrent for developers, especially in affordable housing projects. The City assists or reduces the cost of improvements by obtaining state and federal financing, providing density bonuses, and deferring or reducing fees to ensure long-term affordability of these assisted housing units.

Street Improvements

One of the biggest constraints to housing development in Clearlake is street improvement costs. New developments need to provide streets for new residents including right-of-way, pavement, and landscaping, all with considerable cost to the developer. The City Subdivision Regulations identify three types of street required for new development; arterial, collector and local streets. Table 6.12 shows the requirement standards for each street type. The City faces a severe road network condition problem, which needs an upgrade and better maintenance. The City maintains 49 miles of unpaved, dirt streets and 64 miles of paved streets. A pavement management study completed in 2008 estimated \$33.2 million is needed for reconstruction; \$11.3 million needed for major rehabilitation, \$3.6 million needed for overlays, and \$0.4 million needed for slurry seals. The total cost needed to improve the streets to an acceptable urban

standard is \$48.5 million. The City did receive \$723,000 in revenue for maintaining the streets in 2009. Of this amount, only \$182,000 was spent on capital street improvement projects after deducting \$541,000 for personnel and operation costs.

Table 6.12 Clearlake Street Standards		
Residential Use	Parking Standard	Required Pavement Width
Arterial Streets	84 feet	60 feet
Collector Streets	50 feet	36 feet
Local Streets	50 feet	36 feet
<i>City of Clearlake Construction Standards</i>		

Drainage Improvements

The other major constraint on housing development is funding the drainage improvements required by the City. At this moment, the City is facing serious storm drainage and flooding problems. Many of the drainage facilities need to be replaced or upsized for better drainage capacity and the City has no funds for the needed improvements. Developers are required to pay the entire cost for all on-site storm drainage facilities including underground storm drain pipelines, catch basins, detention basins, and other facilities that may be needed. There are cases where the City may require developers to pay or construct off-site drainage facilities. All new developments will need to be in conformance with the Clearlake Master Drainage Plan, which determines the drainage facilities necessary for individual developments.

Flood Control

Large areas of the City are affected by the Federal Emergency Management Agency’s (FEMA) 100- year floodplain designation. These affected areas are primarily near the lakeshore and adjacent to watercourses. The City will consider flood mitigation measures such as on-site and downstream drainage improvements, raised foundations, or grading to raise buildings above the floodplain level for new developments. The storm water drainage and flooding improvements are expected to be costly and complex. These lengthy and costly improvements are considered a major constraint to housing production in the City.

Sewer System

The City does not provide sewer service for new housing developments. Some of the existing residential parcels are serviced by off-site sewer system provided by the Special Lake District of Lakeport, which is a special district providing sewer service in the City. New developments are required to either provide adequate on-site septic systems or connect to the off-site sewer system. However, the Southeast Regional Treatment Facility, the Special District’s facility serving Clearlake is at critical capacity level. From 2008 to 2010, approximately 40,000 gallon of sewage was surcharged and spilled onto the streets, drainage courses, and Clear Lake. The District has been issued an injunction to cease operations from the Central Valley Regional Water Quality Control Board. The estimated repair cost is approximately \$5 million. Since April

2010, a moratorium on development had been issued by the District on almost half of the City parcels including the multi-family parcels targeted for low-income housing. Due to the moratorium, 242 low-income units are compromised but there are still 1,013 potential units available to meet the 334 low-income units identified by the Regional Needs Plan for the City.

Water System

There are three parties providing water service to the City; Konocti Water District, Highlands Mutual Water Company and California Cities Water. These providers service different parts of the City and developers are required to provide water connection lines to these applicable systems unless the sites are serviced by the use of a private well. All residential fresh water usage is drawn from the Clear Lake but treated off site. Water entitlements are deemed sufficient for projected growth in the majority of areas. The only constraint on future housing is the potential upgrade to existing water distribution pipelines in some areas with inadequate capacity.

Building Code and Enforcement

State building laws require the City to implement building codes and standards to meet Title 24 of the California Code of Regulations. Title 24 is an important set of regulations to enhance California buildings by conserving energy, construction and maintenance, life and fire safety, green design and accessibility.

However, the City currently does not enforce Title 24 standards to developments because compliance will require the City to conduct intermittent building inspections at various stages of construction. These inspections can lengthen construction time and increase development costs. Hence, the City considered these as constraining factors to housing development, particularly when rehabilitating older properties to current code standards.

Another concern of the City is code enforcement for habitably unsound homes. Majority of the code enforcement complaints relate to housing in need of rehabilitation. The City allows property owners generous flexibility to make interior and exterior alterations or modifications of their homes to increase accessibility for persons with disabilities. The flipside to flexible modifications for accessibility is lack of code compliance inspections which has resulted in compromised building safety observed in many parts of the City.

Non-Governmental

Availability of Financing

The availability of financing affects one's ability to own, maintain, or improve a home. Table 6.13 and 6.14 both show the number of loan applications for home purchase and improvements in Clearlake. These tables show the percentage of 'approved' and 'denied' applications by different income levels. The status of 'other' indicates loan applications that were neither approved nor denied, but were incomplete or withdrawn by the applicant. (City of Clearlake Housing Element, 2011)

Table 6.13 Disposition of Home Purchase Loans

Applicant Income	Conventional Loans				Government Backed Loans			
	Total	Approved	Denied	Other	Total	Approved	Denied	Other
Lower	56	59%	29%	12%	37	73%	3%	24%
Moderate	64	77%	14%	9%	15	73%	20%	7%
Above Moderate	112	78%	20%	2%	17	88%	6%	6%
NA 1 ¹	16	56%	19%	25%	5	40%	40%	20%
Total	249	72%	20%	8%	74	74%	9%	16%

Source: Home Mortgage Disclosure Act data

1: Loan applicants who chose not to disclose their income

Table 6.14 Disposition of Home Improvement Loans

Applicant Income	Conventional Loans			
	Total	Approved	Denied	Other
Lower	21	24%	62%	14%
Moderate	13	15%	69%	15%
Above Moderate	23	43%	52%	4%
NA ¹	8	0%	88%	12%
Total	65	26%	63%	11%

Home Mortgage Disclosure Act data

1: Loan applicants who chose not to disclose their income

Based on the information presented in Table 6.13, approximately 45 percent of the 249 loan applicants were from above moderate-income households. Lower and moderate-income households make up 17 and 26 percent of applications, respectively. The approval rate for the home purchase loans is directly related to the income level, the lowest approval rate for conventional loans is for lower income households, with only 59 percent loans approved. Above moderate-income applicants had the highest approval rate, with 78% of loans approved.

Another problem arises when looking at loans for home maintenance. Many homeowners rely on home improvement loans to repair or improve their homes and the ability to secure lending directly affects their home maintenance projects. As shown in Table 6.14, the overall approval rate for home improvement loans is only 26 percent, which is significantly lower than the approval rate for home purchasing loans (72-74%). None of the income groups had an approval rate higher than 43 percent. Moderate-income households had the lowest rate of approval, with only 15 percent of applications approved. Above moderate-income household applicants had an approval rate of 43 percent while only 24 percent of the lower income household applications were approved.

The disparity between lending for home purchase and improvements is considered a constraint on home ownership and improvement opportunities. The City will need to provide and/or participate in more home buying and rehabilitation assistance programs in order to curtail excessive private market lending and debt owned by homeowners. Approximately 75 percent of households in the City are already cost burdened and many may be living in houses in need of rehabilitation.

Price and Availability of Land

Half or 7,600 parcels of the 14,600 parcels in the City are vacant (Cal Poly Land Use Survey, 2012). Some of these parcels are readily available for development with services while some are not. Land costs for both residential and commercial zoned parcels are considered low compared to other parts of California, depending upon location, status of subdivision or other improvements to the property. Recent real estate sales in Clearlake showed an average land value of \$44,000 per acre. The average price for ready to build single-family lot is \$34,000 per acre, with a typical 5,000 square foot lot sold for an average price of \$25,100 (Clearlake Housing Element, 2010). Land price and availability of land is not considered a constraint to housing production in the City.

Construction Cost

Many factors can affect construction costs in housing production. Factors such as construction type, development scale, materials, site conditions, amenities, home sizes, and developers' fees are part of overall construction costs. Though the land costs are low, construction costs in the City is similar to other California areas, and may even be higher due to the town accessibility. Construction costs range typically from \$105 to \$136 per square foot for single-family homes and multi-family homes typically cost \$96 to \$144 per square foot (Building Valuation Data, 2012). Thus, the average cost of a 1,200 square foot single family home would range from \$122,400 to \$156,000 and these estimates do not include land costs and developer impact fees.

The City's Zoning Ordinance permits prefabricated modular homes to be built on single-family lots and are treated the same as a stick built homes. Based on bids between 2008 and 2009 for the Housing Rehab Program, mobile homes cost from \$85,000 to \$132,000 per unit, without including land costs and developer's impact fees. The cost of purchasing and installing a mobile home is almost the same as a stick built home and may not be a viable option for future housing construction. Additionally, most of the City's housing stock is comprised of mobile homes built from the 1960s to 1980s. These homes are now more than 30 years old and are in need of major upgrading or replacement. Given that the construction costs are similar to stick build homes, rehabilitating aging mobile homes is not a viable option for the City. The City faces a challenge to fund rehabilitation programs for dilapidated homes and since almost 75 percent of the City's housing stock is aging mobile homes, this is considered a major constraint to achieving improved quality homes.

C. EMERGING DIRECTIONS

The culmination of community feedback attained at public meetings as well as the assessment of current housing in Clearlake provided insight into the community's needs for the future. The following questions will need to be considered in the Housing Element:

- How can Clearlake increase housing value and quality?
- How can Clearlake provide residents with more housing options?
- How can Clearlake provide adequate and comfortable housing for all income groups?

Common Themes from Community Meetings

Existing Strengths

Residents feel Clearlake's strength lies in its vast offering of single-family detached homes. They also value the small town character where neighbors know one another and feel safe. In addition, residents value the affordability of housing offered in Clearlake, but are aware that the number of affordable units needs to increase.

Opportunities for Improvement

Residents were asked what their community lacked and how Clearlake could be improved. Many people wanted to see an increase in housing that is aesthetically attractive in order to maintain the charm of the community. This was expressed through comments focused on improving maintenance and appearance of the existing homes as well as the desire to have newer homes to attract moderate to above moderate-income households.

Many structures are in poor quality and in need of repair or replacement. There may be an opportunity for the City to embark on a program that encourages homeowners and landlords to participate in minor aesthetic capital improvements which may help increase property value. Furthermore, this type of program would have the potential to generate some local, albeit most likely temporary, jobs.

Increasing the supply of affordable housing was also a topic of conversation at the community meeting. When asked what kind of affordable housing they preferred, most residents wanted secondary dwelling units (or granny units) and apartments. When asked what kind of market-rate housing was preferred, almost all community members stated that single-family detached units were most desired. Lastly, residents were asked what the most pressing issues (related to housing) were in their neighborhoods. Community response made it very clear that there are many issues that need to be addressed. These issues included building maintenance, yard and lawn maintenance, and waste management. These concerns will all be addressed in the updated Housing Element.

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