

# **2008 Kings County Regional Housing Needs Allocation Plan**



**Kings County Association of Governments**

**Adopted August 27, 2008**

# **2008 KINGS COUNTY REGIONAL HOUSING NEEDS ALLOCATION PLAN**

**FOR PLANNING PERIOD: January 1, 2007 – June 30, 2014**

**Adopted  
August 27, 2008**

**PREPARED BY:**

**Kings County Association of Governments**

BEFORE THE KINGS COUNTY ASSOCIATION OF GOVERNMENTS  
COMMISSION

\*\*\*\*\*

IN THE MATTER OF ADOPTING THE )  
2008 KINGS COUNTY REGIONAL )  
HOUSING NEEDS ALLOCATION PLAN )

RESOLUTION NO. 08-04  
RE: 2008 KINGS COUNTY  
RHNA PLAN

**WHEREAS**, Government Code Section 65584 directs each Council of Governments to prepare regional housing needs plans and requires that regional housing needs determinations make allocations specific to jurisdictions, including consideration of housing needs of all income levels; and

**WHEREAS**, the State Department of Housing and Community Development (HCD), as required by State law, has determined the existing and projected regional share of housing for all of Kings County for the planning period of January 1, 2007 through June 30, 2014 and provided that determination to KCAG; and

**WHEREAS**, the Kings County Association of Governments (KCAG) is mandated to prepare a Regional Housing Needs Allocation (RHNA) Plan that determines each city's and the county's share of the regional housing needs within Kings County for the planning period; and

**WHEREAS**, a methodology and draft 2008 Kings County RHNA Plan was prepared by KCAG and released for public comment and review on June 27, 2008; and

**WHEREAS**, a public hearing was held on August 27, 2008 to hear comments on the draft 2008 Kings County RHNA Plan.

**NOW, THEREFORE, BE IT RESOLVED**, that the KCAG Commission hereby adopts the 2008 Kings County Regional Housing Needs Allocation Plan. This Plan determines the housing needs of each jurisdiction within Kings County, and directs each city and the county to address these housing needs in their General Plan Housing Element update due by August 31, 2009.

The foregoing Resolution was adopted on a motion by Commissioner Craighead, seconded by Commissioner Lerma, at a regular meeting held on the 27<sup>th</sup> day of August, 2008 by the following vote:

AYES: **Craighead, Lerma, Neves, Martin, Barba, Chin**

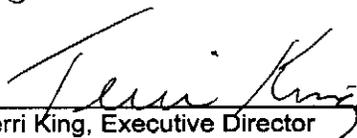
NOES:

ABSENT:

KINGS COUNTY ASSOCIATION OF GOVERNMENTS  
COMMISSION

  
Chairman

**WITNESS**, my hand this 27<sup>th</sup> day of August, 2008.

  
Terri King, Executive Director

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## **I. Introduction**

California continues to experience tremendous population growth, at a rate that ranks it 1<sup>st</sup> among the nation's 50 states. According to the U.S. Bureau of the Census, State Population Rankings Summary, California will continue to rank 1st through 2025 with a projected population of 49.3 million people. As a result, the State will continue to experience increased demand for reasonably attainable housing.

The State of California, recognizing the critical importance of adequate and affordable housing, seeks to address this statewide need by requiring Cities and Counties to plan for their fair share of the regional housing need. The Department of Housing and Community Development (HCD) first determines the housing needs of each region within the State. Using projected population and household growth figures, HCD derives the total number of housing units a region is expected to need over the next 7 ½ years. Then to address housing affordability, HCD further divides the regional housing totals into four income categories to ensure that the region accommodates its fair share of the State's affordable housing need. These regional housing totals then form the basis from which regional planning agencies, such as the Kings County Association of Governments, must allocate and distribute amongst the jurisdictions within its area of responsibility their share of the regional housing need.

Regional Planning Agencies are mandated by the State, under Government Code Section 65584 (Appendix A), to prepare a Regional Housing Needs Allocation (RHNA) Plan. This plan determines the number of housing units needed for each jurisdiction within the region, and allocates them according to four income groups, Very Low, Low, Moderate, and Above Moderate. A number of factors are required to be addressed by the regional planning agency in determining each jurisdiction's housing allocation. Criteria such as market demand for housing, employment opportunities, availability of suitable development sites, public facilities, commuting patterns, type and tenure of housing, and farmworker housing needs must be considered. The allocated number of housing units by income group will then be used by each jurisdiction in their General Plan Housing Element update as required by State law.

### **Kings County Regional Housing Allocation**

The Kings County Association of Governments (KCAG) is charged with the role of determining how the State determined regional housing needs for Kings County will be distributed among the unincorporated County and the four incorporated cities of Avenal, Corcoran, Hanford, and Lemoore. KCAG has prepared this Regional Housing Allocation Plan to allocate each jurisdiction's fair share of new and replacement housing units that are projected to be needed from January 1, 2007 to June 30, 2014. These housing allocations will serve as the basis for the Housing Element updates of the County and four Cities, which are due by August 31, 2009. Housing Elements will cover the proceeding 5 year planning period through 2014. Since the allocated housing units in the RHNA Plan also covers the 2 ½ years prior to the Housing Element update, housing units constructed during this time (2007 - 2009) can be applied to reduce the respective jurisdiction's housing attainment goal.

In determining the housing allocation within Kings County, the Kings County Association of Governments developed an allocation methodology with the assistance of the Kings Regional Housing Technical Advisory Committee (KRHTAC). This methodology takes into account local growth assumptions and considers certain criteria as specified in Government Code Section 65584(a). The criteria used in this methodology include an analysis of available data on local housing, population, economic, and other growth factors. One growth assumption deemed relevant to housing growth and demand within Kings County is the housing needs of Lemoore Naval Air Station personnel. Although the housing unit allocations in this plan are not required to take into account the military base, Indian reservation, or prison populations, the Lemoore Naval Air Station is identified as a relevant factor. Using the assumptions and methodology detailed within this plan, KCAG in coordination with the KRHTAC has derived the distribution of each jurisdiction's share of the regional housing, and allocated the units according to the four income categories for housing affordability.

This RHNA Plan, due to be completed by August 31, 2008, contains an overview of the allocation process and methodology used in determining the jurisdictional housing allocations within Kings County. The goal of this RHNA Plan is to promote a fair distribution of attainable housing among the four incorporated cities and the unincorporated county, and in a way that also helps meet the State's housing goals. Attainable housing is defined as housing that is both sufficient in supply and affordably priced. The total housing units specified in this plan for each jurisdiction, however, are not to be construed as quotas for development. This RHNA Plan only determines the number and affordability of housing units that jurisdictions need to plan for through land use policies, regulations, infrastructure plans, and other housing assistance programs. Construction and development of these allocations is not a requirement of this plan.

### **Kings County Profile**

Kings County is located within the agriculturally rich San Joaquin Valley, with Fresno County to the north and west, Monterey County to the west, Tulare County to the east, and Kern County to the south. Created in 1893, Kings County was carved from the western portion of Tulare County, and in 1908 another 100 square miles were added from Fresno County. Encompassing nearly 1400 square miles, Kings County is geographically situated along the flat valley floor with only the southwestern portion reaching higher elevations in the Kettleman Hills and adjacent mountain range. The Kings River, from which the County derives its name, runs along the northern edges and flows south towards the center of the County. Historically, this river flowed farther south to what was once the Tulare Lake. Water diversion and levies have since controlled flooding and dried the lake up. Now referred to as the Tulare Lake Basin, this area is extensively used for agricultural crop production.

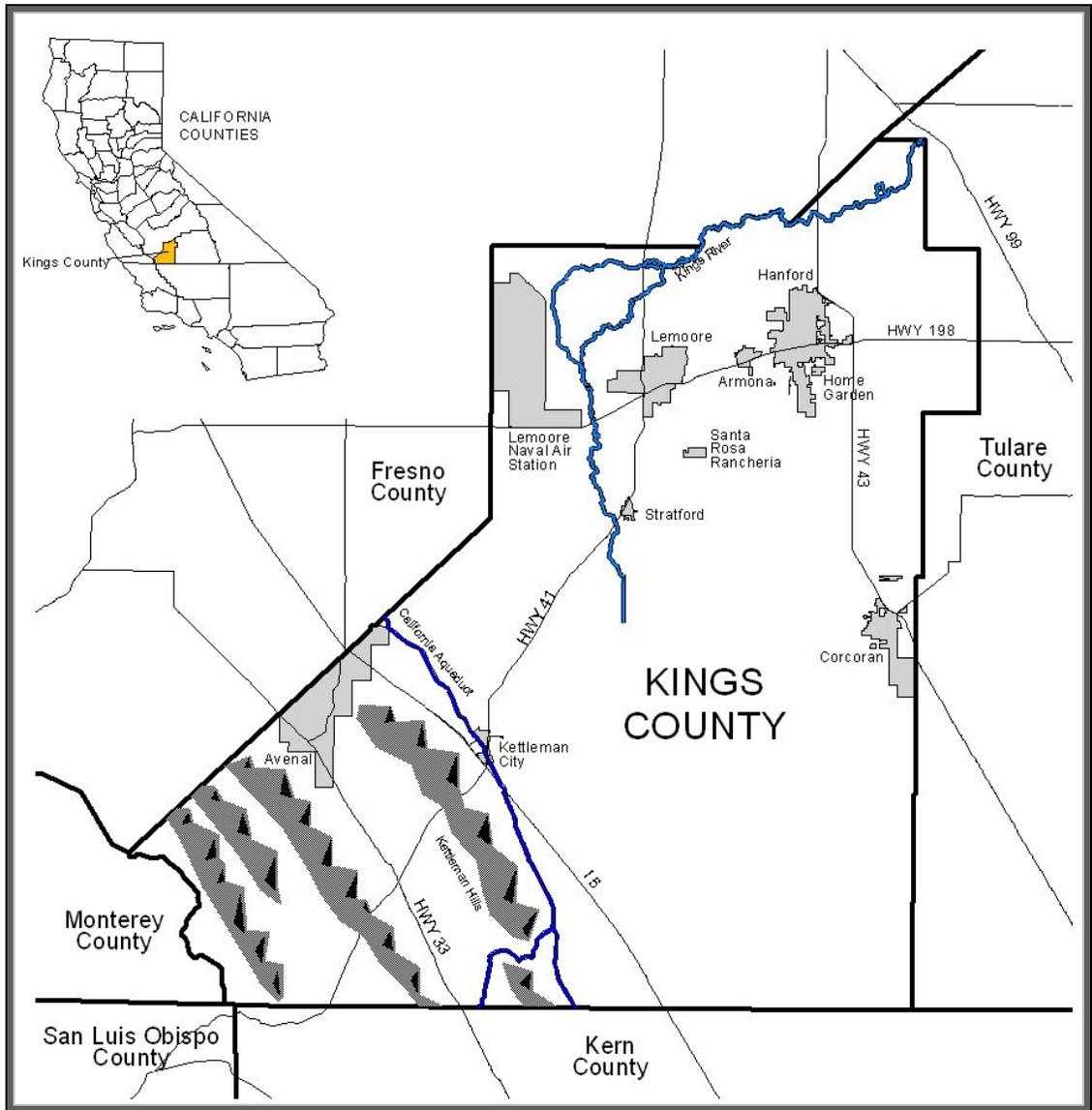
Generally considered a rural agricultural county, Kings County is also made up of four incorporated cities (Avenal, Corcoran, Hanford, and Lemoore), four unincorporated community service areas (Armona, Home Garden, Kettleman City, and Stratford), and a few other smaller community pockets. In addition, the County is home to the Lemoore Naval Air Station, Santa Rosa Rancheria, and is the location of the Corcoran State Prison and Avenal State Prison. Altogether, 151,381 people make their residence in Kings County, according to the 2007 Department of Finance. Of this population, approximately 95,037 people live within the cities of Avenal, Corcoran, Hanford and Lemoore. An additional 8,600 people live within the unincorporated communities of Armona, Home Garden, Kettleman City, and Stratford. The Lemoore Naval Air Base houses 6,753 naval personnel, while the Santa Rosa Rancheria is home to 550 Tachi Yokut Indians on 1,320 acres of tribal land. The State prisons, located within the City of Avenal and the City of Corcoran, house 6,839 inmates and 12,877 inmates respectively.

There are another 850 persons that live in group quarters in Hanford and Lemoore. The remaining 22,425 Kings County residents live in the unincorporated rural areas.

Access through the County and to other major outside destinations is provided through the highway system. Kings County is located between the Valley's two major north-south highway routes, Interstate 5 to the southwest and State Highway 99 to the northeast. Other connecting State routes include Highway 41 and 43 that travel north-south, and Highway 198 that travels east-west. While Interstate 5 and Highway 99 provide routes to major cities such as Los Angeles and San Francisco, State Route 41 connects the Valley with the Central Coast. Highway 198 also travels east to the Sequoia National Forest.

Even with all the urbanized land and public facilities, agriculture remains the predominant landscape of Kings County and is evidenced in the approximately 84% (749,000 acres) of the County presently being used for agriculture. Of the land used for agriculture, 90% is in the Agricultural Preserve Program and under either a Williamson Act or Farmland Security Zone contract. According to the Kings County Ag Commissioners' 2007 Agricultural Crop Report, milk remains the county's leading commodity, followed by cotton (second) and cattle (third). The agricultural industry within Kings County is well diversified with production of field crops, seeds, fruit & nuts, vegetables, apiary products, livestock & poultry, and other related products.

Figure 1



## **II. The Regional Housing Needs Allocation Process**

### **State Housing Element Law**

The California Legislature has found the lack of housing in the state to be of critical concern threatening the economic, environmental, and social quality of life (Government Code 65589.5). Therefore, the State has determined that improving the availability of adequate and decent housing for all Californians is of statewide importance and priority.

Recognizing the regional nature of the State's housing needs, the State delegates to each region or county the responsibility of accommodating new housing growth through their respective jurisdictional planning efforts (Government Code, Section 65581). As required by Government Code Section 65584, the State Department of Housing and Community Development (HCD) first provides a determination of the region's existing and projected housing needs to the Kings County Association of Governments (KCAG). Projections for Kings County are based upon the State Department of Finance's (DOF's) recent population projections (May 2007). Upon receiving the regional determination, KCAG is then tasked with the role of determining each city's and the county's share of the regional housing. The allocations are further broken down into income groups ensuring that each jurisdiction plans for a mix of housing affordable to all economic segments of the population. This determination is prepared and documented in this Regional Housing Needs Allocation (RHNA) Plan, which describes the assumptions and methodology used in calculating each jurisdiction's share of the regional housing need.

Local governments within the county are charged with the vital role of planning for the adequate provision of housing stock that serves all economic segments of the population. In planning for housing, jurisdictions will use the information contained within this RHNA plan to update their respective Housing Element due by August 31, 2009.

Housing Unit is defined as a house, apartment, mobile home, or other separate living quarters. Separate living quarters are where occupants live and eat separately from other persons and have direct access from the outside or through a common entrance. Prisons, hospitals, and other similar type group quarters are not considered households.

### **Kings County's Regional Share of Projected Statewide Housing Need**

The Department of Housing and Community Development (HCD) has determined the regional share of the State's existing and projected housing needs for Kings County. Kings County Association of Governments (KCAG) received this determination from HCD in their letter dated August 8, 2007 (Appendix B). HCD has determined that Kings County needs to accommodate 11,489 housing units during the planning period of January 1, 2007 to June 30, 2014.

As required by State Law, the County and four Cities have agreed to plan for this region's share of housing. However, it must be emphasized that the County and four Cities disagree with the State's determination of regional housing needs for Kings County, and that the State's regional housing allocation for Kings County is considered to greatly exceed the reasonably estimated number of new housing units that will be developed through the year 2014. Through the years 2001-2007, a total of 5,550 residential building permits were issued in Kings County. The yearly average of 792 projected out over the remaining seven year period of this current RHNA allocation, would only result in 5,550 new units throughout this planning period. This is less than

half of the 11,489 units required by the State. Even if current building trends were artificially inflated by an additional 100%, the total number of new units would still be 389 units short of the minimum allocation. The County and four Cities will plan for the regional housing as allocated by the State, however, the member jurisdictions find the State’s allocation to this region as unrealistic.

The total number of housing units for the region are further broken down by HCD into four income categories. Kings County as a region needs to accommodate 22% for Very Low, 18% for Low, 20% for Moderate, and 40% for Above Moderate. (See Figure 2) For purposes of this plan, income categories have been defined based upon Census 2000 data, which identifies the County’s median family income as \$35,749. Income categories are defined as follows:

- Very Low Income – The income limits for a four-person family does not exceed 50 percent of the median family income of the County.
- Low Income – Four-person family with income between 51 percent and 80 percent of the County median family income.
- Moderate Income – Four-person family with income between 81 percent and 120 percent of the County median family income.
- Above Moderate Income – Four-person family with income 121 percent or more of the County median family income.

**Figure 2**

<b>Department of Housing and Community Development REGIONAL HOUSING NEED DETERMINATION JANUARY 1, 2007 – JUNE 30, 2014 KINGS COUNTY</b>		
<b>Income Distribution</b>	<b>Percentage</b>	<b>Housing Units</b>
<b>Very Low</b> (\$17,875 and below) up to 50% of county MFI*	22%	2,491
<b>Low</b> (\$17,876 to \$28,599) 51% to 80% of county MFI*	18%	2,028
<b>Moderate</b> (\$28,600 to \$42,899) 81% to 120% of county MFI*	20%	2,265
<b>Above Moderate</b> (\$42,900 and above) over 121% of county MFI*	40%	4,705
<b>Total</b>	<b>100%</b>	<b>11,489</b>

\* Census 2000 Median Family Income for Kings County = \$35,749

Source: Department of Housing and Community Development correspondence dated August 30, 2007.

HCD’s regional determination forms the basis from which this Regional Housing Needs Allocation (RHNA) Plan was developed. Within this plan, local factors affecting housing growth are effectively analyzed and used in determining the fair share allocation for each jurisdiction within the region. This RHNA Plan, due by August 31, 2008 allocates to the local jurisdictions their “fair share” of the region’s projected housing construction need covering the planning period from January 1, 2007 through June 30, 2014.

**Development of the Regional Housing Needs Plan**

The first step in developing the 2008 RHNA Plan was the reformation of the Kings Regional Housing Technical Advisory Committee (KRHTAC) on July 20, 2007. The KRHTAC is made up of representatives from the planning departments of the Cities of Avenal, Corcoran, Hanford, Lemoore, and the County of Kings. Kings County Association of Governments (KCAG) served as staff to this advisory body. See Figure 3 for a list of KRHTAC members.

*Figure 3*

<b>KINGS COUNTY ASSOCIATION OF GOVERNMENTS KINGS REGIONAL HOUSING TECHNICAL ADVISORY COMMITTEE</b>	
City of Avenal	Steven Sopp, Planning & Development Director
City of Corcoran	Jeri Grant, Planning & Development Director
City of Hanford	Sandra Lerma, Housing Specialist
City of Lemoore	Holly Smyth, Planning Director
County of Kings	Greg Gatzka, Deputy Planning Director
Kings County Association of Governments	Terri King, Executive Director Chris Lehn, Regional Planner

The second step was for KCAG to develop an allocation methodology that would be used in determining each jurisdiction’s share of the regional housing need. The KRHTAC was instrumental in assisting KCAG in the development of a methodology that was acceptable to all jurisdictions. Factors required by Government Code 65584(a) were taken into consideration and discussed at length with the KRHTAC in developing the allocation methodology. These factors included:

- Market Demand for Housing
- Employment Opportunities
- Availability of Suitable Sites and Public Facilities
- Commuting Patterns
- Type and Tenure of Housing Need
- Loss of Units in Assisted Housing Developments
- Housing Needs of Farmworkers
- Areas with Disproportionately High Concentrations of Lower Income Households

Other key factors were also taken into consideration, such as historical population, historical building permit data, and other housing growth data for each jurisdiction.

### **Review and Approval of the Regional Housing Needs Allocation (RHNA) Plan**

The RHNA Plan is due by August 31, 2008. Prior to the approval of an RHNA Plan, specific plan reviews and appeals must be considered. At the very minimum, a 60 day public review period as outlined in subsection (b) of Section 65584.05 will be provided to local governments. This 60 day review period ends on August 27, 2008. If any local government disagrees with the RHNA allocation as determined by KCAG, a revision of its share may be considered therefore triggering the following actions within the time periods outlined below.

- **Revision Request (60 days)** - A jurisdiction may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in Government Code 65584(a) within 60 days of receiving the draft allocation.. The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation. Any proposed revision to a jurisdiction's housing need will require a compensating adjustment to one or more of the other jurisdiction's housing needs in order to maintain the total housing need within the region. Within this period, a copy of the Draft RHNA may be submitted to the Department of Housing and Community Development (HCD) requesting a review for consistency with the statewide housing need which may result in revisions to the Draft RHNA to obtain consistency.
- **KCAG Action on Revision Requests** - Within 60 days of receiving a timely request for revision to the Draft RHNA, KCAG shall either accept the proposed revision and modify the Draft RHNA or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.
- **Appeal Request and Public Hearing** - A jurisdiction shall have the right to appeal KCAG's denial of a revision request within 60 days of the date established by KCAG to file a timely appeal. A public hearing shall be conducted 30-35 days from the date the jurisdiction is notified when its appeal will be heard. The appealing jurisdiction shall be notified by certified mail, return receipt requested, of at least one public hearing on its appeal.
- **Final Determination** - Before making its final determination, KCAG shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographical restraints on the production of housing. If KCAG accepts a revision or appeal and modifies its earlier determination, the city or county shall use the revised determination. If KCAG grants a revised allocation, pursuant to Government Code 65584(c)(1), the current total housing need must still be maintained. If, however, KCAG indicates that the revision or appeal is inconsistent with the regional housing need, the jurisdictions will be required to use the original shares as previously determined.

### **III. RHNA Methodology**

In formulating the Regional Housing Needs Allocation (RHNA) Plan methodology, two phases were established to facilitate the allocation process. The first phase involved determining the housing demand and growth factors that relate to future new construction and replacement housing needs for each jurisdiction. The second phase consisted of formulating an income distribution to equitably distribute new housing to each jurisdiction in a manner that provides housing opportunities for all economic segments of Kings County.

#### **Phase 1: Housing Demand and Growth Factors**

KCAG Staff, in coordination with the KRHTAC, developed a weighted formula to distribute the total number of additional and replacement housing units to each jurisdiction. This formula incorporates the following weighted factors: a.) Growth Rate (75%); b.) Building Permits (10%); c.) Market Demand for Housing (10%); and d.) Other Growth Factors (5%). Together, these factors were determined to have the most significant impact on determining housing growth within the region. Each factor was weighted according to its effect on future development as determined by KCAG Staff and the KRHTAC. This formula takes into account those factors required by State law (Government Code Section 65584(a)) in distributing the regional housing needs.

#### **Growth Rate**

Population growth fuels housing demand and ultimately new housing construction. Since population growth has such a significant effect on future housing development, the growth rate column in the allocation formula was assigned the largest weight, (.75). The KRHTAC members by consensus agreed to use their general plan growth rate or a modified growth rate based on known factors.

Using 2007 Department of Finance population estimates as the base population (minus the prison populations) and growth rates determined by each of the jurisdictions, the relative growth for each jurisdiction and the Kings County region as a whole was calculated through the year 2014. Growth rates were specified by each jurisdiction based upon growth rates in their respective General Plan document. Adjustments were made by some jurisdictions, however, to take into account current growth assumptions. The City of Avenal used a lower growth rate from their 2005 General Plan based on consideration of recent growth. The City of Corcoran used a lower adjusted growth rate from their 1996 general plan, since certain growth assumptions in their general plan did not occur. The City of Hanford's growth rate is derived from their present general plan. The City of Lemoore provided a growth rate that is based on their general plan that also takes into consideration their recent growth. The County of Kings provided an adjusted growth rate that centers on rural community development and corrects the growth decline resulting from city annexations. The KRHTAC agreed that using the General Plan growth rates was the most appropriate way to represent the most relevant growth rates for each jurisdiction within the region.

Once the 2014 projected populations were derived, a total for the Kings County region was computed by adding up each of the jurisdictions future populations. The relative growth of each jurisdiction was then determined based on how much each grew as a percent of the total growth of the Kings County. Each jurisdiction's relative growth rate was then applied in the methodology formula by multiplying the weight factor of (.75). Please see Figure 4.

**Figure 4**

**Kings County Growth Rate and Projected Growth**

Jurisdiction	Growth Rate(1)	2007 Household Population(2)	2014 Projected Household Population(3)	Change from 2014 to 2007 Populations(4)	% Growth of Total County
Avenal	2.00%	8,939	10,190	1,251	6.29%
Corcoran	2.00%	12,480	14,227	1,747	8.78%
Hanford	2.80%	49,522	59,228	9,706	48.79%
Lemoore	3.10%	24,096	29,324	5,228	26.28%
County	1.25%	22,425	24,387	1,962	9.86%
		117,462	137,356	19,894	100.00%

(1) Growth Rate from each jurisdiction's General Plan, or as agreed upon by jurisdiction.  
 (2) Data from 20007 Department of Finance, excluding prison populations.  
 (3) Base 2007 pop. was multiplied first by the growth rate, then multiplied by 7 years, and then added to the base 2007 pop.  
 (4) 2014 pop. growth minus the 2007 pop. growth, divided by change in total for Kings County.

**New Housing Construction - Building Permits**

Residential building permits provide a reliable measure of how many actual new housing units a jurisdiction has constructed on an annual basis. Historical building permit data on new housing units was compiled from each jurisdiction’s building department for the years 2001 – 2007. Generally considered to result from private sector efforts, these new housing developments are often a response to population growth, housing demand, speculation, and development opportunities. Therefore, new residential building permits are an important factor in identifying areas of new housing growth and relevant to determining jurisdictional housing needs.

Building permits are integrated into the regional housing allocation methodology formula and weighted as a factor of (.10). This is due to the fact that although building permits are indicative of new housing growth trends, they are still considered historical and not a direct projection of future housing growth. Building permits were applied in the formula by first totaling the residential permits for the entire Kings County region. Then each jurisdiction’s new housing permits were divided by the region total to determine each jurisdiction’s relative percentage share of the residential building permit activity (Figure 5). The resulting percentage is then multiplied by the assigned weight (.10).

*Figure 5*

<b>RESIDENTIAL BUILDING PERMITS 2001 - 2007</b>						
<b>Year</b>	<b>Avenal</b>	<b>Corcoran</b>	<b>Hanford</b>	<b>Lemoore</b>	<b>Unincorporated Kings County</b>	<b>Kings County Total</b>
2001	12	17	340	165	133	667
2002	100	6	347	158	37	648
2003	115	9	455	225	15	819
2004	47	24	426	134	82	713
2005	22	97	564	263	190	1136
2006	94	77	468	205	86	930
2007	21	187	244	103	82	637
<b>Total:</b>	<b>411</b>	<b>417</b>	<b>2844</b>	<b>1253</b>	<b>625</b>	<b>5,550</b>
<b>% of County Total:</b>	<b>7.41%</b>	<b>7.51%</b>	<b>51.24%</b>	<b>22.58%</b>	<b>11.26%</b>	<b>100%</b>

Source: Kings County Planning Department and Various Governmental and Private Agencies.

**Market Demand for Housing**

Market demand for housing within the region was investigated by analyzing several sub-factors related to existing housing demand and other elements affecting housing growth. These sub-factors include: historical housing sales, type and tenure of housing need, loss of units in subsidized housing developments, Lemoore Naval Air Station housing demand, and the housing needs of farmworkers. Together, these sub-factors form the basis for market demand as applied in the allocation formula. As an indicator of where new housing is directed, the Market Demand factor was applied a weight of (.10) within the allocation formula.

*Historical Housing Sales*

The Multiple Listing Service data from the Kings County Board of Realtors provided information on where homes were sold throughout the County (See Figure 6). The data covered the period from January 1, 2005 through December 31, 2007. By analyzing this data, each jurisdiction’s housing market demand was determined and shown as a percentage of the total homes sold in the County. This was accomplished by dividing the number of homes sold in each jurisdiction by the county total number of homes sold Countywide. The resulting numbers formed the base percentage for market demand. Additional sub-factors, as detailed below, were then used to adjust and modify the market demand percentage for each jurisdiction before being included in the allocation formula.

**Figure 6**

<b>Single Family Housing Sales January 1, 2005 – December 31, 2007</b>					
<b>Market Area</b>	<b>2005 Homes Sold</b>	<b>2006 Homes Sold</b>	<b>2007 Homes Sold</b>	<b>Total Homes Sold</b>	<b>As a % of County Total</b>
City of Avenal	9	20	15	44	2.33%
City of Corcoran	10	33	12	55	2.92%
City of Hanford	341	452	321	1114	59.00%
City of Lemoore	161	208	136	505	26.75%
Unincorporated Kings County	42	69	59	170	9.00%
<b>Total Kings County</b>	<b>563</b>	<b>782</b>	<b>543</b>	<b>1888</b>	<b>100%</b>

Source: Kings County Multiple Listing Service Data, Kings County Board of Realtors.

*Type and Tenure of Housing Need (overpayment and overcrowding)*

State law requires that the type of housing (i.e., single-family, multi-family and mobile homes) and tenure of housing (i.e., owner and renter) be considered when making the Regional Housing Need Allocation. The very diverse housing markets and needs in Kings County make it difficult to develop a methodology for equitably allocating housing need by type and tenure to each jurisdiction. However, the consideration of these factors is essential for the proper distribution and planning of housing that meets the needs of each jurisdiction’s residents. Therefore, this criterion of the State Housing Element Law is best addressed in each jurisdiction’s housing element update, where the needs of the local housing market can be reflected more accurately than at the regional level.

The U.S. Department of Housing and Urban Development (HUD) subsidy standards define “affordable housing” as not more than 30% of a resident’s monthly income. According to the Census 2000 data, 36% of Kings County Households are paying more than 30% of their monthly household income in rent (see Figure 7). According to the National Low Income Housing Coalition’s (NLIHC) Out of Reach 2007-2008: America’s Growing Wage-Rent Disparity report, the housing wage in Kings County is \$14.08 (\$29,280 per year). This is the amount a worker would have to earn per hour (60 hours per week) to afford a two-bedroom unit at the area’s Fair Market rent (See Figure 12 for Kings County Fair Market rents). The Census 2000 data shows that 28% of Kings County households earn less than the \$14.08 per hour housing wage. The need for low-income housing in Kings County is evident and has been addressed through the 20 rental complexes containing 1,192 units currently utilizing subsidized housing contracts to make their rents affordable for low income families.

**Figure 7**

<b>Gross Rent In Kings County As a Percentage of Household Income in 1999</b>								
	Less than 15.0 %	15.0% to 19.9%	20.0% to 24.9%	25.0% to 29.9%	30.0% to 34.9%	35.0% or more	Not computed	Total
Number	2,038	2,054	1,659	1,573	1,086	4,269	2,111	14,790
Percentage	13.8%	13.9%	11.2%	10.6%	7.3%	28.9%	14.3%	100%

Source: Census 2000  
\*Federal housing subsidy standards define "affordable housing" as not more than 30% of a resident's monthly income.

**Figure 8**

<b>GROSS RENT IN KINGS COUNTY 1999</b>									
	Less than \$200	\$200 to \$299	\$300 to \$499	\$500 to \$749	\$750 to \$999	\$1,000 to \$1,499	\$1,500 or more	No Cash Rent	Total
Number of Households	437	623	4,598	4,860	1,670	656	122	1,824	14,790
Percent of Households	3.0%	4.2%	31.1%	32.9%	11.3%	4.4%	0.8%	12.3%	100%
<b>Median</b>	-	-	-	<b>\$533</b>	-	-	-	-	

Source: Census 2000  
\*Federal housing subsidy standards define "affordable housing" as not more than 30% of a resident's monthly income.

*Loss of Units in Subsidized Housing Developments*

There are 43 complexes, consisting of 2,567 units, currently under subsidized housing contracts in Kings County. A list of these assisted developments in Kings County is provided on the next page (Figure 9). Information on these assisted developments was gathered from the Department of Housing and Urban Development (HUD), the California Housing Partnership Corporation, the Kings County Housing Authority, the USDA California Rural Development Office, and from local planners. All of these developments have been listed by either one or more of the agencies listed above with the potential of being at-risk of conversion from affordable housing to market rate housing. Affordable housing refers to rents regulated at levels affordable to lower income households. Market rate refers to rents being established by the market forces of supply and demand. This list should be used by local jurisdictions in addition to a local assessment of potential unit loss in the process of updating their individual housing elements.

**Figure 9**

<b>KINGS COUNTY SUBSIDIZED HOUSING DEVELOPMENTS</b>			
<b>Name</b>	<b>Location</b>	<b>Units</b>	<b>Type</b>
Armona Village	Armona	33	Low Income
Pleasant Valley Manor	Avenal	40	Low Income
Wien Manor	Avenal	40	Low Income
El Palmar Apartments	Avenal	80	Low Income
Hearthstone Apartments	Avenal	80	Low Income
Villa Esperanza	Avenal	80	Low Income
Avalon Family	Corcoran	56	Low Income
Carolyn Apartments	Corcoran	40	Low Income
Corcoran Garden	Corcoran	38	Low Income
Corcoran Station	Corcoran	44	Senior
Dairy Villas	Corcoran	69	Low Income
Kings Manor	Corcoran	80	Low Income
Saltair Place	Corcoran	40	Low Income
Valley View Apartments	Corcoran	100	Low Income
Westgate Manor	Corcoran	44	Senior/Disabled
Whitely Gardens I	Corcoran	64	Low Income
Whitely Gardens II	Corcoran	24	Low Income
Amberwood I	Hanford	48	Low Income
Amberwood II	Hanford	40	Low Income
Casa Del Sol	Hanford	80	Low Income
Cedarbrook	Hanford	70	Low Income
Hanford Senior Villa	Hanford	48	Senior/Disabled
Heritage Park	Hanford	113	Low Income/Senior
Housing Authority	Hanford	175	Low Income
Kings Garden Apartments	Hanford	100	Low Income
Kings View Hanford Apartments	Hanford	10	Senior
Lincoln Plaza	Hanford	40	Low Income
Toscana Apartments	Hanford	80	Low Income
View Road Apartments	Hanford	121	Senior
Alderwood	Lemoore	77	Low Income
Antlers Hotel	Lemoore	10	Low Income/ Senior
Brookfair Manor	Lemoore	72	Low Income
Country Club	Lemoore	55	Low Income
Kings River Apartments	Lemoore	44	Low Income
Lemoore Elderly Apartments	Lemoore	23	Senior
Lemoore Mountain View	Lemoore	39	Senior/Disabled
Lemoore Villa	Lemoore	28	Low Income
Lucerne Hotel	Lemoore	6	Low Income
Montclair Apartments	Lemoore	79	Low Income
Montgomery Crossing	Lemoore	56	Low Income
Oleander Terrace	Lemoore	65	Low Income
Villa San Joaquin Apartments	Lemoore	36	Low Income
Westberry Court	Lemoore	100	Low Income

Source: Department of Housing and Urban Development, the California Housing Partnership Corporation, the Kings County Housing Authority, the USDA California Rural Development Office, and local jurisdictions.

*Lemoore Naval Air Station Housing Demand*

The Lemoore Naval Air Station was commissioned in 1961. It is the largest West Coast Naval Air Station, home to sixteen F18 squadrons and over 7,500 military personnel. Additionally, it provides jobs to over 1,400 civilians. The Air Station consists of three developed areas: the Operations Area, Administration Area, and Family Housing Area. The Operations Area includes the airfield, with two off set 13,500 foot runways. The Administration Area includes office spaces to support the administrative functions of the Base. Under public private venture, Lincoln Military Housing manages the Air Stations family housing facilities.

NAS Lemoore completed the final phase of a nearly \$500 million in military construction (MILCON) of family housing facilities and infrastructure replacement projects funded between 1996 and 2004. Alvarez Village, the on-base military housing, is comprised of 1,590 homes separated into six distinct neighborhoods.

An average of 5,500 on-base residents enjoy bicycle and jogging paths, playgrounds, and two elementary schools that boast a long history of both state and national excellence awards. The 6,000 sq. ft. Community Center hosts residents and their guests in a variety of both fun-filled and educational events.

Customers took advantage of other housing services such as marketing, rental property locating, and tenant-landlord mediation services on more than 3,000 occasions in 2007. The Rental Partnership Program (RPP) networks service members with civilian property managers in the local communities. Service members receive reduced rents, no credit check, and waiver of security deposit when paying rent by allotment.

NAS Lemoore uses smart landscaping techniques to reduce its dependence on water that must be transported from the Sacramento Delta to the Air Station. In 2007, the Station converted 12 acres of turf to low maintenance and low water use plants and mineral products as well as curtailing watering in non-core areas. Additional efforts to improve base appearance and efficiency, while reducing the environmental impact will continue with the Installation Appearance Plan (IAP) and Smart Landscaping Plan projects, awarded in 2007.

*Housing Needs of Farmworkers*

Agriculture is a vital part of the economy in Kings County. Eighty-four percent of the county's land is utilized in agricultural production and agriculture accounts for 20.7% of the employment. Meeting the housing needs of those employed in agriculture is an important part of the housing element process, and has been identified by the State (Government Code 65584, Section 4) as an important component to be considered and addressed in the Regional Housing Needs Allocation (RHNA) Plan.

While current information on farmworkers is limited, data from HCD reveals the following; there were approximately 486,000 farmworkers in California as of September 2000, are overwhelmingly Hispanic (80%), and are mostly males (72%). Approximately 55 % percent of the state's agricultural workers are employed in the San Joaquin Valley. Farmworkers have the lowest income of any occupation surveyed by the Census Bureau and the highest poverty rate of any occupation. Farmworkers have the lowest educational attainments and are second from the lowest, after the private housekeeper occupation, in home ownership. Farmworkers have one of the lowest rates of health insurance and are overwhelmingly non-citizens (including legal residents, workers with a permit, and undocumented workers). According to the State of

California Employment Development Department, the number of farmworkers is greatest in August and least in March.

According to the Migrant and Seasonal Farmworker Enumeration Profiles (MSFW) Study, as of September 2000, there is an estimated 8,910 seasonal farmworkers and 7,682 migrant farmworkers employed in Kings County. A seasonal farmworker is defined as “an individual whose principal employment [51% of time] is in agriculture on a seasonal basis, who has been so employed within the last 24 months.” A migrant farmworker meets the same definition but “establishes for the purposes of such employment a temporary abode.” (U.S. Code, Public Health Services Act, “Migrant Health”). The MSFW Study also estimated 10,111 non-farmworkers in seasonal households and 2,823 non-farmworkers in migrant households. The total number of estimated migrant and seasonal farmworkers and non-farmworkers is 29,526 for Kings County.

Kings County is sensitive to the issue of farmworker housing and to the issue of affordable housing in general. The Housing Authority of Kings County offers affordable housing to farmworkers in Kettleman City and Armona. Currently, there are two residential areas which offer farmworker housing. The first is a 40-unit farm labor housing complex located in the rural community of Kettleman City and the second location is 5 single-family homes in the rural community of Armona. To ensure the availability of those units to farmworkers, residents must derive a minimum percentage of their income from a farming operation. Currently, there are 39 families waiting for openings in Armona and 7 families waiting for a unit in Kettleman City. In comparison to programs open to the public and not exclusive to farmworkers, there are 2,167 families waiting for openings in Section 8 housing units and 1,040 families waiting for openings in 15 single-family homes in Armona as part of the low income conventional program.

As the numbers above indicate, there is comparatively little demand for farmworker housing. The key reason farmworkers do not take advantage of the existing programs available to assist them is due to immigration status. Many waiting for legal status are concerned that receiving assistance will hinder or halt altogether their eligibility for work visas and may lead to deportation. Others who are not working legally avoid assistance programs for fear of deportation. According to the Employment Development Department “Occupational Employment (May 2006) and Wage Data (2007-1st Quarter)”, the mean hourly wage for Farmworkers and Laborers, Crop Nursery, and Greenhouse Occupations is \$8.02 and the mean annual wage is \$16,695.

Section 8(c)(1) of the United States Housing Act of 1937 requires the Secretary to annually publish Fair Market Rents to be used for various Department of Housing and Urban Development (HUD) programs. Fair Market Rents (FMRs) are the gross rent estimates that include both shelter rent paid by the tenant to the landlord and the cost of tenant-paid utilities, except telephone. FMRs are set at the 40<sup>th</sup> percentile rent – the rent for 40 percent of the standard rental housing units are at or below this dollar amount. Figure 10 describes the FMRs for Kings County.

Figure 10

Kings County Fair Market Rents 2007-2008						
Number of Bedrooms	Fair Market Rents	Annual Income Needed to Afford FMR*	Hourly Wage Needed to Afford FMR	Mean Hourly Farmworker Wage	Mean Annual Farmworker Wage	Work Hours/Week Necessary to Afford FMR
1	\$630	\$25,200	\$12.12	\$8.02	\$16,695	60
2	\$732	\$29,280	\$14.08	\$8.02	\$16,695	70
3	\$1,067	\$42,680	\$20.52	\$8.02	\$16,695	103
4	\$1,286	\$51,440	\$24.73	\$8.02	\$16,695	124

Source: U.S. Department of Housing and Urban Development  
 \*Federal housing subsidy standards define “affordable housing” as not more than 30% of a resident’s monthly income.

Rent overpayment is evident with the estimated 29,526 farmworkers and their families needing to work between 60 – 124 hours a week to afford FMR. One effect of overpayment of rent is the overcrowding of living quarters. This is more common with men who are working away from their families, although there is an increasing amount of several families sharing one apartment.

According to the Kings County Housing Authority there are monies available to increase the farmworker housing in Kings County if sufficient need can be justified. An increase in the size of the waiting lists or needs expressed by farmworkers and employers would trigger the building process. Direct contact with Farmworker families will aid in understanding their needs, build their trust in government programs, and increase their knowledge of what programs are available to them. The Agricultural Industries Transportation Services (AITS) program provides safe transportation for farmworkers to commute to and from job sites. There are currently 106 vans providing transportation to work sites as far north as Sacramento and far south Santa Clara Counties. Additional vans will be added in the future to keep up with demand for the program. Farmworker housing will be investigated in further detail in the upcoming Housing Element updates due in 2009.

**Other Growth Factors**

Other Growth Factors, for purposes of this plan, are defined as factors that encourage, induce, or direct future population and housing growth. Included in this category is consideration of commuting patterns, employment opportunities, and the availability of suitable housing sites and infrastructure. These sub-factors were analyzed to distinguish future potential growth areas. Although these other growth factors may indicate where growth will occur, they do not predict the future. Due to their speculative nature, the “Other Growth Factors” in the allocation formula have been assigned a weight of (.05).

*Commuting Patterns*

Commuting Patterns show the relationship between where people live and where they work. Long commuting distances increase traffic congestion, create wear and tear on the roads, degrade air quality, and increase expenses to the workforce. One of the aims of the Regional Housing Needs Allocation (RHNA) Plan is to direct new housing growth to employment centers in order to balance the jobs-housing ratio and decrease commuting distances.

The 2000 Census provides information on the workforce that resides within the Kings County area. Approximately 85% of the roughly 37,000 person workforce lives and works within the Kings County area. The remaining workforce is employed outside the County, with a smaller portion of less than 1% working outside the State. See Figure 11 below.

**Figure 11**

<b>WORK LOCATIONS OF KINGS COUNTY RESIDENTS</b>		
In Kings County	31,244	84.6%
Outside Kings County	5,396	14.6%
Outside of California	303	0.8%
<b>Total</b>	<b>36,943</b>	<b>100.0%</b>
Source: 2000 Census		

As for the workforce within each respective City, Corcoran has the highest percentage (59.8%) of workers that live and work within the City. The City of Hanford, however, clearly has the largest concentration of workers (7,099) that live and work within their City limits. Overall, approximately 48% of the workforce live and work within the same City. Roughly another 35.7% work somewhere else within the County, and 16% work outside the County. Workers living in the City of Lemoore appear to have more of an extended commute to work, with only 27% working within the same City, and approximately 73% working elsewhere (See Figure 12).

Figure 12

<b>WORK LOCATIONS OF CITY RESIDENTS</b>										
<b>Residence Location</b>	<b>City of Avenal</b>		<b>City of Corcoran</b>		<b>City of Hanford</b>		<b>City of Lemoore</b>		<b>Total of All Cities</b>	
	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Same City</b>	641	40.3%	1,625	59.8%	7,099	56.3%	1,604	27.1%	10,969	48.0%
<b>Elsewhere in Kings County</b>	442	27.8%	773	28.4%	3,560	28.2%	3,378	57.1%	8,153	35.7%
<b>Outside of Kings County</b>	507	31.9%	320	11.8%	1,946	15.4%	935	15.8%	3,708	16.3%
<b>Total</b>	<b>1,590</b>	<b>100%</b>	<b>2,718</b>	<b>100%</b>	<b>12,605</b>	<b>100%</b>	<b>5,917</b>	<b>100%</b>	<b>22,830</b>	<b>100%</b>

Source: 2000 Census

Figure 13

<b>TRIP TO WORK TRAVEL TIMES FOR ALL OF KINGS COUNTY</b>		
<b>Travel Time In Minutes</b>	<b>Number of Persons</b>	<b>Percent of Workforce</b>
0-9	11,010	29.8%
10-19	13,102	35.5%
20-44	10,236	27.7%
45>	2,595	7.0%
<b>Total</b>	<b>36,943</b>	<b>100.0%</b>

Source: 2000 Census

The diverse employment industries in Kings County employ 84.6% of the residents who work within the county. Seventy percent (70%) of the workforce commutes more than 10 minutes one way to work, although, a significant amount (48%) commutes within the city they reside. By directing a larger proportion of the new home construction to the present and future employment centers of the county, commuting times and distances will be reduced and the jobs-housing ratio will be more balanced. Figure 14 shows Lemoore and Hanford to be the dominate employment centers in Kings County and will be the areas to which proportionately more new housing construction will be directed.

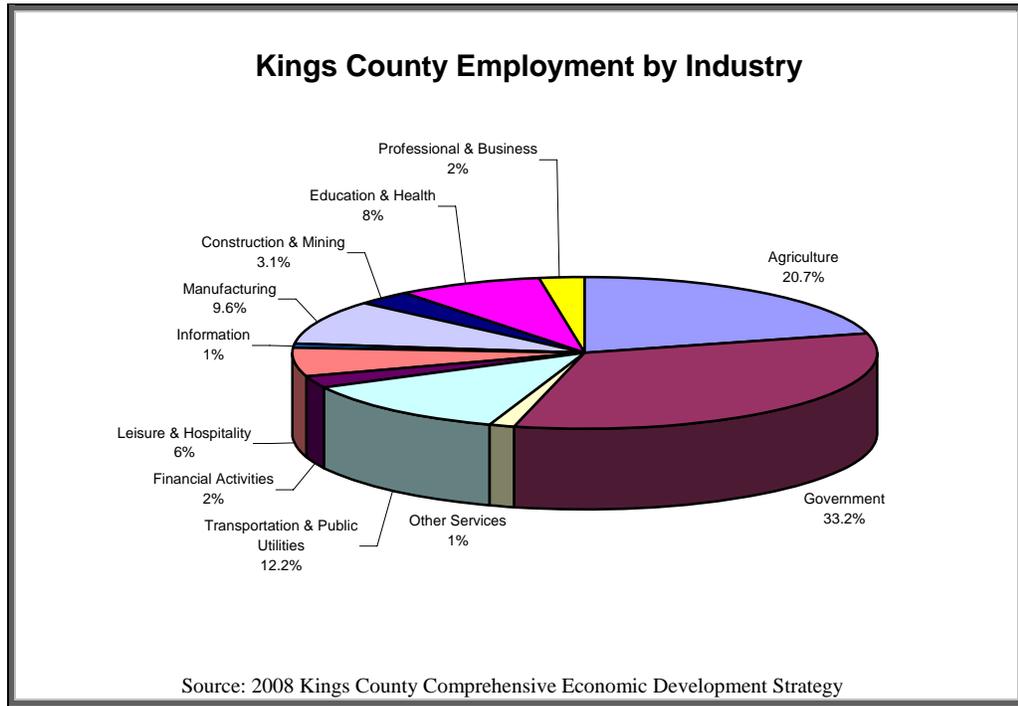
**Figure 14**

<b>BUSINESS PATTERNS FOR KINGS COUNTY</b>					
	Avenal	Corcoran	Hanford	Lemoore	Unincorporated Kings County
Number of Establishments	46	163	957	314	54
Number of Employees	2,028 (1,600)*	5,714 (3,490)**	17,299	6,453	615
<small>Source: U.S. Census Bureau, Zip Code Business Patterns 1999.                      * The Avenal State Prison employs 1,600 people, of which a majority commute to work from another city.                      **The Corcoran State Prison employs 3,490 people, of which a majority commute to work from another city.</small>					

*Employment Opportunities*

Kings County’s civilian labor force is approximately 58,500, with an annual average unemployment rate of 8.7% in 2007. This is significantly higher than California’s 5.4% for this same period. Historically, agriculture and government have dominated Kings County’s economy. Agriculturally-oriented counties tend to have higher unemployment rates and greater seasonal variations in unemployment. In 2006 Kings County ranked 11th in California by value of agriculture production. The primary industries include government, agriculture, manufacturing, and trade, transportation, and utilities. Government is the largest industry in the county, accounting for 33.2% of the employment whereas agriculture accounts for 20.7%. Trade, transportation, and utilities represents 12.2%, manufacturing accounts for 9.6%, and educational and health services reflects 8.0%. (Kings County Comprehensive Economic Development Strategy 2008).

Figure 15



An important aspect of maintaining the jobs-housing balance is to evaluate where future employment opportunities are likely to occur. By identifying these future employment areas, regional housing allocation can more effectively be directed to those areas needing adequate housing for the local workforce. In developing the allocation formula, each jurisdiction's future job creation was estimated and shown as a percentage of the total job creation for the county. This was accomplished by dividing the number of potential jobs in each jurisdiction by the county total of future jobs. The resulting numbers were included in the allocation formula.

*Avenal Area* – Presently, the major employers in Avenal are in the corrections, oil and gas, agriculture, health services, and government industries (Figure 16). There is an industrial park planned near Interstate 5 which is estimated to create 500 jobs. Because the industrial park is contingent on grant funding, it has conservatively been estimated to generate 10% of the new jobs county wide.

**Figure 16**

<b>AVENAL MAJOR EMPLOYERS</b>		
<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>INDUSTRY</b>
Avenal State Prison	1,603	Correctional Facility
Keenan Farms	200	Agricultural
Pacific Gas and Electric	66	Natural Gas Compressor Plant
Paramount Farms	600	Agricultural
Reef Sunset Unified School	306	Education
Avenal Rural Health Care	25	Health Services
City of Avenal	28	Government

Source: Kings Economic Development Corporation

*Corcoran Area* – There are no indicators of substantial job growth in Corcoran over the next eight years. It is estimated with current growth trends that Corcoran will be responsible for 5% of the total county job growth. Currently, the major employers in Corcoran are in the corrections, health care, education, manufacturing, and agricultural industries (Figure 17).

**Figure 17**

<b>CORCORAN MAJOR EMPLOYERS</b>		
<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>INDUSTRY</b>
J.G. Boswell Company	1,300	Agricultural
Mecury Luggage	16	Luggage
Farr Company	72	Filtration Equipment
Corcoran Sawtelle & Rosprim	30	Farm Equipment
Proctor & Crookshanks Company	50	Trucking
CDR Systems Inc.	76	Fiberglass Underground Boxes
Hansen Ranches/ Equipment	50	Agricultural
MidState Precasting	63	Precast Concrete
Corcoran State Prison	1,703	Correctional Facility
Corcoran Unified School District	346	Education
Lakeland Dusters	25	Aviation
Corcoran District Hospital	137	Health Services
Corcoran Machine Works	24	Metal/ Fabrication
California Substance Abuse Facility - & State Prison at Corcoran	1,786	Correctional Facility

Source: Kings Economic Development Corporation

*Hanford Area* – Currently, the major employers in Hanford are in the manufacturing, processing, health care and government industries (Figure 18). Construction is underway for the joint College of Sequoias campus and new high school. Also, Chapman University welcomed students to its new facility in the fall 2008 semester. An influx of new commercial and retail business along the 12th Avenue and Lacey Boulevard area has occurred over the last few years with the addition of Wal-Mart Supercenter, the Market Place at Hanford, and other businesses. Additional growth along this corridor is anticipated in the upcoming years. Hanford will be providing approximately 50% of the total county new employment growth.

**Figure 18**

<b>HANFORD MAJOR EMPLOYERS</b>		
<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>INDUSTRY</b>
Con Agra Foods	425	Onions/Garlic Processing
Exopack	200	Paper Bag Division
International Paper	105	Container Division
Del Monte	1,500	Tomatoes
Marquez Brothers International Inc.	293	Mexican Cheese Products
Central Valley Meats	318	Meat Locker
Norwesco, Inc.	16	Molded Polyethylene Tanks
Warmerdam Packing	650	Fruit Packing
Kings Community Action Org.	265	Community Service
Adventist Health	1,925	Health Care
The Hanford Sentinel Publication	85	Newspaper
City of Hanford	261	Government
Kings County	1,254	Government
Wal-mart	567	Retail Store

Source: Kings Economic Development Corporation

*Lemoore Area* – The Lemoore Naval Air Station, retail, service, and manufacturing industries dominate the employment environment in Lemoore (Figure 19). The new West Hills Community College campus has just recently expanded, the Leprino West Cheese Manufacturing plant anticipates expansion, and the SK Food Processing Plant will continue to diversify their product lines in the upcoming years. Lemoore will be creating an estimated 33% of the total county new employment growth.

**Figure 19**

<b>LEMOORE MAJOR EMPLOYERS</b>		
<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>INDUSTRY</b>
Leprino Foods- East	292	Mozzarella Cheese
Leprino Foods- West	530	Mozzarella Cheese
SK Foods	573	Tomato Processing
West Hills	250	Community College
Communication Services for Deaf	141	Deaf Transcription
K-Mart	110	Retail Sundries
Savemart	120	Retail Food
Vineyard Inn Restaurant	38	Accommodations
Agusa Inc.	34	Dehydrated Tomato
Lemoore Naval Air Station	1400 civilians	Naval Support
Best Western	15	Accommodations
Tachi Palace Hotel & Casino	1,575	Gaming Complex
John D's Restaurant	21	Restaurant
Best Buy Market	30	Retail Foods

Source: Kings Economic Development Corporation

*Unincorporated County Area* – Currently, the majority of employers in unincorporated Kings County are farming operations and agricultural service facilities. While there is a tomato processing plant anticipated to open in the next few years, there are no other indicators of substantial job growth. It is estimated based on current growth trends that the unincorporated county will be responsible for 2% of the total county job growth.

*Availability of Suitable Sites and Infrastructure:*

*Estimated Undeveloped Residential Designated Land* - City General Plans designate land for residential use within their city limits and areas surrounding the city within the City’s Sphere of Influence boundary. The City of Avenal is the only exception, since the Avenal Sphere of Influence boundary is almost entirely coterminous with the City Limit boundary. General Plan residential land use designations range from Very Low Density Residential to High Density Residential. The County of Kings General Plan policies direct urban growth to existing rural communities and the four cities.

Land supply for residential purposes is not constrained for Kings County. Based upon a review of General Plan documents including existing and proposed land use plans and policies for each of the incorporated cities and for the County, it appears that suitable sites are available in the region to accommodate the projected housing growth through the year 2014. A detailed review of suitable sites will be conducted by each local agency during the preparation of the Housing Elements.

*Availability of Community and City Infrastructure* – Data on existing and planned sewer and water capacities for each city and service district within the County was collected. Service capacity information was collected by KCAG is provided below.

The City of Hanford has sufficient water and sewer capacity for future growth. In the previous years they have added two new water tanks and expanded capacity of the sewer treatment plant from 5.5 million gallons to 8 million gallons. In the upcoming years, the City of Hanford plans to add an additional water well approximately every two years beginning in 2009 to meet the demand of future growth. The City of Hanford is currently proceeding with a plan to upgrade the water supply and distribution system to meet the arsenic requirements by the December 31, 2009 EPA compliance deadline. There are no existing plans to add capacity to the sewer treatment plant.

The City of Lemoore has indicated that there is sufficient water and sewer capacity for future growth. In recent years there has been additional sewer capacity added. There are plans for two wells to be constructed in 2008-09 which will expand water capacity. More specific information is available in the Lemoore 2030 General Plan.

Residential growth in the City of Corcoran will not be limited by either water or sewer capacity. In the recent years, the City of Corcoran has added two wells, increased water capacity with an additional 2 million gallons of storage, added a new booster pump station, and built a new 18 million gallons a day water treatment plant. There is also sufficient sewer capacity to accommodate future growth. According to Master Plans for the City of Corcoran infrastructure, there are no existing plans for expansion at this time.

The City of Avenal has indicated that the City has sufficient water and sewer facilities for future growth. However, the City's water source is from the Central Valley Project (California Aqueduct). The availability of water is subject to annual allocation depending on hydraulic conditions affecting areas both north and south of the Delta. The City encourages water conservation and is working with stakeholders to identify and obtain additional water for future growth.

Past building permit activity indicates that all four of the rural communities in Kings County are near or at capacity, therefore, limiting future growth. Substantial financial assistance will be required to help fund improvements.

### **Phase 2: Income Distribution**

The second phase in developing the regional housing allocation methodology consisted of determining how each jurisdiction's allocation would be distributed by the four income categories. Consideration of the income distribution will ensure that adequate housing stock is provided for all economic segments of Kings County. The income distribution also seeks to reduce the concentration of lower income households in areas of disproportionately high concentrations.

From the very first meeting of the KRHTAC on July 20, 2007, concerns were expressed by the Cities of Corcoran and Avenal that they have already built a considerable amount of very low income housing. It was also expressed that it was their intent that an over-concentration should not be exaggerated with this current RHNA allocation. KCAG staff reviewed the housing activity that occurred during the prior RHNA period of 2001-2007 by income category and found that the jurisdictions of Avenal, Corcoran, and the County of Kings had built a greater percentage

of very low and low housing units, where as the Cities of Hanford and Lemoore had a greater emphasis of housing in the moderate to above moderate categories.

The Kings Regional Housing Technical Advisory Committee through due consideration, has agreed that the allocation of RHNA units by income category will not be equally distributed amongst the jurisdictions as was the case in the previous RHNA planning period. As the jurisdictions of Avenal, Corcoran, and the County of Kings provided a greater percentage of very low housing units during the years of 2001-2007, the KRHTAC agreed to provide a reduced percentage of the very low housing units and provide a greater percentage of housing units in the moderate income category. The Cities of Hanford and Lemoore split the offset of the very low and moderate allocations based on percentage of population. The income categories as determined by HCD for the 11,489 housing units as detailed in Figure 2 on Page 6 were used as the foundation for distributing the RHNA units by income category.

#### **IV. Regional Housing Needs by Jurisdiction**

In determining the Regional Housing Needs for each Jurisdiction, KCAG applied the allocation formula as detailed in Section III of this plan (See Page 8). The applied allocation formula takes into account four main factors: (1) Growth Rate, (2) Building Permits, (3) Market Demand, and (4) Growth Factors.

The results of the data analysis and Regional Housing Needs allocation are tabulated in Figure 20. The “Units to be Allocated” column represents each jurisdiction’s share of the Regional Housing Needs Determination. This is the total number of new housing units to be planned for over the January 1, 2007 to June 30, 2014, planning period. Jurisdictions may reduce their allocation by net units developed during the interim period (January 1, 2007 until the date of housing element preparation).

To ensure that a mix of housing types serving all income levels is available, the allocation numbers are distributed into income categories. Each jurisdiction must plan for the number of new housing units within each income category (Figure 21). Income categories are defined below:

- Very Low Income – The income limits for a four-person family does not exceed 50 percent of the median family income of the County (\$17,875 and below).
- Low Income – Four-person family with income between 50 percent and 80 percent of the County median family income (\$17,876 to \$28,599).
- Moderate Income – Four-person family with income between 80 percent and 120 percent of the County median family income (\$28,600 to \$42,899).
- Above Moderate Income – Four-person family with income 120 percent or more of the County median family income (\$42,900 and above).

In total, these allocated units meet the State’s minimum regional housing need determination of 11,489 housing units. In addition, the unit breakdown by income category to each jurisdiction is in keeping with the State’s affordability allocation by income group.

Figure 20

REGIONAL HOUSING NEED ALLOCATION FORMULA PHASE 1: HOUSING DEMAND AND GROWTH FACTORS										
Jurisdiction	Growth Rate <sup>(1)(2)</sup> x .75 <sup>(3)</sup>		Building Permits <sup>(2)</sup> x .10 <sup>(3)</sup>		Market Demand <sup>(2)</sup> x .10 <sup>(3)</sup>		Other Growth Factors <sup>(2)</sup> x .05 <sup>(3)</sup>		Total Weighted Percentage	Units to be Allocated
Avenal	6.29%	4.72%	7.41%	0.74%	2.33%	0.23%	10.00%	0.50%	6.19%	711
Corcoran	8.78%	6.59%	7.51%	0.75%	2.92%	0.29%	5.00%	0.25%	7.88%	905
Hanford	48.79%	36.60%	51.24%	5.12%	59.00%	5.90%	50.00%	2.50%	50.12%	5,758
Lemoore	26.28%	19.71%	22.58%	2.26%	26.75%	2.68%	33.00%	1.65%	26.30%	3,021
Uninc. County.	9.86%	7.40%	11.26%	1.13%	9.00%	0.90%	2.00%	0.10%	9.53%	1,094
<b>Total County<sup>(6)</sup></b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>11,489<sup>(4)</sup></b>

(1)Growth Rate from each jurisdiction's General Plan, or as agreed upon by jurisdiction.  
 (2)As a percentage of County total.  
 (3)Weights determined by affect on housing growth.  
 (4)Regional Housing Needs Determination dated August 30, 2007, Department of Housing and Community Development

Figure 21

REGIONAL HOUSING NEED ALLOCATION PHASE 2: BY INCOME DISTRIBUTION										
Jurisdiction	Very Low <sup>(2)</sup>	% of Total	Low <sup>(3)</sup>	% of Total	Moderate <sup>(4)</sup>	% of Total	Above Moderate <sup>(5)</sup>	% of Total	Total Housing Need	%
Avenal	80	11.25%	126	17.72%	214	30.10%	291	40.92%	<b>711</b>	100%
Corcoran	80	8.84%	160	17.68%	295	32.59%	370	40.88%	<b>905</b>	100%
Hanford	1446	25.11%	1015	17.62%	938	16.29%	2,359	40.97%	<b>5,758</b>	100%
Lemoore	748	24.76%	534	17.67%	502	16.62%	1,237	40.95%	<b>3,021</b>	100%
Uninc. County.	137	12.52%	193	17.64%	316	28.88%	448	40.95%	<b>1,094</b>	100%
<b>Total County<sup>(6)</sup></b>	<b>2,491</b>	<b>22%</b>	<b>2,028</b>	<b>18%</b>	<b>2,265</b>	<b>20%</b>	<b>4,705</b>	<b>40%</b>	<b>11,489</b>	<b>100%</b>

2000 Kings County Median Income - \$35,749<sup>(1)</sup>

(1)U.S. Bureau of the Census, Census 2000  
 (2)Very Low = 50% of County Median Income (\$17,875 and below)  
 (3)Low = 50% to 80% of County Median Income (\$17,876 to \$28,599)  
 (4)Moderate = 80% to 120% of County Median Income (\$28,600 to \$42,899)  
 (5)Above Moderate = 120% of County Median Income (\$42,900 and above)  
 (6)Regional Housing Needs Determination dated August 30, 2007, Department of Housing and Community Development

*Appendix A*

*Government Code Section 65584*

# GOVERNMENT CODE

## SECTION 65584

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

(e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

65584.01. (a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(c) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and

methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.

(E) Other characteristics of the composition of the projected population.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (E), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

65584.02. (a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section 65584.01:

(1) In a region in which at least one subregion has accepted delegated authority pursuant to Section 65584.03, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no subregion has accepted delegation pursuant to Section 65584.03, the region's housing need shall be determined at least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. For a housing element update due date pursuant to Section 65588 that is prior to January 2007, the department may approve a request that is submitted prior to December 31, 2004, notwithstanding the deadline in this paragraph. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance.

The council of governments may include a request to extend the housing element deadline pursuant to Section 65588 to a date not to exceed two years, for the purpose of coordination with the scheduled update of a regional transportation plan pursuant to federal law.

(b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted pursuant to paragraph (1) of subdivision (a).

(c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections 65584 and 65584.01.

65584.03. (a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities

and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the subregional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible subregional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections 65584 and 65584.04. The delegate subregion and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the subregion.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate subregion. The share or shares allocated to the delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate subregion or subregions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a subregion. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate subregion shall fully allocate its share of the regional housing need to local governments within its subregion. If a delegate subregion fails to complete the regional housing need allocation process among its member jurisdictions in a manner consistent with this article and with the delegation agreement between the subregion and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in

subdivision (d) of Section 65584.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized

land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing cost burdens.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of

governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government, may appeal its draft allocation based upon either or both of the following criteria:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04.

(e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days of the date established to file appeals. The local

government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days from the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days of the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days of the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. Within 60 days of adoption by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as

determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

65584.06. (a) For cities and counties without a council of governments, the department shall determine and distribute the existing and projected housing need, in accordance with Section 65584 and this section. If the department determines that a county or counties, supported by a resolution adopted by the board or boards of supervisors, and a majority of cities within the county or counties representing a majority of the population of the county or counties, possess the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the distribution of the regional housing need, the department shall delegate this responsibility to the cities and county or counties.

(b) The distribution of regional housing need shall, based upon available data and in consultation with the cities and counties, take into consideration market demand for housing, the distribution of household growth within the county assumed in the regional transportation plan where applicable, employment opportunities and commuting patterns, the availability of suitable sites and public facilities, agreements between a county and cities in a county to direct growth toward incorporated areas of the county, or other considerations as may be requested by the affected cities or counties and agreed to by the department. As part of the allocation of the regional housing need, the department shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. Consideration of suitable housing sites or land suitable for urban development is not limited to existing zoning ordinances and land use restrictions of a locality, but shall include consideration of the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(c) Within 90 days following the department's determination of a draft distribution of the regional housing need to the cities and the county, a city or county may propose to revise the determination of its share of the regional housing need in accordance with criteria set forth in the draft distribution. The proposed revised share shall be based upon comparable data available for all affected jurisdictions, and accepted planning methodology, and shall be supported by adequate documentation.

(d) (1) Within 60 days after the end of the 90-day time period for the revision by the cities or county, the department shall accept the proposed revision, modify its earlier determination, or indicate why the proposed revision is inconsistent with the regional housing

need.

(2) If the department does not accept the proposed revision, then, within 30 days, the city or county may request a public hearing to review the determination.

(3) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(4) The date of the hearing shall be at least 10 but not more than 15 days from the date of the notification.

(5) Before making its final determination, the department shall consider all comments received and shall include a written response to each request for revision received from a city or county.

(e) If the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the department grants a revised allocation pursuant to subdivision (d), the department shall ensure that the total regional housing need is maintained. The department's final determination shall be in writing and shall include information explaining how its action is consistent with this section. If the department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share that was originally determined by the department. The department, within its final determination, may adjust the allocation of a city or county that was not the subject of a request for revision of the draft distribution.

(f) The department shall issue a final regional housing need allocation for all cities and counties within 45 days of the completion of the local review period.

65584.07. (a) During the period between adoption of a final regional housing needs allocation until the due date of the housing element update under Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b) (1) The county and cities that have executed transfers of regional housing needs under this section shall amend their housing elements and submit them to the department for review under Section 65585.

(2) All materials and data used to justify any revision shall be

made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former subdivision (c) of Section 65584 that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c) (1) If an incorporation of a new city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under Section 65584, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the council of governments, or the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and make the revised determination.

(2) The revised determination shall be made within six months after receipt of the written request, based upon the methodology adopted under Section 65584.04, and shall reallocate a portion of the affected county's share of regional housing needs to the new city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

(d) (1) If an annexation of unincorporated land to a city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under Section 65584, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the council of governments, or the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and make the revised determination.

(2) (A) Except as provided under subparagraph (B), the revised determination shall be made within six months after receipt of the written request, based upon the methodology adopted under Section 65584.04, and shall reallocate a portion of the affected county's share of regional housing needs, if appropriate, to the annexing city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

(B) If the annexed land is subject to a development agreement authorized under subdivision (b) of Section 65865 that was entered into by a city and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement.

(3) A revised determination shall not be made if all of the following apply:

(A) The annexed land was within the city's sphere of influence when the regional housing need was allocated by the council of

governments under Section 65584.05 or by the department under Section 65584.06.

(B) The council of governments or the department certifies that the annexed land was fully incorporated into the methodology for purposes of determining the city's share of the regional housing need.

(C) The area covered by the annexation is the same as the area that was incorporated into the methodology.

65584.08. (a) For the purposes of this section the "association" is the Southern California Association of Governments.

(b) For the fourth revision of the housing element pursuant to Section 65588 within the region of the association, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(c) The existing and projected housing need for the region shall be determined in the following manner:

(1) The association shall develop an integrated long-term growth forecast by five-year increments. The growth forecast is not a regional housing needs allocation plan.

(2) The forecast shall consist of the following three major variables by geographic area throughout the region:

(A) Population.

(B) Employment.

(C) Households.

(3) The association shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates, by weighing vacancy rates of for-sale and for-rent units.

(4) The association shall transmit the forecast to the department with the following variables:

(A) Population.

(B) Employment.

(C) Households.

(D) Housing units.

(E) Household formation ratios.

(F) Replacement rates.

(G) Owner and renter vacancy rates.

(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) of, and with subdivision (d) of, Section 65584.01.

(d) The association shall conduct a public workshop for the purpose of surveying its member jurisdictions pursuant to subdivision (b) of Section 65584.04. Not less than 30 days prior to the date of commencement of the public workshop, the association shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for consideration by the association and incorporation into the discussion of the methodology at the workshop.

(e) The association shall delegate development of the housing need

allocation plan to the subregional entities, if the association and the subregional entities agree in writing to that delegation and the association ensures that the total regional housing need, by income category, is maintained.

(f) The association shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the methodology, including the factors, by which housing needs are proposed to be allocated to subregions, or, in the absence of a subregion, to individual jurisdictions. The workshops shall also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the association on local conditions and factors. Following the workshops, and concurrent with the adoption of its draft housing allocation plan, the association shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.

(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.

(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(g) Following the adoption of the draft housing allocation plan, a local government may request from the association or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (d). The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and shall be supported by adequate documentation. The association or delegate subregion, as applicable, shall establish a timeline for accepting and reviewing revision requests. However, revision requests shall not be accepted after the deadline for filing an appeal pursuant to subdivision (i). The association or delegate subregion shall respond to the request in writing no later than the close of the appeal process, and shall describe the rationale for its decision.

(h) Both the methodology and allocation process shall consider the factors listed under subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The association shall complete the final housing need allocation plan on or before June 30, 2007. It is the intent of the Legislature that the housing element update deadlines, as required under Section 65588, and as modified by the department under paragraph (2) of subdivision (a) of Section 65584.02, will not be extended. The association shall submit a report to the Legislature on or before March 30, 2007, describing the progress it has made in completing the final need allocation plan.

(i) A city or county may file one appeal of its draft allocation to the association, or a delegate subregion, pursuant to subdivision (e) of Section 65584.05, based upon any of the following criteria:

(1) The association or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (d), or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The association or delegate subregion, as applicable, failed to determine the local government's share of the regional housing need in accordance with the information described in, and the methodology established pursuant to subdivision (f).

(j) A city or county shall not be allowed to file more than one appeal under subdivision (i), and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(k) The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

(l) The final allocation plan adopted by the association shall ensure that the total regional housing need, by income category, as determined under subdivision (c), is maintained. The resolution adopted by the association approving the final housing need allocation plan shall show how the plan:

(1) Is consistent with the objectives of this section and article.

(2) Is consistent with the pending update of the regional transportation plan.

(3) Takes into account the information provided to the association by its member jurisdictions and members of the public pursuant to subdivisions (d) and (f).

(m) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

65584.09. (a) For housing elements due pursuant to Section 65588 on or after January 1, 2006, if a city or county in the prior planning period failed to identify or make available adequate sites to accommodate that portion of the regional housing need allocated pursuant to Section 65584, then the city or county shall, within the first year of the planning period of the new housing element, zone or rezone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

(b) The requirements under subdivision (a) shall be in addition to any zoning or rezoning required to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584 for the new planning period.

(c) Nothing in this section shall be construed to diminish the requirement of a city or county to accommodate its share of the regional housing need for each income level during the planning period set forth in Section 65588, including the obligations to (1) implement programs included pursuant to Section 65583 to achieve the goals and objectives, including programs to zone or rezone land, and (2) timely adopt a housing element with an inventory described in paragraph (3) of subdivision (a) of Section 65583 and a program to make sites available pursuant to paragraph (1) of subdivision (c) of Section 65583, which can accommodate the jurisdiction's share of the regional housing need.

65584.1. Councils of government may charge a fee to local governments to cover the projected reasonable, actual costs of the

council in distributing regional housing needs pursuant to this article. Any fee shall not exceed the estimated amount required to implement its obligations pursuant to Sections 65584, 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, and 65584.07. A city, county, or city and county may charge a fee, not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments, to reimburse it for the cost of the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of the city, county, or city and county shall impose the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee.

65584.2. A local government may, but is not required to, conduct a review or appeal regarding allocation data provided by the department or the council of governments pertaining the locality's share of the regional housing need or the submittal of data or information for a proposed allocation, as permitted by this article.

65584.3. (a) A city that is incorporated to promote commerce and industry, that is located in the County of Los Angeles, and that has no residentially zoned land within its boundaries on January 1, 1992, may elect to adopt a housing element that makes no provision for new housing or the share of regional housing needs as determined pursuant to Section 65584 for the current and subsequent revisions of the housing element pursuant to Section 65588, for the period of time that 20 percent of all tax increment revenue accruing from all redevelopment projects, and required to be set aside for low- and moderate-income housing pursuant to Section 33334.2 of the Health and Safety Code, is annually transferred to the Housing Authority of the County of Los Angeles.

(b) (1) The amount of tax increment to be transferred each year pursuant to subdivision (a) shall be determined at the end of each fiscal year, commencing with the 1992-93 fiscal year. This amount shall be transferred within 30 days of the agency receiving each installment of its allocation of tax increment moneys, commencing in 1993.

(2) On or before December 31, 1992, the agency shall make an additional payment to the Housing Authority of the County of Los Angeles that eliminates any indebtedness to the low- and moderate-income housing fund pursuant to Section 33334.3. This amount shall be reduced by any amount actually expended by the redevelopment agency for principal or interest payments on agency bonds issued prior to the effective date of the act that adds this section, when that portion of the agency's tax increment revenue representing the low- and moderate-income housing set-aside funds was lawfully pledged as security for the bonds, and only to the extent that other tax increment revenue in excess of the 20-percent low- and moderate-income set-aside funds is insufficient in that fiscal year to meet in full the principal and interest payments.

(c) The Department of Housing and Community Development shall annually review the calculation and determination of the amount

transferred pursuant to subdivisions (a) and (b). The department may conduct an audit of these funds if and when the Director of Housing and Community Development deems an audit appropriate.

(d) The amount transferred pursuant to subdivisions (a) and (b) shall fulfill the obligation of that city's redevelopment agency to provide for housing for low- and moderate-income families and individuals pursuant to Sections 33334.2 to 33334.16, inclusive, of the Health and Safety Code. The use of these funds for low- and moderate-income families in the region of the Southern California Association of Governments within which the city is located shall be deemed to be of benefit to the city's redevelopment project areas.

(e) (1) The amount transferred pursuant to subdivisions (a) and (b) to the Housing Authority of the County of Los Angeles shall be expended to provide housing and assistance, including, but not limited to, that specified in subdivision (e) of Section 33334.2 of the Health and Safety Code for low- and moderate-income families and individuals, in the region of the Southern California Association of Governments within which the city is located.

(2) Funds expended pursuant to this subdivision shall be expended in accordance with all of the following:

(A) The funds shall be expended for the construction of low- and moderate-income housing located no further than 15 miles from the nearest boundary line of the City of Industry.

(B) The low- and moderate-income housing constructed pursuant to this subdivision shall be in addition to any other housing required by the housing element of the general plan of the jurisdiction in which the low- and moderate-income housing is constructed.

(C) Funds may be encumbered by the Housing Authority of the County of Los Angeles for the purposes of this subdivision only after the authority has prepared a written plan for the expenditure of funds to be transferred to the authority pursuant to this subdivision and has filed a copy of this expenditure plan with the Department of Housing and Community Development.

(f) A city that meets the conditions specified in subdivision (d) shall continue to have responsibility for preparing a housing element pursuant to Section 65583 only to the extent to which the assessment of housing needs, statement of goals and objectives, and the five-year schedule of actions relate to the city's plan to maintain, preserve, and improve the housing that exists in the city on the effective date of the act which adds this section.

(g) This section shall not become operative unless and until a parcel of land, to be dedicated for the construction of a high school, is transferred pursuant to a written agreement between the City of Industry and the Pomona Unified School District, and a copy of this agreement is filed with the County Clerk of the County of Los Angeles.

65584.6. (a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

(1) An agreement has been executed between the county and the

receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

(A) A plan and schedule for timely construction of dwelling units.

(B) Site identification by street address for the units to be developed.

(C) A statement either that the sites upon which the units will be developed were identified in the receiving city's housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

(D) The number and percentage of the county's lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

(2) The council of governments that assigned the county's share receives and approves each proposed agreement to meet a portion of the county's fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

(3) The city or cities in which the units are developed agree not to count the units towards their share of the region's affordable housing need.

(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings:

(A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section.

(B) If needed, additional subsidy or financing for the construction of the units is available.

(C) The receiving city or cities have housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements.

(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income households allocated to the city pursuant to Section 65584.

(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

(e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

65584.7. (a) The Legislature finds and declares all of the following:

(1) Accurate and current data to estimate housing needs is necessary to ensure that state, regional, and local agencies plan effectively.

(2) The Department of Finance, which is charged with providing demographic data to aid effective state and local planning and policymaking, released updated population projections for the state on July 9, 2007.

(3) The updated projections released by the Department of Finance represent a decline of over 30 percent from the prior projection in the near-term population growth for the area within the regional jurisdiction of the Sacramento Area Council of Governments.

(4) Authorizing the department to adjust its regional housing needs determination for the Sacramento Area Council of Governments region is allowed only because a substantially different projection was released by the Department of Finance prior to the adoption of the Sacramento Area Council of Governments' final regional housing need allocation plan, and will not alter the schedule for its adoption.

(b) (1) Consistent with the revised population projections released by the Department of Finance on July 9, 2007, the department, for the fourth revision of the housing element pursuant to Section 65588, and prior to the adoption of the final regional housing need allocation plan by the Sacramento Area Council of Governments, may revise its regional housing need determination for the Sacramento Area Council of Governments. The revised determination by the department shall be consistent with the current population projections of the Department of Finance and with the methodology used for the initial determination for the region.

(2) The revision of the regional housing need determination shall not extend the time for, or reinstate any right to, an appeal, request for revision, or public comment or consultation period established pursuant to this article with respect to the determination of the regional housing need and the allocation to local government members of the Sacramento Area Council of Governments.

(3) This section does not change or modify the deadline established in Section 65588 by which local governments within Sacramento Area Council of Governments are required to adopt revised housing elements.

(c) This section is not intended to change or modify the deadlines in Sections 65584.01 to 65584.08, inclusive.

(d) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

*Appendix B*

*Regional Housing Needs Determination from  
the State Department of Housing and Community  
Development (HCD)*

**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



August 30, 2007

Ms. Terri King, Executive Director  
Kings County Association of Governments  
1400 W. Lacey Blvd., Bldg. #6  
Hanford, CA 93230

Dear Ms. King:

**RE: Regional Housing Needs Determination**

This letter transmits the Regional Housing Needs Determination for Kings County Association of Governments (KCAG) region pursuant to Government Code Section 65584.01 of State housing element law. As you are aware, local governments play a critical role in advancing the State's housing goals through the update of their general plan housing elements. The determination of regional housing need is to be used for development of a regional housing need allocation plan (RHNP) to update housing elements.

On May 24, 2007, the Department of Housing and Community Development (Department) notified you that it extended the due date for jurisdictions to update their housing elements from June 30, 2009 to August 31, 2009. This extension was necessary to accommodate the Department of Finance's July 2007 update of the State's population projections.

The Department completed its consultation process after meeting with you and other staff on July 24, 2007. At this meeting, the Department provided a copy of its draft determination of the regional housing need. In addition, a briefing was given on applicable statutory requirements and changes relating to development of the distribution of the allocation and factors to be considered in the methodology of the RHNP. The Department informed representatives of the opportunity to provide comments and information for the Department to consider in finalizing its determination.

Attachment I represents the final determination of minimum housing need for KCAG to be allocated among cities and counties in the RHNP for the planning period 2007 – 2014. The RHNP is required to be consistent with the following objectives, as set forth in more detail in statute (Section 65584(d)):

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability;
- (2) Promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns;
- (3) Promoting an improved intraregional relationship between jobs and housing; and
- (4) Balancing the distribution of households by income category.

Each jurisdiction must be allocated a share of housing need, by income category, to plan to accommodate in updating their housing elements by August 31, 2009. Regarding local government's regional housing need allocation, jurisdictions may take credit for housing units permitted since the January 2007 baseline of the housing element planning period that ends August 31, 2014.

Government Code Section 65584.01(d)(1) allows 30 days from the date of this letter to file an objection and proposed alternative to the Department's determination based only on demographic issues set forth in the statute. Pursuant to Government Code Section 65584.05 (h), the RHNP is to be submitted to the Department for review within 60 days of adoption by the council of governments. The Department is required to determine whether the RHNP is consistent with the regional housing need determination made by the Department (conveyed by this letter) and is authorized to revise the RHNP to obtain this consistency.

The Department appreciates the important role your organization plays in the regional housing needs process and the cooperation provided by representatives. Staff is available to further assist development and implementation of the RHNP and updates of the housing elements. For assistance, please contact Glen Campora, of our office, at (916) 327-2640.

Sincerely,

A handwritten signature in black ink that reads "Cathy E. Creswell". The signature is written in a cursive style with a large, prominent "C" at the beginning.

Cathy E. Creswell  
Deputy Director

Enclosures

**Attachment 1**

**Kings County**

**Regional Housing Need Determination**

**For the Period January 2007 through June 30, 2014**

<u>Income Category</u>	<u>Housing Unit Need</u>	<u>Percent</u>
Very Low	2,491	22
Low	2,028	18
Moderate	2,265	20
Above Moderate	<u>4,705</u>	<u>40</u>
Total	11,489	100%

## Attachment 2

### Kings County: Explanation of Regional Housing Need Determination For the Period January 1, 2007 through June 30, 2014

#### Methodology, Assumptions, and Data Sources Used to Project Housing Unit Need:

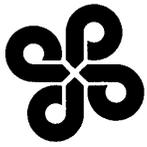
1. Household (HH) growth (11,005) was derived by subtracting 1/1/2007 "Occupied Housing Units" (39,155) from 6/30/2014 "Projected Households" (50,160). The Demographic Research Unit of the California Department of Finance (DOF) prepares these official estimates and projections last updated July 2007 (Population Projections by Race/Ethnicity, Gender and Age for California and Its Counties 2000-2050, July 2007). For planning period purposes, DOF provides the Department projections of HH population and projected number of households. The HH population projection reflects the population housed (occupied housing units) and excludes the group quarters population. Occupied housing units are estimated by DOF in its E-5 report (Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark, May 2007). The projected change in HH population reflects the change between January 1, 2007 (127,463) and June 30, 2014 (156,961) projecting households, DOF uses the cohort-component method by applying age- and ethnicity-specific HH formation ratios from Census 2000 to the projected population as described on its webpage (<http://www.dof.ca.gov/html/DEMOGRAP/ReportsPapers/Projections/P3>).
2. Homeowner and Renter households (HHs): allocation based on Census 2000 proportion of owner-occupied HHs (55.9) held constant through projection period. Renter HHs reflect the difference in subtracting homeowner HHs from projected HH growth.
3. Vacancy allowance: rates of 1.8% (owner) and 5.0% (renter) reflect adjustments from standard targets of 2.0% and 6.0%, respectively, for current conditions. Standard targets identified by Office of Planning and Research, Economic Practices Manual (1984:37).
4. Replacement allowance: empirical demolition rate per housing unit averages .08 per year for 2001 through 2007 based on DOF demolition permit data (average 30 demolition permits among jurisdictions within the county, 2001-2007). The average rate is adjusted by a multiple of 2 to account for other losses, such as demolitions without a permit, conversions from residential use to other uses not involving demolition, and/or dwelling units destroyed because of a disaster. The adjusted rate is multiplied by 7.5 (years in the planning period) yielding a 1.15% replacement allowance rate. The minimum replacement percentage applied is 1% whereas the maximum replacement percentage applied is 2%.
5. Income category allocation: each income category was calculated by multiplying total housing need by the proportion of HHs in each income category based on County median HH income (Census 2000) and income definitions (H&S Code Sections 50079.5 and 50105, et.seq.).

#### Housing Unit Need Projection:

Household growth, Census 2000 headship rates (1)		11,005
Homeowner HHs (2)	55.9%	6,155
Homeowner HH vacancy allowance (3)	1.8%	111
Renter HHs	44.1%	4,850
Renter HHs vacancy allowance (3)	5.0%	242
	Subtotal	11,358
Replacement allowance (4)	1.15%	131
	Total	11,489

*Appendix C*

*Kings County Public Hearing Notice*



# Kings County Association of Governments

339 W. "D" Street, Suite B, Lemoore, California 93245  
(559) 582-3211 extension 2654 ❖ FAX (559) 924-5632  
[www.countyofkings.com/kcag](http://www.countyofkings.com/kcag)

Member Agencies: Cities of Avenal, Corcoran, Hanford and Lemoore, County of Kings

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## **NOTICE OF PUBLIC COMMENT PERIOD ON THE DRAFT 2008 KINGS COUNTY REGIONAL HOUSING NEEDS ALLOCATION PLAN**

NOTICE IS HEREBY GIVEN that the Kings County Association of Governments (KCAG) has released the Draft 2008 Kings County Regional Housing Needs Allocation Plan for a 60-day review and comment period. The comment period will commence on June 27, 2008 and conclude on August 27, 2008 following a public hearing. KCAG will hold a public hearing on August 27, 2008 at 4:30 p.m. in the Kings County Board of Supervisor's Chambers, Administration Building, Kings County Government Center, 1400 W. Lacey, Blvd., Hanford, California regarding the Draft Plan.

KCAG is required by California Government Code Section 65584 to prepare a Regional Housing Needs Allocation (RHNA) Plan for the Kings County region. The purpose of the RHNA Plan is to allocate to the cities and county their "fair share" of the region's projected housing need by household income group over the seven and a half year (2007-2014) planning period covered by this Plan. The RHNA Plan is based on countywide housing projections developed by the California Department of Housing and Community Development.

The Draft 2008 Kings County RHNA Plan is available for review at the Kings County Association of Government's office, located at 339 W. "D" St., Suite B, Lemoore, CA and on our website at [www.countyofkings.com/kcag](http://www.countyofkings.com/kcag).

Public comments are welcomed at the hearing, or may be submitted in writing by 4:30 p.m., Wednesday, August 27, 2008 to Chris Lehn at the address below.

Contact Person: Chris Lehn, Regional Planner  
339 W. "D" Street, Suite B  
Lemoore, CA 93245  
(559) 582-3211, ext. 2677  
E-mail at [Chris.Lehn@co.kings.ca.us](mailto:Chris.Lehn@co.kings.ca.us)

ACCOUNT NUMBER 3311  
AD NUMBER 0000097877-01  
AD SIZE 2.0 X 4.29"  
  
AD AMOUNT \$68.54

Kings County Association of Governments  
339 W. "D" Street, Suite B, ,  
Lemoore, CA 93245

PUBLICATION SENT  
STATE OF CALIFORNIA  
COUNTY OF KINGS

I AM A CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE COUNTY FORESAID; I AM OVER THE AGE OF EIGHTEEN YEARS, AND NOT A PART TO OR INTERESTED IN THE ABOVE-ENTITLED MATTER. I AM THE PRINCIPAL CLERK OF HANFORD SENTINEL, INC., A NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED DAILY IN THE CITY OF HANFORD, COUNTY OF KINGS, AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF KINGS, STATE OF CALIFORNIA, UNDER THE DATE OF OCTOBER 23, 1951, CASE NUMBER 11623,

THAT I KNOW FROM MY OWN PERSONAL KNOWLEDGE THE NOTICE, OF WHICH THE ANNEXED IS A PRINTED COPY (SET IN TYPE NOT SMALLER THAN NONPAREIL), HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO WIT:

PUBLISHED ON: 6/27/2008  
FILED ON: 06/27/2008

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

DATED AT KINGS COUNTY, CALIFORNIA,

THIS DAY 27 OF June, 2008  
SIGNATURE Terri Rocha

AD#97877

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339 W. "D" Street, Suite B  
Lemoore, CA 93245  
(559) 938-3111 ext. 2677  
E-mail at [Chris.Lehn@co.kings.ca.us](mailto:Chris.Lehn@co.kings.ca.us)

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