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## Housing

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### Introduction

This Housing Chapter is a comprehensive statement that facilitates the development of housing to meet the needs of existing and future residents of Gustine. The Housing Element is an official response to a growing awareness of the need to provide housing for all economic segments of the community. The residential character of the City is, to a large extent, determined by the variety of its housing and the location and maintenance of housing. It establishes policies that will guide City decision-making, and sets forth a program to implement housing goals. It should be noted, however, that it is recommended that this Housing Element be updated after the 2000 Census has been completed.

### Issues and Intent

The Housing Element identifies and analyzes existing and projected housing needs and includes goals, objectives and policies along with scheduled programs for the preservation, improvement and development of housing in Gustine. This element is mandated by Government Code section 65583, 65302(c).

The California Department of Housing and Community Development (HCD) is responsible for reviewing the housing elements of all cities in California for their compliance with State law requirements embodied in Article 10.6 of the Government Code. When reviewing housing elements, HCD evaluates their effectiveness based on conformance with three broad content requirements of State law:

- 1) Identification and analysis of existing and projected housing needs and an inventory of resources and constraints relevant to meeting those needs.
- 2) A statement of goals, policies, and quantified objectives.
- 3) A discussion of scheduled programs for the preservation, improvement, and development of housing.

### Glossary of Terms

Following are definitions for important terms used in the Housing Element:

**Affordable Housing.** This is a popular term that is often misunderstood. Many people think it refers only to low income housing. However, in technical terms, it can refer to nearly any unit of housing. "Affordable housing" refers to the relationship between the price of housing (either sale price or rent) and household income. A \$500,000 home is "affordable housing" for households making \$200,000 per year. However, it would not be affordable housing for the vast majority of households in Gustine

**Affordability.** There are two factors affecting affordability for housing: the price of housing and household income. The common standard is that households should spend approximately 30 percent of their income on housing. That can vary, however, according to household size. Large households face higher costs for other items (e.g., food, childcare, insurance, etc.), and therefore cannot afford to spend as much on housing.

**Income Categories.** The federal and state governments require that local jurisdictions consider the housing needs of households in various "income categories." Income categories are determined by the median household income at the local level. In cities such as Beverly Hills, where incomes (in general) are quite high, an annual household income of \$40,000 might be considered "low



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income." In Merced County, the median household income in 1989 was \$24,727, well below the statewide median of \$35,798 (U.S. Census Bureau).

**Very Low Income.** Very low income households are defined as households with incomes less than 50 percent of the county median.

**Low Income.** Low income households are defined as households with incomes between 50 percent and 80 percent of the county median.

**Moderate Income.** Moderate income households are defined as households with incomes between 80 percent and 120 percent of the county median.

**Above Moderate Income.** Above moderate income households are defined as households with incomes over 120 percent of the county median.

**Below Market Rate (BMR) Unit.** A Below Market Rate (BMR) unit is a housing unit that sells or rents for less than the going market rate. It is typically used in reference to housing units that are directly or indirectly subsidized in order to make them affordable to very low, low, or moderate income households. If units can be provided by the market at rates affordable to lower income households, then BMR units become unnecessary.

**Subsidized Units and Section 8.** "Subsidized units" typically refers to units that rent for less than the market rate due to a direct financial contribution from the government. Section 8 is a subsidy program funded by the federal government and overseen by the County Housing Authority to provide low rents and/or housing payment contributions for very low and low income households.

**Zoning.** Zoning is an activity undertaken by local jurisdictions to direct and shape land development activities. The intent of zoning is to protect the public health and safety by ensuring that incompatible land uses (e.g., a school and an oil refinery) are not located next to each other. Zoning also impacts land values, creating and taking away "capital" for and from property owners. For example, a lot that is zoned for commercial development is more valuable (in financial terms) than a lot that is zoned for open space. Typically, lots that are zoned for higher densities have greater value on the market than lots that are zoned for lower densities. Zoning is one of the most important regulatory functions performed by local jurisdictions. The City of Gustine's zoning is set forth in its Zoning Ordinance and Zoning Map.

**The General Plan.** The State of California requires that every city and county have a "general plan." This plan sets forth long-term goals, objectives, and policies that will guide the community's physical development. By law, a general plan must contain seven "elements," or parts of the plan that address different issues. Those required elements are land use, circulation, housing, conservation, open space, safety, and noise.

**Density.** This refers to the number of housing units on a unit of land (e.g., ten units per acre). In the City of Gustine, the lowest density residential zoning is "R-1;" it allows a maximum of 1 housing unit per 6,000 square feet. The highest density residential zoning, R-4, allows 1 unit per 1,000 square feet. The majority of the City of Gustine is zoned for low density residential development.

**Residential Planned Development (RPD) Zoning.** This is a zoning designation designed to provide greater flexibility in project design and review than is typically possible under "traditional" zoning (e.g., R-1). RPD zoning is

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often used to achieve clustered housing design (resulting in more open space) and mixed use development (helping reduce reliance on the automobile). RPD and similar zoning designations have become increasingly popular in cities around the country as a means of achieving community design and development goals.

**Mixed Use.** This refers to different types of development (i.e., residential, retail, office, etc.) occurring on the same lot or in close proximity to each other. Most European and many older American cities have large areas of mixed use development, with housing typically located above store fronts on main streets. Mixed use has become popular in the U.S. in the last ten years as a strategy for decreasing dependence on the auto and revitalizing retail and business districts.

**Lot Coverage, Set Backs, and Height Restrictions.** These requirements determine the size and placement of buildings on their lots. They are set forth in the City's Zoning Ordinance and vary for each zoning district. Lot coverage is typically stated as a percentage and refers to the lot area that may be covered by the building. A 6,000 square foot lot with a 50 percent maximum lot coverage can have a building occupying 3,000 square feet of lot area. Set Backs prescribe the minimum distance between the property lines and the housing structure while Height Restrictions prescribe the maximum height of the structure. Together, these restrictions control the size and placement of a building on a lot.

**Second Units.** Also referred to as "in-law apartments" or "granny flats," second units provide a second housing unit on the same lot as a single family home.

**Substandard Housing.** This refers to housing where major repair or replacement may be needed to make it structurally sound, weather-proofed, and habitable.

**Emergency Shelters and Transitional Housing.** These are two types of housing specially designed to meet the temporary needs of homeless families and individuals. An "Emergency Shelter" is a facility designed to provide free temporary housing on a night-by-night basis to homeless families and individuals. "Transitional Housing" provides longer term accommodations (often for a span of several months) to homeless families and individuals. This provides a stable living environment for the period of time necessary to learn new skills, find employment, and/or develop a financial base with which to re-enter the housing market.

### Review of Previous Element

#### Evaluation of the 1993 Housing Implementation Program

Gustine was successful in achieving several housing goals during its last planning period. In the area of providing adequate housing for all persons in the community, the City coordinated the construction of 35 senior housing units, 40 low income multi-family units, and over 180 low to moderate income single family units. The City applied for Community Development Block Grant (CDBG) monies for housing rehabilitation and received \$500,000. In addition, currently, the City is also administering a CDBG home buyer program to assist lower income groups with the purchase of a home.

The City has promoted the efficient use of available land by adding a sewer lift station to the southwest portion of the City, and adding 1333 linear feet of 10" sewer



trunk and water lines thus improving the infrastructure to existing housing and developable single family parcels. These improvements were made in conjunction with and immediately benefited the Brentwood Subdivision.

In the interest of avoiding an undue concentration of low income households, Gustine has been able to distribute assisted housing projects throughout the city. This has been the result of implementing the City's land use layout defined in the 1985 General Plan.

Finally, in order to provide an open and free choice of housing, the City has promoted or facilitated several government housing programs including FmHA 502 & 515 and CDBG. These improvements when complete will serve as incentives for development and the rehabilitation of local housing units.

### **Evaluation of 1992 Housing Implementation Program**

This update is projecting significant changes in population, employment and land use for the Gustine sphere of influence. It is our assumption that as housing prices and rents continue to rise, a greater number of people will be paying more than 25% of their gross income for housing in the future. This update identifies various housing needs which the City's goals, objectives and policies are aimed at meeting. Among these are the continued need for low income housing to serve the elderly, disabled, and single parent households. Affordable rental units for large families and for seasonal workers are also needed and new ag related industry would accelerate this need. The moderate income family in this area has had difficulty purchasing a home which adequately meets their needs because of relatively low income level averages and the lack of new or rehabilitated housing stock. The low to moderate housing that has been constructed in recent years has been quickly occupied as evidenced by the low vacancy rates.

As has been pointed out in the Land Use Element, there is more than adequate land in the sphere of influence to accommodate the future housing needs of Gustine. Large areas have been identified for low, medium and high density residential uses which are located in reasonable proximity to proposed employment, schools and services.

The City's infrastructure is being substantially improved to enable more residential growth which is demonstrated by the sewer plant expansion. Additional water wells are also needed to provide potable water and fire flows to Gustine's future residents. The construction of a water loop system will be accomplished with the assistance of new development. Road system improvements, school construction, and various forms of community redevelopment will further aid public services. A Storm Drainage Master Plan needs to be completed to identify appropriate locations for drainage facilities and reduce the threat of flooding to personal property. This is expected to be completed in Fiscal Year 1999-2000 with the aid of a Community Development Block Grant.

### **Goals and Policies**

Experience has shown that the local market can accommodate a wide range of incomes in Gustine. Very-low and low-moderate housing needs can often be met through the sale of existing homes. The City has policies that encourage development of larger density projects closer to the downtown area.



## Goals 7.1 Housing

### Policy 7.1.1 Maintenance and improvements for the existing housing stock

- 7.1.1.a Encourage homeowners to make application for FmHA 504 Single Family Rehabilitation allocations which provides home repair loans up to \$7,500 at 1 percent interest to very low income families for the purpose of making repairs needed for the health and safety of the families for the purpose of making repairs needed for the health and safety of the family and/or the community. The ability to achieve this goal is dependent upon availability of funds from FmHA and interested property owners.

Year: Ongoing

Funding Source: Farmers Home Administration

### Policy 7.1.2 Balanced mix of housing types to serve various economic groups in the community

- 7.1.2.a Promote the efficient use of land available for housing. Examine existing zoning laws at a minimum of once per year or as needed, on a case by case basis to insure that innovative housing types are considered and can be constructed cost effectively desirable settings.

Increase The Stock of Affordable Housing for Very Low, Low, and Moderate Income Households.

- 7.1.2.b Encourage A Mix of Housing Throughout the City To Meet The Needs of Different Income Groups.

Encourage The Construction of Housing and Facilities To Meet Special Needs, Including Farmworkers, Large Families, Seniors, And People With Physical Or Mental Disabilities.

Target Date: Annually

Responsibility: Planning and Building

- 7.1.2.c Provide Ongoing Public Information on Affordable Housing Issues and Programs.

Ensure that information on affordable housing issues and programs in the City of Gustine is made available to city residents, developers, and local lenders, by placing program brochures, copies of city documents, and other pertinent information in the city libraries and at City Hall. In addition, make this information available to community-based groups serving lower income residents. Maximize public visibility for housing programs by encouraging representatives of the local media to cover affordable housing as an important community issue in need of community-wide attention and response.

Target date: Ongoing.

Responsibility: City Staff.

- 7.1.2.d Periodically Review and Evaluate the Housing Action Plan. To ensure accountability to the Housing Action Plan's goals and to ensure a Plan that is responsive to changing needs, the City shall conduct an annual review and evaluation of the Housing Action Plan. To this end, the City shall promote and pursue the following Implementing Programs.

Conduct an Annual Program Review and Evaluation.

Direct City staff to review and evaluate program implementation on an annual basis and to present the results of that review in written form to the Planning Commission, and the City Council.

The review shall be conducted in conjunction with the City's



annual budgeting process and shall include expenditures and results by program; summary of success towards meeting stated targets, and an update on progress towards longer-range goals. Recommendations for revisions and/or specific program alteration may also be made and submitted for approval.

Target date: Annual.

Responsibility: Planning Commission, and City Council.

- 7.1.2.e Review, Revise and Confirm Goals, Policies, Programs and Quantified Objectives Every Five Years.

Conduct a comprehensive review of goals, policies, programs, and quantified objectives included in the Housing Action Plan on a five-year interval. Revise and re-confirm goals, policies, and programs and identify new quantified objectives during the review process. Update the City's Housing Element and Comprehensive Housing Affordability Strategy to reflect the new five-year Housing Action Plan.

Target date: 2001.

Responsibility: Planning Department, Planning Commission, and City Council

- 7.1.2.f Coordinate with County-wide Policies and Objectives  
City staff shall work with staff from the County to periodically review and update policies, programs, and quantified objectives identified in the City of Gustine's Housing Element and related policy documents to ensure consistency with projections from the Merced County Association of Governments. Consistency between the City and County housing policies and programs shall also be reviewed, with opportunities for cooperative efforts identified and pursued. The review shall coincide with the Annual Program Review authorized in Implementing Program H-4.5a.

Target date: Annual.

Responsibility: Planning Department



**Housing Analysis**

The Gustine Housing Element has considered the city's fiscal and environmental characteristics in determining the extent to which it is able to participate in the regional housing need. Given the financing available, price of land and cost of construction, this element endeavors to plan cooperatively with other local governments.

**Households**

Like many smaller communities throughout California, Gustine lacks the resources to continuously keep an inventory of its existing housing stock. Furthermore, the only available data is from the most recent Census.

At the time of the 1990 Census, there were 3,931 people living within the Gustine City limits. There were also 1,523 occupied housing units (households) and 60 vacant houses. Gustine is comprised of approximately 63% owner occupied units, 34% renter occupied units and has a 3% vacancy rate. The summer rental vacancy rate is generally less than 1% because of the migrant farm worker influx to Gustine.

**Cost of Housing vs. Ability to Pay**

In 1990, the City's median home value was \$94,500. The median contract rent was \$303 per month. According to the 1990 Census, over 266 (49%) of the renter households in Gustine paid 25% or more of their gross income for rent and of those, 258 (49%) had household incomes of less than \$20,000. There were 263 (30%) owner households that had selected monthly payments greater than 25% of their income and of these, 93 (11%) earned less than \$20,000.

In June 1991 the sale price of homes ranged from \$60,000 to \$160,000. The median sale price for a 1,500 square foot three bedroom, two bath home was approximately \$112,000. Lower priced homes were small, probably one bedroom, which sold for an average price of \$66,000. Local realtors observed an increase in the price of lower priced homes, and a steady price for moderate homes during 1998. Homes under \$130,000 sell well, while higher priced homes (some advertised as high as \$230,000) stay on the market for a greater length of time. Although these homes seem moderately priced compared to other urban areas, providing affordable home ownership for moderate income families in Merced County is a challenge.

Mobile homes provide a more affordable means of home ownership for some residents. A new single-wide mobile home (14'x 60') costs between \$25,000 and \$40,000 depending on amenities, while used mobile homes range between \$2,500 and \$40,000.

There is presently only one mobile home park in the City which is for seniors and has a total of 100 spaces. There are 18 other mobile homes in the City, most of which are in the vicinity of the Beatrice Cheese factory along Highway 140, east of the downtown area.

Household income is a critical factor in determining the type and condition of housing in which people live. According to the 1990 Census, the Gustine median per capita income was \$14,303 per year, compared to \$10,606 for Merced County and \$16,409 for the State of California.

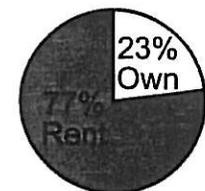


Gustine  
\$14,303

Merced County  
\$10,606

State of California  
\$16,409

**Median  
Per Capita  
Income**



**120  
Overcrowded  
Households**



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Tables 7-2 and 7-3 illustrate the gross rent and house payments as a percent of income.

**Table 7-2: Number of Renter Households by Gross Rent as a Percent of Income**

Rent as % of Income	<10,000	10,000-19,999	20,000-34,999	35,000-49,999	50,000 or more	Total
0-19%	0	12	60	104	19	195
20-24%	0	11	30	10	6	57
25-29%	21	10	4	4	0	39
30-34%	18	43	0	0	0	61
35+%	90	76	0	0	0	166
Not computed	0	14	0	0	0	14

Source: 1990 US Census

**Table 7-3: Number of Owner Households by Home Ownership Costs as a Percent of Income**

Owner Costs as % of income	< 10,000	10,000-19,999	20,000-34,999	35,000-49,999	50,000- or more	Total
0 -19%	17	66	141	114	131	469
20-24%	15	21	28	37	38	139
25-29%	8	13	21	47	9	98
30-34%	0	0	17	14	11	42
35+%	33	39	30	13	8	123

Source: 1990 US Census

Of those surveyed, a further breakdown was done showing the degree to which homes were in need of repair. Of the 156 surveyed, 51% were in need of moderate repairs and 36% were in need of substantial repairs. Table 7-4 shows the breakdown of the survey.

**Table 7-4 1993 Breakdown of Units Classified as in Need of Rehabilitation**

	Number of Units	% of Units Surveyed
Minor	18	12%
Moderate	80	51%
Substantial	56	36%
Dilapidated	2	1%
<b>Total</b>	<b>156</b>	<b>100.0</b>

Source: 1993 Self Help Survey

The 1990 U.S. Census indicated that 120 households in Gustine were defined as overcrowded. Of these, 92 (77%) were renter households and 28 (23%) were owner occupied households.

The U.S. Census Bureau defines overcrowding as more than one person per room, not including the kitchen and bathroom. Overcrowding may be a more significant problem than statistically indicated, especially during the summer months when an influx of seasonal and farm workers arrive.

### Housing Stock Conditions

Housing stock conditions in Gustine are generally good due to active abatement and code enforcement. Many of the City's older houses are also located in stable neighborhoods and are maintained.

Older housing stock can become an important source of housing for low and moderate income people as these houses "filter down" in price. Unfortunately,



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many older "filter down" units require substantial maintenance and repair that sometimes adds to the "affordability gap" for moderate income households.

### **Permit Activity**

From 1990 to the present, the largest number of new residential permits were issued on the south side of the city off of Sullivan Road. Other new permits were obtained throughout the city, but are not concentrated in one particular location. Map H-1 shows permit activity for 1998.

### **Rental Activity**

Rents within the city vary depending upon the type, age, location, and amenities of the units. Rents range from under \$100 a month to more than \$750 a month, the median being \$303 a month (1990 Census). Rents for one and two bedroom duplexes and apartments now range from \$275 to \$365 per month. The typical two bedroom apartment rents for \$360 per month. Rents for two and three bedroom houses range from \$500 to \$800 per month. Meredith Manor, built in 1985, is a 40-unit complex with subsidized rents for low income families.

According to the California Housing Partnership Corporation's 1991 "Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion", the City had no "at risk" units during the 1992 planning period. There are also no locally-subsidized units at-risk, as the City has not issued mortgage revenue bonds, has not approved any density bonuses with financial assistance, does not have an in-lieu fee program, and has not assisted multifamily housing with redevelopment or CDBG funds.

It appears, however, that Gustine Gardens will be at risk of conversion in the year 2000 and Meredith Manor in the year 2008, when their twenty year agreements with Farmer's Home expire. In order to retain these units as low income, the City will pursue a cooperative agreement with the Merced County Housing Authority to acquire and manage these housing developments.

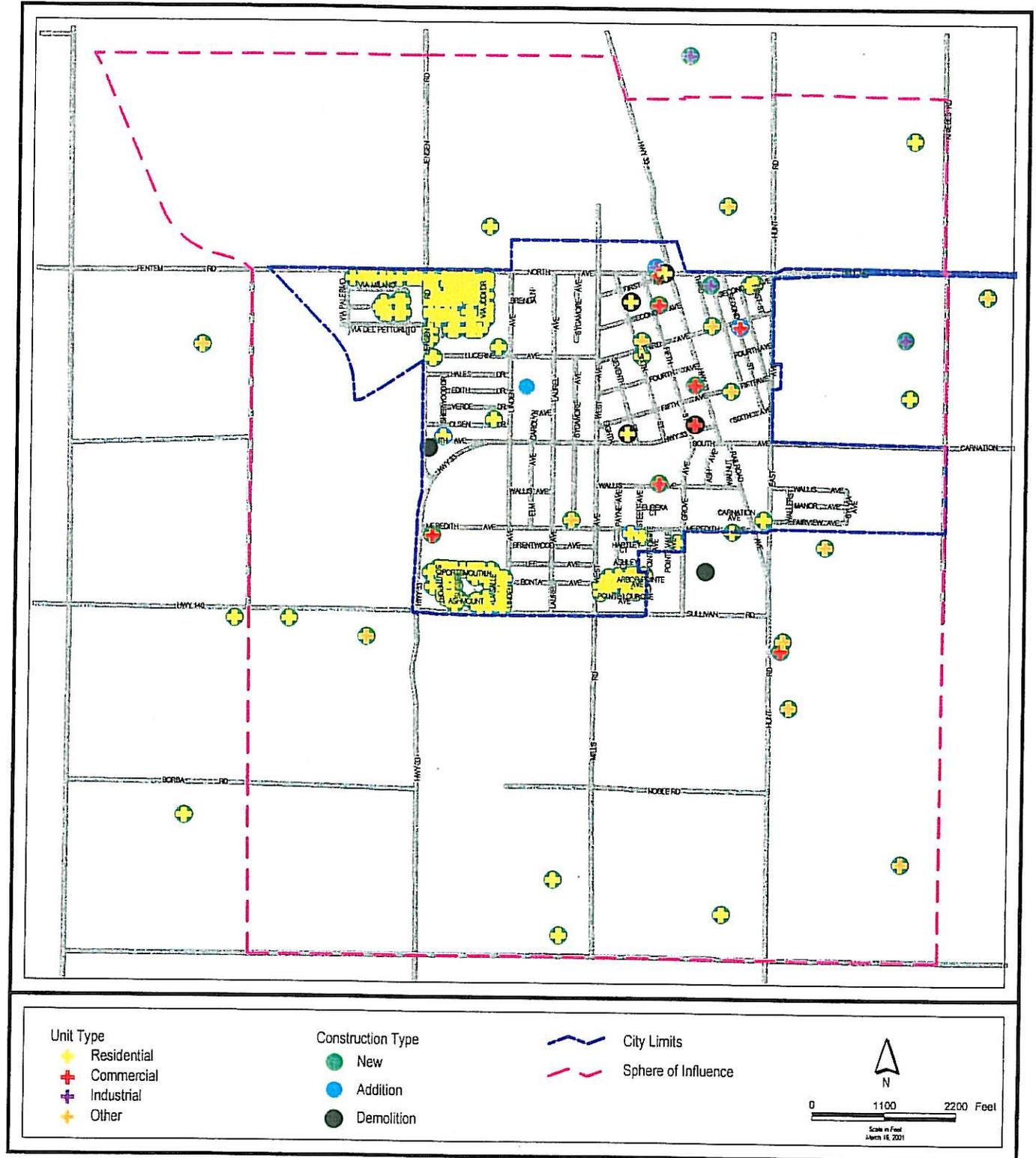
### **Housing Condition and Overcrowding**

In 1993, a housing survey was done in Gustine. Among the issues addressed were housing condition and overcrowding. Table 7-5 summarizes the number of units in 1993 in need of repair.





Map 7-1: Permit Activity







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**Table 7-5 1993 Housing Conditions**

	Single Family	Multi-Family	Mobile Units	Total
Number of Units in Area	1270	177	115	1562
Number of units in need of rehabilitation	414	52	15	481
% of units in need of rehabilitation	33%	29%	13%	31%
Number of units surveyed	156			

Source: 1993 Self Help Survey

### Public Facilities and Services

The City's engineer and a consulting engineer completed three studies in 1990, which more specifically defined local water and wastewater system needs. The City Council has used the results of these studies to determine hook-up fees and water and sewer rates, the money from which will be used to make system improvements.

One deficiency that has not yet been comprehensively analyzed or funded for improvement is the city's storm drainage system. It is estimated that within three years, a revised storm drainage plan will need to be completed. This will become a priority during the next two years and before significant development takes place in northern Gustine.

### Public Protection

Gustine currently has a 25 member volunteer Fire Department and it also contracts with the County for fire services. The City's Police Department provides adequate service with 9 full time officers, and full time dispatching.

### Special Needs

Residents with special needs in the City of Gustine include the elderly, large families, disabled people, families with a single parent head of household, farm workers, and the homeless.

Currently there is no working relationship between the City and the Merced County Housing Authority. However, there are some low-income residential areas managed by Professional Apartment Management (PAM) of San Joaquin County, in which residents must meet FMHA low income criteria. PAM believes there is a need for additional low income housing, since they do have a waiting list.

Households in the City of Gustine that appear to have the most critical needs are the elderly and single parent headed households. Both groups are sizable percentages of the residents in Gustine with very low incomes, coupled with the need for unique housing, such as larger living units for single parent headed families or accessible community environments for the elderly. These factors sometimes make adequate housing for the two groups difficult. Large family, farm worker, and disabled person households also have special needs.

### Elderly

The elderly group in Gustine experienced above average growth between 1980 and 1990. This group grew by 38% compared to the 25% growth for the entire population during the ten year period. In 1990, 541 (36%) of the City's 1523 households consisted of residents 65 years or older. Of these, 108 elderly householders rented homes.

Gustine Garden Apartments, a 35 unit senior citizen housing development was built in 1982 by private enterprise with the use of a 515 Federal loan through



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Farmer's Home Administration. These duplexes, designed for the elderly are a tremendous asset to the City and there will be an increasing demand for more of these types of units in the future.

It is interesting to note that there are a significant number of people in Gustine who live alone. Of the 378 men and women who live alone, according to the 1990 US Census, 232 or 61% are over the age of 65.

This indicates that there is, or will soon be, a demand for a convalescent facility, more retirement oriented residential communities or both. The City can entertain proposals for these in any medium to high-density residential district using a Planned Community overlay zone. The smaller six person in-home care facilities can be located in any residential district.

### ***Single Parent Head of Household***

Single parent head of household families comprised 12.5% of all households in Gustine in 1990, with 143 households (9.4%) headed by females and 47 households (3.1%) headed by males. In 1990, 96 of the children who lived in single-family female head of households lived below poverty level (70% of all children in single female headed households), while all children living with single male headed households lived above the poverty level. Most of the children living below poverty level were under age six.

Thirteen percent of children under six living with a single mother had mothers who worked, while 70% of children between six and 17 living with a single mother had moms who worked.

As in much of the surrounding area, single-headed families with children are one of the groups most in need of public assistance. The status of such families has planning implications for housing, childcare, recreation programs, schools, and other social services. Gustine recognizes the need for these families to have affordable rental housing, often with three or more bedrooms.

### ***Farm Workers***

During the summer and early fall, there is a large migrant farm worker population in Gustine. The size and needs of this group are difficult to gauge because of its transient nature and the fact that some of these workers are undocumented aliens.

The availability of housing for farm laborers is impacted by the influx of better paid packing shed workers who compete for short-term housing. What often happens is that farm laborers "double up" or live in "non-housing" units. This make-do type of farm worker housing is detrimental to the neighborhoods where it takes place and points to a need for adequate seasonal housing.

The 1991 "Merced County Housing Needs Determination" estimates that 280 assisted housing units are currently needed countywide, assuming that farm workers needs are equal to their proportion of the labor force.



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Merced County currently has three programs that are specifically directed towards farm worker housing. The FMHA 514 and 516 programs provide assistance to public or private non-profit organizations to develop farm labor housing. The State Housing and Community Development Farmworker Housing Grant Fund provides matching funds to the same organizations for new construction or rehabilitation of housing. The State Office of Migrant Services operates two migrant farm worker housing centers in the County, one of which is located on State Highway 165 north of Los Banos.

### **Homeless**

Gustine occasionally has homeless persons however, there is virtually no permanent group living on the street. The Police Department, in cooperation with the Salvation Army, work to find temporary lodging for destitute persons and families. Additional emergency housing and longer term support is provided by the County Social Services Department and local churches and service organizations.

### **Persons in Group Quarters**

Group quarters refer to two types of living arrangements: a living situation where unrelated persons share kitchen and perhaps bath facilities such as a boarding house and the other situation applies to units in which people are cared for and includes facilities such as hospitals, convalescent homes, boarding schools, and prisons.

According to the 1990 U.S. Census there are currently no Gustine residents living in group quarters. This could change in the next five years as an aging population could be served by the development of a convalescent home.

A survey was done in 1993 to address the current housing conditions in Gustine, as illustrated by Table 7-6. The survey also included units that were in need of rehabilitation, illustrated in Table 7-7. The City applied for and received a CDBG housing rehabilitation grant from the State.

**Table 7-6 1993 Housing Condition**

	Single Family	Multi-Family	Mobile Units	Total
Number of Units in Area	1270	177	115	1562
Number of units in need of rehabilitation	414	52	15	481
% of units in need of rehabilitation	33%	29%	13%	31%
Number of units surveyed	156			

Source: 1993 Self Help Survey

**Table 7-7 1993 Breakdown of Units Classified as in Need of Rehabilitation**

	Number of Units	% of Units Surveyed
Minor	18	12%
Moderate	80	51%
Substantial	56	36%
Dilapidated	2	1%
Total	156	100.0

Source: 1993 Self Help Survey

The 1990 Census indicated that in Gustine, 120 households were defined as overcrowded. Of these, 92 (77%) were renter households and 28 (23%) were owner occupied households.



### ***Existing and Potential Housing Sites in Gustine***

Gustine has adequate land within its proposed Sphere of Influence to easily accommodate residential development needs through 2020. The City of Gustine has a small amount of undeveloped vacant land within the City limits, approximately 105 acres, which covers a range of residential zoning (i.e. R-E, R-1, and R-3). All of the areas within the City limits are feasible for development as public facilities become available, however some on-site improvements would be needed.

### **Residential Zoning**

The current zoning categories will be updated to reflect changes in the General Plan for all land use categories. The following are the definitions of zoning categories that will be used:

#### ***Low (1.0 –6.0) du/ac***

The low density development provides for the development of conventional single family detached houses.

#### ***Medium (6.1-10.0 du/ac)***

The medium density category provides for the development of medium density single-family uses. Detached and attached single family homes, patio homes or zero lot line homes are allowed within this category. The permitted level of density will be based upon the achievement of performance standards.

#### ***Medium/High Density (10.1-15 du/ac)***

The medium high density category provides for the development of moderately dense residential uses, such as multi-family duplexes, townhouses, and small lot single family detached uses. The permitted level of density will be based upon the achievement of performance standards.

#### ***High Density (15.1-25 du/ac)***

The high density category provides for the development of multi-family apartments and condominiums.

***Mobile Home Park District (MPD)*** This designation combined with medium high density residential provides for mobile home use where the City may regulate the standards of lot size, yard and park area, landscaping, walls, signs, access and parking. A range of 10 to 20 acres is recommended, with a density of 12 du/acre.

### **Infrastructure**

New development is required to contribute towards the ongoing expansion of wastewater facilities. New development is also expected to contribute to the construction of water "loop" lines and any new wells that may be needed. (For more information see Circulation Chapter).

Several areas outside of the City have reasonable access to public facilities. These areas are immediately south of the City limits, but contiguous to them. Areas to the northwest of the City have potential for development and would require extensions of public facilities. Development of areas outside of the City would also require annexation.

### **Housing Constraints**

#### **Summary of Residential Land Potential**

The Residential Potential Map 7-2 lists undeveloped areas "A" through "C" and categorizes them as very good, good, and fair in their potential for residential development. The primary factors in rating residential development potential are



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sewer and water availability, storm water drainage, zoning and surrounding uses. A brief description of each area is given below.

### AREA "A" (Very good)

These areas can be easily developed because all public facilities are available or accessible. All areas are located in a functional storm water drainage zone. Area A-1 requires no major modifications to sewer, however, development will be expected to contribute toward and/or install sections of a 12" water system "loop".

Area A-2 is subject to the same requirements as A-1, but will also be required to install a 10" sewer trunk line.

### AREA "B" (Good)

Area B-1 requires the installation of a new well and sewer pump station. Storm drainage is functional with some modifications required.

Area B-2 is minimally constrained and requires the water, sewer and bridge improvements discussed in Area A. Major storm drainage improvements may also be required.

Area B-3 may be required to participate in sewer line segment replacement and will be expected to contribute toward and/or install sections of a 12" water system "loop". A functional storm drain system exists adjacent to this area.

### AREA "C" (Fair)

This area is dependent to a large extent upon other development occurring first. At least one additional city well will be required, a sewer pumping station and off-site improvements, and major storm drainage improvements.

### Governmental Constraints

Gustine controls residential development through laws and policies which are found in the Zoning and Subdivision Codes and the General Plan. Many of the controls are mandated by State laws, such as the California Environmental Quality Act (CEQA), the Subdivision Map Act, and Planning, Zoning and Development laws. Others are discretionary actions taken by the City. The State and the City have adopted these laws and controls for the public's general welfare. In an attempt to ensure that these controls benefit local residents, the City periodically reviews and amends the Municipal Code and updates its General Plan.

In order to promote the development of affordable housing, the City allows second single-family dwellings in its older R-1 zoning districts. The Planned Community Overlay can also be used to encourage low income housing development by allowing narrower streets, flexible setbacks and smaller lots and dwellings.

The process time for various land use and development requirements varies depending upon the complexity of the proposal. A small sub-division can be approved rather quickly while a large project may take as long as one to two years. These time frames are well within professional planning and development standards.



### **Building Permit Process**

Local and State Law requires that builders of housing, non-residential structures, and infrastructure obtain building permits and pass inspections to ensure minimum standards of construction. The City currently uses the 1998 Uniform Building Code (UBC) in the permit, inspection and approval process. The City contracts with a private firm to perform its inspections, and work is completed promptly.

Building permits are handled administratively and fees are based on the UBC and the City's charges for sewer and water facility fees. Current fee information is available at City Hall. Permit processing time is usually within 10 to 15 working days and inspections are usually performed the day after receiving a contractor's request.

### **Infrastructure**

In addition to the fees mentioned above, a developer must pay for extending infrastructure, including streets, and sewer and water lines. The City has adopted improvement standards and specifications for infrastructure construction to ensure health, safety, and durability. Improvements and zoning requirements such as streets, curbs and gutters, sidewalks, setbacks, landscaping, floor area ratio, parking etc. are considered routine requirements in most communities. Few of these public improvements are required for homes being rehabilitated, repaired, altered or expanded.

The City's Circulation Plan provides a guide for major arterials into and out of developing residential areas. Without adequate circulation, future residential and economic development could be stymied. Such infrastructure costs can sometimes be defrayed through government grants (i.e. Community Development Block Grants) if the development benefits low and moderate income residents. The City also charges the following facilities fees for subdivision development to "buy into" existing City Services:

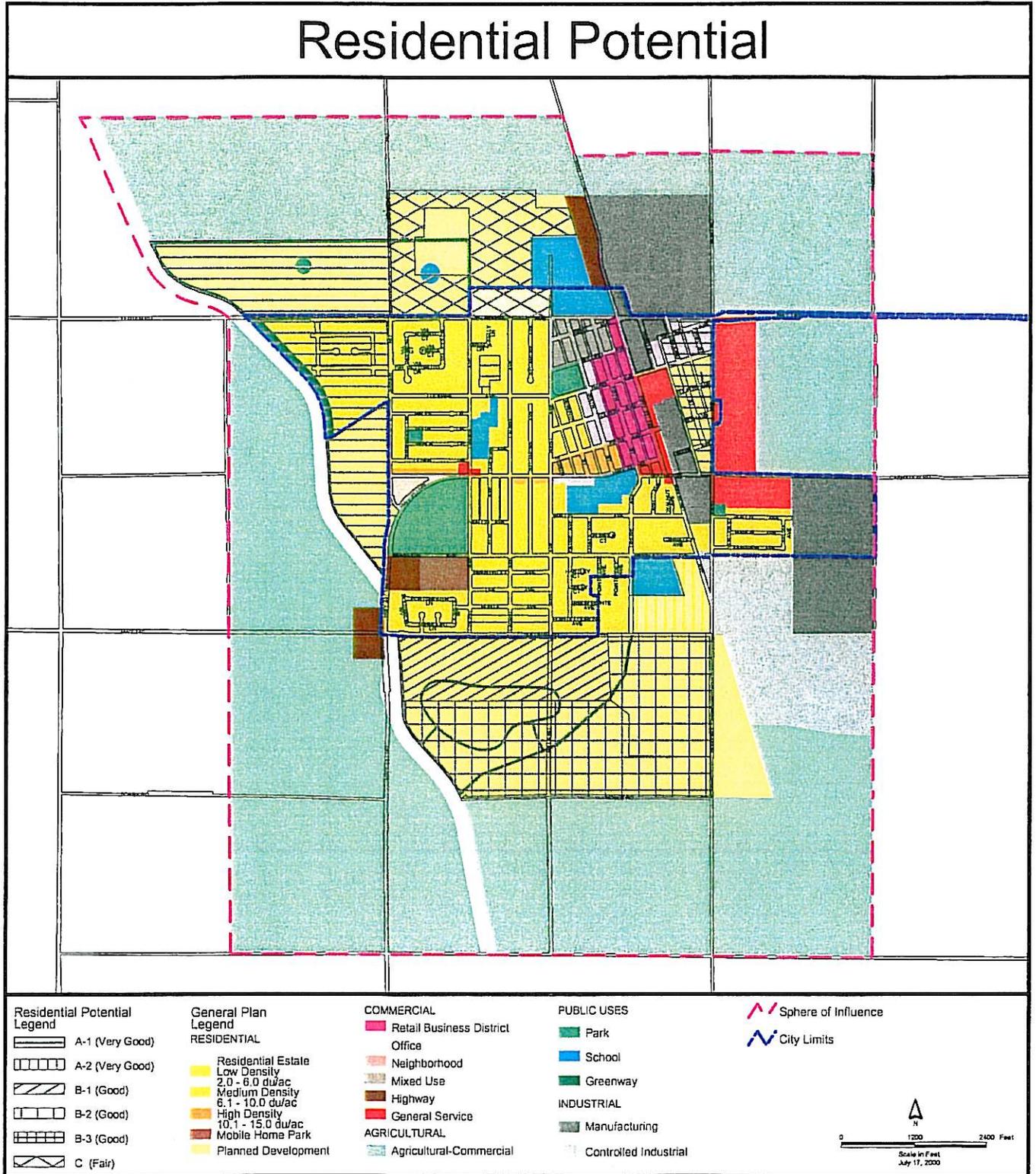
<u>Subdivision</u>	<u>Fees for City Services</u>
Sewer Development	\$3,525/Dwelling unit
Water Development	\$3,810/Dwelling unit

### **Public Improvements**

In addition to planning fees for subdivision development, the City also requires that all public improvements be installed at the developer's expense. On existing developed sites some or all of those required improvements may be waived based on individual case evaluation by the City's Planning Commission and/or Engineer.



Map 7-2: Residential Land Potential







## Housing

### Fees and Other Exactions

The City of Gustine periodically reviews their development fees, and provides revisions as necessary. Table 7-8 summarizes the City current development fees collected for housing construction. Because state laws governs the adoption and expenditure of impact fees, it is not possible for the City to waive development fees as a means to expedite the availability of housing to the very low and low income groups.

**Table 7-8: Residential Development and Processing Fees**

Public Utility/Service	Development Fees
Water	\$3,810/dwelling unit
Sewer	\$3,525/dwelling unit
Parks and Recreation	
Traffic	
School Fee <sup>1</sup>	
Building Permit	varies
Administrative Action	Processing Fee
General Plan Amendment	\$500.00 + \$75/acre
Zone Change	\$250 + \$75/acre
Annexation	\$400.00 + \$35/acre
Use Permit	\$90.00
Variance	\$150.00
Site Plan Review	½% of Engineers estimate
Tentative Subdivision Map	\$300.00 + \$30/lot
Final Subdivision Map	\$500.00 + \$10/lot
Environmental Assessments	
Checklist	\$75.00
EIR	Actual Cost
Expanded Initial Study	Actual Cost

<sup>1</sup> School fees are set by the School District and are currently \*\*\* per square foot. While the City collects the fee at the time of permit issuance, they are not responsible for establishing or adjusting the fee amount.

The City typically collects all appropriate fees at the time of building permit issuance because the fees are used to offset the capital costs of providing service to the development. This process may impose potential financial impacts upon the developer since the developer's recovery of these costs does not occur until such time that the individual lots are sold.

### Analysis

Development fees and the cost of processing an application in terms of money and time are probably the largest governmental factors that influence the cost of new housing. The City processes proposed developments within 45 days as required by the Subdivision Map Act. In cases where the property is outside of the City, or in some zone other than residential, more substantial environmental and policy review is required.

### Non-Governmental Constraints

Market factors have the greatest impact on the availability and cost of housing. In the last three years, the inflation of housing prices has limited the consumer's ability to own or rent affordable housing. These financial factors are a result of private sector and federal government actions and policies and to some extent they are beyond local governmental control.



## Housing

Even though the current home mortgage rates are the lowest in five years, many families find themselves unable to qualify for a loan due to stricter income to loan ratios and large down payments on still high housing prices. Local realtors report that most middle class families require a two earner income to purchase a first home in a middle class neighborhood. Many moderate and lower income families have found themselves priced entirely out of the market.

Financial institutions, viewing the depressed rural real estate markets, are reluctant to make acquisition and development loans for new subdivisions. Some federal housing programs, such as Farmer's Home, Veterans Administration, and the Federal Home Administration, help mitigate these financing problems.

The price of land in Gustine is another factor in high housing costs. Reasonably priced lot prices are increasing as the supply diminishes. Add to high lot prices and limited financing, increasing costs of building supplies and labor, and housing affordability becomes even more tenuous. The information in Table EC-6 gives an example of major components and costs of a new, compact three-bedroom two-bath home in Gustine.

The average Gustine family with an annual income of about \$29,598 (\$11,384 per capita according to the 1990 Census Bureau estimate) would be hard pressed to purchase the home described in Table 7-9 using conventional mortgage structuring.

**Table 7-9: Typical Housing Development Cost for Middle Income**

<b>Gustine Home - 1999</b>	
<b>Scenario I (1250 square feet)</b>	
Land and Improvement (60'x 100')	\$ 19,000
School Impact Fees	3,125*
City Building Permit and Hook-ups	7,335
Construction, Construction financing, marketing cost and developer profit (1250 sq. ft. house @ \$63/sq. ft.)	<u>78,750</u>
Total Cost to Consumer	\$108,210
<b>Scenario II (1500 square feet)</b>	
Land and Improvement (60'x 100')	\$19,000
School Impact Fees	3,750*
City Building Permit and Hook-ups	7,335
Construction, Construction financing, marketing cost and developer profit (1500 sq. ft. house @ \$60/sq. ft.)	<u>90,000</u>
Total Cost to Consumer	\$120,085

\* This figure is based on \$2.50 per square foot

### Vacancy Rates

Vacancy rates provide a quantifiable measure of housing demand. The rule of thumb is that a 4.5 percent to 5 percent vacancy rate indicates a good balance of supply and demand in the housing market.

In the past year, the vacancy rate has dropped even lower, according to professionals in the city's real estate market. Many estimate the current vacancy rate for rentals in Gustine near zero percent.



### **Other Constraints**

In general, land use constraints over which the City has control are processing time, fees, and municipal code requirements. The City's development processing time is efficient and regulation is not excessive. The City Council, Planning Commission, and staff have traditionally worked with developers to insure that adequate and affordable housing is available by reducing development standards. While there is no organized limited-growth faction in the City, there is a general consensus that growth and development should be reasonable and well planned so as to remain an asset rather than a burden to the City.

On November 3, 1998, California voters passed Senate Bill 50, the largest school construction bill in California's history. This Bill amends Government Code Section 65995 to establish the base amount of allowable fees at \$1.93/sq ft for residential construction and \$.31/sq ft for commercial construction (which is the amount presently allowed under the statute, after inflation adjustments). These new amounts would be subject to inflation adjustment every two years. In certain circumstances, school districts could impose, in the alternative, fees calculated as prescribed in Government Code Sections 65995.5 and 65995.7.

### **Housing Strategy**

For most projects, the City Environmental Impact Report on the General Plan should provide sufficient background information to allow granting of a Negative Declaration or a Mitigated Negative Declaration. The City should periodically review the General Plan EIR, and provide updates as necessary to insure that the document remains current. Subsequent environmental analysis conducted on a project-specific basis should add to the environmental documentation of the City, and be available for all development to draw from during project processing. The City should participate in area wide studies such as traffic and air quality. The City should also establish a basic set of mitigation measures designed to address long-term and cumulative impacts associated with growth. These basic mitigation measures can be updated regularly, and will help speed processing time and reduce the extent of subsequent environmental analysis.

### **Energy Conservation**

In 1990, approximately 45% of all housing units were 30 years old or older. These older homes are usually less energy efficient than newer homes with more modern technology. Pacific Gas and Electric Company (P.G. & E.), the City's principal energy provider, has various energy audits and weatherization programs which residents are encouraged to participate in. In 1992 alone P.G. & E. plans to complete 1,000 weatherizations in this region, some of which may be in Gustine. The City's Building Department also insures that all new or rehabilitated units meet State energy standards. If new homes are required to be highly energy efficient, the reduced electricity costs may help compensate for the higher costs of new housing.



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