



STAFF REPORT

MEETING DATE: April 8, 2024

PRESENTER: Jesus R. Orozco, Community Development Director

SUBJECT: A resolution recommending City Council review and accept the 2023 Annual Progress Report for the Kerman 2040 General Plan and Housing Element and authorize staff to submit said report to the State Department of Housing and Community Development and the Governor's Office of Planning and Research, including adopting a finding of a Categorical Exemption pursuant to Section 15306 of CEQA Guidelines

RECOMMENDATION: Commission by motion, adopt a resolution recommending City Council review and accept the 2023 Annual Progress Report for the Kerman 2040 General Plan and Housing Element, and authorize staff to submit said report to the State Department of Housing and Community Development and the Governor's Office of Planning and Research including adopting a finding of a Categorical Exemption pursuant to Section 15306 of CEQA Guidelines.

EXECUTIVE SUMMARY:

Staff has completed the annual progress report for the City of Kerman's General Plan and Housing Element for the calendar year 2023. Pursuant to Government Code Section 65400(a) (2), local planning agencies are required to provide an Annual Progress Report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR) by April 1st of each year on the implementation status of the City's General Plan and Housing Element for the prior calendar year. However, due to the City's ongoing Housing Element update and Zoning Code update, the review and submittal of the APR has been delayed.

BACKGROUND:

Staff has completed the annual progress report (APR) for the Kerman 2040 General Plan and Housing Element for the calendar year 2023 and is presenting the report to the Planning Commission for review and recommendation of findings to the City Council. The purpose of the report is to track the General Plan and Housing Element implementation during each year. The APR needs to be submitted to the California Department of Housing and Community Development (HCD) and Office of Planning and Research (OPR) and HCD by April 1st of each year.

The APR provides local legislative bodies and the public with information regarding the implementation of the General Plan for their respective city. The APR also informs the public of the progress in meeting the community's goals.

The APR fulfills statutory requirements to report certain housing information, including; the local agency's progress in meeting its share of regional housing needs (i.e., applications, entitlements, building permits, and certificates of occupancy), certain rezoning and general plan amendment activities, actions taken towards completion of Housing Element programs, and local efforts to remove governmental constraints to the development of housing.

The attached HCD standardized (**Exhibit 'A'**) APR represents the City's activity for the calendar year of 2023. Some things to consider that may have directly or indirectly impacted the City's ability to attain or meet the General Plan and Housing Element's goals and policies:

- Competitive homebuyers market
- Rising interest rates
- Prohibitive materials costs
- Shortage of buildable sites (new or infill projects)

The APR attached largely accounts for the construction of single-family residences (SFRs) approved as part of two subdivision projects during the 2019 (Tract 6302) and 2020 (Tract 6236) calendar years, in addition to several in-fill lots and accessory dwelling unit (ADU) developments. Overall, 59 new units were permitted and 49 units were issued a final occupancy. Of those 59 units, 51 were SFRs, 3 were MFR, and 5 were accessory dwelling units.

Of note, during the 2023 calendar year, the City received and accepted two development applications (Whispering Falls & Crown-Schaad) which included an Annexation, General Plan Amendment, Prezone, Tentative Subdivision Map, and Development Plan for an approximate total of 281 SFR and 56 MF units for a total of 337 new units. It is anticipated that the development of said projects will begin construction as early as July 2025.

5th Cycle Planning Period

The City's RHNA Allocation for the 5th cycle planning period was 909 units. The City facilitated the development of 384 moderate-income units when 202 units were allocated; an excess of 180 units for said RHNA income category. The City remains 614 units short in the Very Low, Low, and Above Moderate income categories despite facilitating the development of a 477 total during the planning period. Despite being 432 units short of the 909 RHNA allocated total, the City continues to work with members of the development community to facilitate and streamline housing of all income levels. Examples of the City's housing incentives include; the adoption of pre-approved ADU plans, pre-approved duplex site plans for multi-family infill lots, deferred Development Impact Fees for residential projects, and capital improvement projects in proximity to future developable land.

General Plan Land Use Goals & Policies

The City of Kerman went through a comprehensive General Plan update in July 2020. The Kerman 2040 General Plan focused on updates to the required elements including; Land Use, Circulation, Housing, Conservation, Open Space, Parks and Recreation, Public Health and Safety, and Public Facilities and Services. The 2040 General Plan also incorporated an optional Economic Development element, to address the economic opportunities and viability of the City.

The City strives to implement all aspects of the General Plan at the earliest opportunity. In particular, the City made progress towards and continues to implement the following goals and policies specific to residential development.

Goal Policy No.	Policy Name	Goal / Policy
LU-2.3	Neighborhood Atmosphere	The City shall continue to actively preserve Kerman's single-family residential neighborhood.
LU-2.4	Architectural Character	During the development review process, the City shall encourage new projects to incorporate high-quality site, architectural, and landscape design.
LU-3.1	Strong Community Edge	The City shall develop and maintain a strong community edge that clearly separates urban and agricultural uses, including through the use of man-made or natural barriers such as streets, railroads, and canals.
LU-3.3	Prevent Sprawl Development	The City shall direct new development to areas that are contiguous to existing or approved development and prevent sprawl development.
LU-7.2	Implementation Program Monitoring	The City shall maintain and annually review the General Plan Implementation Programs. As part of this process, the City shall update the prioritization of programs based on applicability, relevance, the timing of initiation, and availability of funding.
LU-7.4	Housing Element Updates	As directed by the California Department of Housing and Community Development (HCD), the City will update and implement a Housing Element that provides policy and programs to encourage the provision of safe, well-designed, accessible, sanitary, and affordable residential areas where people of all ages can live, work and play. This includes equitable distribution of parks and public facilities to all residential areas consistent with legal requirements.
COS-5.3	Sustainable Building Practices	The City shall promote sustainable building practices that incorporate a "whole systems" approach to design and construction that consumes less energy, water, and other non-renewable resources, such as facilitating passive ventilation and effective use of daylight.
PH-4.3	Building Regulations for Seismic Safety	The City shall require all new development to be constructed in accordance with the current seismic safety design standards at the time of initial building plan submittal.

Regional Housing Needs Assessment (RHNA) – 5th Cycle Summary

Progress toward achieving the mandated RHNA allocation is a key component of the annual Housing Element APR submitted to HCD and OPR. The RHNA establishes exactly how many new

homes—and at what affordability levels—a jurisdiction is required to plan for within an eight-year planning cycle to address regional and State housing needs. Through the RHNA allocation, each jurisdiction is assigned its “fair share” of housing production at specified affordability levels. The 2023 APR for Kerman, and all jurisdictions within the Fresno Council of Governments (FCOG) (inclusive of Fresno County and eleven other county cities), falls within the 5th RHNA cycle extending from 2015 through the calendar year 2023.

The City’s RHNA allocation and progress for 2015-2023, 5th planning cycle is shown in the summary table below, which is taken directly from “Table B” of the APR provided in Exhibit ‘A’. As identified in the table, 59 net new housing units were issued building permits in 2023, to be counted towards the City’s 909 total allocations for the 5th planning cycle.

Income Level		RHNA Allocation by Income Level (2015-2023)	2015 & 2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	238									1	237
	Non-Deed Restricted					1						
Low	Deed Restricted	211		5	1	6					13	198
	Non-Deed Restricted					1						
Moderate	Deed Restricted	202		34	37						384	-
	Non-Deed Restricted			9	58	58	21	94	81	59		
Above Moderate		258					12				79	79
Total Kerman RHNA Allocation		909										
		<i>subtotals</i>		48	96	78	21	94	81	59	418	614

Housing Element

State Housing Element Law (Government Code Section 65580, et seq.) mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The City’s current Housing Element, incorporated as part of the Fresno County Multi-Jurisdictional Housing Element, was adopted on April 6, 2016, and addresses housing needs for the 2015-2023 projection period. The recently updated seven sections within the 2040 General Plans address the goals, policies, and programs, extracted from the 2015-2023 Multi-Jurisdiction Housing Element, that apply to the City. The table below addresses the Implementation Programs of the Housing Element as adopted in the Kerman 2040 General Plan Update.

Implementation Program Report			
Program Description	Objective	Time frame in H.E.	Status of Program Implementation
Program A	Review Annexation Standards in Memorandum of Understanding	End of 2025	Ongoing – The City will meet and confirm with the County and required by the MOU adopted in 2021, to ensure the feasibility and viability of urban development as part of the Annexation and Pre-zoning process.
Program B	Rezone and Provision of Adequate Sites	End of 2025	Ongoing – the City will work with property owners and developers to maximize the development ability of land through the rezoning process.
Program C	Monitoring of Residential Capacity (No Net Loss)	End of 2025	Completed - City adopted an ordinance to increase minimum density to 20 units per acre. Rezoned property site zoned Rural Residential (RR) in city limits to Multi-Family Residential.
Program D	Lot Consolidation and Lot Splits	End of 2025	Ongoing - as development occurs, City will encourage lot consolidation or lot splitting to promote the efficient use of land for residential development pursuant to the Subdivision Map Act.
Program E	Affordable Housing Incentives	End of 2025	Ongoing – The City will continue to work with housing developers to expand affordable housing opportunities in the community.
Program F	Farmworker Housing	End of 2025	Ongoing – The City in 2019 adopted ordinance 19-01, relating to Farmworker/Employee Housing. The City will continue to support developments that provide housing for farmworkers and their families.
Program G	Regional Collaboration on Housing Opportunities	End of 2025	Ongoing – City of Kerman continues to actively participate on the MJHE committee. By participating with MJHE members, the City can explore opportunities for further collaboration, and

			make the best use of limited resources.
Program H	Water and Wastewater Service	End of 2025	Ongoing – City continues to work to address water supply and infrastructure capacity limits and grant priority to affordable housing units.
Program I	Housing Choice Vouchers	By 2025	Ongoing – The City will make Housing Choice Voucher information accessible to residents, via the website and in person. Referrals are made to Housing Authorities
Program J	Encourage and Facilitate Accessory Units (Second Units)	End of 2025	Ongoing – In 2018, the City adopted an ordinance to allow second units in all residential zone districts by right, and streamline permit processing. The City will work on making standard ADU plans available for construction by 2023 using grant assistance monies.
Program K	Monitor CUP Requirement for Multifamily and Mixed Use Developments	End of 2025	Ongoing – The City is monitoring CUP requirements to ensure it does not impact mixed or multifamily uses
Program L	Fresno County Homebuyer Assistance Program (HAP)	End of 2025	Ongoing - City staff participates with Fresno County's Homebuyer Assistance Program (HAP). Brochures available at the counter and periodic Utility newsletter. Refer all inquiries to Fresno County.
Program M	First-Time Homebuyer Resources	End of 2025	Ongoing - City staff participates with Fresno County's First-Time Homebuyer Assistance Program. Brochures are available at the counter and periodic Utility newsletter. Refer all inquiries to Fresno County.
Program N	Code Enforcement	Ongoing	Ongoing – The City continues to use code enforcement and substandard abatement processes to bring substandard housing units into compliance.

Program O	Housing Rehabilitation Programs	Ongoing	Ongoing – The City participates with both Fresno County Housing Assistance Rehabilitation Program (HARP) and USDA Home Repair home repair loans/grants- City has loan/grant packages for USDA on staff to assist and promote via the utility newsletters, counter brochures, website.
Program P	Fresno County Rental Rehabilitation Program (RRP)	End of 2025	Ongoing – The City provides rehabilitation program resources via periodic Utility newsletters counter brochures. Referrals are made to Fresno Count.
Program Q	Preservation of Assisted Housing at Risk of Converting to Market Rate	End of 2025	Ongoing – The City will contact property owners and send notices to tenants of their rights and eligibility to obtain special Section 8 vouchers reserved for tenants of converted HUD properties.
Program R	Zoning Code Amendments	End of 2025	Ongoing – The City adopted ordinances 2019-01 and 2021-02 to address Farmworker/Employee Housing. The City is working with a strong consultant to update Title 17 of the Kerman Municipal Code to comply with all administrative and legislative requirements of the Department of Housing and Community Development Department.
Program S	Monitoring of Planning and Development Fees	Ongoing	Ongoing - The City will monitor fee charges for housing development and consider incentives to facilitate affordable housing-City waived Development Impact Fees for an affordable housing apartment project in 2017-Gateway Villa Apartments 61 units.
Program T	Fair Housing	Ongoing	Ongoing – the City will work on an informational fair housing resources brochure for the counter, and public library and has City website resources listed.

Program U	Energy Conservation	Ongoing	Ongoing – The City will work on providing and promoting energy conservation resources for new and rehabilitated developments, via brochures and information on the website.
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Conclusion

The General Plan and Housing Element annual reports describe the progress of the City's ongoing efforts to implement and assess identified goals, policies, and objectives in the General Plan and Housing Element. Demonstration of ongoing compliance with State-required reporting ensures that the City maintains eligibility and competitiveness for ongoing grant funding opportunities that may help to implement these goals and policies. City staff will continue its proactive efforts to assist developers, semi-quasi and community groups, and residents achieve project approvals and streamlining building permit issuance.

ENVIRONMENTAL REVIEW:

The Project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) guidelines, Section 15306 (Information Collection) as it consists of basic data collection which does not result in a serious or major disturbance to an environmental resource. The APR is strictly for information-gathering purposes as required by Government Code Section 65400. Furthermore, none of the exceptions set forth in CEQA Guidelines Section 15300.2 apply to this Project.

FISCAL IMPACT:

None

ATTACHMENTS:

1. Resolution w/Exhibits