



CITY OF GRASS VALLEY 2014-2019 Housing Element



Final September 2014

ACKNOWLEDGEMENTS

City of Grass Valley 2014-2019 Housing Element

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A. Purpose and Content of Housing Element

The intent of the Housing Element of the General Plan is to provide the City with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing within the community. A priority of both State and local governments, Government Code Section 65580 states the intent of creating housing elements:

The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

According to state law, the Housing Element has two main purposes:

- (1) To provide an assessment of both current and future housing needs and constraints in meeting these needs; and
- (2) To provide a strategy that establishes housing goals, policies, and programs.

Beyond State law requirements, Grass Valley has areas of special priority that provide additional purpose to the Housing Element. The unique conditions and market forces in play in the local housing market require that the Housing Element focus on additional concerns. Some examples include the high proportion of rental homes in the City versus the rest of the County, the lower average income of households versus other cities in the area, and environmental constraints that affect the ability to accommodate additional housing at higher densities. Both the State-mandated concerns and the local concerns combine to set the foundation for the content of this Housing Element.

The Housing Element is a five-year plan for the 2014-2019 periods, which differs from other General Plan elements, which cover the period of 1999-2020. The Housing Element serves as an integrated part of the General Plan, but the City is required to update it more frequently to ensure its relevancy and accuracy. The Housing Element identifies strategies and programs that focus on:

- Matching housing supply with need;
- Maximizing housing choice throughout the community;
- Assisting in the provision of affordable housing;
- Removing governmental and other constraints to housing investment; and
- Promoting fair and equal housing opportunities.

The Housing Element consists of the following major components:

- A profile and analysis of the City's demographics, housing characteristics, and existing and future housing needs (Chapter 2).
- A review of the resources and constraints to housing production and maintenance. Resources include land available for new construction, as well as financial and administrative resources available for housing. Constraints include potential market, governmental, and environmental limitations to meeting the City's identified housing needs (Chapter 3).
- A statement of the Housing Plan to address the City's identified housing needs, including an assessment of past accomplishments, and a formulation of housing goals, policies and programs (Chapter 4).

B. Community Context

The City of Grass Valley continues to face a need to plan for and provide sufficient housing units, resources, and programs for our residents. Local housing costs, the anticipated population growth, and changing demographics all illustrate the need to develop an approach and strategy to producing housing that matches the needs of the existing and future population of the community. Based on the most up-to-date data, resources, and knowledge available, the City has undertaken the task of planning to meet housing needs for the period from 2014 to 2019. The result of this effort is the updated Housing Element of the General Plan.

Many unique circumstances face our community. The provision of adequate housing for all residents is dependent upon creating programs that adequately addresses these issues. Since the late 1990s, Grass Valley has experienced a substantial rise in housing costs, however, median household income in the City continues to fall well short of that in the rest of the County, including in Nevada City and Truckee. The community also has a much higher percentage of rental housing than the County, and must ensure that new programs meet the needs of both future homeowners and renters alike. By far the greatest challenge facing the City this Housing Element Cycle is the loss of the Redevelopment Agency. The City's previously approved Housing Elements demonstrate tremendous success with the City's use of redevelopment funds to promote, preserve, and create affordable housing in the Community.

Within this broad context, the City must address key housing challenges over the 2014-2019 planning period. These challenges include:

- Providing sufficient sites for additional housing;
- Providing for a range in types and prices of housing, particularly workforce housing;
- Providing assistance in the cleanup of contaminated sites;
- Improving the opportunities for mixed-use housing; and
- Maintaining and improving the local environment and quality of life in Grass Valley.

The 2014-2019 Housing Element addresses these issues through a comprehensive housing strategy. Creating a suitable and effective housing strategy is a complex process, but one defined by the needs of those living and working within the community. The diverse population of Grass Valley requires an approach that can produce an equally diverse range of housing choices, including single-family homes, apartments, housing for special needs groups (including the homeless), and many others. The content of the Housing Element begins with an assessment of the major issues facing housing production and maintenance within the community, and then develops strategies for ensuring that the City has an approach and structure capable of facilitating the housing necessary to meet projected community needs.

C. State Requirements

One of the California Legislature's main housing goals is to attain a decent home and suitable living environment for every resident. Recognizing the important role of local planning programs in pursuing this goal, the Legislature requires all cities and counties prepare a housing element as part of their comprehensive general plan. Section 65583 of the Government Code sets forth the specific contents to be contained in a community's housing element.

State law requires housing elements to be updated at least every five years to reflect a community's changing housing needs. The City's existing Housing Element covered the five-year period spanning 2009 through 2014. This Housing Element covers the planning period of 2014 to 2019.

A critical measure of compliance with the State Housing Element law is the ability of a jurisdiction to accommodate its share of the regional housing needs – Regional Housing Needs Allocation (RHNA). For Nevada County, the regional growth projected by the State was for the period between January 2014 and June 2019.

D. Data Sources and Methodology

In preparing the Housing Element, the City used various sources of information. Wherever possible, Census 2000 and 2010 data provided the baseline for all demographic information. Another key source was the 5th Cycle Housing Element Data Package provided by HCD. Other sources included employment data from the Employment Development Department, lending data from financial institutions provided under the Home Mortgage Disclosure Act (HMDA), and the most recent data available from service agencies and other governmental agencies. In addition, the City's 2014-2019 Housing Element implements the most recent changes to State Housing Element law, including those affecting the development, maintenance, and improvement of housing for persons with disabilities.

E. Summary of Findings and Policies

To address the community conditions and housing needs identified within this Housing Element, the City adopted actions to facilitate the development of the regional housing

needs allocation, programs to assist in the production and rehabilitation of a wide range of housing and shelter, as well as programs that establish supportive services for all income levels and special interest groups. Housing Element programs include some of the following provisions in order to achieve the intended goals of the planning effort:

- Provide adequate sites for housing through planning studies, mixed-use development opportunities, and an analysis of appropriate zoning designations;
- Pursue state and federal funding opportunities;
- Monitor the progress of Housing Element goals that have been achieved on an annual basis; and
- Monitor the Development Code to determine if the City needs to take additional steps to reduce regulatory barriers to the development of affordable housing.

F. Public Participation

The City encouraged all segments of the community to participate in the preparation of the Housing Element. This included a combination of general public notices and direct contacts with organizations serving low-income and special needs groups and inviting them to attend a public workshop on the Housing Element. To provide opportunities for public participation in the preparation of the Housing Element, the City conducted two workshops (one directed towards organizations and one for the public) on January 21, 2014. The intent of the workshops was to obtain input on local housing issues, and to explain the purpose and contents of the Housing Element, state requirements, and the update process.

The City conducted public hearings before the Planning Commission and City Council on June 17 and June 24, 2014, respectively, on the draft Housing Element to accept public comments prior to submittal of the draft to the California Department of Housing and Community Development for mandated state review.

Written invitations were sent to community-based organizations, nonprofit housing organizations, building industry representatives, and public agencies; public notices in The Union, and posted notices in City buildings. The City notified interested parties of the availability of the Housing Element and noted its location on the City's website.

The City contacted the following key organizations during the preparation of the Housing Element:

Community Recovery Resources
Economic Resource Council
FREED (Equality Employment for the Disabled)
Grass Valley Downtown Association
Grass Valley/Nevada City Chamber of Commerce
Habitat for Humanity
Hospitality House
Nevada Local Agency Formation Commission (LAFCo)
Nevada City
Nevada County Board of Supervisors
Nevada County Contractor's Association

Nevada County Housing Authority
Nevada County Housing Development Corporation
Nevada County Public Health Department
Nevada County Transportation Commission
Sierra Planning Organization

The City also conducted public hearings before the Planning Commission and City Council on the Housing Element to solicit public comments prior to adoption. .

Previous comments made by the public related to the Housing Element over the years include the following:

- Need to provide more home ownership opportunities.
- Continue to seek coordination between private profit and non-profit organizations.
- Assist in site cleanup of contaminated sites.
- Seek ways to improve first time homebuyers program.
- Continue to support mixed-use developments.
- Consider more over the counter permit approvals.

The City addressed these comments in Section IV of the Housing Element.

G. General Plan Consistency

The Housing Element is a component of the General Plan, which provides guiding policy for all growth and development within the community. The General Plan consists of nine chapters (referred to as Elements) that address both the State-mandated planning issues plus optional subjects that are of particular concern within Grass Valley. These elements are:

- Land Use,
- Circulation,
- Conservation/Open Space,
- Noise,
- Safety,
- Recreation,
- Historical Resources,
- Community Design, and
- Housing

State law requires consistency among elements of the General Plan. As such, goals and policies contained within the Housing Element should be interpreted and implemented as being consistent with the goals and policies of the rest of the General Plan. The City conducted an analysis to ensure that the contents of the 2014-2019 Housing Element maintain consistency with the other General Plan elements. Table I-1 lists the General Plan policies from other elements associated with housing issues.

The City will continue to ensure consistency between the Housing Element and other General Plan elements so that policies introduced in one element are consistent with

other elements. At this time, the Housing Element does not propose changes to any other element of the General Plan. However, if it becomes necessary to modify an element to maintain internal consistency, staff will present such changes to the Planning Commission and City Council.

**Table I-1
General Plan Consistency Analysis**

Land Use Element	Policy
2-LUP	Require adequate information when reviewing development proposals, including full environmental review and fiscal impact analyses, to assure minimization of environmental, public facilities, and services impacts.
3-LUP	Maintain standards for population density and building intensity for each land use category identified in the General Plan.
4-LUP	Identify areas appropriate for infill development and show them on the Land Use diagram.
5-LUP	Actively market infill and available parcels during contacts with developers and community members.
6-LUP	Develop a more specific development strategy for identified infill parcels following General Plan adoption.
7-LUP	Utilize California Redevelopment Law to provide incentives to infill development.
8-LUP	Encourage and facilitate mixed-use development on infill sites.
9-LUP	Provide for higher residential densities on infill sites and in the Downtown area.
12-LUP	Permit increases in residential density (clustering) on portions of development sites while maintaining overall density.
14-LUP	Encourage incorporation of multiple family development in new development areas while maintaining high design standards.
17-LUP	Utilize California Redevelopment Law, where appropriate, to enhance older neighborhoods and protect them from blighting influences. N/A after 2012.
18-LUP	Maintain an active code enforcement program.
21-LUP	Provide for secondary housing units on single-family residential lots.
22-LUP	Assure that a sufficient number of sites are zoned for multiple family use.
23-LUP	Encourage mixed-use developments incorporating a variety of densities on infill sites and in areas proposed for annexation.
24-LUP	On large parcels, encourage clustering of residential units on the most developable portions of the site in order to reduce infrastructure and other housing-related construction costs.
26-LUP	In partnership with housing developers, consider use of Community Development Block Grant funds, redevelopment funds, and other funding programs that may become available from time-to-time to reduce the cost of housing for low and moderate-income families.
28-LUP	Promote construction of affordable housing utilizing the techniques and approaches described in the General Plan.
30-LUP	Encourage mixed use developments on larger parcels in newly developing areas incorporating jobs generating businesses and

**Table I-1
General Plan Consistency Analysis**

	industry housing.
Circulation Element	Policy
5-CP	Develop plans, in conjunction with existing transit agencies, for a shuttle bus service to accommodate inter-model transfers and to make transit facilities more convenient.
6-CP	Locate transit stops and park and ride facilities near freeway interchanges and in conjunction with higher density residential and mixed-use developments.
Conservation/Open Space Element	Policy
3-COSP	Encourage clustering, density averaging, and other techniques in large-scale new developments, as means of preserving open space and natural systems.
Noise Element	Policy
6-NP	Locate noise sensitive land uses (residential neighborhoods, medical facilities, senior care facilities and schools) way from high noise areas.
Historic Element	Policy
2-HP	Identify and record historic neighborhoods and their characteristics in order to protect and preserve those characteristics.
3-HP	Establish appropriate design standards and elements that complement Grass Valley's historic heritage in newly developing areas.
6-HP	Encourage maintenance, rehabilitation, renovation, and restoration of older homes utilizing the Heritage Home Awards and other programs.
10-HP	Where historic and prehistoric cultural resources have been identified, the City shall require that development be designed to protect such resources from damage, destruction, or defacement.
Community Design Element	Policy
8-CDP	Provide opportunities for attached housing units in single-family residential areas, when attached housing will be consistent with established densities and neighborhood appearance.
9-CDP	Continue to allow second units on lots in single-family residential areas, subject to appropriate development standards and design criteria.
12-CDP	Provide a mixture of residential unit designs in all major new residential developments.



A. Population and Household Characteristics

1. Population Trends

The California Department of Finance estimated Grass Valley’s population in January 2013 at 12,657. Between 2000 and 2010, the population of Grass Valley increased by 1,938 people, about 15 percent, or less than 1.5 percent per year. However, since January 2010, the estimated population decreased by 56 persons (Table II-1).

Population projections show that by 2020 the City may have 23,395 residents, about double the current population and double the rate of population growth between 1990 and 2009. The 2000 population for Grass Valley’s General Plan (GP) Planning Area in Table II-2 includes the existing incorporated city, sphere of influence, and areas likely to be annexed into the City. The 5,078 people included within the GP Planning Area but not in the City’s 2000 population currently live outside the City limits but within the City’s Sphere of Influence. By comparison, Nevada County’s population is expected to grow by approximately two percent per year.

**Table II-1
Population Growth (2000 and 2010, and trends 2010-2013)**

Jurisdiction	2000	2010	Trends 2010-2013	Average Annual Change	Percent Change
Grass Valley	10,922	12,860	12,657	-56	-0.4%
Nevada County Total	92,033	98,764	97,019	-485	-0.5%
Nevada City	2,9961	3,068	3,069	0	0.0%
Truckee	13,864	16,180	15,918	-73	-0.5%

Source: U.S. Census, 2000 and 2010, HCD Data Package

Table II-2 shows population projections for Grass Valley and Nevada County.

**Table II-2
Population Projections (2000 and 2020)**

Jurisdiction	2000 Population	2020 Population	Numeric Change	Percent Change
Grass Valley (GP Planning Area)	16,000	23,395	7,395	46%
Nevada County	92,033	133,200	41,167	45%

Source: Grass Valley GP 2020; DOF E-5

2. Age Characteristics

Between 2000 and 2010, Grass Valley's population experienced limited or reduced growth in the number of persons less than 24, and between the ages of 35 and 44. All other age groups experienced moderate increases over the ten-year period. The 55 and older age groups represent the largest percentage of residents (35.8%). The number of children 14 and under decreased by 32 people.

**Table II-3
Age Characteristics (2000 and 2010)**

Age Group	2000		2010	
	Persons	Percent	Persons	Percent
Preschool (<5 yrs.)	700	6%	753	5.9%
5-14	1,419	13%	1,398	10.8%
15-19	697	6.4%	817	6.4%
20-24	1,021	7%	803	6.2%
25-34	1,276	12%	1,585	12.3%
35-44	1,456	13%	1,297	10.1%
45-54	1,400	13%	1,602	12.5%
55-64	819	8%	1,581	12.4%
65+	2,403	22%	3,024	23.4%
Total	10,922	100%	12,860	100%

Source: U.S. Census, 2000 and 2010

3. Race and Ethnicity

As seen in Table II-4, 84 percent of the total population, or 10,764 people, identified themselves as non-Hispanic whites in the 2010 census. From 2000 to 2010, greatest percentage increase was from people identifying themselves as Latino/Hispanic. The Hispanic population, which is the second largest ethnic group in Grass Valley, comprises 10 percent of the total population.

**Table II-4
Grass Valley Race and Ethnicity (2000 and 2010)**

Race/Ethnicity	2000		2010	
	Persons	Percent	Persons	Percent
Race, Not of Latino/Hispanic Origin				
White, not of Hispanic origin	9,628	88%	10,764	83.7
African American	29	0.3%	36	0.3%
Native American	146	1.3%	148	1.2
Asian or Pacific Islander	123	1.1%	194	1.5
Other race	319	3%	377	2.9
Latino/Hispanic Origin	717	6%	1,341	10.4
Total	10,922	100%	12,860	100%

Source: U.S. Census, 2000 and 2010

Note: Difference is due in part to the Census allowing for Other Race category to include persons of multiple descents whereas, in the past, persons were only counted for their "dominant" ethnic or racial background.

4. Household Type

In 2010, 6,077 households resided in Grass Valley. About half (49 percent) were family households, two or more persons sharing a dwelling unit who were related in some way. Grass Valley has a lower percentage of family households than countywide (74 percent) largely due to large number of single adults and seniors. Between 2000 and 2010, the number of married-couple families with and without children decreased, while the number of non-family households increased about 5%. The number of female-headed households, including single women with children, had a slight decrease.

There has been a steady decline in household size since 1990 and 2010. In 2010, the US Census estimated the average household size in Grass Valley at 2.04, down from 2.12 in 1990. Table II-5 shows changes in types of households in Grass Valley from 2000 to 2010.

**Table II-5
Changes in Household Type (2000 and 2010)**

Household by Type	2000	%	2010	%
Household				
Total Households	5,075	100.00%	6,077	100.00%
Average Household Size	2.13		2.04	
Average Family Size	2.80		2.78	
Family Household (families)	2,723	54%	2,961	48.7%
Married-Couple Families	1,547	30%	1,665	27.4%
With Children	722	14%	594	9.8%
Female Householder, no spouse	915	18%	980	16.1%
With Children	612	12%	628	10.3%
Non-Family Households	2,352	46%	3,116	51.3%
Group Quarters (Non-Household Population)				
Persons in Group Quarters	260	2%	459	3.6%

Source: 2000 and 2010 Census

Note: Some cells do not total 100% due to rounding corrections.

5. Household Income

Grass Valley's median income is significantly lower than incomes other communities in Nevada County (Nevada City, Truckee, and its unincorporated communities). In 2012, the median income in Grass Valley was \$36,612, nearly \$23,532 less than Nevada City's median income and over \$20,770 and \$28,785 less than the median incomes for both Nevada County and Truckee, respectively. Lower incomes in Grass Valley are the result of several factors: 1) the high percentage of renter households (58 percent of all households), 2) the high proportion of government-assisted rental apartments (Grass Valley contains most of the subsidized rental housing in Nevada County), and 3) the high proportion of jobs that pay low- to moderate-wages. The median income of renter households (\$27,865) was significantly lower than for homeowners (\$49,183). Table II-6 compares median incomes for Nevada County and its cities in 2012. Table II-7 shows income in relation to tenure for 2010 in Grass Valley.

**Table II-6
Nevada County Median Incomes (2012)**

Jurisdiction	Median Household Income
Nevada County	\$57,382
Grass Valley	\$36,612
Nevada City	\$60,144
Truckee	\$65,399

Source: 2008-2012 American Community Survey, 5-Year Estimates

**Table II-7
Household Income by Tenure (2000)**

Income	% of Total
Owner Occupied	2,525
Less than \$5,000	1.0%
\$5,000 to \$9,999	3.1%
\$10,000 to \$14,999	7.7%
\$15,000 to \$19,999	4.5%
\$20,000 to \$24,999	6.2%
\$25,000 to \$34,999	8.8%
\$35,000 to \$49,999	19.0%
\$50,000 to \$74,999	20.6%
\$75,000 to \$99,999	12.3%
\$100,000 to \$149,999	12.6%
\$150,000 and more	4.2%
City Median Income – All Owners	\$49,183
Renter Occupied	3,501
Less than \$5,000	3.6%
\$5,000 to \$9,999	4.1%
\$10,000 to \$14,999	18.3%
\$15,000 to \$19,999	10.6%
\$20,000 to \$24,999	8.8%
\$25,000 to \$34,999	14.5%
\$35,000 to \$49,999	11.7%
\$50,000 to \$74,999	16.9%
\$75,000 to \$99,999	4.4%
\$100,000 to \$149,999	2.2%
\$150,000 and more	4.9%
City Median Income – All Renters	\$27,865
City Median Income – All Households	\$36,612
Total Occupied Households	6,026

6. Poverty Rate

The poverty rate is another indicator of housing need. The poverty rate is the proportion of the population with incomes below a subsistence level of income. Originally used in the 1960s as an estimate of the minimum income needed to obtain a nutritious diet, clothing, shelter, and other basic necessities of life, the definition of “poverty” has

undergone several revisions over the decades. The Census Bureau establishes the dollar amount, or threshold, that defines poverty each year. The threshold varies by household size and composition. For example, the 2012 U.S. Census poverty threshold for a single person under 65 years of age was \$11,945 and \$23,492 for a family of four.

Because of lower incomes in Grass Valley, the poverty rate is higher than in other Nevada County communities. In 2012, 21.9 percent of the Grass Valley's residents lived in poverty, compared to 15% in 2000. The population group with the highest poverty levels were families with children under 18 (31.4 percent), particularly female-headed families with children 18 (31.8 percent). Table II-8 compares the poverty status by population and family type between 2000 and 2012 in Grass Valley.

**Table II-8
Poverty Status**

Population and Families below Poverty	2000		2012 Estimates	
	# Below Poverty	% Below Poverty	# Below Poverty	% Below Poverty
Total Population	1,616	15%	2,719	21.9%
<i>Under 18</i>	531	20%	885	33.5%
<i>18 to 64</i>	952	16%	1,638	22.6%
<i>65 and over</i>	133	6%	196	7.7%
Families	351	13%	538	18.8%
<i>w/ children under 18</i>	287	19%	415	31.4%
Families with female householder, no husband present				
<i>w/ children under 18</i>	227	25%	207	26.2%
	206	33%	182	31.8%

Source: Census 2000, 2008-2012 American Community Survey 5-Year Estimates

B. Housing Stock Characteristics

1. Housing Type

Grass Valley's housing stock increased by 20 percent (913 units) between 1990 and 2000 and by 14% (728 units) between 2000 and 2012. Between 1990 and 2000, approximately 40 percent of the housing units built in Grass Valley were single-family homes and approximately 40 percent were multi-family residences. Grass Valley had 5,298 housing units in 2000, 2,722 single-family units, 2,073 multi-family units, the remainder consisting of mobile homes and other types of housing. Since 2000, the distribution of housing types in the City has fluctuated very little. In 2012, the City had 6,026 housing units.

Multi-family structures, particularly apartment complexes of five or more housing units, continue to represent a high proportion of the city's housing stock. A contributing factor to this high percentage is the number of government subsidized rental housing units in Grass Valley, as documented in analysis of at-risk housing. Table II-9 shows changes in housing stock between 1990 and 2012.

**Table II-9
Changes in Housing Stock (1990, 2000 and 2012)**

Housing Type	1990		2000		2012 Estimate	
	Number	Percent	Number	Percent	Number	Percent
Single Family	2,350	54%	2,722	51%	3,043	50.5%
Detached	2,205	50%	2,464	47%	2,814	46.7%
Attached	145	3%	258	5%	229	3.8%
Multi Family	1,735	40%	2,073	39%	2,633	43.7%
2-4 Units	594	14%	748	14%	735	12.2%
5+ Units	1,141	26%	1,325	25%	1,898	31.5%
Mobile Homes	253	6%	503	9%	350	5.8%
Other	47	1%	0	0%	0	0%
Total Units	4,385	100%	5,298	100%	6,026	100%

Source: Census 1990 and 2000, 2008-2012 American Community Survey 5-Year Estimates

2. Tenure

Grass Valley has the highest percentage of renter households in Nevada County, 58 percent. Countywide, renters comprise 27 percent of households. In the United States and in California, 35 and 44 percent of households are renters, respectively. The higher proportion of renters in Grass Valley is the result of historic development patterns in the City (over half of Nevada County's rental apartment housing stock is concentrated in Grass Valley) and significantly lower incomes that make home ownership difficult for many in Grass Valley. Table II-10 shows tenure in Nevada County and its jurisdictions in 2012.

**Table II-10
Nevada County Tenure (2012)**

Jurisdiction	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Nevada County	30,254	73%	11,372	27%
Grass Valley	2,525	42%	3,501	58%
Nevada City	784	60%	523	40%
Truckee	4,535	70%	1,919	30%

Source: 2008-2012 American Community Survey 5-Year Estimates

Between 1990 and 2000, homeownership in Grass Valley increased by 481 households (28 percent). The homeownership rate for this period increased from 41 to 43 percent of all households. Since 2000, homeownership increased by 336 households, but the ownership rate decreased to 42%. Many of the residential projects approved or proposed since 2000 are multi-family apartments or mixed-use projects containing rental apartments, condominiums, and/or town homes. Since 2000, the City issued approximately 509 building permits for single-family homes and 359 building permits for multifamily homes; however, since 2009, the City has only issued permits for 26 single-family and 42 multifamily homes.

Tables II-11 and II-12 show changes in housing tenure and tenure by type of housing unit. These tables indicate a low and stable rate of homeownership in Grass Valley. Renter-occupied units all experienced large percentage gains from 2000 and 2012.

**Table II-11
Housing Tenure (1990, 2000 and 2012)**

Tenure of Units	1990		2000		2012	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,708	41%	2,189	43%	2,525	42%
Renter-Occupied	2,440	59%	2,881	57%	3,501	58%

Source: Census 1990, 2000, 2008-2012 ACS 5-Year Estimate

**Table II-12
Tenure by Units in Structure (2000 and 2012)**

Housing Type	2000		2012	
	Number	Percent	Number	Percent
Owner-Occupied	2,189	43%	2,525	42%
Single Family	1,727	34%	2,093	35.4%
2-4 Units	25	0.5%	88	1.5%
5+ Units	20	0.4%	13	0.02%
Mobile Homes	417	8%	331	5.5%
Other	0	02%		0%
Renter-Occupied	2,881	57%	3,501	58%
Single Family	888	18%	945	27%
2-4 Units	669	13%	652	18.6%
5+ Units	1,252	26%	1,884	53.8%
Mobile Homes	72	1%	20	0.06%
Other	0	%		0%
Total Units	5,070	100.00%	6,026	100%

Source: Census 2000 and 2008-2012 ACS 5-Year Estimate

As is true in most communities, the homeownership rate in Grass Valley tends to increase with the age of householder. The highest rate of homeownership is among householders age 65 and older. Homeownership amongst the 55 to 64 age group doubled (13 to 26 percent) from 2000 to 2011. This age group also experienced a doubling in the rental percentage rate.

Table II-13 compares tenure by the age of the householder in 2000 and 2011 for Grass Valley.

**Table II-13
Tenure by Age of Householder (2000 and 2011)**

Households	2000		2011	
	Number	%	Number	%
Owner-occupied housing units				
15 to 24 years	17	.5%	35	1%
25 to 34 years	111	5%	185	8%
35 to 44 years	314	14%	150	6%
45 to 54 years	389	18%	349	14%
55 to 64 years	282	13%	634	26%
65 years and over	1,076	49%	1,059	44%
Total:	2,189	43%	2,412	42%
Renter-occupied housing units				
15 to 24 years	353	12%	429	13%
25 to 34 years	490	17%	659	19%
35 to 44 years	751	26%	686	20%
45 to 54 years	525	18%	407	12%
55 to 64 years	194	7%	461	14%
65 years and over	568	20%	729	22%
Total:	2,881	57%	3,371	58%

Source: U.S. Census, 12000, HCD Data Package.

3. Housing Vacancy

During a period when the City's housing stock increased, the effective vacancy rates for housing units available for sale or for rent increased. The effective vacancy rate indicates the actual percentage of units available for sale or rent at a given time, excluding seasonal housing, second homes, and other unoccupied units that are not on the market for sale or rent. According to U.S. Census and 2008-2012 American Community Survey 5-year Estimate data, the estimated vacancy rate of rental housing in Grass Valley increased from 2.5 percent in 2000 to 7.3 percent in 2012. The effective vacancy rate of homeowners increased from 1.9 percent to 2.6 percent over this 12-year period. The estimated rate for homeownership is below the level but rental are above the levels—typically five percent—considered to be adequate to ensure a balance between supply and demand. Table II-14 compares vacancy rates from the U.S. Census of Grass Valley housing units in 2000 and 2010.

**Table II-14
Unit Vacancy and Rate (2000 and 2010)**

Type of Housing	2000		2010	
	# of Units	% of total	# of Units	% of total
Total units in Grass Valley	5,070	100%	6,637	100%
Vacant units:				
For rent	75	1%	266	4%
For sale only	42	0.8%	101	1.5%
Rented or sold, not occupied	41	0.8%	37	0.05%
For seasonal, recreational, or occasional use	27	0.5%	55	0.05%
For migrant workers	0	0%	0	0%
Other vacant	65	1%	101	1.5%
Total vacant units:	250	5%	560	8.45%
Estimated Vacancy Rate				
Homeownership		1.9%		2.6%
Rental		2.5%		7.3%

Source: U.S. Census, 2000 and 2010, 2008-2012 ACS 5-year Estimates.

4. Overcrowding

Overcrowding, usually defined as more than one person per room, more than tripled between 2000 and 2011. Overcrowding typically occurs when households cannot find housing of a suitable size that they can afford.

In 2000, approximately eight percent (232) of renters lived in overcrowded conditions. By 2010, the number of renters living in overcrowded conditions increased to 1,423 and the proportion of such renters increased to twenty-one percent. Between 2000 and 2011, the number of homeowners living in overcrowded conditions went from 60 to 549, increasing the rate of overcrowding among homeowners from three percent to eleven percent. The percentage of the population living in overcrowded conditions is an indicator of the continued poor economic conditions in California as a whole, particularly in the more rural areas. Table II-15 compares overcrowding in 2000 and 2011.

**Table II-15
Persons per Room in Occupied Housing Units (2000 and 2010)**

Occupant	2000		2011	
	Persons	Percent	Persons	Percent
Owner occupied:				
One or less person/room	2,129	97%	4,215	89%
More than one person/room	60	3%	549	11%
Total:	2,189	100%	4,764	100%
Renter occupied:				
One or less person/room	2,649	92%	5,319	79%
More than one person/room	232	8%	1,423	21%
Total:	2,881	100%	6,742	100%

Source: Census 2000 and HCD Data Package

5. Housing Costs

a. Housing Prices

In 1990, the median price for a single-family home in Grass Valley was \$135,000, according to DataQuick. By 2003, the median price of a single-family home in Grass Valley rose to \$235,000, a 74 percent increase in a twelve-year period. As experienced nation-wide, after a rapid increase in home prices since 2003, the 2010 median price for a single-family home fell dramatically to \$222,500. Table II-16 shows changes in the median price for a single family home in Grass Valley.

**Table II-16
Home Sales (2003-2010)**

Single Family Home	Median Price
2003 Median Home Price	\$235,000
2007 Median Home Price	\$415,000
2008 Median Home Price	\$300,000
2010 Median Home Price	\$222,500

Source: Data Quick Home Sales Data, 2003. California Association of Realtors, 2009, 2014.

b. Rents

Between 2000 and 2012, the median contract rent increased from \$572 to \$925, according to the U. S. Census Bureau. Contract rent is the dollar amount a renter pays under a rental or lease agreement, excluding utility costs (unless these costs are included in the rental agreement). The Census reports do not provide an accurate measure of market rents. However, because a large proportion of rental housing units in Grass Valley is either income and rent restricted (government subsidized rental apartments), or because a large number of Grass Valley residents have housing vouchers under the federal Housing Choice Voucher (Section 8) Program, they pay only 30 percent of their incomes for rents.

An indication of the difference between contract rents (the amount tenants pay) and market rents is the federal government's estimate of fair market rents for Nevada County. The fair market rent is the dollar amount a property owner is entitled to receive, less utility costs, for a rental unit occupied by a low-income tenant with a federal housing voucher. The federal government pays the difference between the fair market rent and the tenant's payment. The 2012 fair market rents in Nevada County range from \$828 for a one-bedroom apartment to \$1,575 for a three-bedroom rental unit.

Information from rental property managers in Grass Valley indicates that the median rent for a market rate apartment of any size in Grass Valley is \$970.

Table II-17 shows May 2014 rents in Grass Valley provided by rental property managers. Table II-18 compares contract rents in 2000 and 2012 as reported by the Census.

**Table II-17
Apartment Rents (2014)**

Bedrooms	Median Rent	Average Rent
One Bedroom	\$750	\$725
Two Bedrooms	\$900	\$965
Three Bedrooms	\$1,300	\$1,125

Source: Survey of Rental Property Managers – 5/14

**Table II-18
Contract Rents (2000 and 2012)**

Value	2000		2012	
	# of units	% of units	# of units	% of units
Less than \$199	159	10%	12	0.04%
\$200 to \$299	176	15%	235	6.9%
\$300 to \$499	691	24%	224	6.5%
\$500 to \$749	1,265	45%	517	15.1%
\$750 to \$999	255	9%%	1,101	32.2%
\$1,000 to \$1,499	146	5%	850	24.8%
\$1,500 and up	45	1.6%	484	14.1%
No cash rent	123	4%	78	0.2%
Median	\$572		\$925	
Total	2,860	100%	3,423	100%

Source: Census 2000, 2008-2012 ACS 5-Year Estimate

6. Overpayment for Housing

Table II-19 shows the number, percentage, and income category of ownership and renter households that pay over 30% of their income on housing. The greatest percentage of household ownership that pays over 30% of their income on housing is in the moderate (72.5%) and extremely low-income (69.5%) categories. The greatest percentage of renter households that pay over 30% of their income on housing is in the

extremely low (85.7%) and low-income (85%) categories. Overall, the Census estimates that 55.3% of the total households in Grass Valley pay in excess of 30% of their income on housing. In comparison with all of Nevada County, approximately 49% of the households pay in excess of 30% of their income on housing.

Table II-19
Households Paying in Excess of 30% of Income for Housing

Household	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total	Lower Income
Ownership	513	347	536	351	664	2,412	1,397
Overpaying Owners	356	181	216	255	148	1,156	753
% Overpaying Owners	69.5%	52%	40.4%	72.5%	22.3%	47.9%	54%
Renters	1,220	692	559	326	371	3,168	2,471
Overpaying Renters	1,045	588	149	139	6	1,927	1,782
% Overpaying Renters	85.7%	85%	26.6%	42.6%	1.6%	60.8%	72.1%
Total Households	1,733	1,039	1,095	678	1,035	5,580	3,867
Overpaying Households	1,401	769	365	394	154	3,083	2,535
% of Overpaying Households	80.9%	74%	33.4%	58.1%	14.9%	55.3%	65.6%

HCD Data Package, 2014, ACS 2007-2011 data

7. Age and Condition of Housing

In 2010, approximately 69 percent of the housing stock in Grass Valley was at least 40 years old or older (Table II-20). Homes that are 30 years old and older are generally at the greatest risk of being substandard and/or subject to deterioration associated with improper maintenance and repair. The highest rehabilitation need usually occurs in communities with a combination of older housing, a high percentage of non-government subsidized rental housing, and a high percentage of low-income households. Each of these factors is characteristics of Grass Valley.

Table II-20
Age of Housing Structure (2012)

Age of Structure	Number	Percent
2010 or later	106	1.5%
1990-2009	2,016	29.6%
1970-1989	2,272	33.4%
1950-1969	785	11.5%
1949 or earlier	1,631	24%
Total	6,810	100%
Median Year Constructed: 1972		

Source: 2008-2012 ACS 5-Year Estimates

In 2007, Grass Valley conducted a housing condition survey to evaluate the overall housing conditions. The survey evaluated the condition of the following items: roof, foundations, windows, siding, and electrical. The survey categorized 2,856 housing units and grouped them as either sound, minor, moderate, substantial, or dilapidated. The City utilized the CDBG Housing Conditions Survey form in this evaluation. Table II-21 illustrates the overall conditions of the surveyed homes. The survey shows that seventy-two (72) percent of the homes surveyed were in sound condition or needed minor repair. Homes classified as moderate, meaning in need of one or more major repairs, represents twenty-two (22) percent. Approximately six (6) percent of the homes surveyed fell into the substantial or dilapidated category. These homes require substantial repairs or appear to be potentially unfit for human habitation.

**Table II-21
Housing Conditions Survey Results (2007)**

Condition	Number of Units Surveyed	Percent
Sound	1,063	37%
Minor	998	35%
Moderate	637	22%
Substantial	125	5%
Dilapidated	33	1%
Total	2,856	100%

Source: 2007 Housing Conditions Survey Report

C. Employment Trends

Grass Valley's employment base is largely in retail and service trades. Approximately 19 percent of the jobs available in Grass Valley are associated with retail trades. Approximately 18 percent of jobs available in Grass Valley are in education, health care and social assistance organizations. The City experienced a significant reduction in manufacturing jobs since 2000.

Significant differences exist between the types of jobs available in Grass Valley and the occupations of employed Grass Valley residents. Even though there has been a significant change in commuting patterns since 2000, a large percentage of residents (41 percent) still commute to jobs outside Grass Valley. Although most jobs in Grass Valley are in retail and service industries, many Grass Valley residents hold jobs outside the City in manufacturing, education, government, and construction trades.

The difference between jobs in Grass Valley and jobs held by Grass Valley residents creates a kind of "reverse commute." Many low- to moderate-wage workers employed in Grass Valley commute from homes outside the city, while many Grass Valley residents commute from their homes in the City to higher paying jobs outside Grass Valley.

Table II-22 compares employment in Grass Valley in 2000 and 2012. Table II-23 shows the number and percent of Grass Valley residents who work inside and outside the city.

**Table II-22
Comparison of Employment
(City of Grass Valley 2000-2011)**

Industry	2000 Census (Jobs Held by Grass Valley Residents)		2011 Employment by Industry (Grass Valley)	
	Number	Percent	Number	Percent
Agricultural, Forestry, Natural Resources, Mining	108	2%	58	1.1%
Construction	310	7%	432	8.5%
Manufacturing	636	13%	226	4.4%
Wholesale trade	63	1%	79	1.6%
Retail trade	702	15%	977	19.2%
Transportation, Warehousing, and Utilities	145	3%	169	3.3%
Information	164	3%	280	5.5%
Finance and insurance, real estate and rental leasing	214	5%	343	8.5%
Professional, scientific, & technical services, and administrative support	448	9%	434	8.5%
Educational services, Health care & social assistance	831	18%	940	18.5%
Arts, entertainment, & recreation, Leisure and Hospitality (Including food services)	509	10%	624	12.3%
Other services	410	9%	336	6.6%
Government/Public Administration	228	5%	186	3.7%
Total	4,768	100%	5,084	100%

Source: 2000 US Census Bureau, HCD Data Package (ACS DP-03 2007-2011)

Table II-23

Place of Work	Persons in 2000	Percent in 2000	Persons in 2012	Percent in 2012
Total Workers	4,701	100%	4,671	100%
Worked in city of residence	2,001	43%	2,756	59%
Worked outside of city of residence	2,700	57%	1,915	41%

Source: Census 2000, 2008-2012 ACS 5-Year Estimates

Commuting Workers (2000 and 2012)

As discussed above, Grass Valley residents mainly work in retail, education, health care and social assistance industries. Major employers located in Grass Valley include the Sierra Nevada Memorial Hospital, the Nevada Joint Union High School District, and the Thompson Multimedia Group. Annual wages associated with retail trades and other service trades are less than the citywide median income, identified as \$36,312 earlier in

this report. Jobs in the professional and technical services, financial and insurance, and in the manufacturing industry have the highest wages in the County. Table II-24 shows the average weekly wage by industry for jobs in Nevada County in 2012.

**Table II-24
Nevada County Average Weekly Wage by Industry**

Industry	Average Weekly Wage
Natural Resources and Mining	\$905
Construction Occupations	\$912
Manufacturing	\$1,195
Wholesale Trade	\$892
Retail Trade	\$561
Information	\$922
Financial and Insurance	\$1,016
Real Estate and Rental and Leasing	\$851
Professional and Technical Services	\$1,204
Administrative and Support Services	\$599
Educational Services	\$654
Health Care and Social Assistance	\$895
Arts, Entertainment, and Recreation	\$410
Leisure and Hospitality	\$375
Other Services	\$459
All Government	\$997

Source: EDD 2012 Census of Employment and Wages

In March 2014, Grass Valley's unemployment rate was 6.7 percent, down from 10% in 2009. Table II-25 provides a comparison of Grass Valley with Nevada County, Nevada City, and Truckee.

**Table II-25
County and City Unemployment Rates (2014)**

Jurisdiction	Labor Force	Employment	Unemployment	
			Number	Rate
Nevada County	49,750	46,070	3,680	7.4
Grass Valley	5,670	5,290	380	6.7
Nevada City	1,630	1,490	150	8.9
Truckee	9,590	9,000	600	6.2

Source: EDD, March 2014

D. Special Housing Needs

Certain groups in the City of Grass Valley encounter greater difficulty finding decent, affordable housing due to their special needs and/or circumstances. Special circumstances may relate to one's employment and income, family characteristics,

medical condition or disability, and/or household characteristics. A focus of the Housing Element is to ensure that all persons have the opportunity to find suitable housing in Grass Valley.

State Housing Element law identifies “special needs” groups as follows: elderly, persons with disabilities, female-headed households, large households, farmworkers, and homeless persons and families. This section provides a discussion of housing needs for each group, and identifies the programs and services available to address their housing and supportive service needs. The information in this section comes from the US Census (2000, 2010, or 2008-2012 American Community Survey 5-Year Estimate) and the HUD’s 5th Cycle Housing Element Data Package for Nevada County.

1. Elderly/Senior Households

Senior households typically have special housing needs due to three primary concerns: 1) fixed, often low, incomes, 2) high health care costs, and 3) self-care or independent living limitations (such as health-related disabilities). In 2012, approximately 2,038 households in Grass Valley were headed by persons age 65 years and older with over 50% living alone.

A growing trend among retirees, most of whom are 65 years of age or more, is to relocate to Sierra Nevada foothill and mountain communities, either part-time or year round. Many retirees move to small communities in the region that lack a full complement of health care, transportation, and other services that seniors increasingly need as they age. Commercial and service centers in the Sierra region, such as Grass Valley, can expect to experience a growing demand for public and private services oriented to seniors throughout the regions they serve. As seniors in the region become less able to care for themselves and live independently, increasing numbers of senior housing, assisted care, and supportive service providers may choose to locate facilities in Grass Valley. Grass Valley has experienced this trend since the 1980s with a growing number of senior housing and assisting living facilities.

About eight percent of individuals over 65 in Grass Valley had poverty-level incomes in 2012, which is significantly less than the poverty rate for the population as a whole. Approximately 43 percent of households headed by seniors, 882 households, had low-incomes (less than 80 percent of median). The percentage of senior-headed households with lower incomes is slightly higher than the overall population. These figures suggest that seniors may have limited capacity to absorb increases in housing-related expenses.

In 2012, 1,219 elderly households in Grass Valley were homeowners and 819 were renters. Because of physical and/or other limitations, senior homeowners may have difficulty in performing regular home maintenance or repairs. In addition, because many seniors have fixed and/or limited incomes, they may experience difficulty meeting monthly housing costs. Elderly women are especially in need of financial assistance because so many of them live alone and they tend to have lower incomes than seniors as a group. In 2012, 80 percent of senior households living alone were women (1,128 households).

Various programs can help meet the needs of seniors, including congregate care, supportive services, rental subsidies, shared housing, and housing rehabilitation assistance. For the frail elderly or those with disabilities, housing with features that accommodate disabilities can help ensure continued independent living. Elderly people with mobility/self-care limitations also benefit from transportation alternatives. Transportation assistance is especially important in foothills communities such as Grass Valley because so much of the area is sloped and difficult for pedestrians with mobility limitations to traverse.

The City has adopted an Elder Care Ordinance, which includes provisions for affordable housing units for lower income elderly persons, affordable housing units for elderly persons with income lower than the median for Nevada County, and provisions to enable elderly people access to public transportation.

According to the California Department of Social Services (2014), Grass Valley has eight licensed care facilities, including residential, assisted-living, and independent living for seniors. These facilities have a combined capacity of over 455 beds available to senior residents of Grass Valley. Additionally, twelve (12) subsidized apartment complexes accept seniors.

2. Persons with Disabilities, including Persons with Developmental Disabilities

Persons with disabilities typically have special housing needs because of their fixed or limited incomes, a lack of accessible and affordable housing that meets their physical and/or developmental capabilities, and higher health costs associated with their disabilities. A disability is defined broadly by state and federal agencies as a physical, mental, or emotional condition that lasts over a long period of time, makes it difficult to live independently, and affects one or more major life activities. A “developmental disability” is defined as a disability that originates before an individual becomes 18 years old, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. This includes Mental Retardation, Cerebral Palsy, Epilepsy, and Autism. The 2000 Census defines six disabilities: sensory, physical, mental, self-care, “go-outside-home,” and employment disability. According to the 2000 Census, 4,570 Grass Valley residents had some type of disability. Of these persons, 1,858 are age 65 years or older. Many individuals who reported disabilities did not necessarily have conditions requiring special housing features or supportive services to facilitate independent living. However, the large number people reporting some type of disability during the 2000 Census indicates the potential for such a need. The 2000 Census shows there were approximately 852 persons employed with a physical disability. 95945 is the predominant zip code for Grass Valley. The State Department of Development Services identifies 197 persons with development disabilities in this zip code. Of those, 117 reside with a parent or guardian, 65 reside in independent living facilities, and 10 in a community care facility.

**Table II-26
Grass Valley Persons with Physical Disability by Employment Status**

	Number	Percent
Age 5-64, Employed Persons with a Disability	216	16.15%
Ages 5-64, Not Employed Persons with a Disability	438	32.81%
Persons Age 65 Plus with a Disability	636	47.64%
Total Persons with a Disability	1,335	100%
% of Total Population over Age 5 (Civilian Non-Institutional)		13.12%

Source: HCD Data Package

**Table II-27
Persons with Disabilities by Disability Type and Age**

	Number	Percent
Total Disabilities Tallied	4,570	100%
Total Disabilities Ages 5-64	2,712	59.34%
Sensory Disability	215	4.70%
Physical Disability	699	15.30%
Mental Disability	451	9.87%
Self-Care Disability	182	3.98%
Go-outside-home Disability	322	7.05%
Employment Disability	843	18.45%
Total Disabilities for Ages 65 and Over	1,858	40.66%
Sensory Disability	321	7.02%
Physical Disability	636	13.92%
Mental Disability	202	4.42%
Self-Care Disability	233	5.10%
Go-outside-home Disability	466	10.20%

Source: HCD Data Package

To meet the unique housing needs of the disabled, the City offers and participates in various programs and allows for a variety of group home alternatives for persons with disabilities who cannot live independently. Through the Nevada County Housing and Community Services Department, disabled households may receive rental assistance to help them afford housing in the community. In addition, the City offers home improvement grants, which can be used to make upgrades/modifications to ensure accessibility. In addition, the City requires new residential construction to comply with state building standards (Title 24 of the California Code of Regulations) for handicapped accessibility. State standards require a minimum percentage of units in new developments to be fully accessible to the physically disabled.

Living arrangements for persons with disabilities depend on the severity of the disability. Many persons live independently with other family members. To maintain independent living, persons with disabilities may need special housing design features, income support, and in-home supportive services for persons with medical conditions.

Severely mentally ill persons are especially in need of assistance. Mentally disabled individuals are those with psychiatric disabilities that impair their ability to function in the community to varying degrees. The National Institute of Mental Health (2009) estimates that 6 percent of the adult population (age 18+) suffers from serious mental illness. If this percentage is applied to Grass Valley, approximately 600 persons may suffer from some form of mental illness.

Many persons with disabilities can live and work independently within a conventional living environment. However, more severely disabled individuals require a group living environment in which trained personnel provide partial or constant supervision. The most severely affected individuals may require an institutional environment that provides medical attention and therapy within the living environment. According to the California Department of Social Services, Grass Valley is home to two adult day care facilities with a combined capacity to serve 100 clients. (Adult day care facilities are facilities of any capacity that provide programs for frail elderly and developmentally disabled and/or mentally disabled adults in a day care setting.) The Grass valley area has a multitude of resources for persons with disabilities. The following is a list of some of, but not limited to, community-wide agencies and programs that provide housing, employment, and other services to persons with disabilities:

- New Step – A continuation of High School, up to age 22, that offers life skills and workability training.
- Alta Regional Center – Provides a full range of long-term services to those in the program prior to age 18.
- FREED – Provides independent living skills, transit services, and counseling services.
- Pride Industries – Provides employment and job training.
- Sierra Services for the blind – Transportation, counseling, and living and work training.
- People’s Advocate of Northern California – Provides money management services.
- State Department of Rehabilitation – Provides transportation, education, and job training.

3. Farmworkers

Farmworkers are persons whose primary incomes come from permanent or seasonal agricultural labor. Permanent farmworkers work in the fields, processing plants, or support activities on a year-round basis. When workloads increase during harvest periods, seasonal or migrant labor supplements the labor force.

According to the Nevada County Agricultural Commissioner, agricultural products within the county include timber, livestock, nursery and field crops, fruit and vegetable crops, wool, and apiary by-products (such as honey and bees’ wax). In 11, the farming, natural resources, and mining industries employed 58 people residing within Grass Valley.

According to the 2012 Agricultural Census, Nevada County has an estimated 511 farmworkers, which includes 143 that work over 150 days/year and 368 that work less than 150 days/year.

According to the 2011 Census, there were 58 Grass Valley residents employed in farming, forestry, and fishing occupations. It is likely that the majority of these residents worked in forestry or fisheries industries rather than agriculture. The City’s planning

area does not include any significant areas of agricultural activity that would employ farmworkers. There is a relatively small, active agricultural industry in Nevada County, which might employ a small number of Grass Valley residents. The small number of farmworkers that reside in the Grass Valley area are likely to be year-round residents. For this reason, the City believes there is no need for seasonal shelter to house migrant farm labor. The housing needs of any farmworkers that do reside in Grass Valley can be addressed primarily through the provision of permanent affordable housing, rather than migrant farm labor camps. Their housing need would be the same as other lower-income households.

4. Female-Headed, Single-Parent Households

Single-parent households with children often require special consideration and assistance because of their greater need for affordable housing, accessible day care, health care, and a variety of other supportive services. Single-parent households often receive unequal treatment in the rental housing market due to their family status. Female-headed single-parent households, in particular, face challenges in finding affordable housing that is accessible to employment and services due to their relatively lower household incomes and childcare needs.

In 2012, Grass Valley had 572 single-parent households headed by females, of which, 32 percent of the City's female-headed families with children lived in poverty, compared to 19 percent of all families with children. The median income for female-headed households with children was \$20,144, compared to \$41,741 for married-couple families.

Battered women with children comprise a sub-group of female-headed households that are especially in need. In the Grass Valley area, there are a number of social service providers and emergency housing facilities serving women in need, including Battered Woman's Alliance, Domestic Violence and Sexual Assault Coalition, and the Salvation Army.

5. Large Households

Large households are those with five or more members. These households constitute a special needs group because of an often-limited supply of adequately sized, affordable housing units. Rising housing costs sometimes force families and/or extended families to live together under one roof. The HCD Data Package reported 324 large households in Grass Valley, 91 percent of which were renter households. Large households represent six percent of the City's households.

Larger units with more bedrooms could meet the housing needs of large households. Because larger units typically cost more, lower-income large households may reside in smaller units, likely resulting in overcrowding. To help address overcrowding, Grass Valley and Nevada County are working to develop housing opportunities for larger households to relieve overcrowding and are promoting affordable ownership housing opportunities (such as first-time homebuyer and self-help housing programs) to help renters achieve homeownership.

6. Homeless

Most individuals and families become homeless because they are unable to afford housing in a particular community and/or unable to care for themselves. Beyond the need for housing, homeless individuals are likely to have other needs, such as support services, life skills training, medical care, and education or job skills training. Nationwide, about half of those experiencing homelessness over the course of a year are single adults. Most enter and exit the system quickly. The remainder of homeless individuals lives in the homeless assistance system, or in a combination of shelters, hospitals, the streets, jails, and prisons. There are also single homeless people who are not adults, including runaway and “throwaway” youth (children whose parents will not allow them to live at home or are unable to care for them).

In 2006, Hospitality House established a seasonal welcome center and shelter program for the homeless. The welcome center acts as a receiving center for the homeless. Guests check into the center, and then receive bus transportation to local churches for meals and overnight accommodations. During the 2007-2008 season, Hospitality House provided shelter to an average of 25 guests per day. In 2012, Hospitality House opened a 54-bed permanent shelter in Grass Valley.

Through donations from various private sources, the Emergency Assistance Coalition (EAC) operates a program that provides lodging, food, and gas on an emergency basis. Local offices of the United Way and the Salvation Army operate in Grass Valley and work in conjunction with the EAC. The homeless population in Grass Valley that frequents the EAC program is generally either local or transient single people and/or families. The EAC reports approximately 14 people contact them each week with various housing, food, or other needs. Once EAC provides the client’s immediate needs of food and shelter, it refers individuals to the Nevada County Human Services Agency in Nevada City.

There are several other programs operating in Grass Valley that assist women who are victims of domestic violence. An example is the Manzanita Family Center, a facility that provides assistance for homeless women with children. Clients of this facility are placed through the Nevada County Human Services Agency and are not necessarily victims of domestic violence.

The Food Bank of Nevada County makes monthly food deliveries to four locations throughout the county, including Penn Valley, North San Juan, Washington, and Grass Valley. Clients of the Food Bank program are generally scheduled on a monthly basis, but can receive food donations in the event of an emergency need as well. The program serves over 1,500 clients each month from throughout Nevada County. The United States Department of Agriculture funds this program, therefore; clients are required to meet the federal poverty standards in order to receive food donations.

In January 2009, Hospitality House conducted a survey for homeless population for the County. The survey identified approximately 270 homeless persons in Western Nevada County. Based on HUD standards, Hospitality House believes there are approximately 500 homeless people in the County. Based on an incentive-based survey (which included a homeless court, food, clothing, haircuts, flu shots) conducted by Hospitality

House at the United Methodist Church and the field counts, they estimate there are approximately 100 homeless persons in the City limits of Grass Valley. The HCD Data Package notes that there were 508 homeless individuals and 234 persons in families in 2012 covering both Placer and Nevada Counties. This report also notes there were 107 chronically homeless people, of which 76 were chronically unsheltered, in both counties. In January 2013, Hospitality House conducted another survey and identified approximately 314 homeless persons in Nevada County, with most concentrated in the western portion of the county. Based on previous estimates, the City believes there are up to 120 homeless persons in City limits.

E. Analysis of Assisted Housing Projects At-Risk

Existing rental housing that receives governmental assistance is a significant source of affordable housing. The potential loss of such rental units reduces the availability of housing affordable to very low- and low-income households. Unless housing has reached a substantial level of deterioration, it is far more cost-effective to preserve existing affordable housing than to replace it with newly constructed units. “At-risk” status is determined through identification of funding programs that support the affordable units and the potential likelihood that the funding will be discontinued allowing the units to convert to market rate rents.

Loss of Assisted Housing

Table II-28 lists assisted rental housing projects in Grass Valley. This table also identifies the funding source and the start of funding. In 2008, the Springhill Garden Apartments, Valley Commons/Commons East Apartments, Valley View Apartments, and Grass Valley Terrace all extended their affordability times with the sources listed in Table II-28. Based on the most current data from HCD and property management firms, there are no subsidized units listed at high risk of converting to market rate rents in Grass Valley over the next ten years.

**Table II-28
Inventory of Publicly Assisted Rental Housing**

Project Name	Affordable Units	Household Type	Funding Source	Earliest Date of Conversion	At Risk Status
Grass Valley Apartments 340 Pleasant Street	42	Family	Sec 515	2041*	Not at Risk
Grass Valley Senior Center 321 Dorsey Drive	34	Senior	TCAC	2044*	Not at Risk
Nevada City Senior Apts. 841 Old Tunnel Road	59	Senior	Sec 515	2047*	Not at Risk
Nevada Meadows Apartments 825 Old Tunnel Road	34	Family	TCAC	5/9/2027	Low Risk
Nevada Commons Apartments 775 Old Tunnel Road	32	Family	Sec 515	4/21/2052	Low Risk
Oakridge Apartments 228 Sutton Way	80	Family	Tax Credits, RDA Set-Aside	2053	Not at Risk
Cedar Park Apartments 210 Sutton Street	81	Family	HOME, Tax Credits, RDA	2040	Not at Risk
Glenbrook Apartments 265 Sutton Way	52	Family	HOME, Tax Credits, RDA	2040	Not at Risk
Springhill Garden Apartments 240 and 244 Dorsey Drive	121	Family	TEFRA, Sec 515, TCAC, RDA	2063	Not at Risk
Valley Commons/Valley Commons East Apartments 1444 Segsworth Way	101	Family	TEFRA, Tax Free Bonds	2063	Not at Risk
Valley View Apartments 115 E Berryhill Drive	50	Family	TEFRA, Tax Free Bonds	2063	Not at Risk
Grass Valley Terrace 275 Dorsey Drive	70	Family	TEFRA, Tax Free Bonds	2063	Not at Risk
Eastridge Senior Apartments 46 Rockwood Drive	80	Senior	Tax Credit, Section 42	2029	Not at Risk
Total	836				

Sources: California Housing Partnership Corporation, 2002; U.S. Department of Housing and Urban Development, 2003, USDA Rural Development, City of Grass Valley, HCD Data Package for Nevada County. * Confirmed w/ property manager CBM, Christian Mackey 5/23/2014.

F. Opportunities for Energy Conservation

Energy-related housing costs can directly affect the affordability of housing. Homebuilders must comply with mandatory energy efficiency requirements, while localities are responsible for enforcing the energy conservation regulations. Some alternative energy standards include:

- Use of passive solar construction techniques that require proper solar orientation, appropriate levels of thermal mass, and south facing windows,
- Use of higher insulation levels in place of thermal mass or energy conserving window orientation, and

- Use of active solar water heating and/or on-demand water heating system in exchange for less insulation and/or energy conserving window treatments

Other energy saving construction techniques include: 1) locating high use indoor areas along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face; 2) incorporating high efficiency lighting with dimmer and motion lighting systems; 3) higher efficiency heating and cooling systems; and 4) orienting the entrance away from winds or using a windbreak to reduce the wind velocity against the entrance.

Pacific Gas & Electric provides a variety of energy conservation services for residents and participates in several other energy assistance programs for lower income households, which help qualified homeowners and renters conserve energy and control electricity costs. These programs include the California Alternate Rates for Energy (CARE) Program, Family Electrical Rate Assistance (FERA) Program, and the Relief for Energy Assistance through Community Help (REACH) Program.

The CARE program provides a 15 percent monthly discount on gas and electric rates to income-qualified households, certain non-profits, facilities housing agricultural employees, homeless shelters, hospices and other qualified non-profit group living facilities. The FERA program provides a rate reduction program for lower and middle income households as identified in the Federal Poverty Guidelines. It requires a minimum of three individuals per household and provides a rate reduction on electric rates. The REACH program provides one-time energy assistance to customers who have no other way to pay their energy bill. The intent of REACH is to assist low-income customers, particularly the elderly, disabled, sick, working poor, and the unemployed, who experience severe hardships and are unable to pay for their energy needs.

The State of California provides the Low-Income Home Energy Assistance Program (LIHEAP). This program provides assistance with energy bills for eligible low-income households. The program includes, Home Energy Assistance Program (HEAP), which provides direct payment of eligible client's utility bills and free energy efficiency upgrades for weatherization of households of low-income families. The Energy Crisis Intervention Program (ECIP) provides assistance to low-income households that have received a 24- or 48-hour disconnect notices or service termination, or when an energy-related crisis of life-threatening emergency exists in the applicant's household.

Grass Valley's General Plan contains policies in the Conservation/Open Space Element and the Recreation Element to implement circulation/transportation measures designed to reduce reliance on the automobile and to provide non-motorized linkages between parks and open spaces. By encouraging an emphasis on pedestrian uses in all development within Grass Valley, reduction of the reliance on motorized vehicles will occur, which will also result in reduced energy consumption.

The City's Development Code includes the following examples of energy conservation measures: energy efficient exterior lights, irrigation efficiency for water and energy savings, solar access and landscaping, and energy conservation in the layout of subdivisions. The Design Guidelines include provisions that require new developments to incorporate energy conservation measures where possible. In 2013, the City Council adopted new Housing Rehabilitation Guidelines. One new provision is a weatherization

grant for up to \$7,500 for very low-income residents to allow residents to improve the energy efficiency.

G. Future Housing Needs

The Sierra Planning Organization, based on information provided by the state, determines the amount of affordable housing assigned to Nevada County for the planning period. It then divides the total number of housing among its participating jurisdictions. The 2014-2019 Regional Housing Need Plan adopted by the Sierra Planning Organization allocates 530 housing units to the City of Grass Valley. This represents the number of housing units the City is responsible for accommodating during this planning period. Table II-29 shows the number and percentage of housing units identified in the Regional Housing Needs Allocation Plan for Grass Valley for the planning period of 2014 through 2019 by income category. The plan identifies 210 units, approximately 40 percent, to be affordable to very low- and low-income households. The above-moderate income category represents the greatest need for Grass Valley's total share of regional housing (220 units, 41.7%).

Grass Valley is not responsible for actual construction of these units. However, Grass Valley is responsible for creating a regulatory environment that can accommodate these housing units. This includes the creation, adoption, and implementation of general plan policies, zoning code policies, and/or economic incentives to encourage the construction of these kinds of units.

**Table II-29
Regional Housing Needs Allocation**

Income Category	RHN Allotment	
	Number of Units	Percent
Very Low*	122	23.0%
Low	88	16.4%
Moderate	100	18.7%
Above Moderate	220	41.7%
Totals	530	100%

Source: Sierra Planning Organization

* Presumes 50% of the units, or 61, of the allocated need for Extremely Low Income Households

Housing Needs For Extremely Low Income Households

In 2011, approximately 1,733 extremely low-income households (ELI), defined as households with income less than 30 percent of the area median income, resided in Grass Valley. This represents approximately 28 percent of the total households. Approximately 70 percent of these households are renters with 86 percent of those experiencing housing problems (defined as cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing). Over 80% of the total ELI households paid more than 30% of their income toward housing costs. See Table II-30. As noted in Table II-30, the City assumed 50 percent, or 61, of its very-low income regional housing need are ELI households.

As it relates to potential opportunities for ELI housing in the City, the new Development Code includes provisions for live-work units, second units, carriage houses, and mixed-use projects. More importantly, the City has no regulations limiting the number of bedrooms in any of its residential zones. Therefore, the City allows single-room occupancy units. Several high-density projects in the City include one-bedroom units. Though not set aside for the ELI, the Wolf Creek Village project includes three studio units and eight, one-bedroom, one-bath units, with shared cooking facilities. Additionally, the Cedar Park and Glenbrook Apartments include one-bedroom units. To provide additional support for the housing needs for ELI households, this element includes a program to continue to collaborate with nonprofit builders who specialize in building housing for extremely low-income households. Finally, most of the City's zoning districts allow transitional and supportive housing which can be used to accommodate ELI households.

**Table II-30
Housing Needs for Extremely Low-Income Households**

	Renters	Owners	Total
Total Number of ELI Households	1,220	513	1,733
Percent with Cost Burden (>30% income)	85.7	69.5	80.9
Total Number of Households	3,168	2,412	5,580

Source: HCD Housing Element Data Package for Nevada County, 2013



III. RESOURCES AND CONSTRAINTS

A. Available Land to Accommodate Housing

As a part of the Housing Element update process, City staff inventoried all lands within the City limits suitable for future residential development. State law requires that the community provide an adequate number of sites to allow for and facilitate production of the City's regional share of housing. To determine whether the City has sufficient land to accommodate its share of regional housing needs for all income groups, the City must identify "adequate sites." Under state law (California Government Code section 65583[c][1]), adequate sites are those with appropriate zoning and development standards, with services and facilities, needed to facilitate and encourage the development of a variety of housing for all income levels. The California Department of Housing and Community Development's website includes information on inventory and analysis of lands suitable for residential development. Specifically, the Building Blocks for Effective Housing Elements page states that:

The land inventory must identify specific sites suitable for the development of housing within the planning period and that are sufficient to accommodate the jurisdiction's share of the regional housing need for all income levels. Land suitable for residential development includes vacant sites zoned for residential use, vacant sites zoned for nonresidential use that allow residential development, underutilized residential sites capable of being developed at a higher density, and sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for, residential use.

To analyze the suitability of identified sites, the element must include an estimate of realistic capacity, demonstrate zoning and densities, which encourage and facilitate the development of housing for lower-income households, and demonstrate non-vacant sites identified to accommodate the jurisdiction's regional housing need can be realistically developed within the planning period. The analysis must also analyze the suitability of the sites relative to environmental conditions or issues, and include a general description of the public infrastructure necessary to serve housing development.

Residential sites identified in this chapter meet the criteria listed above, and are within the definition of "adequate sites," as provided under State law. The sites identified in Table III-1 are adjacent to public facilities, or have access to them over the next five years. As Table III-1 indicates, there are more than 1928 acres of residentially zoned vacant land within the existing City limits, with a maximum potential yield of 1,384 dwelling units. Additionally, there are 583 acres of non-residentially zoned land, or for mixed-use (Loma Rica Specific Plan) that could accommodate as many as 2,410 dwelling units. Based on the following analysis, there is adequate capacity to

accommodate over 1,883 dwelling units in the City. Appendix A includes a detailed inventory, by parcel number, of each of the vacant parcels. As described in the following analysis, the City believes there is adequately zoned land to accommodate the City's housing needs to 2019. Overall, the City used conservative capacity assumptions, and with the anticipated annexations, which demonstrates there is ample vacant sites available to meet the City's housing needs.

Residential Zones: The R-3 and NG-3 properties have the greatest potential to accommodate housing affordable to extremely low-, very low-, and low-income households. Of the properties zoned for residential, nearly 34 acres are zoned R-3 or NG-3. Fourteen of these properties are more than one acre in size and can realistically (developed at the mid-range of 14 d.u./acre) accommodate 475 dwelling units. Housing Element Implementation Program 1.f, which requires developers to achieve at least the mid-range density on R-3 lots, supports this assumption. The City believes the mid-range assumption is reasonable because it has achieved high-density residential development on both smaller and larger lots. Specifically, the Pleasant Street Village project included seven apartment units on a 0.36 acre infill lot (19 d.u./acre). The City approved the Gold Country Village project for 120 affordable senior units on 5.4 acres (22.2 d.u./acre with 12 density bonus units). Both of these projects complied with the City's land use controls; therefore, this demonstrates developers can achieve the maximum housing unit capacity. Another recent example of an infill project zoned R-3 constructed on a small lot is at 305 North Church Street. In 2008, the applicant constructed four units on this 0.25 acre parcel (16 d.u./acre), which contained significant topography and access constraints.

Besides the actual examples noted above, the City's General Plan Policies, listed in Table I-1, provide further support in the City's confidence in the housing unit potential listed in Table III-1. Land Use Policies 5-LUP, 6-LUP, 7-LUP, 8-LUP, 9-LUP, and 23-LUP all support infill development. All the NG-3 and R-3 parcels listed in Appendix A that are less than 1 acre in size are infill lots. Additionally, public water, sewer, and other infrastructure are adjacent to each of these smaller lots. Since the City's density range allows up to 20 dwelling units per acre, the City is consistent with AB 2348's default density standard of 15 d.u./acre for lower-income households. Based on the above, the City believes 14 units per acre is a conservative and realistic assumption for unit capacity in the R-3 and NG-3 zones. Therefore, the existing inventory of vacant land zoned NG-2 and R-3 provides adequate capacity to meet the housing needs for lower incomes.

The City has approximately 136 acres of vacant land zoned as R-1 and NG-2. Table III-1 assumes a unit capacity of 2.5 d.u./acre; therefore establishing a realistic accommodation of 340 units. Based on approved projects over the past Housing Element cycle, the City expects these zones to provide housing for the moderate to above-moderate income levels. It is important to note the City has approved three projects in the R-1 zone under the density bonus program. Ridge Village, Ridge Meadows, and Iris Lane projects included density bonuses, which resulted in densities of 5.7, 4.9, and 4.56 respectively. All of these projects exceed the maximum density range of 4 d.u./acre. The only other recently approved project in these zones is the Marshall Street project. This project had steep slopes and included four units on 1.79 acres, resulting in a density of 2.23 d.u./acre. Table III-1 includes several larger

underdeveloped parcels. These parcels contain one single family home and are expected to be developed at higher densities based on pending applications and/or property owner discussions with the City. Based on the above, the City believes 2.5 units per acre is a conservative and realistic assumption for unit capacity in the R-1 and NG-2 zones.

There are 19 acres of vacant R-2 or R-2A zoned land in the City. The City assumes a capacity of 6 d.u./acre in these zones which results in 114 likely units. The only example of an approved project in the R-2 zone is Makiah Woods which included 55 dwelling units on 9.25 acres (5.95 d.u./acre). This parcel contains some topographical and biological constraints which somewhat limited the density, but still allowed for density at mid-range. Based on the above, the City believes six (6) units per acre is a conservative and realistic assumption for unit capacity in the R-2 and R-2A zones.

The potential density in the R-1-X and SP4-G & I zones is based on remaining vacant, but approved, subdivision parcels. The City included two of the Special Development Areas, which are not in the City because we anticipate the annexation of these projects within the next five years. The City is currently processing these projects and preparing the Environmental Impact Reports.

Underdeveloped Residential Parcels: Table III-1 includes 10 residential underdeveloped (non-vacant) lots that range in size from 1.58 to 7.56 acres (see Appendix A for the specific parcels). These lots have only one existing dwelling unit and the City expects these lots to develop to their full potential. The City bases this assumption on actual approved residential development projects on some of the parcels, or based on discussions with the property owners. All of these sites have available infrastructure. Therefore, all of these lots have a realistic potential for development within the planning period.

Non-Residential Zones: Of the non-residentially zoned properties, the City estimated a realistic residential capacity based on recent mixed-use projects constructed or approved by the City. This is particularly true in the NC-Flex and C-2 zones where the City has approved several purely residential or mixed-use projects. Overall, the City has approved 229 dwelling units on 37 acres of non-residentially zoned land since 2003. Examples are (see pages III-23 and 24 for more details):

- Village at South Auburn: a 10.87-acre mixed-use project containing 57 dwelling units, zoned NC-Flex.
- Renaissance Project: a 0.21-acre mixed-use project containing 4 dwelling units, zoned NC-Flex.
- Berryman Street Project: a 0.33-acre mixed-use project containing 3 dwelling units, zoned NC-Flex.
- Sierra Terrace: a 2.28-acre residential project containing 30 dwelling units, zoned C-2.
- Olympia Plaza, an 11.89-acre mixed-use project containing 40 dwelling units, zoned C-2.
- Whiting Street, an 8.5-acre residential project containing 67 dwelling units, zoned NC-Flex.

- WCS Mullins, a 0.67-acre mixed-use project containing 12 dwelling units, zoned TC.
- Habitat for Humanity off Joyce Drive, a 1.68-acre project containing 16 dwelling units, zoned NC-Flex.

Mixed-use projects approved by the City include some reduced development standards (setbacks, open space requirements, parking reduction). The City approved most of these projects with a Planned Unit Development (PUD) or Use Permit to allow flexible project design. Since the NC-Flex zone is located in areas of existing mixed-use environments (predominately residential), plus some of the corresponding General Plan designations include Urban Medium and High Density properties, there is a higher probability that housing will be developed on these properties. The above list showing the projects in the NC-Flex zone attests to this fact. Therefore, it is reasonable to achieve a capacity of 6 dwelling units per acre on the NC-Flex zone. Even, though the City has a history of permitting residential projects in the non-residentially zoned properties, the City applied the lowest potential residential density to these remaining non-residentially zoned lands.

The City did not include properties within the Whispering Pines Specific Plan, zoned SP1-A, SP-1B, or SP-1C, because this is an established business park. Even though the specific plan allows medium density residential development, the City did not assign any residential capacity to this area because there are no established examples in this plan area.

Recent and Potential Annexations: In 2012, the City approved a large annexation application within its sphere of influence. This plan was approved by LAFCo and became part of the City in 2013. The Loma Rica Ranch Specific Plan allows up to 700 residential units, which includes a full range of housing types and sizes; such as, live/work units, multi-family units, second units, workforce housing, and affordable senior units. In 2014, the City also approved the Southern Sphere of Influence Planning and Annexation project. This plan amended the General Plan and rezoned about 60 acres of land for medium density residential in the southern sphere of influence. The City's sphere of influence plan includes an additional several hundred acres that are eligible for annexation during this housing element's planning period (see Figure III-2). Much of this land is designated for residential development. Even though the City expects annexation of some of this land, the City does not assume this in its analysis since there are no other pending applications as of the writing of this element.

Table III-1
Summary of Vacant Land Permitting Residential Uses – City Limits¹

Zone	Acres	Density Range (du/ac)	Unit Potential: Min/Max. Density	Unit Potential: Likely Density ²	Potential Affordability (by income level)
RESIDENTIALLY ZONED PROPERTIES*					
R-1	125.57*	1-4	125-502	313	Moderate to Above Moderate
R-1-X ³	1.49	1-4	3	3	Above Moderate
R-2/R-2A	19.05	4-8	76-152	114	Moderate to Above Moderate
R-3	17.60	8-20	140-352	246	Low to Very Low
NG-2	10.86	1-4	10-43	27	Above Moderate
NG-3	16.39	8-20	131-327	229	Low to Very Low
SP4-G & I ³	1.32	1-4	5	5	Above Moderate
Total Vacant Residential	192.28		490-1,384	937	
NON-RESIDENTIALLY ZONED OR MIXED USE ZONED PROPERTIES⁴					
NC-Flex ⁵	27.32	1-20	27-409	163	Very Low to Moderate
OP	10.59	1-15	10-154	10	Low to Moderate
C-1	0	1-15	0	0	Low to Moderate
C-2	27.31	1-15	27-409	27	Low to Moderate
C-3	5.97	1-15	5-89	5	Low to Moderate
CBP	43.31	1-15	43-649	43	Low to Moderate
M-1	22.05	Not allowed	0	0	N/A
Loma Rica Specific Plan	446.40	N/A	700	700	Low to Above Moderate
Total Vacant Non-Residential/Mixed Use	582.95		810-2,410	946	
PENDING ANNEXATIONS OF SPECIAL DEVELOPMENT PLAN AREAS⁶					
Southern Sphere of Influence Planning and Annexation Project	416	1-8+	534	534	Low to Above Moderate
Total	416	1-8+	534	534	
TOTAL POTENTIAL DWELLING UNITS					
Total Existing City Limits	775.23	1-20	1,300-3,794	1,883	
Total (all)	1,187.6	1-20	1,834-4,328	2,417	

* The residential parcels include 10 underdeveloped lots, ranging in size from 1.58 to 7.56 acres, containing only one existing dwelling, and the City expecting development at their full potential.

1. Only lots greater than 0.20 acres in size are included in the vacant land inventory.
2. Assumes R-1 and NG-2 zoned parcels develop at 2.5 units per acre, and R-2, R-3, and NG-3 zoned parcels develop at 50% of the maximum range.
3. The maximum potential dwelling units is based on vacant lots within approved subdivisions for Ventana Sierra and Morgan Ranch Specific Plan.
4. Unless as noted in #5 below, the minimum potential dwelling units is used.
5. The maximum potential for this zone (6 dwelling units/acre) is based on previously approved projects within this zone as noted in the corresponding text.
6. The EIR certified for this project assumed 534 dwelling units in all of the analysis. The intent of the residentially designated land is to provide housing in close proximity to the designated industrial and commercial lands.

Figure III-1
 Vacant Land by Zoning Classification

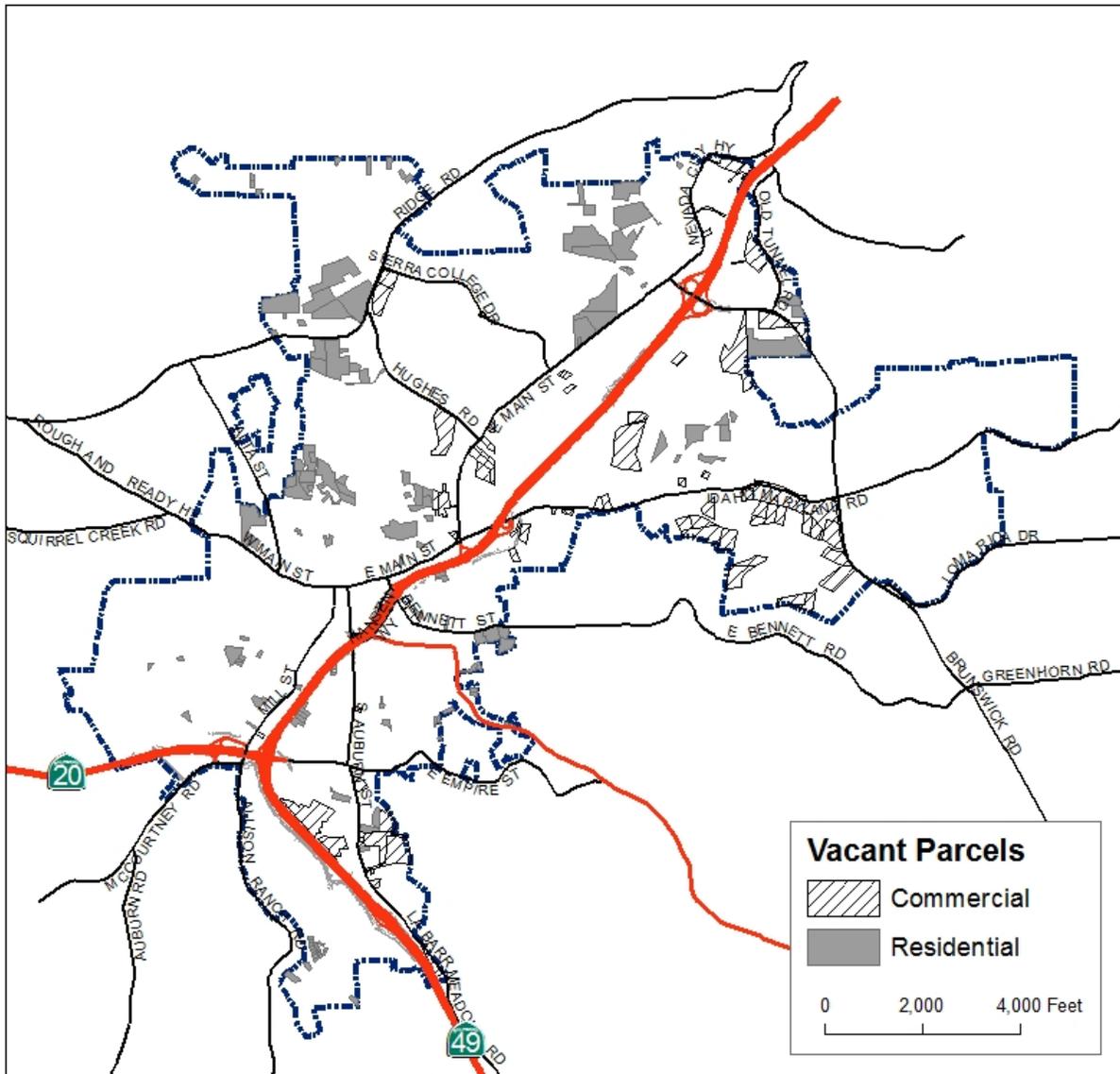
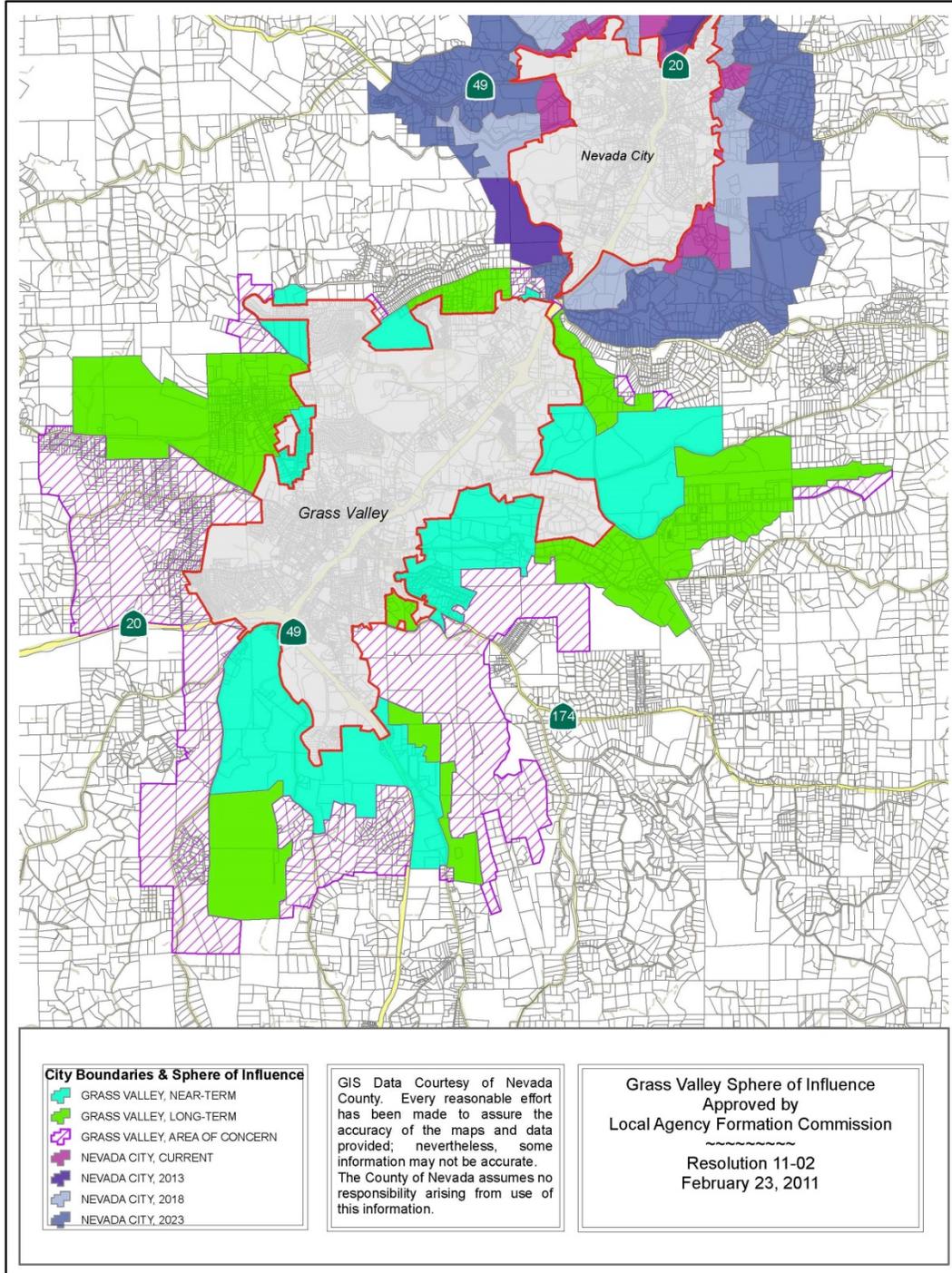


Figure III-2
Sphere Of Influence



B. Funding and Administrative Resources

The Grass Valley area has a variety of resources available to landowners and developers seeking to provide housing within the community. This chapter provides the programs and resources available within the City for use with residential developments. Resources are grouped under local providers, private nonprofit agencies, and state or federal programs. Table III-2 includes a full listing of financial resources available to assist in the production, preservation, and maintenance of housing.

1. Local

Nevada County Housing Authority

The Nevada County Housing Authority administers various affordable housing programs, including the Section 8 rental assistance program for the entire County. As of May 2014, 298 Nevada County households were receiving tenant-based Section 8 assistance from the Housing Authority. Approximately another 800 additional households were on the waiting list to receive vouchers.¹ Housing Authority records do not indicate how many of these vouchers are used by households residing in the City, and there are no other means available to determine the exact number of Section 8 vouchers used in Grass Valley. In addition, the Housing Authority manages the Mortgage Credit Certificate Program and CDBG funds, which may be used to assist housing in both the unincorporated county and in Grass Valley.

Redevelopment Housing Set-Aside Funds

In early 2012, the State of California required all Redevelopment Agencies in the state to dissolve. Though used very effectively by the City of Grass Valley to assist with affordable housing, the state removed this valuable tool.

Community Reinvestment Act (CRA) Compliance

Federal law requires that lending institutions reinvest in their communities. Such reinvestment is often done in the form of low-income loans for housing construction or rehabilitation, participation in activities of the Redevelopment Agency, or other investment in housing. The City may seek to establish programs for financing of construction or lending for home purchase to help lending institutions to meet their requirements under CRA.

2. Private Nonprofit

Habitat for Humanity

Habitat for Humanity is a non-profit, ecumenical, grassroots organization dedicated to providing affordable homeownership opportunities lower and very low income families. Habitat for Humanity works in partnership with public and private organizations, the

¹ Personal communication with Jeni Bobadilla, Nevada County Housing Authority (05/05/2009)

community, volunteers, and partner families to fund, build, repair, and rehabilitate homes. Habitat sells homes to qualified partner families at no profit with affordable, no-interest loans. Volunteers provide most of the labor and land and infrastructure costs have been manageable through assistance from state (HCD, CalHOME), and local (RDA) funding. Since 2007, Habitat for Humanity provided 15 affordable homeownership opportunities (14 new and 1 rehabilitated) in Grass Valley.

Mercy Housing California (MHC)

MHC is a non-profit developer that develops affordable housing for families, seniors, formerly homeless persons, individuals with HIV/AIDS and persons with chronic mental illnesses and physical impairments. With the assistance of public and private funding, MHC builds or rehabilitates housing to meet community needs. The types of housing developed include multi-unit rental apartments and single-family homes, single room occupancy apartments for formerly homeless adults, and handicap-accessible units for individuals with physical impairments. Since merging with the Rural California Housing Corporation (RCHC) in 2000, the activities of this group have expanded to include preservation of at-risk units, coordination of self-help housing development, and redevelopment of substandard housing.

Foundation of Resources for Equality and Employment for Disabled (FREED)

FREED is a non-profit resource agency that provides referrals to the elderly for various housing assistance programs. In addition to referrals, FREED offers loans for small home repairs to disabled homeowners for improvements necessary to increase accessibility or improve functionality, through its Fix-It Program. This agency promotes revisions to construction codes to facilitate accessibility for the disabled, as well as increased knowledge of housing issues for the disabled.

Nevada County Housing Development Corporation

The Nevada County Housing Development Corporation is a non-profit developer of self-help housing, transitional living facilities, and emergency shelters. The State of California certifies this group as a Community Housing Development Organization (CHDO). This group is active in production of housing and shelter services in the Grass Valley area. This non-profit facilitated the construction of 30 self-help homes in the City in the 1980s, and operates an emergency shelter within the Sphere of Influence.

3. State/Federal

Community Development Block Grant (CDBG) Funds

The CDBG program provides funds for a range of community development activities. The State Department of Housing and Community Development (HCD) administers CDBG funds through a variety of competitive and non-competitive programs. These programs can provide funding for a range of activities. The eligible activities include, but are not limited to acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction of housing,

homeownership assistance, and also clearance activities. Funding levels for individual programs can vary by year, and decisions to pursue funding for each program are made by staff based on potential projects and perceived competitive advantages.

HOME Investment Partnership Program Funds (HOME)

Federal HOME funds can be used for activities that promote affordable rental housing and homeownership for lower-income households. HCD administers HOME funds through a variety of competitive and non-competitive programs. Activities eligible to receive HOME funds include building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance. A federal priority for the use of HOME funds is preservation of the at-risk housing stock. As with CDBG funds, funding levels for individual programs can vary by year, and the City makes decisions to pursue funding for each program based on potential projects and perceived competitive advantages.

**Table III-2
Financial Resources for Housing Activities**

Program Name	Description	Eligible Activities
1. Federal Programs		
Community Development Block Grant (CDBG)	Grants available to the City on a competitive basis for a variety of housing and community development activities. City competes for funds through the State's allocation process.	<ul style="list-style-type: none"> - Acquisition - Rehabilitation - Home Buyer Assist. - Economic Development - Homeless Assistance - Public Services
HOME	Grant program available to the City on a competitive basis for housing activities. City competes for funds through the State's allocation process.	<ul style="list-style-type: none"> - Acquisition - Rehabilitation - Home Buyer Assist. - Rental Assistance
Low-income Housing Tax Credits (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sales are typically used to create housing.	<ul style="list-style-type: none"> - New Construction - Acquisition - Rehabilitation
Mortgage Credit Certificate (MCC) Program	Income tax credits available to first-time homebuyers to buy new or existing single-family housing. County Housing Authority makes certificates available.	<ul style="list-style-type: none"> - Home Buyer Assist.
Section 8 Rental Assistance Program	Rental assistance payments from County Housing Authority to owners of private market rate units for very low-income tenants.	<ul style="list-style-type: none"> - Rental Assistance - Home Buyer Assist.
Section 202	Grants to non-profit developers of supportive housing for the elderly.	<ul style="list-style-type: none"> - Acquisition - Rehabilitation - New Construction

**Table III-2
Financial Resources for Housing Activities**

Program Name	Description	Eligible Activities
Section 203(k)	Provides long-term, low interest loans at fixed rate to finance acquisition and rehabilitation of eligible property.	- Land Acquisition - Rehabilitation - Relocation of Unit - Refinance Existing Indebtedness
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	- Acquisition - Rehabilitation - New Construction - Rental Assistance
U.S. Department of Agriculture (USDA) Housing Programs (Sections 514/516)	Below market-rate loans and grants for farmworker rental housing.	- New Construction - Rehabilitation
2. State Programs		
Affordable Housing Partnership Program (AHPP)	Provides lower interest rate CHFA loans to homebuyers who receive local secondary financing.	- Home Buyer Assistance
CalHOME	Provides grants to local governments and non-profit agencies for local homebuyer assistance and owner-occupied rehabilitation programs and new home development projects. Will finance the acquisition, rehabilitation, and replacement of manufactured homes.	- Home Buyer Assistance - Rehabilitation - New Construction
California Housing Assistance Program	Provides 3% silent second loans in conjunction with 97% CHFA first loans to give eligible buyers 100% financing.	- Home Buyer Assistance
California Housing Finance Agency (CHFA) Rental Housing Programs	Below market rate financing offered to builders and developers of multifamily and elderly rental housing. Tax-exempt bonds provide below-market mortgages.	- New Construction - Rehabilitation - Acquisition
California Housing Finance Agency (CHFA) Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below-market loans to first-time buyers. Program operates through participating lenders who originate loans for CHFA.	- Home Buyer Assistance
California Self-Help Housing Program (CSHHP)	Provides grants for the administration of mutual self-help housing projects.	- Home Buyer Assistance - New Construction
Downtown Rebound	Funding to facilitate infill development and conversion of commercial buildings for "live-work" spaces.	- Rehabilitation - Conversion
Emergency Housing and Assistance Program (EHAP)	Provides grants to support emergency housing.	- Shelters & Transitional Housing

**Table III-2
Financial Resources for Housing Activities**

Program Name	Description	Eligible Activities
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	- Support Services
Farmworker Housing Assistance Program	Provides State tax credits for farmworker housing projects.	- New Construction - Rehabilitation
Housing Enabled by Local Partnerships (HELP)	Provides 3% interest rate loans, with repayment terms up to 10 years, to local government entities for locally determined affordable housing priorities.	- New Construction - Rehabilitation - Acquisition - Home Buyer Assist. - Site Acquisition - Site Development
Joe Serna Jr. Farmworker Housing Grant Program (FWHG)	Provides recoverable grants for the acquisition, development and financing of ownership and rental housing for farmworkers.	- Home Buyer Assist. - Rehabilitation - New Construction
Multi-Family Housing Program (MHP)	Deferred payment loans for the new construction, rehabilitation and preservation of rental housing.	- New Construction - Rehabilitation - Preservation
Self-help Builder Assistance Program (SHBAP)	Provides lower interest rate CHFA loans to owner-builders who participate in self-help housing projects. Also provides site acquisition, development and construction financing for self-help housing projects.	- Home Buyer Assist. - New Construction - Site Acquisition - Site Development
Supportive Housing/Minors Leaving Foster Care	Funding for housing and services for mentally ill, disabled and persons needing support services to live independently.	- Supportive Housing - Foster Care
3. Local Programs		
Financial Incentives under the Density Bonus Ordinance	The City's Density Bonus program offers financial incentives, as required by State law.	- New Construction
4. Private Resources/Financing Programs		
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long-term debt financing for affordable multifamily rental housing. Non-profit and for profit developers contact member banks.	- New Construction - Rehabilitation - Acquisition
Federal National Mortgage Association (Fannie Mae)	Fixed rate mortgages issued by private mortgage insurers.	- Home Buyer Assistance
	Mortgages that fund the purchase and rehabilitation of a home.	- Home Buyer Assist. - Rehabilitation
	Low Down-Payment Mortgages for single-family homes in underserved low-income & minority cities.	- Home Buyer Assistance
Freddie Mac Home Works	Provides first & second mortgages including rehabilitation loan. City provides gap financing for rehabilitation. Households earning up to 80% of the median family income qualify.	- Home Buyer Assistance

Source: Cotton/Bridges/Associates, July 2003, City of Grass Valley

C. Constraints

1. Governmental Constraints

A. Overview

Local policies and regulations can affect the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors may constrain the maintenance, development, and improvement of housing. This chapter discusses potential governmental constraints as well as policies that encourage housing development in Grass Valley.

State and federal regulations also affect the availability of land for housing and the cost of producing housing. Regulations related to environmental protection, prevailing wages for publicly assisted construction projects, construction defect liability, building codes, and other topics have significant, often adverse impacts on housing cost and availability. Perhaps one of the greatest constraints to the production of housing affordable to lower-income households is the chronic shortage of state and federal financial assistance for such housing.

While Grass Valley recognizes that constraints exist at other levels of government, the City has little or no control over these regulations and no ability to mitigate them directly. Since 2009, the state legislature has adopted many regulations that have significantly affected the costs of housing. The City is concerned that the state does not recognize the cumulative costs of these regulations to the cost of affordable housing. Furthermore, and based on the City's past historical success, the state's dissolution of Redevelopment represents one of the City's biggest government constraints to affordable housing. This chapter of the Housing Element therefore, focuses only on adopted City policies and regulations that the City can mitigate.

B. Land Use Policies

In 1999, the City of Grass Valley completed an update of its General Plan, which contains goals, policies, and programs that will guide development throughout the Grass Valley planning area until the year 2020. The Land Use Element contains the primary policies that guide residential development. Implementation of these policies occurs through the City's Development Code, which includes zoning and subdivision standards. Zoning regulations establish the amount and distribution of different land uses within the City, while subdivision regulations establish requirements for the division and improvement of land.

The Land Use Element of the Grass Valley General Plan contains four residential land use categories: urban estate density, urban low density, urban medium density, and urban high density. Each land use designation permits a variety of housing types and densities for residential development. Two additional land use designations provide for development that would include a mixture of residential and commercial land uses of

varying densities. These land use designations are the Corporate Business Park (CBP) overlay and the Special Development Area (SDA).

In 2007, the City adopted a Development Code for these general plan categories that include seven primary residential zones and nine non-residential zones that allow residences or residential related uses. Table III-3 summarizes the General Plan land use categories and corresponding residential zones.

**Table III-3
Land Use Categories Permitting Residences**

General Plan	Zoning Designation(s)	Density (du/ac)	Maximum Building Coverage	Typical Residential Type(s)
Urban Estate Density	Residential Estate (RE)	1 or less/acre	40%	One single-family detached home per lot
Urban Low Density	Single Family Residential (R-1) Two-Family Residence (R-2) Neighborhood General 2 (NG-2)	1.01 to 4/acre	35%	One single-family detached home per lot; Single-family patio homes; townhouses
Urban Medium Density	Single Family Residential (R-1) Two-Family Residence (R-2) Medium Density Residential (R2A)	4.01 to 8/acre	40%	Single-family attached and detached; single-family patio homes; duplexes; townhouses
Urban High Density	Multiple Family (R-3) Neighborhood General 3 (NG3)	8.01 to 20.0/acre	50%	Townhouses or row houses; apartments; condominiums
Special Development Area	Specific Plan (SP)	No Limit	Varies with use	Any type proposed within Specific Plan, Master Plan
Business Park (BP)	Corporate Business Park (CBP) Office Professional (OP)	8 to 20	40%	Any type pursuant to acquisition of use permit
Town Center Overlay (TC)	N/A	N/A	N/A	Upper level residential in Downtown area

Source: Grass Valley General Plan

i. Special Development Areas

The City of Grass Valley's General Plan includes four areas that are designated Special Development areas, as seen in Figure III-3. Three of the SDAs include residential components, while the third does not specify a land use mix. The SDAs are:

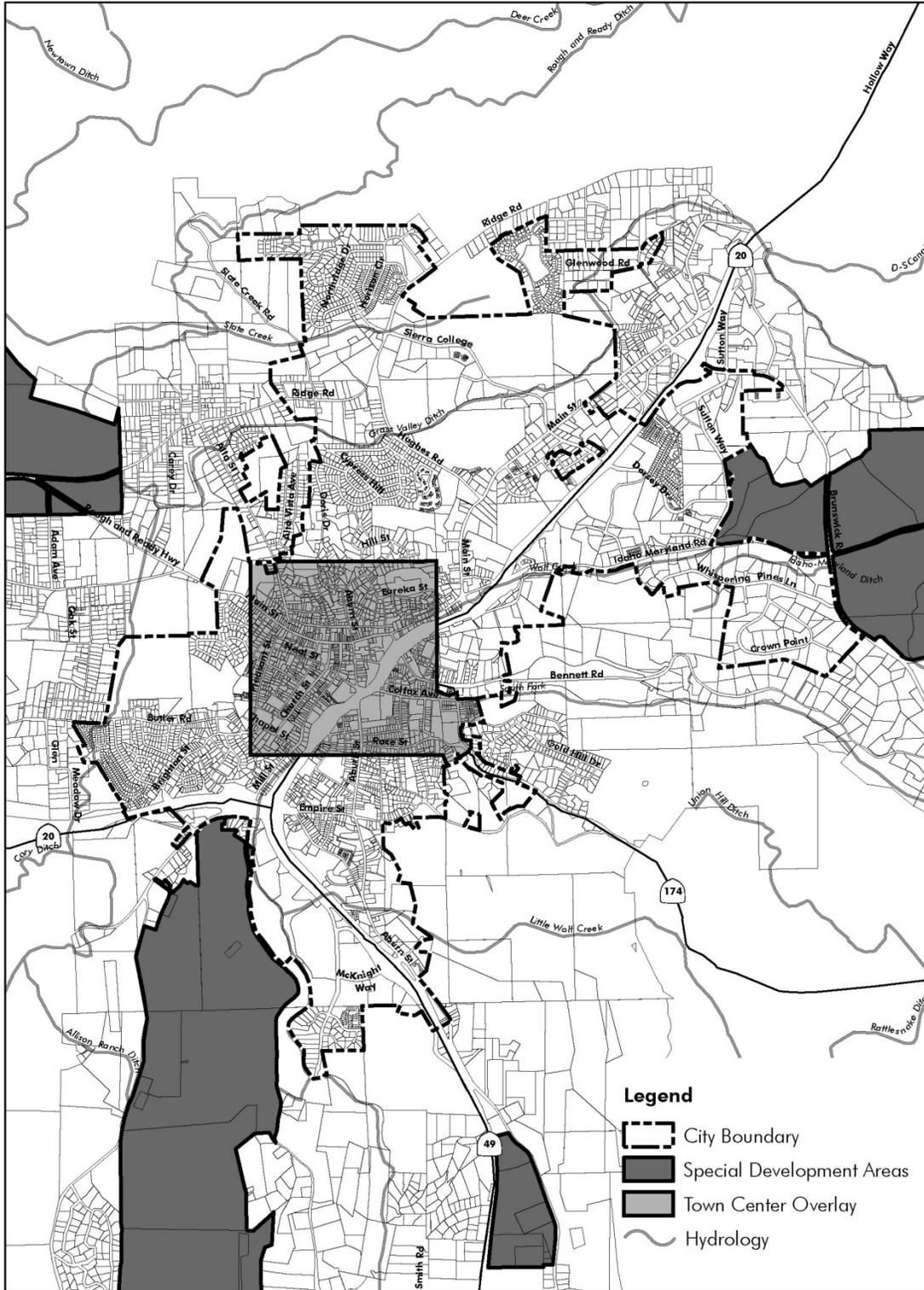
- Loma Rica Ranch (Annexed to City in 2013, 700 dwelling units)
- North Star (363 housing units)
- Kenny Ranch (100 housing units)
- Bear River Mill Site (no specific land use mix established)

Development within the Special Development Areas (SDA) is encouraged to be clustered or grouped to assist in the reduction of infrastructure development costs, which is further addressed by several policies in the City's 1999 General Plan. The Loma Rica Ranch project was annexed to the City in 2013 and is approved for 700 dwelling units of varying density and sizes.

ii. Town Center Overlay

The Town Center (TC) Overlay only applies to a designated area within the City, comprising the downtown and the surrounding areas. The TC overlay district encourages the development of mixed land uses. The Town Center overlay is not a zoning district with separate development standards. The TC district accommodates a variety of land uses. Street-level commercial, specialty shops, restaurants, upper level residential, and offices are encouraged in the Town Center area. The City is implementing the General Policies of the Town Center through the Downtown Strategic Plan and incentives for mixed-use (see Chapter IV, Goal A, Program 2).

Figure III-3
 Special Development Areas and Town Center Overlay



iii. Historic Preservation

The City's General Plan includes a Historic Element to ensure preservation of historically significant structures. This Element includes the designation of a historical district, encompassing the downtown area of the City, as well as goals, policies, and objectives addressing conservation measures for historical properties. In January 2008, the City adopted a Historic Building Demolition Ordinance. This ordinance applies to all buildings constructed prior to 1945 within the 1872 Township. It creates a procedure to monitor and potentially regulate all buildings proposed for demolition. In later 2008, the City adopted a Historical Context Report. This report addressed the City's historical development patterns and architectural history. In 2009, the City completed a Historic Resources Inventory, which ranked the historic value of buildings. In 2011, the City adopted Design Review Guidelines for the 1872 Historic Townsite. In 2012, the City approved a Historic Preservation Ordinance. This ordinance established a review process related to changes to a historic structure. The City's Historical Commission maintains a historic building inventory and promotes historic preservation through programs such as the Heritage Home awards.

Alterations to buildings within the downtown Historic District are subject to review by the Development Review Committee (see section "F" below, Development Review Procedures). The time required for Development Review does not impose an additional constraint on the re-use or modification of existing buildings or sites because the Development Review Committee meets twice monthly. Projects are subject to Development Review regardless of the presence of historical resources. Most exterior building remodeling and new building construction within Grass Valley requires development review approval with the exception of single-family homes.

The City's review of development projects with historic significance has the potential to increase costs for the rehabilitation or conversion of historic buildings because of the added cost of maintaining the historic character of a structure in the use of materials and construction techniques. The City has mitigated the cost impact by confining the review process to building exteriors. This leaves property owners with the flexibility to make necessary modifications and use cost-effective construction techniques in the interior of the buildings. Furthermore, buildings identified as historic can take advantage of the Historic Building Code, which may reduce the overall costs of rehabilitation and open up grant opportunities. Additionally, historic preservation policies have no impact on an overwhelming majority of the City's housing development since such development occurs largely outside the historic downtown.

In order to accommodate improvements required for accessibility by persons with disabilities, the City allows exterior modifications of non-historic structures. Exterior improvements have been made to the Bret Harte Retirement Inn, Chamber of Commerce building, and City Hall building.

iv. Community Design Element

The Community Design Element of the General Plan includes goals for project design and site planning. The goals are to preserve and enhance the existing community, conserve community attributes that provide a sense of the natural setting and continuity with the past, assure that new development is sensitive to and strengthens the existing built and natural environment, and create, maintain, and enhance civic places. New development is to respect the scale and intensity of adjacent older development and provide physical connections through streets, lanes and/or trails wherever possible so that pedestrians, bicycles, automobiles can safely move easily between local destinations and between work and home.

Infill and reuse opportunities are important because they maximize efficient use of land and avoid urban intrusion on natural environment. Infill uses are to respect the pre-existing uses, patterns, and community aesthetics.

As discussed above, the Development Review Committee reviews nearly all exterior building remodeling projects and new development projects to ensure consistency with established design standards. The Committee meets twice monthly and does not cause a significant constraint to development within the City. Sub section F, Development Permit Procedures, includes a discussion on design review and how the City mitigates the potential impact on affordable housing.

C. Analysis of Residential Zoning Standards

The City regulates the type, location, density, and scale of residential development primarily through its Development Code. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the Grass Valley General Plan. The Development Code, particularly with the use of the Traditional Community Development ones, also helps preserve the character and integrity of existing neighborhoods.

Grass Valley has seven primary residential zones:

- RE - Residential Estate
- R-1 - Single-Family Residence District
- R-2 – Two Family Residence District
- R-2A – Medium Density Residential District
- R-3 – Multiple Family District
- NG-2 –Neighborhood General-2
- NG-3 –Neighborhood General -3

The City also permits residential-related land uses and residential mixed-use projects in several other zoning districts. These include the following:

- TC – Town Core
- NC – Neighborhood Center
- NC-Flex – Neighborhood Center Flex
- OP - Office and Professional District
- C-1 - Community Business District
- C-2 - Central Business District
- C-3 - Heavy Commercial District
- CBP - Corporate Business Park District
- M-1 - Light Industrial District

Even though not listed in Table III-5, the Specific Plan (SP) zone also allows any residential land use as specified with an adopted specific plan. Both of the City's adopted specific plans allow residential uses. The Morgan Ranch Specific Plan is allows single-family detached homes. The Whispering Pines Specific Plan is a business park area, which allows medium density residential land uses. The Loma Rica Ranch Specific Plan allows for a wide of housing types and sizes along with mixed-use provisions.

Table III-4 summarizes the relevant development standards in residential zones in Grass Valley. This table also identifies the other types of housing allowed within the different zoning districts. Table III-5 lists the different housing types allowed within the non-residential zones.

**Table III-4
Residential Development Standards – Residential Zones**

Zoning Standards	Zoning Districts						
	RE	R-1	R-2	R2A	R-3	NG-2	NG-3
Max. Density (du/ac) Per GP	1	4	8	8	20	4	20
Min. Interior Lot Size (sq. ft.)	43,560	6,000	5,000	10,000*	10,000*	None	None
Min. Corner Lot Size (sq. ft.)	43,560	6,000	5,000	10,000*	10,000*	None	None
Min. Lot Width (ft.)	120	60	60	70	70	None	None
Front Yard (ft.)	50	15	15	15	15	15	15
Side Yard (ft.)	5	5	5	5	5	5	
Rear Yard (ft.)	20	10	10	None	10	5	5
Site Coverage (%)	40%	50%	50%	40%	50%	Remainder after building setbacks	Remainder after building setbacks
Max. Bldg. Height (ft.)	35	35	35	35	35	30	30
Parking (spaces/unit)	2/unit	2/unit	2/unit	2/unit	1.5/one bdrm., 2.5/two bdrm.	1/unit, 0.5/studio.	1/unit, 0.5/studio
Housing Types Permitted							
Single-Family	P	P	P	P	P	P	P
Two-Family	X	X	X	P	P	P	P
Multiple Family/Apt.	X	X	X	P	P	P	P
Residential Care, 6 or fewer	P	P	P	P	P	P	P
Residential Care, 7 or more	U	U	U	U	U	MUP	MUP
Second Units	P	P	P	P	P	P	P
Boarding House	X	U	U	U	MUP	X	X
Day Care - Adult/Children Center	U	U	U	U	U	X	X
Day Care- Large family	MUP	MUP	MUP	MUP	MUP	MUP	MUP
Day Care- Small family	P	P	P	P	P	P	P
Transitional and Supportive Housing	P	P	P	P	P	X	X
Emergency Shelter	X	X	X	X	X	X	X
Medical Services- Extended Care	U	U	U	U	U	U	U

Source: Grass Valley Development Code

- Notes: P = Permitted
 U = Permitted with a use permit
 MUP = Minor Use Permit
 X = Not permitted
 * = Minimum lot size for a new subdivision

**Table III-5
Residential Development Standards – Non-Residential Zones**

Zoning Standards	Zoning Districts								
	TC	NC	NC-Flex	OP	C-1	C-2	C-3	CBP	M-1
Max. Density (du/ac) Per GP	20	20	20	15	15	15	15	8	None
Min. Interior Lot Size (sq. ft.)	None	None	None	None	None	None	None	1.5 Acres	1 Acre
Min. Corner Lot Size (sq. ft.)	None	None	None	None	None	None	None	1.5 acres	1 Ace
Min. Lot Width (ft.)	None	None	None	None	None	None	None	Case by case	Case by Case
Front Yard (ft.)	0	0	12	15	None	None	None	10 to 20 feet	20 to 30 feet
Side Yard (ft.)	0	0	3	10	10 abutting res.	10 abutting res.	10 abutting res.	20	10
Rear Yard (ft.)	10	15	10	10 abutting res.	15, 25 abutting res.	25 abutting res.	25 abutting res.	10 abutting res.	10
Site Coverage (%)	No limit	No limit	No Limit	None	None	None	None	None	None
Max. Bldg. Height (ft.)	45*	45**	30	35	35	50	50	35	50
Parking (spaces/unit)	1	1	1	1	1	1	1	1	1
Housing Types Permitted									
Single-Family	X	X	P	X	X	X	X	X	X
Two-Family	X	X	P	X	X	X	X	X	X
Multiple Family/Apt.	X	X	P	X	X	X	X	X	X
Live/Work Unit	P	P	P	P	P	P	P	X	X
Mixed use residential component	P	P	P	P	P	P	X	U	X
Residential Care, 6 or fewer	X	X	P	U	P	P	P	X	X
Residential Care, 7 or more	X	X	U	U	U	U	U	U	X
Second Units	X	X	P	U	U	U	X	X	X
Boarding House	X	X	X	U	U	U	U	X	X
Day Care - Adult/Children Center	P	MUP	MUP	P	U	U	P	U	X
Day Care- Large family	P	P	P	X	X	X	X	X	X
Day Care- Small family	P	P	P	X	X	P	X	X	X
Transitional & Supportive Housing	X	X	X	U	U	U	U	U	X
Emergency Shelter	X	X	X	X	X	U	P	X	U
Medical Services- Extended Care	X	U	U	U	U	X	X	U	X

Source: Grass Valley Development Code

- Notes:
- P = Permitted
 - U = Permitted with a use permit
 - MUP = Minor Use Permit
 - X = Not permitted
 - * = Up to 5 stories with a Use Permit
 - ** = 4 stories for approved affordable housing and/senior housing
 - 1 = As defined in Development Code for specific residential uses

i. Standards Affecting Residential Density

The City of Grass Valley has extensive history related to the California gold rush in 1849. This resulted in a large percentage of the City being planned and/or developed prior to the advent of regulatory standards and procedures that city residents now take for granted. There are several residential neighborhoods containing small miner's cottages, large Victorian homes, Tudor and Craftsman style bungalows, and small Victorian cottages.

Residential Density

As shown in Table III-5, the City's residential densities range from one to 20 dwelling units per acre. The lowest density zoning is Residential Estate. The higher density residential zoning designations are not specifically for multi-family uses but can include single-family dwelling units as well. The City encourages multi-family developments to be scattered throughout the community, with decreasing intensity as distance from commercial core increases. The City requires all new development within city boundaries to respect the existing design and pattern of development.

Historically, the City has accommodated the development of affordable housing within the R-3 residential zoning district, which allows for the development of the maximum 20 units per acre. With density bonuses, R-2A and R-3 densities are adequate to facilitate the production of affordable housing. In cases where project density may be constrained by environmental or other factors, the City has allowed developers to cluster dwelling units on the unconstrained portion of a site and/or exceed the height limit to achieve a feasible project density. An example of the City's flexibility in implementing zoning standards is the Glenbrook Apartments, in which the City permitted three-story buildings to achieve a project feasible density as a portion of the site was constrained by slope, power lines, and other factors.

The following are examples of residential projects that include affordable housing units or mixed-use housing developments either approved, under construction, or completed since 2003:

- *Habitat for Humanity (Ivy Street)*, six (6) single-family residential lots, with five (5) affordable units and one market rate, on 0.87 acres. The property is zoned R-3PD (Multiple Family Residential/Planned Development). This project is currently under construction. Use of RDA funds requires units to maintain 30-60% of Median income, Covenants for resale.
- *Whiting Street Project*, sixty-seven (67) single-family residential units, with thirteen (13) affordable units on an 8.5 acre parcel. The property is zoned NC-Flex (Neighborhood Center-Flex). This project is approved but not constructed.
- *Ridge Meadows*, forty-nine (49) single-family residential units, with eight (8) affordable units on 9.21 acres. The property is zoned R-1 (Single Family Residence). This project is approved but not constructed. Units restricted due to allowance of density bonus.
- *Wolf Creek Village*, seventy (70) multi- and single-family residential units, with twelve (12) affordable units on a 7.9-acre parcel. The property is zoned R-3PD (Multiple Family Residential/Planned Development). This project is approved and the thirty (30) senior co-housing units are constructed.

- *Makiah Woods*, fifty-one (51) single-family residential units, with ten (10) affordable units on a 9.25 acre parcel. The property is zoned R-2APD (Medium Density Residence/Planned Development). This project is approved but not constructed.
- *Ridge Village*, forty-nine (49) single-family residential units, with eight (8) affordable units on a 10.63 acre parcel. The property is zoned R-1 (Single Family Residence). This project is approved, but has not been constructed at this time. Units restricted due to allowance of density bonus.
- *Ironhorse II*, sixty-two (62) single-family residential units, with twelve (12) affordable units on a 5.4 acre parcel. The property is zoned R-3PD (Multiple Family Residential/Planned Development). This project is approved but not constructed.
- *Sierra Terrace*, thirty-six (36) multi and single-family residential units, with six (6) affordable units on a 2.29 acre parcel. The property is zoned C-2 (Central Business). This project is approved but not constructed.
- *South Wolf Creek Project*, twenty-four (24) single-family residential units, with four (4) affordable units on a 4.46 acre parcel. The property is zoned R-3PD (Multiple Family Residential/Planned Development). This project is approved but not constructed.
- *The Highlands*, thirty-nine (39) single-family residential units, with eight (8) affordable units on a 4.3 acre parcel. The property is zoned R-2APD (Medium Density Residence/Planned Development). The project is built out. Project conditions of approval require affordable units through City's Affordable Housing Program through deed restriction.
- *Gold Country Village (East Main Street)*, one-hundred and sixty (160) affordable senior apartments and fifteen (15) single-family units on a 14.68 acre parcel. The property is zoned R-3 (Multiple Family Residential) and R-1. This is approved but not constructed. The project was approved as an affordable senior apartment project and the project will receive Tax Credits for construction.
- *Ironhorse I*, fifteen (15) single family residential units, with three (3) affordable units on a 1.71 acre parcel. The property is zoned R-3 (Multiple Family Residential). This project has been constructed. Project conditions of approval require affordable units through City's Affordable Housing Program through deed restriction.
- *Pleasant Street Project*, seven (7) apartment units on a 15,784 square foot parcel. The property is zoned R-3 (Multiple Family Residential). This project is developed.
- *Village of South Auburn*, a mixed-use project consisting of thirty-four (34) duplex units, twenty-three (23) apartments, and over 16,000 square feet of commercial and office space on 10.8 acres. The property is zoned NC-Flex (Neighborhood Center-Flex) and M-1 (Light Industrial). This project is approved but not constructed.
- *Olympia Plaza II*, a mixed-use project consisting of 52,700 square feet of commercial and office space and forty (40) residential apartments on 13.68 acres. The property is zoned C-2 (Central Business). This project is approved but not constructed.

- *Glenbrook Apartments*, fifty-two (52) affordable residential units on 10.83 acres. The property is zoned R-2A (Medium Density Residence). This project has been completed and is currently occupied. HOME, RDA and Tax Credits require affordability.
- *Iris Lane Subdivision*, twelve (12) residential units on 2.63 acres. The property is zoned R-1. No construction to date.
- *Habitat for Humanity (Joyce Drive)*, Sixteen (16) single-family homes on 1.68 acres. The property is zoned NC-Flex. Use of RDA funds require units to maintain 30-60% of Median income, Covenants for resale.
- *Gold Country Village (Bennett Street)*, one-hundred and twenty (120) affordable senior apartments on 5.4 acres. The property is zoned R-3 (Multiple Family Residential) and R-1. This is approved but not constructed. The project was approved as an affordable senior apartment project and the project will receive Tax Credits for construction.

Density Bonus Program

A density bonus program is also available to developers who wish to provide affordable housing to the City's residents. Chapter 17.32 of the Development Code establishes the basic provisions of the density bonus program. This chapter specifies the range of allowed density bonuses allowed based on the number of affordable housing units provided by the developer. It also identifies the number and types of incentives or concessions the City shall grant as part of this program. This chapter also includes sections on the continued availability and resale of affordable housing units. The intent of these sections is to maintain the continued affordability of the housing units.

The program requires an agreement between the developer and the City pursuant to Government Code Section 65915. A developer can initiate a request for a density bonus and incentives through a Use Permit. The City Council, upon a recommendation from the Planning Commission, approves the agreement and the type of incentives. Since 2007, the City has approved three projects with density bonuses (Ridge Meadows and Ridge Village subdivisions, and the Iris Lane subdivision project).

Yards and Setbacks

Table III-5 shows yard and setback requirements established in the Development Code. They vary by zoning district and density of residential development. Front yard setbacks in residential zoning districts are required to be 15 feet with the exception of the RE zone, which requires a larger 50-foot setback. In 2007, the City reduced the front- and rear-yard setback standards in most of the residential zones. The Development Code does not regulate front yard setbacks in commercial zones, except in the O-P and NC-Flex zoning districts, which has 15 and 12-foot front yard setbacks, respectively. Side yard setbacks are five feet within residential zones. Side and rear yard setbacks are generally dependent on adjacent land uses within the non-residential zones.

The previous Housing Element noted the required front yard setback could present a constraint to housing development on sites with odd configurations, such a shallow, but wide property. Since the 2003-2009 Housing Element cycle, the City has taken steps to reduce front and rear yard setbacks in most zoning districts. To protect the residential character of Grass Valley, the Development Code expressly prohibits garages and or parking spaces within

a required setback area. The Code allows the projection of structures such as eaves, cornices, fireplaces, uncovered porches, and stairways into the required yard area. Additionally, the new Development Code created a Minor Variance procedure to allow minor reductions in development standards through a staff approval process.

Lot Size

The previous Zoning Code established a minimum lot size for all residential zones at 10,000 square feet. As demonstrated in Table III-5, the minimum lot sizes in the R-1 and R-2 districts are now 6,000 square feet and 5,000 square feet respectively. Smaller lots of record that do not meet minimum lot area or width requirements may be developed if created before the present zoning standards for lot size were adopted by the City. The City's Planned Development (PD) permit process (see section v below) is available in areas in which smaller lots and other alternative lot configurations are appropriate to mitigate the potential cost constraint posed by the City's minimum lot requirements. The PD permit process allows smaller minimum lot sizes. Additionally, the new Development Code created a Minor Variance procedure to allow minor reductions in development standards through a staff approval process.

Building Coverage

The City imposes reasonable limits on building coverage. In the R-1, R-2 and R-3 zones, structures and pavement may cover 50 percent of the lot. The City increased the lot coverage maximum in the R-1 zone from 35% from the previous code. The City is not aware of constraints created on residential development from past or current lot coverage requirements. It is unlikely that additional building coverage would be necessary to achieve a density of eight to 20 dwelling units per acre, plus a 25 percent density bonus for affordable housing, in the R-2 and R-3 zones. Additionally, the new Development Code created a Minor Variance procedure to allow minor reductions in development standards through a staff approval process.

Building Height

The City's height limits do not constrain a property owner's ability to achieve maximum densities allowed under the City's General Plan because the zoning standards for most of the residential districts allow building heights up to 35 feet, or two stories. Two story buildings are sufficient, in combination with the maximum permitted building coverage, to achieve between 8 and 20 dwelling units per acre, plus density bonuses for affordable housing. When site conditions constrain development on a portion of a lot, the City may provide an exception to the height limit to allow for three-story development, as was the case with the Glenbrook Apartment project.

Occupancy Standards

Grass Valley does not regulate occupancy of residential units or distinguish between related and unrelated individuals as a permitted residential use. Permitted uses in residential zones include single-family, two-family, and multiple families. The City's does not define or limit the amount of persons that can live within a given dwelling unit. Occupancy standards do not constrain the development of housing in Grass Valley.

Cumulative Zoning

All the residential districts allow lower density residential development. This means that property owners within R-2, R2A, and R-3 zones are not required to develop multi-family

housing. While the allowance of single-family residential units on smaller, infill parcels is ideal, it presents a potentially cumulative constraint upon high-density housing development. Since 2003, the City has not experienced any significant examples where this scenario has taken place. Habitat for Humanity developed small single-family lot subdivision on an R-3 zoned property on Ivy Street and 16 small homes off Joyce Drive. All of these units are available for very-low income residents, which meets the goals of the Housing Element.

ii. Parking Standards

Parking Ratios

Off-street parking requirements vary by housing type and the zone in which a property is located. Two spaces per dwelling unit are required within the RE, R-1, and R-2 zones. The NC-Flex, NG-2 and NG-3 zones require one parking space per units. Multi-family housing, generally found in the R-2-A and R-3 zones, requires 1.5 off-street parking spaces for a single bedroom apartment and 2.5 spaces for each 2 bedroom of larger (both of these numbers include guest parking). Required parking for residential care facilities is one space for two units, plus one space for each four units for guests. Parking for senior housing projects is one space for each unit plus one space for each ten units for guests. These parking ratios are reasonable in relation to the likely demand resulting from different residential uses. For most types of housing, these ratios do not act as a constraint to achieving residential densities otherwise permitted by the City's parking standards, except, potentially on some small, infill lots. The City has not received any indication from housing developers that the parking standards create constraints for their projects.

The City modified parking ratios prior to the 2009-2014 last Housing Element update process. Many of the ratios have been reduced, particularly in the form-based districts where the previous standards may have constrained infill development opportunities. Section 17.36.080 provides a process to reduce parking standards with a minor use permit or use permit.

Location of Parking

The City requires all parking be located on the same lot as the main building or structure. A minor use permit may be obtained for off-street parking on a separate lot as long as the lot is within 300 feet of the main building or structure. In addition to the above requirements, adjacent landowners can enter into a reciprocal parking easement, which provides for all of the required off-street parking to be located on one or the other lot.

Parking Improvement Standards

Parking may be uncovered or covered. The carport or garage associated with covered parking is required to compliment the main structure and conform to all applicable building codes. The Development Code includes parking standards for landscaping, parking space dimensions, drive aisle, pavement and drainage, and access. These standards are the minimum necessary to provide safe access and maneuverability. The landscape standards provide for buffering from adjacent land uses that may affect a residential use, and shade requirements to provide heat reduction and additional aesthetic value. Therefore, these standards are not considered a constraint to housing production.

Parking Reductions

Developers may substitute automobile parking with motorcycle parking at a rate of one motorcycle space for each 25 auto spaces. Additionally, eight bicycle parking spaces equate to one auto space. Section 17.36.080 provides a process to reduce parking standards with a minor use permit or use permit.

iii. Housing Types and Shelter Alternatives

Housing Element law specifies that jurisdictions must identify adequate sites through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. This includes single-family housing, multiple family housing, manufactured housing, mobile homes, emergency shelters, and transitional housing, among others.

Secondary Living Units

A secondary living unit (or second unit) is a separate dwelling unit that provides complete, independent living facilities for one or more persons. Grass Valley permits both attached and/or detached secondary living units in all of the residential zoning districts. Most of the non-residential zones allow second units with a use permit. The Development Code includes the development standards for second units. Some of the standards include:

- Detached units must be separated from the main residence by at least ten feet,
- Lots must be a minimum of 8,000 square feet (previous code required 10,000 sq. ft. minimum),
- Second unit cannot exceed 800 square feet or 25% of the floor area of the primary unit,
- Separate kitchen and restroom facilities must be located within the unit, and
- One off-street parking space is required per unit, unless the secondary unit contains more than one bedroom, then two parking spaces are required

The parking requirement for secondary units with two bedrooms could pose a constraint to the development of secondary units with two bedrooms on small lots. In general, the City's parking requirement for a two-bedroom unit does not pose a significant constraint to the development of second units because secondary units are not intended to be a source of family housing. The City does not anticipate that many property owners would propose to construct two-bedroom second units. Additionally, the new Development Code created a Minor Variance procedure to allow minor reductions in development standards through a staff approval process.

Group Care Homes

Grass Valley permits residential care facilities such as convalescent and rest homes (defined in the Development Code as a Medical Services – Extended Care) within all of its residential zoning districts pending the issuance of a use permit. These facilities are also allowable uses, subject to use permit requirements, within most of the non-residential zones. The Development Code defines a residential care use as a single dwelling or multi-unit facility that provides 24-hour non-medical care of unrelated persons. Residential care facilities for six or fewer persons are permitted within all the residential zones, and in most of the non-residential zones. Residential care facilities for seven or more persons are allowed within all of the residential zoning districts and most of the non-residential zones, subject to compliance with a

use permit. The City permits day care centers for adults or children in the T-C, OP, and C-3 zoning districts, and allows with a use permit in most of residential and other non-residential zones.

The City permits accessory uses such as wheelchair ramps within all residential zones as incidental structures related to the residence. Building procedures within the City are also required to conform to the California Building Code, as adopted by Title 15 of the City's municipal code. Standards within the Code include provisions to ensure accessibility for persons with disabilities.

Elder Care Facilities, Group Homes, and Other Group Care Housing

Grass Valley permits elder care facilities, defined by the Development Code as a Residential Care use, with six or fewer persons in all the residential zones. For facilities with seven or more persons, the use is subject to a use permit in the residential zones, with the exception in the NG-2 and NG-3 zones, which require a minor use permit. Most of the non-residential zones also allow these uses by either a permitted use or use subject to a use permit. Specific residential care housing also includes assisted living facilities, independent living centers/senior apartments, and life care facilities in the definition.

Mobile Homes/Factory-Built Housing and Mobile Home Parks

The City's Development Code classifies mobile homes/factory-built housing as a single-family dwelling. Therefore, all the residential zones allow for this type of housing. The Development Code includes design and development standards for exterior materials, roof design and materials, foundations, and landscaping to assure visual compatibility with the neighborhood.

Grass Valley's Development Code includes a Mobile Home and Mobile Home Park Combining District (MH). The City uses combining zones in conjunction with base zones to address special concerns and afford special protections not otherwise applicable to the base district. The MH district allows for the development of mobile home parks within the R-1, R-2., R-2A, and R-3 zoning districts, subject to approval of a use permit. Density of mobile home parks are determined by the base-zoning district. Development standards include a fifteen-foot building setback from the exterior property lines and a twenty-foot setback from any right-of-way adjoining the park. These perimeter setbacks must be landscaped and maintained. The standards also include two covered parking spaces per home, plus one guest space for each four units, one RV parking space for each five units. Utilities must be placed underground and each home is required to have one 75 cubic foot storage cabinet. Additional standards include compliance with the City's landscaping standards and the provision of skirting along the mobile homes.

Emergency Shelters

An emergency shelter is a facility that provides shelter to families and/or individuals on a short-term basis. The City allows emergency shelters as of right in the C-3 district and by use permit in the C-2 and M-1 districts. Up until 2013, Hospitality House ran a seasonal emergency shelter program for the homeless in coordination with local churches. The program's "Welcome Center" is in Grass Valley and used as the check-in center for homeless individuals. Each evening, a bus transports the guests to a local host church where they are provided with food and overnight accommodations. The following morning buses transport guests back to the Welcome Center and if needed provided with additional services. As part

of the approval process for the Welcome Center, the City determined the overnight accommodations for the homeless in the local churches was an accessory use, and therefore permitted by right.

In 2010, the City approved an emergency shelter for Hospitality House within an existing building on Golden Gate Terrace. However, this facility did not open as Hospitality House found a new site on Sutton Way, which the City approved in 2011. In 2014, "Utah's Place" opened on Sutton Way and included 54 beds. As it pertains to available capacity to accommodate additional emergency shelters, there are several vacant lots as noted in the site inventory and underutilized lots (e.g. 690 Whiting Street) in the C-3 zone. Additionally, there are vacant buildings in the C-3 zone (800 and 821 South Auburn Street), which could accommodate an emergency shelter. There are also over twenty vacant lots and many vacant buildings in the C-2 and M-1 zones. Based on the City's coordination efforts with Hospitality House, there appears to be adequate capacity in the City to accommodate an emergency shelter.

Transitional and Supportive Housing

Transitional housing provides shelter for people who are trying to establish residence in a permanent home. The Development Code was amended in 2009 to show specifically which zones allowed transitional and supportive housing (See Tables II-4 and III-5).

Rooming or Boarding Houses

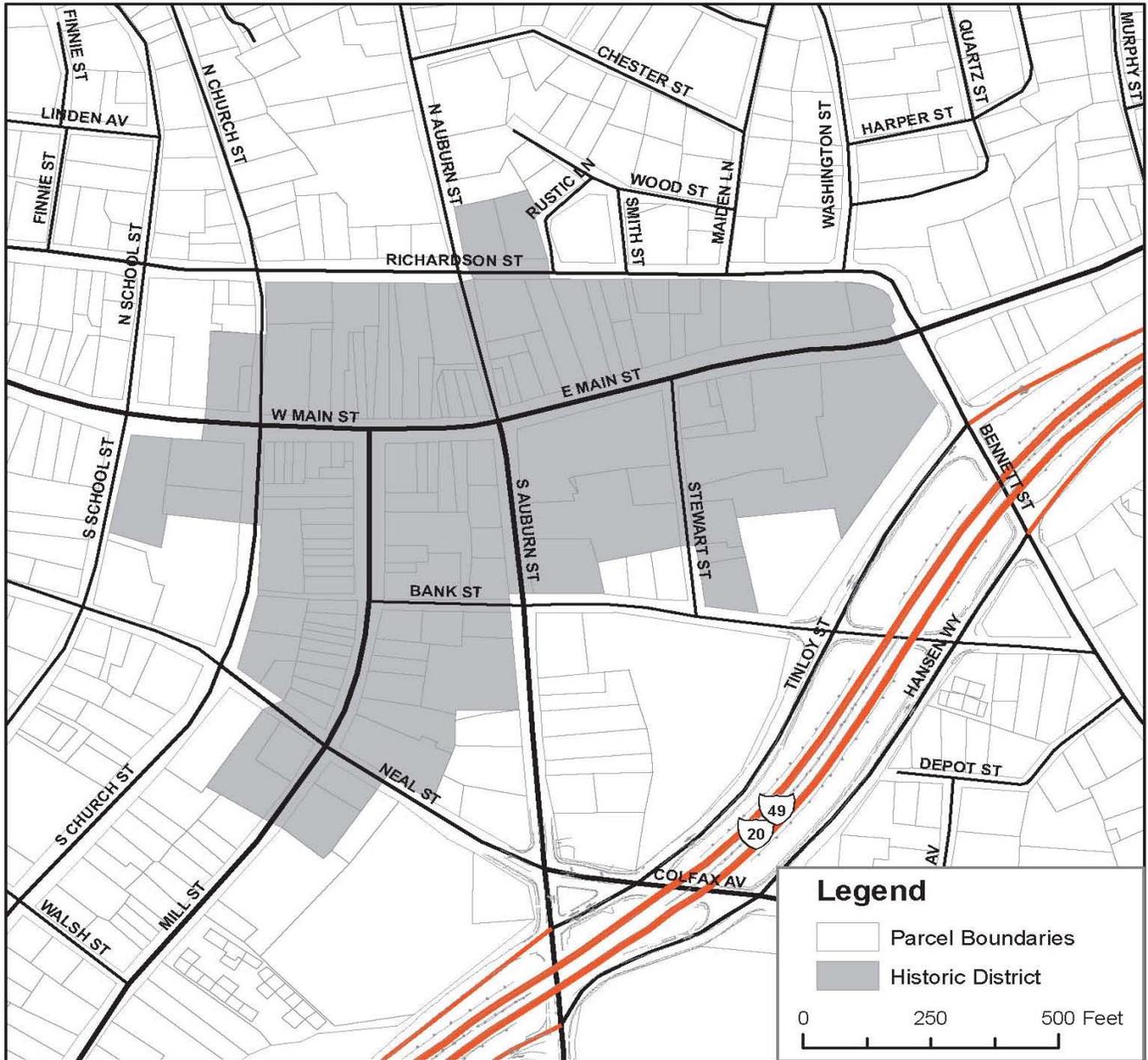
Grass Valley defines rooming or boarding houses as a dwelling where lodging is furnished for compensation to five or more persons living independently from each other. These uses are allowed with a use permit in the R-1, R-2, and R-2A, and with a minor use permit in the R-3 zone. The OP, C-1, C-2 and C-3 zones also allow the use with approval of a use permit.

Historical District

Figure III-4 shows the City's Historical Combining District (H). The City uses combining zones in conjunction with base zones to address special concerns and afford special protections not otherwise applicable to the base district. The area primarily applies to the City's historic commercial core. The City did expand the boundaries of the H district in 2007, but there are less than six primary residential units in this district. The purpose of the H district is to identify important cultural resource sites and structures and apply careful review to proposed changes.

New development, or the alteration or modification to existing structures, within this combining zone is subject to review by the City's Development Review Committee. In addition to the regular requirements of development review that are discussed later on in this document, the Committee considers all specifications for exterior improvements including building material, paint color, relationship of the development to nearby buildings, the general character of the Historical District, and the proposed development's conformity with design standards established for the Historical District. This level of review is limited to only those properties within identified Historical District zoning. Given the boundaries of the area to which this Zoning District applies, predominately commercial properties, and that review is focused solely on exterior improvements, development of residential uses are not significantly constrained in this area.

**Figure III-4
Historic District**



iv. Allowances for Persons with Disabilities

The City conducted a comprehensive review of its policies and regulations as part of the Housing Element update. The purpose was to determine whether zoning standards, permit processes, or other governmental regulations create significant constraints to reasonable accommodations for persons with disabilities. The City has noted the results of its analysis in this Chapter through the description of zoning, building, and other code standards. This review was part of the broader analysis of zoning standards and permit processes conducted for, and described in, this Housing Element. In addition, the City adopted the 2013 California

Building Standards Code, which addresses minimum standards for persons with disabilities. Furthermore, the City complies with Fair Housing Law.

Grass Valley's Development Code permits various projections into yards and setbacks. While the Code does not specifically identify facilities for access by persons with disabilities, structures such as ramps or lifts for handicapped accessibility are similar to those permitted projections and therefore allowed. The City approves such requests administratively unless the nature of the request triggers a variance or minor variance, which is unlikely. The City also permits accessory uses and structures that are a part of, or incidental to, the primary use on the property. If it were part of a residence, this would include any necessary structures that provide reasonable accommodations for persons with disabilities. As part of the revision of the City's Development Code, the City added definitions for residential care facilities and residential accessory uses or structures. Group homes for disabled persons can locate in all residential zones and most non-residential zones. The City's Development Code does not contain any siting or separation requirements for residential care facilities.

Grass Valley's parking standards include the provision that handicapped parking is required in accordance with State requirements and any other applicable standards.

As described above, Grass Valley provides a wide range of options for the location of elder care facilities, group homes, and institutional care facilities. The City permits residential care facilities and specified group care facilities in all residential zones, and within most of the non-residential zones. Finally, the City included FREED in all correspondences related to this update. FREED is actively involved in identifying constraints related to persons with disabilities. This organization has not noted any issues with the City's ordinances or policies, which create constraints on housing for persons with disabilities.

v. *Flexibility in Development Standards*

Grass Valley's Development Code includes two other approaches that allow for development of all land use types and flexibility in development standards. These are the Planned Development Permit and Specific Plans.

Planned Development Permits

A Planned Development (PD) consists of a process that allows flexibility in the development of a property. The intent is to address unique property circumstances and allow innovative site planning. Property owners can use this tool to respond to site features, adjoining properties and environmental impacts. It allows the property owner to cluster residential development to avoid identified on-site issues while maintaining the same residential density. The Planning Commission is the reviewing authority for all PD applications. The previous Zoning Ordinance included a Planned Unit Development (PUD) process, which required a rezone. The new PD process removes a potential constraint by eliminating the need to rezone a parcel.

Specific Plan Zoning

The Specific Plan (SP) zoning provides for the preparation, adoption, and administration of specific plans as a means of systematically implementing the General Plan. Specific plans include land use designations, residential density standards, and design guidelines that direct development throughout the identified specific plan area. Development standards in a specific

plan are not subject underlying zoning requirements but to the requirements of the adopted specific plan. State law establishes the basic requirements of a specific plan.

vi. *Nonconforming Uses, Structures, and Parcels*

Grass Valley's Development Code now includes specific regulations to address nonconforming uses, structures and parcels. These regulations allow residential property owners to continue non-conforming residential uses and to make needed repairs or alterations to maintain the nonconforming uses if they existed prior to the implementation of the current zoning standards. If the non-conforming use discontinues for a period of 12 months or more, all rights to legal nonconforming status shall terminate. However, the Code now allows the City to grant 12-month extension with a Minor Use Permit if the City finds there are unusual circumstances that may prevent the timely reestablishment of the use.

The code specifically allows normal repairs or maintenance and minor expansions, including modifications needed for accessibility by persons with disabilities. Any substantial change to a nonconforming structure or use is subject to the Minor Use Permit process. Modifications to buildings or construction of structures, such as access ramps for accessibility by persons with disabilities, are not considered by the City to be an increase in nonconformity or the creation of a new nonconformity.

vii. *Exceptions and Variances*

Grass Valley's Development Code allows for the issuance of variances or minor variances for properties subject to special conditions related to size, topography, location, or surroundings. State law notes variances may be granted only when, because special circumstances apply to a property, that the strict application of the zoning may deprive a property owner from enjoying the same privileges as surrounding properties within the same zone. In 2007, the City added a provision in the Development Code to allow for a Minor Use Permit process. This process allows the City to expedite minor modifications to a development standard. This provision allows staff to approve a 10 to 15% deviation from the standards.

viii. *Other Zoning Issues*

The City allows several non-residential uses in all of its residential zoning districts, subject to the requirements of a use permit. The Development Code allows meeting facilities, public facilities, parks and recreation uses, and schools within residential zones. The development of non-residential uses within residential zoning district could constrain the City's ability to accommodate its low- and moderate-income housing needs. However, these uses are common in residential areas and generally considered as critical components of a sustainable neighborhood. Furthermore, the City has not experienced this to be an actual issue over the past nine years, particularly prior to 2007, when the previous zoning ordinance allowed for a greater range of non-residential uses.

D. *Site Improvement Standards*

Site improvements, such as streets and utilities, are necessary to serve new development. The City regulates improvement requirements through the subdivision or site development process. The City can mitigate the cost of these improvement requirements by assisting affordable housing developers in obtaining state and federal financing for their projects,

providing density bonuses, and deferring or reducing development impact fees in exchange for long-term affordability of the assisted housing units.

i. Street Improvements

Of all improvement standards, street improvement standards typically have the greatest impact on housing costs. The cost of providing streets for new residential developments, in turn, is primarily influenced by the required right-of-way width, pavement width, pavement improvement, and landscaping standards. Grass Valley’s street improvements requirements are shown in Table III-6.

The City’s Circulation Element identifies three types of streets, of varying widths and levels of service. Grass Valley’s arterial streets typically have a right-of-way of 72 to 82 feet and provide service to large traffic volumes within two and sometimes four lane configurations. Collector streets serve a smaller traffic volume, within a two-lane configuration, and a right-of-way of 48, 54 or 84 feet. Local streets function as neighborhood roads, providing direct access to lots that are adjacent to the paved section of road. These roads have a typical right-of-way of 40 or 50 feet and a pavement width of 35 feet, curb to curb. The pavement width required by the City is the generally accepted minimum necessary to provide for one lane of vehicular traffic in each direction and on-street parking on each side. Since 2003, several developers utilized the City’s PD process to provide narrower rights-of-way and/or pavement widths.

**Table III-6
Grass Valley’s Street Standards**

Street Type	Required Right-of-Way	Required Pavement Width
Arterial Streets	72-84 feet	67 feet
Collector Streets	48-84 feet	43-57 feet
Local Streets	40-50 feet	35 feet

Source: City of Grass Valley, 2009

Required street improvements include curbs, gutters, and sidewalks of at least five feet in width. The minimum sidewalk improvement standard is consistent with accessibility requirements for persons with disabilities and is not excessive in light of the need for ensuring minimum pedestrian access in residential areas.

ii. Drainage Requirements

Grass Valley requires developers to construct all on-site storm drainage facilities including underground storm drain pipelines, catch basins, detention basins, and other facilities. The City also requires developers to pay their pro-rata share of the cost of area-wide drainage facilities through the collection of a drainage impact fee (see Table III-6).

iii. Sanitary Sewer

The City requires developers to install sanitary sewer lines that connect to the City’s sewer system, except when a property is too far from an existing sewer main. Under such circumstances, septic systems and leach lines are allowed when conditions related to lot size and underlying geology are met. Developers providing supplemental improvements

(oversized) connections to the City's sewer system provided by initial developers that result in excess capacity are eligible for reimbursement by subsequent developers.

iv. Water Lines

Developers are required to install water lines that connect to either the City's water system or the Nevada Irrigation District's water system, unless site conditions and the proposed project permit the use of a private well. Although the City's water system is sufficient to serve the projected buildout of Grass Valley, in some locations, requiring connections to the City's water system may result in an undue burden to development. The costs of supplemental (oversized) improvements that result in excess capacity provided by initial developers are reimbursable by subsequent developers.

E. Permit and Impact Fees

Requiring developers to construct on-site improvements and/or pay pro rata shares toward the provision of infrastructure, public services, and school facilities will increase the cost of developing homes. This is generally reflected in the price or rent that consumers must pay for housing. However, payment of fees is necessary to maintain an adequate level of services and facilities, and more importantly, to protect public health and safety.

Grass Valley allows residential additions less than or equal to 500 square feet, without payment of impact fees. However, the City prorates residential additions over 500 square feet up to the total per unit shown in Table III-7, based on a 1,400 square foot equivalent dwelling unit size.

Fees levied upon development by the City of Grass Valley include impact fees, review fees, and a regional transit fee. These fees represent approximately eight percent of the total cost of building one dwelling unit in the City.

**Table III-7
Planning and Development Fees**

Single Family Home	Fee
Tentative Map (4 or fewer lots)	\$2,738
Development Impact Fees (Drainage, Fire, Police, Admin, Parks and Rec)	\$4,314/dwelling unit
Regional Traffic Mitigation Fee/Grass Valley Transportation Impact Fee	\$4,201/Unit + \$2,339/Unit Total = \$6,611.
Development Review Committee (DRC)	Not Applicable
Multiple Family Residential	Fee
Development Review Committee (DRC)	\$1,418 for under 10,000 sq. ft. \$2,566 for over 10,000 sq. ft.
Development Impact Fees (Drainage, Fire, Police, Admin, Parks and Rec)	\$3,205/dwelling unit
Regional Traffic Mitigation Fee/Grass Valley Transportation Impact Fee	\$2,950/ Unit + \$1,560/Unit Total = \$4,557
Other Potential Development Fees	
Annexation Application	\$6,151 (deposit based)
Development Agreements	\$14,503 (Deposit based)
General Plan Amendments	\$5,786
Planned Developments	\$6,319 plus \$104 per dwelling unit
Specific Plan	\$13,315
Initial Study	\$1,34
School Impact Fee	\$2.97/ sq. ft. for Residential

Source: City of Grass Valley, 2014

F. Development Permit Procedures

i. Project Approval Timeframes

Development review and permit processing are necessary steps to ensure that residential construction proceeds in an orderly manner. However, the time and cost of permit processing and review can be a constraint to housing development if they place an undue burden on the developer. The permitting and review process for residential projects in Grass Valley can include conceptual development review and final development review. This process provides the opportunity for review and correction of the application by planning staff, the Development Review Committee, and other appropriate City agencies. The time necessary to complete the review process is generally dependent on several factors, including the complexity of the proposed project, the various land use applications required, and the environmental review process. For projects with multiple components and/or applications, the City reviews them concurrently to reduce permit processing time.

Projects that are exempt from the review process take very little time for approval and generally just need to obtain building permits. Small, in-fill projects that are generally less complex than large developments take a shorter time to approve, about 2-4 months. Residential development within the current city limits not creating substantial environmental impacts also experience a shorter review time. Some projects the City approved in a timely manner have experienced significant delays in starting construction because of the need to obtain permits from state agencies for site cleanup. Larger residential subdivisions, which typically have several components, may require the preparation of an environmental impact

report and can take 12 to 18 months to approve. The City’s General Plan provides guidelines for development and provides applicants with current information regarding environmental, infrastructure, air quality, and circulation conditions in the City. This information can help reduce the time needed to conduct environmental studies for development proposals.

Table III-8 provides examples of the typical time from submittal of a complete application to final planning approvals. This is based on several residential developments approved by the City since the last Housing Element update. These projects represent the typical range of zoning, subdivision, development review, public works, and other approvals necessary for projects within Grass Valley.

**Table III-8
Development Approval Timeframes**

Development Permit / Review Process	Time Frame*
Development Plan Review (Administrative/DRC)	1-2 months
Development Review (by Planning Commission)	2-6 months
Use Permit	2-3 months
Tentative Subdivision Map	3-5 months
Zone Change and GP Amendment	4-9 months
Project with Environmental Review (EIR)	12 -18 months
Appeal of DRC to Planning Commission	1 month
Appeal of Planning Commission to City Council	1 month

Source: City of Grass Valley, 2014

* Dependent on the level of environmental review required by the California Environmental Quality Act.

Given the environmental issues and review that apply to most undeveloped areas in Grass Valley, the City believes that three to six months for small projects and 12 to 18 months for large projects are reasonable timeframes to assure compliance with local, state and federal environmental standards. The City can reduce these timeframes when working closely with applicants during the pre-application stage to identify and mitigate potential regulatory and environmental issues. The City strongly encourages, and many applicant’s request, pre-application meetings on all larger projects.

The City estimates that the development review process for a smaller residential project takes approximately two months for approval. If the Planning Commission is the decision-making authority, it can add another one or two months to the process. If a project is subject to review by the Development Review Committee, Planning Commission, and City Council, as well as being subject to environmental review, it may require eight to 12 months to receive all City entitlements. This process can affect the development of affordable housing by increasing the amount of time to get project approvals, which in turn can increase the cost of providing affordable housing. The City could reduce the costs associated with the permit processing time by “fast tracking” affordable housing proposals—prioritizing the processing of affordable housing projects and assigning a staff person to shepherd such projects through required development reviews. In 2012, the City utilized fast-tracking for the Gold Country Village project.

ii. Development Review Procedures

The City of Grass Valley reviews and approves residential development in one of three ways: 1) Building Permits, 2) Development Review Permits, or 3) Subdivisions. The residential project may be associated with other applications (e.g. General Plan Amendment, Rezone,

Planned Development Permit), but the following three procedures represent the primary entitlements:

Building Permits

A building permit is a ministerial action taken by the City. It is the final review step prior to construction. Planning staff reviews a building permit to ensure compatibility with the City's development standards, or previously approved plans related to a specific project. If the plans comply with the City's standards and previously approved plans, planning staff signs a plan check routing sheet before the Building Department issues a building permit. In some cases, an applicant requests minor changes to a previously approved project as part of the building permit process. Staff has authority to approve minor changes; so unless a requested change is significant, staff approves these changes administratively. As it relates to residential development, a building permit is the only required permit needed for a single-family home. The City does not require any discretionary review process for single-family homes on legal lots. As noted below, all other residential development must receive some form of design review approval prior to submitting for building permits.

Development Review Permits

The intent of the City's development review process is to promote a visually attractive community. It is to ensure each building is compatible and harmonious with surrounding properties and to achieve the goals and policies of the General Plan. The City focuses on the building design and site plan issues as part of this permit. It is not intended to address residential density issues nor is it used to apply more restrictive development standards, such as those related to permitted height, required parking, yard and setback requirements, permitted density, and building coverage. As it pertains to residential development, development review applies to all multi-family residential projects and any mixed-use projects. The Development Review Committee (DRC) is the review authority for duplexes or multi-family units with less than four units. For five or more units, the final review authority is the Planning Commission. If the residential project includes a legislative action (General Plan Amendment, Rezone), the City Council is the review authority. As noted above, the development review process does not apply to single-family homes.

Conceptual Development Review is an optional stage of the review process during which an applicant can obtain the City's general reaction to the design concept of the proposed project. This step does not include a formal decision regarding the subject project; however, the City encourages this for projects that may not conform to Grass Valley's design standards or for larger, more complex projects. This affords the applicant with an opportunity to obtain the City's general reaction and decide whether to proceed through the remainder of the development review process with the current proposal or submit modifications. The DRC provides the applicant with specific comments regarding the building design, site plan, and other aspects of the project, prior to final development review. Projects are reviewed in light of building and construction standards, onsite and offsite improvement requirements, and compatibility with developed property near the proposed project and Grass Valley as a whole. The City has found this process to be beneficial since it allows an applicant to address potentially significant issues prior to a formal application. This stage of the process may result in a slightly longer process, but it can also reduce the potential for costly project modifications at later stages in project review. To promote this step, the City schedules all Conceptual Development Review applications for a DRC meeting within three weeks of receipt of an

application. Because the Conceptual Development Review process is optional, it is not considered a constraint to housing development.

Final Development Review constitutes a review by the final decision making authority, the Development Review Committee, Planning Commission, or City Council, depending on the size and type of the project. If the review authority is the Planning Commission or City Council, the City requires a public hearing prior to the final decision. No hearings are required for DRC actions.

The City also has adopted Community Design Guidelines, which apply to multi-family residential development, residential development in the downtown area, and other special areas within the city limits. Multi-family projects are required to comply with design guidelines that include site planning, building placement, grading and hillside development standards, retaining wall height and construction materials, landscaping, and fencing and screening standards that consider adjacent land uses, security, and privacy issues. Design guidelines also establish architectural standards that address building form, roofs, and building materials which include stone, brick, block, wood, and other various standard materials. Multi-family projects are also required to provide sufficient pedestrian access and a safe internal circulation system. Design guidelines established for residential development in the downtown residential area and other special areas focus on the existing community of historical structures and further developing the existing character of the community. Historic street widths are retained and architectural details consistent with the historic community are required for new development. Since the intent of the development review process is to address design and site planning, it has not been identified as a constraint to housing development.

Subdivisions

This review process applies to all residential land divisions within the City. Article 8 of the City's Development Code includes the standards and process for subdivisions. It is based primarily on the state Subdivision Map Act. As it relates to residential development, the regulations apply to all land divisions that create lots for single-family homes and lots, or condominiums, for multi-family development. As part of the review process for subdivisions, the City reviews applications for compliance with lot size and shape standards, infrastructure requirements, and the general layout of the subdivision. If the project complies with the subdivision standards and General Plan density, the project can proceed through the approval process. As noted previously, an applicant can request a Planned Development Permit to address site constraints that may affect lot sizes and shapes or other requirements.

iii. Use Permits

Article 7 of the Grass Valley Development Code regulates issuance of use permits and minor use permits. The City has an application process and set of standards for projects requiring use permits. Some residential projects that are subject to the requirements of a use permit include residential care with seven or more persons, boarding homes, day care centers, and transitional housing. Staff approves minor use permits after a public notice of intent to approve a project. The Planning Commission approves use permits, which may be revocable, conditional, or valid for a specified period. The Planning Commission holds a public hearing prior to making a decision on a use permit application. The criteria for approving use permits are non-specific and require the finding that the proposed use will not be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in

the neighborhood of such proposed use or be detrimental or injurious to property and improvements in the neighborhood or general welfare of the City.

The City's use permit process does not specify the conditions under which a particular use may be permitted. Generally, conditions imposed on developments relate to compliance with zoning standards, hours of operation, creation of noise or other off-site impacts, site access, signage, transportation of clients, and other off-site issues. These standards do not generally impose significant barriers to the production of affordable or special needs housing.

iv. Process for Requesting Reasonable Accommodations

The City's process for providing reasonable accommodations allows individuals, or their representatives, to make requests for reasonable accommodations for persons with disabilities as part of the permit process. No additional permits are required or additional fees charged by the City. Requests for reasonable accommodations to meet the needs of persons with disabilities are generally approved administratively, and a use permit is not required. An exception would be a use (in contrast to an accessory structure or appurtenance) that requires a discretionary (use) permit, such as a residential care facility of seven or more persons. City staff is available to provide assistance regarding the processing of requests for the construction of accessory structures. Information regarding the approval of these structures is included within all public notices and agendas, as applicable.

G. Building Code and Enforcement

The City implements Title 24 of the California Code of Regulations, in which California has adopted the California Building Standards Code and other model codes (electrical, plumbing, mechanical, etc.), with revisions. Although building standards and the time required for inspections increase housing production costs and may impact the viability of rehabilitation of older properties that are required to be brought up to current code standards, the intent of the codes is to provide structurally sound, safe, and energy-efficient housing. The Grass Valley Building Department is responsible for enforcing both state and city regulations governing maintenance of all buildings and property. Most code enforcement complaints relate to the need for housing rehabilitation. The City provides property owners subject to code enforcement complaints regarding housing conditions with information regarding the City's Residential Rehabilitation Loan Program.

Property owners are allowed sufficient latitude in making interior modifications to buildings to increase their accessibility and utility for persons with disabilities. Provisions during development review are also made in order to allow exterior improvements to increase accessibility of a structure for persons with disabilities.

H. Environmental, Infrastructure, and Public Service Constraints

Environmental factors and a lack of necessary infrastructure or public services can constrain residential development in a community by increasing costs and reducing the amount of land suitable for housing construction. This chapter summarizes and analyzes the most pertinent constraints to housing in Grass Valley. Future residential development will be faced with challenges regarding supportive public infrastructure extensions and expansions.

i. Water Service

Both the City and Nevada Irrigation District provide treated water to city residents. The City projects the local water supply to support build out under the Grass Valley General Plan and to accommodate the City's regional housing needs through 2019. The storage and distribution of potable water suffers from inefficiency due to the age of most of the City's storage and distribution facilities. The system was first constructed in the late 19th century. It is in need of significant repair and replacement of older water lines to maintain and enhance existing levels of water service and to accommodate the increased water service needs of new development. The City administers a Capital Improvement Program (CIP), funded through the payment of water bills, for its water service facilities. The CIP identifies required projects, target year of completion, and the estimated costs of improvements. Each budget year the City allocates funds for annual water system improvements and allocates additional funds for specific projects as needed. Other than the CIP, the costs of necessary water system improvements are passed on to developers, on an as needed basis, creating an additional financial constraint to the development of housing.

Grass Valley maintains the policy to extend water distribution facilities to new development and newly annexed areas when the extension is feasible and cost effective. However, the physical arrangements for water service for future developments are currently uncertain. For example, all of the SDAs will require the developers pay for the necessary extensions required to serve the properties. In some cases, the requirement to pay for extensive water line extensions could result in a cost constraint upon the development of housing. Topographical conditions also present a constraint upon the expansion of the City's water service system due to the added cost of pump stations and other distribution facilities required in some parts of the City.

ii. Sewer Service

Grass Valley currently operates a wastewater treatment plant that provides a capacity of 2.78 million gallons per day (MGD), or approximately 21,000 people. Properties identified in Table III-1 have access to the City's sewer system but the property owners need to pay their pro-rata share of the cost of extending collection lines through the sewer impact fee charged by the City.

iii. Storm Drain

Grass Valley presently administers a variety of regulations designed to prevent flooding and address stormwater management. These include a flood ordinance, various provisions of the zoning and subdivision ordinance, and construction codes for residential developments. Grass Valley's Capital Improvement Program (CIP) contains a local stormwater drainage program and a regional stormwater drainage program, which is funded through the drainage impact fee identified in Table III-6.

Grass Valley will need to expand the existing storm drain system and construct new systems to accommodate development within the City. Specifically, the Special Development Areas, such as Loma Rica Ranch, North Star, and Kenny Ranch, include lands that are subject to flooding during a 100-year storm event. This will require new or expanded storm water storage and drainage facilities to provide proper flood protection. The developers of those properties are responsible for the cost of facilities needed to serve individual developments.

iv. Biological Resources

Grass Valley is located within the transition zone between the lower foothill elevations and the higher Sierra Nevada Mountains. This results in a greater variety of species of plants and animals within and around the City. The City also contains various locally important natural communities, including vernal pools, riparian corridors, creeks, tributaries, and specially adapted plant communities related to the presence of serpentine and gabbro geologic resources. Both state and federal legislation regulates and protects these resources through the United States Fish and Wildlife Service and/or the California Department of Fish and Game. Although the City does not have control over these regulations, residential development in areas not previously disturbed by urban development, may be constrained by the presence of biological resources.

The City has addressed this constraint in its General Plan policies and implementation. Based on past biological resource surveys conducted by the City or developers, the City does not anticipate biological resources will affect the development of medium or high-density housing. The City's PD and specific plan process has been, and can be, used to mitigate biological resource constraints. On sites that may contain biological resources, ultimately controlled by state or federal regulations, the City allows development to occur on the non-constrained portion of a property to allow the same residential density and number of units. Some specific examples of approved projects that used this technique include the Village at South Auburn and South Wolf Creek Village. In some cases, off-site mitigation is acceptable and used to allow the full development of a property.

The Development Code includes a chapter on creek and riparian resource protection. This chapter establishes watercourse setback standards (from 30 to 100 feet based on the average depth of a lot) on properties adjacent to specific watercourses in the City. This regulation could affect the ability to provide affordable housing. However, the chapter also includes provisions to reduce the setbacks if the project incorporates resource management steps. Such steps include restoration of riparian habitat, removal of non-native vegetation, decompaction of soils, and other measures to filter and improve water runoff.

v. Geology

Serpentine rock found within the Sierra foothills contains asbestos, from less than one percent up to approximately 25 percent. Serpentine rock releases asbestos when it is crushed or broken. Grass Valley is located within the proximity of substantial serpentine deposits. This can result in a constraint for construction activities and road surfacing activities. The City has addressed this potential constraint in cooperation with the Northern Sierra Air Quality Control District through the implementation of standard construction practices that minimize the creation of dust that could create airborne asbestos particles.

Topography issues can constrain development given the City's location in the foothills of the Sierra Nevada Mountains. Some land within the City limits is considered unbuildable and is therefore, required to be preserved in its natural state. The City has addressed this potential constraint by identifying land for medium and high-density housing that has fewer topographic constraints and permitting the "transfer" of housing units within a property onto a less sloped portion of a site. The City's PD, specific plan, and variance processes are tools available to focus development on the less sloped portions of a property. The General Plan also includes land use policies allowing for the maximization of the developable portions of residentially designated property while avoiding slope and other environmental resources constraints.

2. Non-Governmental Constraints

A. Availability of Financing

Availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions must disclose information on the disposition of loan applications by the income, gender, and race/ethnicity of the applicants. This applies to all loan applications for home purchases and improvements, whether financed at market rate or with government assistance.

i. Home Purchase and Improvement Loans

In 2012, 844 households in Grass Valley applied for conventional loans to purchase homes in the City. Actual loan origination occurred in approximately half, 426, of those applications. Of these, 257 loans were approved, 245 for home purchase and 12 for home improvements. As shown in Tables III 9 and III 10, a majority of the loans occurred with those applicants that had AMI of 80 % or greater.

**Table III-9
2012 HMDA Reportable Applications by Action**

Applicant Income	HMDA Reportable Applications						
	Total	Loan Origination	Denied	Approved Not Accepted	Withdrawn	Closed Incomplete	Loans Purchased
Lower (<50% AMI)	61	38	9	5	1	3	5
Moderate (50%-80% AMI)	160	76	30	7	16	6	25
Above Moderate (>80% AMI)	564	291	102	34	57	27	53
NA ¹	59	21	7	1	3	38	25
Total	844	426	148	47	77	2	108

Source: Home Mortgage Disclosure Act data,

¹Loan applicants who chose not to disclose their income

**Table III-10
Disposition of Home Loans by Purpose**

Applicant Income	Home Purchase	Home Improvement
Lower (<50% AMI)	15	2
Moderate 50%-80% AMI)	54	2
Above Moderate (>80% AMI)	162	2
NA ¹	14	1
Total	245	12

Source: Home Mortgage Disclosure Act data

¹Loan applicants who chose not to disclose their income

To address potential private market lending constraints and expand homeownership and home improvement opportunities, Grass Valley offers and/or participates in a variety of home buyer and rehabilitation assistance programs. Such programs assist lower- and moderate-income residents by increasing access to favorable loan terms to purchase or improve their homes. The Housing Strategy chapter of this Housing Element contains detailed information on the available programs.

iii. Home Loan Interest Rates

The cost of borrowing money to buy a home is another factor affecting the cost of housing and overall housing affordability. The higher the interest rate and other financing costs charged for borrowing money to purchase a home, the higher the total cost of the home and the higher the household income required to pay that cost.

The effect of financing costs on housing costs is demonstrated by showing how monthly mortgage payments (principal and interest) on a 30-year \$270,000 loan, increase with higher interest rates. The household income required to make those payments also increases with higher interest rates. Table III-11 provides an example of the impact of financing costs on housing cost.

**Table III-11
Required Income for Mortgage of \$270,000¹**

Interest Rate	Required Monthly Mortgage Payment²	Required Household Income³
4%	\$1,289	\$51,561
5%	\$1,449	\$57,977
6%	\$1,618	\$64,752
7%	\$1,796	\$71,852

¹ 2008, Grass Valley Median Home Price \$300,000 with 10% down
² Assumes 30 % of income is spent on housing and 70% of housing expenditures are for mortgage payment
³ 30% Principal and Interest only

As shown in Table III-11, monthly payments increase by about \$127 for every one-point increase in interest rates, in the range of four percent to seven percent. As monthly payments increase, the income required to cover those payments also increases from about \$51,561 to \$71,852 (assuming 30 percent of income allocated for housing P & I only). If, instead, household income were held constant, the share of income spent on housing would have to increase from 30 percent to 45 percent, as the interest rate increases from four percent to seven percent.

From the perspective of a buyer with a given household income, the higher the financing costs, the lower the mortgage amount that the household income can support and, thus, the lower the housing price that the household can afford. The effect of financing costs on housing affordability can be demonstrated by showing how the mortgage amount (and housing price) that a household can afford based on its household income declines with higher interest rates. Table III-12 shows the effect that interests have on the amount for which a household can qualify, assuming a median income of \$69,000 for a household of four persons.

Table III-12
Effect of Interest Rates on Qualifying Loan Amount
(Assuming 2013 Area Median Income of \$69,000 for a Four-Person Household)

Affordable Monthly Mortgage Payment¹	Interest Rate	Maximum Qualifying Loan Amount
\$1,609	4%	\$240,300
\$1,609	5%	\$220,500
\$1,609	6%	\$202,500
\$1,609	7%	\$187,200

¹ Assumes 28 % of monthly income for monthly payment of principle, interest, taxes, and insurance. Assumes no other outstanding dept.

The mortgage amount that a household with income at the current median level for Nevada County can afford declines from \$240,300 to \$187,200 as the interest rate increases from four percent to seven percent. That change makes a substantial difference in the price of housing that the household can afford to buy. It also increases the amount of public subsidy required to provide affordable homeownership opportunities to median-income households.

Currently, and in recent years, interest rates have been at relatively low levels. Nevertheless, financing costs are still significant, and many households have difficulty purchasing a home. To address these costs, Grass Valley has a first-time homebuyer program. The Grass Valley Down Payment Assistance Program provides deferred interest loans of up to \$75,000 to income qualified, first time home buyers.

B. Land Costs

A key factor determining housing cost is the price of raw land and any necessary improvements. A review of property listings for land in Grass Valley indicates that the cost of residential land varies by location and degree of improvement. According to current residential land listings, the cost of vacant land in Grass Valley for several projects recently approved by the City range from approximately \$15,000 to \$80,000 per lot. Other vacant residential lots less than 0.25 acres range from \$79,000 to \$150,000.

C. Construction Cost

i. Single-Family Homes

Many factors can affect the cost of building a single-family house, including the type of construction, custom versus tract development, materials, site conditions, finishing details, amenities, square footage, and structural configuration. These factors create a wide variation in construction costs, from as little as \$110 per square foot for basic construction to well over \$200 a square foot for high-quality custom construction. Table III-13 provides an estimate of all housing development costs in Grass Valley, including construction costs.

**Table III-13
Minimum Construction Cost Component Analysis**

Housing Cost Component	Single Family Home 1,400 sq. ft.	Multi-Family Unit ² (per unit cost in a 4-plex) 750 sq. ft.
Land Cost per Unit	\$80,000	\$30,000
Lot or Pad Cost (includes fees a-g) ¹	\$76,488	\$29,560
a. Building Permit Fees	\$2,234	a. \$1,567
b. Fire Dept. Plan Check	\$179	b. \$90
c. City AB 1600 Fees	\$4,314	c. \$3,206
d. Regional Traffic Fees/Grass Valley Traffic Impact Fee	\$6,611	d. \$4,557
e. School Mitigation Fees	\$4,158	e. \$2,228
f. Sewer Connection Fees	\$9,768	f. \$4,069 (based on 1" water line)
g. Water Connection Fees	\$9,224 (3/4" line)	g. \$3,843 (based on 1" line size)
Unit Construction Cost	\$168,000 - \$120/sq. ft.	\$82,500 - \$110/sq. ft.
Marketing/Real Estate Com	\$6,000	\$5,850
Builder's Salary/Profit	\$16,800	\$8,250
Total Unit Cost	\$347,288	\$156,160

Source: City of Grass Valley, May 2014

¹Including entitlement, engineering, agency fees, and infrastructure construction (est. \$40,000)

²Assumes one building with four dwelling units. These costs are spread between the number of units in a project so the fees are split accordingly



V. STRATEGY

A. Introduction

This chapter contains the City's strategy for meeting housing needs identified in Chapter II. It also identifies the use of resources available to the City, and the reduction of barriers to the availability of housing for all residents as described in Chapter III. As required by state law, this chapter contains quantified (numerical) objectives for housing construction, housing rehabilitation, and the preservation of affordable housing, with a five-year action program that:

- Provides regulatory concessions and incentives and uses local, federal, and state financing and subsidy programs to support the development of affordable housing;
- Identifies adequate sites with appropriate zoning, development standards, services and facilities to encourage the development of a variety of types of housing for all income levels;
- Assists in the development of adequate housing to meet the needs of low- and moderate-income households;
- Addresses and, where appropriate and legally possible, removes governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities;
- Conserves and improves the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action;
- Promotes housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability; and
- Preserves assisted housing developments for lower-income households.

Since Grass Valley is the center of commerce and industry for the Sierra Foothills region of the County, it has traditionally provided the bulk of Nevada County's affordable housing. About 35 percent of the City's housing stock was constructed prior to 1950 and consists primarily of homes on small parcels. The income of Grass Valley residents is significantly lower than the countywide average, and rising housing prices have significantly increased the number and percent of homeowners paying more than 30 percent of their incomes for housing. In the past, the City has accommodated residential development for all population segments through annexation and infill development. As the City builds out, the ability to meet future housing needs could be affected by environmental conditions noted in Chapter III.

For these reasons, Grass Valley's housing strategy, while including additional annexations and development of land within the City's Sphere of Influence, also relies on infill development, re-use of underutilized properties, and mixed-use development to meet future housing needs. The City continues to take steps to achieve a greater balance in housing development. Some of those steps provide greater opportunities for

market-rate housing while integrating affordable housing with market-rate units in new residential developments.

B. Evaluation of Achievements (2009-2014 Housing Element)

State law (California Government Code section 65588 (a)) requires each jurisdiction review its housing element as frequently as appropriate to evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal;
- The effectiveness of the housing element in attainment of the community's housing goals and objectives; and
- The progress of the city, county, or city and county in implementation of the housing element.

State Housing Element law also requires an evaluation of the previous element, including:

- Effectiveness of the element: A review of the actual results of the previous element's goals, objectives, policies, and programs. The results should be quantified where possible (e.g., the number of units rehabilitated)
- Progress in Implementation: An analysis of the significant differences between what was planned in the previous element and what was actually achieved.
- Appropriateness of goals, objectives and policies: A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the previous element.

This chapter documents the City's achievements under the 2009-2014 Housing Element. It identifies the actions contained in the Element and describes the relative success of the City's efforts to implement the 2009-2014 programs. It also contains recommendations for program changes to address current and projected needs and state requirements between 2014 and 2019.

Summary of Achievements

During the planning period covered by the current Housing Element (2009-2014), the City of Grass Valley implemented a number of actions to plan for, accommodate, and facilitate the construction, rehabilitation, and preservation of affordable housing. Among these actions were:

- Annexation of nearly 450 acres to provide additional land for residential development within the City's Sphere of Influence;
- Approval and assistance for the construction of 136 housing units affordable to very low- and low-income households (16 – Habitat for Humanity, 120 –Gold Country Village- Bennett Street);
- Receipt of \$500,000 in HOME funds for the City's First Time Homebuyers program;

- Approval of a variety of housing alternatives for all segments of the community, including market-rate single-family homes, affordable rental housing for low- income families, senior housing, and mobile homes;
- Completion of water, sewer, and street improvements for upgrading older neighborhoods;
- Directed interested members of the public to how to obtain fair housing information at its public counter;
- Approved two Housing Rehabilitation Loans for lower income residents;
- Applied Redevelopment Agency monies to rehabilitate 56 affordable rentals (Valley Commons) in the form of a long term loan;
- Amended the Development Code to extend the permit entitlements to add 5 years to all residential projects in response to the continued poor economic recovery;
- Applied Redevelopment Agency monies to assist with the construction costs of 16 very low income owner occupant units constructed by Habitat for Humanity; and,
- Receipt of a CDBG planning grant in 2013 to assist in the upgrade of sewer line infrastructure in the older parts of the town.

**Table IV-1
Description of Achievements**

PROGRAM ACTIONS	ACHIEVEMENTS
<p>1. PROVIDE ADEQUATE SITES FOR HOUSING</p> <p>Grass Valley shall work with owners of vacant and underutilized land to provide sufficient sites with adequate zoning, public facilities, and services to meet the City's housing needs for all income groups. This program will consist of the following actions:</p> <p>a) As land is annexed, the City shall utilize one or more of the following options: 1) apply an appropriate zoning category or categories that reflects environmental conditions and development needs; 2) encourage mixed-uses; 3) work with property owners to prepare a specific plan containing project-specific development standards, or; 4) apply a planned development to permit variation from the strict application of zoning standards. These options reflect historic City practices in annexing land since the adoption of the 1993 Housing Element.</p> <p>b) The City shall concentrate annexation efforts on unincorporated sites adjacent to the City containing reasonable access to the City's sewer system and that have the capacity to accommodate a mix of low- and moderate-income housing. The City believes there is adequately zoned land within the existing City limits; however, the City shall continue to process the larger SDA annexation applications to meet the City's longer-term housing needs.</p> <p>c) The City shall prezone land at the time of annexation based on the General Plan Land Use designation. This will ensure a subsequent rezone is not necessary for sites that can accommodate higher density residential uses and/or mixed residential-commercial development. This will permit needed multifamily housing at densities that can support low- and moderate-income housing.</p> <p>d) For larger annexations, Grass Valley shall encourage applicants to use a planned development or specific plan process to allow greater flexibility and variety in housing types and densities. This will allow greater flexibility to land owners in the</p>	<p>Since 2009, the City has annexed 450 acres of land. Most of this land relates to the Loma Rica Ranch Specific Plan, which allows a mix of 700 housing units. The housing mix consists of a variety of housing types, sizes and densities. The City found the project consistent with the policies in the 2009-2014 Housing Element. In 2012, the City lost its ability to utilize redevelopment funds to promote infill development.</p> <p>Most of these actions are ongoing and need to be incorporated into the 2014-2019 Housing Element.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<p>design of their development proposals. Planned development permits also facilitate the development of multifamily housing without the need for subsequent rezoning or conditional use permits by vesting the right to construct multifamily housing at the time a planned development permit is approved.</p> <p>e) For properties designated R-3, the City shall require developers to achieve at least a mid-range between the minimum and maximum densities (between eight and 20 units per acre). The City will consider requests by applicants to develop land at densities below the mid-range on a case-by-case basis, taking into account design considerations and site constraints. On properties with slopes or other environmental constraints, the City will encourage developers to transfer housing units to the unconstrained portion of a property.</p> <p>f) The City shall continue to promote infill development opportunities through grants for assisting in the identification and remediation of contaminated or hazardous sites. Work with the Redevelopment Agency to identify additional planning areas to promote infill development and redevelopment opportunities and to utilize redevelopment funds for affordable housing.</p> <p>g) The City will support and promote extremely low-income households (ELI) using secondary units, carriage homes, live/work units, transitional and supportive housing, and residential care facilities. The use of single-room occupancy units (SRO) provides an additional opportunity to serve ELI households (Note: the NC-Flex zone allows multi-family uses by right and includes several hotels; therefore, these hotels could be converted to SROs by right). To provide additional support for ELI households, the City will annually: 1) identify and contact nonprofit builders who specialize in building extremely low-income housing, 2) identify local, state, and federal funding sources that can be used to develop ELI units, and 3) promote regulatory concessions available within the City's Density Bonus Program. Additional support for ELI households is found in Programs 2, 3, 11, 13, 14, 15, 16, 17, 19 and 20.</p>	

PROGRAM ACTIONS	ACHIEVEMENTS
2. FLEXIBLE DEVELOPMENT STANDARDS AND MIXED USE DEVELOPMENTS	
<p>The City shall encourage creative approaches to meeting housing needs. This includes supporting planned development permits and mixed-use development. The City will promote opportunities for creative development in pre-application and pre-annexation meetings with applicants. The City will provide information at the Community Development Department public counter and website (which includes Redevelopment Agency programs).</p> <p>The City will continue to work with lenders and insurance providers to promote the benefits of mixed-use developments. The City shall also implement recommendations of the Downtown Strategic Plan that provide for mixed-use development, including:</p> <ul style="list-style-type: none"> • Maintain and continue to promote the mixed-use character of neighborhoods which lie on the boundaries of the downtown district: and encourage additional density for both commercial and residential uses, while discouraging the conversion of residential structures that would result in displacement of lower-income residents (unless relocation assistance and/or replacement housing is provided); • Implement the provisions of South Auburn Street Master Plan to ensure affordable housing opportunities are encouraged and incorporated to the redevelopment of parcels along or fronting S. Auburn Street, Neal Street and Tinloy Street. 	<p>The City's Development Code, adopted in 2007, includes substantial changes to allow and encourage mixed-use projects in most non-residential zoning districts. The City incorporated many of the recommendations in the Downtown Strategic Plan into the Development Code. The City completed the South Auburn Master Plan addressing redevelopment opportunities around the new hotel. Very few housing units were constructed since 2009 due to the continued poor economy in California. This ongoing program needs to continue in this Housing Element.</p>
3. REDUCE REGULATORY BARRIERS TO AFFORDABLE HOUSING	
<p>In 2007, the City took substantial steps, by adopting the Development Code, to address previously identified regulatory barriers to affordable housing. The City will need to monitor the new standards in the Development Code to determine if the regulations are creating any new barriers. The City will need to take the following steps to assure this and compliance with state laws:</p> <p>a) Continue to promote the City's Density Bonus Program as a means to achieving a broad range of affordable housing.</p>	<p>The Development Code now includes:</p> <ol style="list-style-type: none"> a. a wide range of incentives for the density bonus program b. reduced parking standards within the form-based zones. c. revised definitions to address residential care facilities d. second units allowed by right e. Mobile home parks in R-1 and R-2 (to be codified) f. zoning districts to allow transitional housing and emergency

PROGRAM ACTIONS	ACHIEVEMENTS
<p>b) Provide and/or clarify definitions, and specify zoning districts for transitional housing and emergency shelters.</p> <p>c) Reduce the cost impact of permit processing time by “fast tracking” affordable housing proposals—prioritizing the processing of affordable housing projects and assignment of a staff person to shepherd such projects through required city development reviews. Expediting the approval of affordable housing includes the use of CEQA exemptions for affordable housing, as permitted by state law, early notification and coordination with local neighborhood groups by one applicant and use of the design review to address site design issues early in the process.</p> <p>d) The City shall take a more proactive role in lobbying the state on policy/legislative issues that affect housing, such as workers compensation, liability insurance, and prevailing wages</p>	<p>shelters (to be codified)</p> <p>g. reduced the range of permitted non-residential use in the R-2 and R-2 zones</p> <p>h. ongoing effort</p> <p>i. eliminated minimum parcel sizes in the downtown area, reduced setback in most zones,</p> <p>j. some structures, including handicap ramps are allowed projections within setbacks.</p> <p>k. In 2009, the City amended its Development Code to specify which zones allow transitional and supportive housing and emergency shelters. HCD approved those amendments.</p>
<p>4. IMPLEMENT GENERAL PLAN POLICIES</p>	
<p>Through measures described in programs 1 – 3, the City shall continue to implement General Plan policies that encourage efficient use of unconstrained land and a healthy economic base, such as:</p> <ul style="list-style-type: none"> • Clustering of housing units in annexation areas (such as Loma Rica, Kenny Ranch, and North Star); • Promoting the use of infill properties; • Avoiding slopes and environmental resource areas; • Maximizing efficient use of unconstrained portions of residentially designated properties by allowing opportunities for higher densities on unconstrained land; • Promoting new developments in annexation areas that include a combination of residential uses, commercial services, and employment opportunities for residents; • Encourage mixed-use developments on larger parcels in newly developing areas, incorporating jobs, generating businesses, and industry housing; and 	<p>These are ongoing action items. The City has approved many projects incorporating these concepts since 2003. The recently annexed Loma Rica Ranch Specific Plan met this policy by clustering development in certain areas and creating over 300 acres of open space, which represents about 70% of the land. The Specific Plan also included a mix of land uses and job creation opportunities. The Specific Plan was found to be consistent with the City General Plan and Housing Element.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<ul style="list-style-type: none"> Promote primary jobs and core employment opportunities; those that export goods while importing capital. <p><i>For implementation, see programs 1 – 3.</i></p>	
<p>5. ENCOURAGE THE USE OF DEVELOPMENT AGREEMENTS</p>	
<p>The City shall encourage developers to enter into agreements. This tool vests the developer's right to proceed with a project under the regulations in effect at the time of application in exchange for commitments from developers on providing or establishing a financing mechanism for necessary public facilities that serve new development. Grass Valley will promote this option during pre-annexation and pre-applications meetings.</p>	<p>This is an ongoing program. The City anticipates finalizing several development agreements of the next five years. The Loma Rica Ranch included a development agreement. In 2011, the City also worked on another development agreement for the Berriman Ranch project. This is still in draft form.</p>
<p>6. ANNUAL HOUSING ELEMENT MONITORING REPORT</p>	
<p>The Planning Department shall provide an annual report to the City Council on the City's progress in meeting its Housing Element objectives. The report to the City Council may include recommendations for changes in Housing Element programs. The report will also include the following information, only to the extent applicable and in as much detail as appears warranted each year:</p> <ul style="list-style-type: none"> Progress made toward achieving the City's fair-share housing allocation; A summary of efforts taken to improve the condition of the City's housing stock (e.g., CDBG-supported rehabilitation loans); An inventory of remaining vacant sites in zones suitable for the development of housing for low-income households; A summary of efforts undertaken to relocate residents displaced by redevelopment and to replace affordable units lost as a result of redevelopment; and A progress report on actions taken to meet special housing needs. <p>The City Council will decide, based on this annual evaluation of the progress, whether or not to adjust its program actions or to adopt new program actions.</p>	<p>The City has presented several annual reports to the Council on the General Plan and Housing Element. The Building Department provides monthly and an annual report to the Council on all building activities. The Planning Department prepared annual presentations on housing production in the City, including number and type of units constructed, number and type of units approved, and the number of affordable units constructed and approved. Staff periodically provides the Council with information on the amount of vacant land remaining in the City limits. This is an ongoing program that needs to be in the 2014-2019 Housing Element.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
7. PROMOTE INFILL DEVELOPMENT	
<p>In conjunction with Program 1, Adequate Sites for Housing, the City shall continue to support policies and procedures to promote infill development and development adjacent to the City. The City will promote infill development in the Redevelopment Area and other parts of the City containing adequate public facilities and services and where small projects can be integrated with existing neighborhoods.</p> <p>Prior to approving an annexation request, the City shall consider the following factors in its decision:</p> <ul style="list-style-type: none"> • The provision of affordable workforce housing units and a mix of housing types; • Integration of community design principles of General Plan, such as clustering, grouping or mixing of uses, protecting important natural features, and providing internal pedestrian and bicycle connectivity; • Future transportation/infrastructure needs and current project-related deficiencies; • Future park/recreation facility needs and maintenance costs; • Future short- and long-term fiscal impacts; • Definition of annexation boundaries, phasing and rate of growth; and • Consistency with General Plan policies and Sphere of Influence Plan. <p>The City will promote its annexation policies and procedures through a link on the City's web site, distribution of the policies and procedures to the local building industry association, and pre-application meetings with applicants.</p>	<p>The City did not expand the sphere of influence during this housing cycle. The Development Code, adopted in 2007, includes modified development standards that should promote infill development. Specifically, the City reduced many development standards to promote development that reflects existing neighborhoods. This includes reduced building setbacks, reduced parking standards and additional procedural changes (minor use permits, and minor variances) which expedite processing of residential projects. As noted in Program 2, the Development Code includes provisions to allow more mixed-use projects, clustered developments, and other measures to promote affordable housing.</p> <p>In 2003, the City Council adopted Resolution 03-39, which incorporated all the items listed in this program. Though the City did use this tool to provide financial support to Habitat for Humanity and to rehab Valley Commons apartment complexes, with the loss of redevelopment in 2012, the City could no longer use this tool to promote infill development. This ongoing program needs to be in the 2014-2019 Housing Element.</p>
8. ALLOW ALTERNATIVE HOUSING TYPES TO MEET SPECIAL NEEDS	
<p>The City shall continue to allow secondary dwelling units, group homes (residential care facilities), homeless and transitional housing facilities, and manufactured homes on individual lots and in mobile home parks, and farmworker housing according to the</p>	<p>As noted in Tables III-5 and III-6, the Development Code specifically lists these types of special housing needs. The City offers pre-application meetings to any property owner or developer.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<p>requirements of state law. To promote the City's development standards for alternative housing, the City will provide information at the Community Development Department public counter, provide a website link, and offer pre-application meetings to explain the City's policies and regulations. The City will also promote its standards for alternative housing types through its ongoing contacts with nonprofit housing organizations.</p>	<p>This ongoing program needs to be in the 2014-2019 Housing Element.</p>
<p>9. HOUSING FOR PERSONS WITH DISABILITIES</p>	
<p>The City shall continue to implement state standards for accessibility in new housing by handicapped individuals. The City will require developers of affordable housing to incorporate adaptability and accessibility features in their project designs. The City will also continue to allow:</p> <ul style="list-style-type: none"> • Accessory structures in new housing developments and retrofitting of older homes to meet the needs of persons with disabilities; • Handicapped access structures, such as ramps or lifts, within required yard and set-back areas; • Residential care facilities designed for persons with disabilities; and • On-site supportive services in combination with residential uses for persons with disabilities. <p>The City will promote its policies and standards for housing and services for persons with disabilities by providing information at the Community Development Department public counter, a website link, pre-application meetings with housing and service providers, and periodic meetings with nonprofit and public agencies that serve persons with disabilities.</p>	<p>This is an ongoing effort as part of the building permit process. The most recently constructed high-density residential projects, such as Cedar Park Apartments, Glenbrook Apartments, include handicapped accessible units. The recently approved Gold County Village project also includes accessible units.</p>
<p>10. TRANSITIONAL AND SUPPORTIVE HOUSING</p>	
<p>The City shall amend its Development Code to be consistent with state law. Pursuant to state law, the City will allow transitional and supportive housing in all zones that allow residential uses. Specifically, the City will need to amend the Development Code to either: 1) eliminate the need for a use permit for transitional and supportive</p>	<p>In 2009, the City adopted amendments to the Development Code to comply with the state definitions and to specify permitted zones for homeless and transitional housing.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<p>housing for seven or more persons, or 2) create separate definitions for these uses and modify the Use Table to distinguish between residential care and transitional and supportive housing.</p>	
<p>11. HOUSING OPPORTUNITIES FOR LARGE FAMILIES</p>	
<p>Through its ongoing collaborations with nonprofit organizations and other public agencies, the City shall seek to include housing units suitable for large families in new developments containing affordable housing. The City shall continue to seek funding for affordable housing projects and programs (see Program 15).</p> <ul style="list-style-type: none"> • Requiring that affordable family housing projects include three- and four-bedroom housing units, with the goal that the percentage of such units will match the percentage of large families in Grass Valley (six percent in 2000), unless the applicant can show it is financially infeasible to include such a percentage. • Implementing and promoting requirements of state law for childcare facility density bonuses (see Program 13). • Providing financial and regulatory incentives listed in programs 14 and 15 to facilitate the production of affordable housing. • Providing density bonuses for projects that include minimum percentages of housing units affordable to very low- and/or low-income households (see Program 13). • Making the use of state and federal funds, including bond proceeds or tax credits, for large family housing one of the City's priorities (see Programs 15 and 16). <p>The City will promote its efforts to encourage the production of large family housing through its website, with links to the Nevada County Housing Authority and nonprofit organizations providing affordable housing or operating programs in Grass Valley. The City shall continue to provide pre-application meetings with affordable housing developers, and contact housing providers as part of the City's annual public workshops on the use of CDBG funds and Redevelopment Agency Housing Set-Aside funds.</p>	<p>This is an ongoing effort. Habitat for Humanity constructed two projects that included 3 and 4 bedroom housing units. The City incorporated the most recent Density Bonus Program in its Development Code, including regulatory incentives and percentages of units devoted to very low and low income households and their corresponding density bonus. The City used redevelopment funds in assisting non-profit or for-profit developers in constructing or rehabilitating affordable units.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
12. WORKFORCE HOUSING STUDY	
<p>The City shall continue to implement the recommendations of the Workforce Housing Study through a website link; notification of local building industry, business, and realtor organizations; provision of pre-approved building plans for model affordable homes, developing public improvement standards for residential projects that can lessen construction costs, and continuing to evaluate inclusionary provisions for the City.</p>	<p>The City adopted the Workforce Housing Design Program in 2004. Subsequently, the City included many of the recommendations from this report into the 2007 Development Code.</p> <p>Completion of a fact sheet/newsletter on the recommendations of the “Workforce Housing Design Program” which was distributed to members of the public; and</p> <p>Created and implemented an Affordable Housing Program that required a 20% inclusionary mandate for all residential development projects requesting a Planned Unit Development Designation (PUD).</p>
13. DENSITY BONUS	
<p>The City shall promote its density bonus program as part of the pre-application process. The City will determine, on a case-by-case basis, the appropriate incentive(s) to offer to make a proposed affordable housing development financially feasible.</p>	<p>The Development Code includes the most recent density bonus provisions standards required by state law.</p>
14. AFFORDABLE HOUSING REQUIREMENTS OF REDEVELOPMENT LAW	
<p>The Grass Valley Redevelopment Agency shall continue to implement a plan for the use of tax increment housing set-aside funds and procedures for complying with the affordable housing provisions of redevelopment law (California Health and Safety Code sections 33334.2, 33413, and 33490) , which require that:</p> <ul style="list-style-type: none"> • At least 20 percent of the Agency’s tax increment funds be set-aside for housing benefiting low- and moderate-income households; • At least 15 percent of any privately constructed or rehabilitated dwelling units within the Redevelopment Project Area be affordable to low- or moderate-income households, and 	<p>The City Redevelopment Agency undertook its “Implementation Plan” or AB1290 Plan in which low-income funds were budgeted, targeted and used for assisting and/or developing affordable housing. The City did set aside and utilize tax increment housing funds this cycle for both new and rehabilitated housing units. (See 7 above) Because of actions taken by the State, this tool was no longer available for the City after 2011.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<ul style="list-style-type: none"> At least 30 percent of any dwelling units constructed or rehabilitated by the Redevelopment Agency are affordable to low- or moderate-income households. 	
15. PURSUE STATE AND FEDERAL FUNDING FOR AFFORDABLE HOUSING	
<p>The City shall continue to pursue available and appropriate state and federal funding sources in cooperation with private developers, nonprofit housing corporations, the Nevada County Housing Authority, and other interested entities to support efforts to meet the housing needs of low- and moderate-income households and to assist persons with rent payments required for existing units. The City's efforts to support affordable housing activities by others will include expedited processing of permits (particularly when needed to meet funding deadlines), the provision of information needed for an application, letters of support for proposals that have received approval (preliminary or final) by the City, and consideration of redevelopment housing set-aside funds (to the extent available) to match state or federal funds.</p> <p>The City will promote the availability of housing assistance through its website, website links to the Nevada County Housing Authority and nonprofit organizations providing affordable housing or operating programs in Grass Valley, information at the Community Development Department public counter and other public locations within the City, and information in the <i>Grass Valley Messenger</i>, the City's newsletter.</p>	<p>The City applied and obtain various funding sources from 2003 – 2009 such as CDBG and Program Income to assist in the development or rehabilitation of affordable housing. Some of these sources and past ones continue to provide funds in the form of program income which is then reused for both housing and business loans. The City received a HOME grant in 2013 for its First Time Homebuyer program. The City provided information on affordable housing programs or funding availability through the City newsletter, opinion columns and news releases in the local paper, and in collaboration with all other local media sources. The City initiated videotaping of its City meetings in 2005, including City Council meetings, in which the City periodically provided information on affordable housing in informational updates. In 2012, the City worked with the developer of the Gold Country Village project to expedite the processing of the application so they could meet their funding deadlines.</p>
16. TAX EXEMPT BONDS AND MORTGAGE CREDIT CERTIFICATES	
<p>The City shall continue to investigate the feasibility of becoming a member of a joint municipal power agency for the purpose of pooling resources to issue tax exempt bonds or mortgage credit certificates for financing the construction of affordable housing or providing financial assistance to low- and moderate-income homebuyer assistance.</p>	<p>The City continued to evaluate the use and application of issuing tax exempt bonds for financing mortgage credit certificates. In 2012 and again in 2013, the City Council conducted TEFRA hearings and adopted Resolutions 2012-56 and 2013-46, which supported tax-exempt bond financing for the Gold Country Village project. In 2013, the City Council adopted Resolution 2013-15, which approved bond financing through ABAG for the Eskaton Village project to be used for capital improvements and additions to an existing senior residential care facility.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
17. COMMUNITY REINVESTMENT ACT	
<p>The City shall contact financial institutions serving Grass Valley to solicit interest in providing financing to low- and moderate-income housing as part of their responsibility under the federal Community Reinvestment Act. The City will seek specific lending commitments in conjunction with Redevelopment Agency, state, and federal funds.</p>	<p>The City investigated the opportunity for obtaining funding assistance with local lending institutions through the provisions of the federal Community Reinvestment Act. This program was difficult to implement and gain funding in light of the limited number of lending institutions who were versed in this legislation.</p>
18. HOUSING REHABILITATION PROGRAMS	
<p>The City shall continue to use local, federal, and state for funds for housing rehabilitation, provide loans for both owner-occupant and rental rehabilitation, and offer grants to homeowners for emergency repairs. The City will promote this program through a City website link, information at the Community Development Department public counter and other public locations in Grass Valley, and program information in the <i>Grass Valley City Messenger</i>.</p>	<p>The City continued to provide funding to facilitate rehabilitation of owner-occupant and rental properties in the form of low-interest loans.</p>
19. PRESERVATION OF AT-RISK HOUSING	
<p>The City identified 42 at-risk housing units within the planning period of this Housing Element. The City will contact the owners of the Grass Valley Apartments and encourage them to maintain the affordability of the units. To maintain the affordability of these 42 units, the City can offer low-interest rehabilitation loans from its Redevelopment Housing Set-Aside Fund. This would be subject to the availability of funding at the time of request. The City can also assist owners in applying for state or federal assistance for refinancing, acquisition, and/or rehabilitation, or provide "gap" financing to public agencies or nonprofit housing organizations interested in purchasing "at-risk" rental housing developments. The City will also provide educational materials related to tenant relocation assistance and rental subsidies to tenants of the at-risk units, and post information on the web site and public information counter.</p>	<p>Table II-26 shows there were no at-risk projects. The City conducted two TEFRA hearings to assist the purchase, rehabilitation and continued retention of affordable housing for various rental properties within the City. The City, with use of Redevelopment funds, assisted in the rehabilitation and subsequent extension of time for affordability for the Valley Commons Apartments.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
20. RENTAL ASSISTANCE	
<p>The City shall continue to cooperate with the Nevada County Housing Authority in its administration of the federal Housing Choice Voucher (formerly called “Section 8”) rental assistance program to maintain the availability of housing vouchers in Grass Valley. The City’s role will be to:</p> <ul style="list-style-type: none"> • Provide necessary documentation to the Housing Authority to apply for annual commitments from the U.S. Department of Housing and Urban Development; • Encourage rental property owners who have participated in the City’s housing rehabilitation program to participate in the Housing Choice Voucher program; • Provide information on the rental assistance program in the City’s newsletter, <i>Grass Valley Messenger</i>, and at the Community Development Department’s public counter; and • Provide a website link to the Housing Authority 	<p>The City provided information to interested members of the public in how to work with Nevada County in obtaining rental assistance in the form of Section “8” vouchers.</p>
21. PRESERVATION OF MOBILE HOME PARKS	
<p>Grass Valley shall continue to meet with mobile home park owners to discuss their long-term goals for their properties and the feasibility of preserving these parks. Feasibility will be evaluated based on the condition of park infrastructure and buildings, the condition of mobile homes located in the park, parcel size, accessibility to services, and surrounding land uses. For those parks that are feasible to preserve, the City will:</p> <ul style="list-style-type: none"> • Assist property owners in accessing state and federal funds for park improvements by preparing funding requests, providing information to park owners on state and federal programs, and/or providing referrals to nonprofit organizations who can assist in preparing funding requests. • Pursuant to California Government Code Section 65863.7, require, as a condition of approval for any change of use, that mobile home park 	<p>In 2008-2009, the City facilitated meetings between the mobile home park owners and their residents. The purpose of these meetings was to evaluate how rental rates can remain affordable for residents, while also examining how to upgrade the park facility. An option discussed and evaluated was whether it was cost effective to enact rent control measures. This measure was not pursued as the City worked to reach a compromise between the owners and residents on a structured payment program, with the intent to keep the rental rates affordable to the low-income residents. From 2009-2014, no mobile home parks were threatened.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<p>owners who desire to close and/or convert their parks to another use provide relocation or other assistance to mitigate the displacement of park residents. The City shall also require the park owner to provide evidence of resident notification of intent to close and/or convert the mobile home park, as required by state law.</p>	
<p>22. HOUSING CODE ENFORCEMENT</p>	
<p>The City shall continue to combine code enforcement and housing rehabilitation assistance, targeted to older neighborhoods with concentrations of substandard housing. Code enforcement will occur primarily on a complaint or request basis. The code enforcement officer will provide the resident and/or property owner with information on the City's housing rehabilitation assistance program.</p>	<p>The City completed this survey in 2007. This ongoing program needs to be in the 2014-2019 Housing Element.</p>
<p>23. RE-USE OF LARGE, OLDER HOMES</p>	
<p>The City shall permit the re-use of large, older homes located in the Downtown area and R-2 and R-3 zoning districts as multi-unit residential structures. The City will ensure any reuse of structures will follow the historic preservation policies of the General Plan Historical Resources Element. The City will assist, through its housing rehabilitation program, in the re-use of older homes that require rehabilitation if the property owner intends to sell or rent the units to low- or moderate-income households. (See programs 15 for details on the housing rehabilitation).</p>	<p>This is an ongoing effort.</p>
<p>24. FAIR HOUSING PROGRAM</p>	
<p>The City shall continue to promote equal housing opportunity for all persons regardless of race, religion, sex, marital status, ancestry, nation origin, or color by supporting efforts of community groups that provide counseling, investigatory, legal, or referral services to victims of discrimination. Specifically, the City will:</p> <ul style="list-style-type: none"> • Maintain information on state and federal fair housing laws at the Community Development Department and other public places for public distribution; • Train City staff at the public counter to refer victims of housing discrimination to the appropriate local organization or to the State Fair 	<p>The City promoted equal housing opportunities by offering information to the public or referring interested citizens to other agencies or non-profit housing organizations. This ongoing program needs to be in the 2014-2019 Housing Element.</p>

PROGRAM ACTIONS	ACHIEVEMENTS
<p>Employment and Housing Commission;</p> <ul style="list-style-type: none"> • Seek the cooperation of the local homebuilders association, Realtor association and lenders in disseminating fair housing information; and • Attend an annual community event for purpose of distributing fair housing information. 	
25. ENERGY CONSERVATION FOR NEW CONSTRUCTION AND RESIDENTIAL DESIGN	
<p>City shall continue to enforce state energy standards for new residential construction (Title 24 of the California Code of Regulations) and shall encourage, through the City's residential design guidelines, additional energy conservation measures such as the siting of buildings, landscaping, and solar access.</p>	<p>The City implements this program with each new building permit.</p>
26. WEATERIZATION AND ENERGY CONSERVATION FOR EXISTING DWELLING UNITS	
<p>PG&E provides weatherization and energy conservation programs directed towards lower income households. To further assist in the promotion of, and to reduce the costs of, housing rehabilitation, the City shall add information on PG&E's programs in its application forms for housing rehabilitation.</p>	<p>PG&E periodically includes information on available energy conservation programs within their bills. These programs are specifically directed towards lower income residents. The City informs property owners of these programs. The City's Housing Rehabilitation Guidelines now include a provision for grants up to &7,500 for energy efficiency upgrades.</p>

C. 2014-2019 Goals and Policies

GOAL A: To Designate Sufficient Land at Appropriate Densities and Establish Development Standards and Permit Procedures to Accommodate the City's Share of Nevada County's Housing Needs for All Income Groups

POLICY 1: The City shall maintain an adequate supply of residential land in appropriate land use designations with access to public facilities and services, to accommodate projected household growth and Grass Valley's share of Nevada County's housing construction need for all income groups.

POLICY 2: As needed, the City shall annex land within its Sphere of Influence (SOI) to maintain an adequate supply of residential land.

POLICY 3: The City shall continue to support flexible land use regulations, through a planned development process, allowances for mixed-use and other zoning techniques to encourage a range of housing types and densities within a single development.

POLICY 4: The City shall continue to promote infill residential development by maintaining a current vacant land inventory and posting it on the City's website.

GOAL B: To Address Special Housing Needs as Defined by State Law and Local Conditions

POLICY 1: The City shall continue to implement state law regarding the establishment of group homes (residential care facilities) in residential zones.

POLICY 2: The City shall ensure that its land use regulations do not present barriers to the location of childcare facilities within new residential developments or within reasonable proximity to where such facilities are needed.

POLICY 5: The City shall encourage new rental housing facilities for large families.

POLICY 4: The City shall allow housing oriented to the needs of existing and future elderly residents in any residential zone according to density and other standards for each zone.

POLICY 5: The City shall allow overnight shelters and transitional housing facilities for homeless individuals and families in appropriate zoning districts.

POLICY 6: The City shall implement state and federal requirements for persons with disabilities in new residential developments. Any housing developments in which the City acts as a developer, provides financing, or assists a developer in applying for state or federal funds must address the needs of persons with disabilities.

POLICY 7: The City shall continue to allow second dwelling units in any residential zone according to standards included in the City's Development Code.

POLICY 8: The City shall continue to allow manufactured homes on permanent foundations in any residential zone, subject to compliance with development standards for each zone.

GOAL C: To Meet the City's Low- And Moderate-Income Housing Needs

POLICY 1: The City shall pursue state and federal funding assistance that is appropriate to Grass Valley's needs to develop housing that is affordable to low- and moderate-income households.

POLICY 2: The City shall use available local financing techniques, such as mortgage revenue bonds, mortgage credit certificates, other mortgage-backed securities, or other feasible financial assistance techniques, to assist homebuilders in developing affordable housing.

POLICY 3: Where government-assisted residential units are required to sell or rent at less than market rates are, included within a housing development, such units shall be interspersed within the development and shall be outwardly indistinguishable from market-rate units.

POLICY 4: The City shall continue to work with the Nevada County Housing Authority in the administration of affordable housing programs.

POLICY 5: The City shall continue to support and encourage alternative types of affordable ownership housing.

GOAL D: To Preserve the Existing Housing Stock and Conserve Existing Affordable Housing Opportunities

POLICY 1: The City shall encourage private reinvestment in older residential neighborhoods and private rehabilitation of housing.

POLICY 2: The City shall pursue state and federal funding assistance that is appropriate to the City's needs to rehabilitate housing. The City shall also contribute redevelopment tax increment funds to support the rehabilitation of the existing housing stock.

POLICY 3: The City shall work with interested nonprofit and for-profit housing providers to acquire rental housing in need of rehabilitation and to maintain the affordability of the units to low-income households, should such action be the only feasible method of preserving affordable rental housing.

POLICY 4: The City shall continue to make code-enforcement inspections upon a complaint basis to assure that rental housing is maintained in habitable condition according to County Health Department standards.

POLICY 5: The City shall work with the Nevada County Housing Authority to maintain and increase the availability of federal rental subsidies in the City.

POLICY 6: The City shall work with existing owners of "at-risk" subsidized rental housing, other public agencies, and interested nonprofit housing providers to maintain the affordability of government subsidized rental housing developments that could convert to market rate housing within the next ten years.

GOAL E: To Assure that All Present and Future Residents Have Equal Access to Housing Commensurate with their Financial Capacity

POLICY 1: The City shall provide public information on state and federal fair housing laws.

POLICY 4: The City shall refer discrimination complaints to the State Fair Employment and Housing Commission.

POLICY 3: The City shall cooperate with community-based organizations that provide services or information to victims of housing discrimination.

POLICY 4: The City shall seek joint sponsorship with local homebuilders, real estate agents, and lenders of a periodic fair-housing public information campaign.

POLICY 5: The City shall encourage "workforce" housing that is affordable to residents who are employed locally through a study that identifies opportunities to develop such housing and design alternatives that would make the production of such housing financially feasible.

GOAL F: To Promote Residential Energy Conservation

POLICY 1: The City shall ensure that new residential construction meets minimum state standards for energy efficiency.

POLICY 2: The City shall promote energy conservation through its land use planning and development standards.

POLICY 3: The City shall encourage greater energy efficiency in older residential structures.

D. Implementation Programs

GOAL A: To Designate Sufficient Land at Appropriate Densities and Establish Development Standards and Permit Procedures to Accommodate the City's Share of Nevada County's Housing Needs for All Income Groups

PROGRAM 1: Adequate Sites for Housing

Action: Grass Valley shall work with owners of vacant and underutilized land to provide sufficient sites with adequate zoning, public facilities, and services to meet the City's housing needs for all income groups. This program will consist of the following actions:

- a. As land is annexed, the City shall utilize one or more of the following options: 1) apply an appropriate zoning category or categories that reflects environmental conditions and development needs; 2) encourage mixed-uses; 3) work with property owners to prepare a specific plan containing project-specific development standards, or; 4) apply a planned development to permit variation from the strict application of zoning standards. These options reflect historic City practices in annexing land since the adoption of the 1993 Housing Element.
- b. The City shall concentrate annexation efforts on unincorporated sites adjacent to the City containing reasonable access to the City's sewer system and that have the capacity to accommodate a mix of low- and moderate-income housing. The City believes there is adequately zoned land within the existing City limits; however, the City shall continue to process the larger SDA annexation applications to meet the City's longer-term housing needs.
- c. The City shall prezone land at the time of annexation based on the General Plan Land Use designation. This will ensure a subsequent rezone is not necessary for sites that can accommodate higher density residential uses and/or mixed residential-commercial development. This will permit needed multifamily housing at densities that can support low- and moderate-income housing.
- d. For larger annexations, Grass Valley shall encourage applicants to use a planned development or specific plan process to allow greater flexibility and variety in housing types and densities. This will allow greater flexibility to land owners in the design of their development proposals. Planned development permits also facilitate the development of multifamily housing without the need for subsequent rezoning or conditional use permits by vesting the right to construct multifamily housing at the time a planned development permit is approved.
- e. For properties designated R-3, the City shall require developers to achieve at least a mid-range between the minimum and maximum densities (between eight and 20 units per acre). The City will consider requests by applicants to develop land at densities below the mid-range on a case-by-case basis, taking into account design considerations and site constraints. On properties with slopes or other environmental constraints, the City will encourage developers to transfer housing units to the unconstrained portion of a property.
- f. The City shall continue to promote infill development opportunities through grants for assisting in the identification and remediation of contaminated or hazardous sites.

- g. The City will support and promote extremely low-income households (ELI) using secondary units, carriage homes, live/work units, transitional and supportive housing, and residential care facilities. The use of single-room occupancy units (SRO) provides an additional opportunity to serve ELI households (Note: the NC-Flex zone allows multi-family uses by right and includes several hotels; therefore, these hotels could be converted to SROs by right). To provide additional support for ELI households, the City will annually: 1) identify and contact nonprofit builders who specialize in building extremely low-income housing, 2) identify state and federal funding sources that can be used to develop ELI units, and 3) promote regulatory concessions available within the City's Density Bonus Program. Additional support for ELI households is found in Programs 2, 3, 10, 12,13, 14, 15, 16, 17, and 18.

Discussion: To correlate land use categories with income groups, the following assumptions are made: 1) extremely low-income needs can be met with land zoned at least 20 units per acre and with the use of density bonus provisions; 2) very low- and low-income housing needs can be met with land zoned at 15 dwelling units per acre or more; 3) moderate-income housing needs can be met with land zoned at four to 15 dwelling units per acre; 4) above moderate-income housing needs can be met with any residentially-zoned land. Even though the City has approved several projects with density bonuses, as noted in Chapter III, the City did not assume the use of this program in the above assumptions, with the exception of extremely low-income households. As part of its annexation process, the City should encourage residential developers to include housing affordable to families with children to alleviate overcrowding among large families and affordable ownership housing for moderate-income households. This will increase the availability of rental housing to low- income households and reduce the proportion of such households paying more than 30 of their income for housing expenses.

- Responsibility:** Community Development Department, Planning Commission, City Council
- Timeframe:** Current and ongoing, 2014 – 2019 (annexation related polices are addressed as property owners request annexation).
- Funding:** Annexation application fees, CDBG.
- Objective:** Accommodate the City's share of Nevada County's future housing needs (see Tables II-29 and II-30)

PROGRAM 2: Flexible Development Standards and Mixed Use Developments

Action: The City shall encourage creative approaches to meeting housing needs. This includes supporting planned development permits and mixed-use development. The City will promote opportunities for creative development in pre-application and pre-annexation meetings with applicants. The City will provide information at the Community Development Department public counter and website.

The City will continue to work with lenders and insurance providers to promote the benefits of mixed-use developments. The City shall also implement recommendations of the Downtown Strategic Plan that provide for mixed-use development, including:

- a. Maintain and continue to promote the mixed-use character of neighborhoods which lie on the boundaries of the downtown district: and encourage additional density for both commercial and residential uses, while discouraging the conversion of residential

structures that would result in displacement of lower-income residents (unless relocation assistance and/or replacement housing is provided);

- b. Implement the provisions of South Auburn Street Master Plan to ensure affordable housing opportunities are encouraged and incorporated to the redevelopment of parcels along or fronting S. Auburn Street, Neal Street and Tinloy Street.

Discussion: The Development Code, adopted in 2007, includes enhanced opportunities for mixed-use projects within the City limits. The City’s planned development permit (PD) allows flexibility and innovation within a plan area, including concepts such as cluster development, a mixture of housing types and land uses, and common ownership of open space and community facilities. Examples of the City’s approval of mixed-use development are Olympia Plaza (Phase II), which included approximately 14 acres for mixed-use development, and the Village of South Auburn. In both cases, housing was included on lands zoned for commercial use.

The TC overlay defines Downtown Grass Valley. Town Center designation recognizes that design and architectural features are of greater concern than land use designations in downtown. Protection and enhancement of Downtown’s historic character are the primary intentions of the TC district. The TC district allows various land uses, while upholding the historic character and design/architectural standards. “Underlying” land use designations are maintained on parcels within the TC overlay, although TC standards override those of comparable zoning districts in cases of conflict. Town Center encompasses properties clustered along South Auburn, Mill, and Main Streets. Street-level commercial, specialty shops, restaurants, upper level residential and offices, and cultural uses are encouraged.

- Responsibility:** Community Development Department, Planning Commission, City Council
- Timeframe:** Use of Planned Development and other zoning techniques, current and ongoing, 2014 – 2019. Pre-annexation and pre-application meetings with applicants will occur each year as needed based on property owner interest
- Funding:** Application fees, CDBG, general fund
- Objective:** Increase the options to provide for a variety of housing to meet the needs of all income groups

PROGRAM 3: Reduce Regulatory Barriers to Affordable Housing

Action: In 2007, the City took substantial steps, by adopting the Development Code, to address previously identified regulatory barriers to affordable housing. Since then, the City has monitored and amended some of the new standards in the Development Code to address potential issues with implementation. However, to date, none of the changes have affected affordable housing. To ensure no barriers are created, the City will need to take the following steps to assure this and compliance with state laws:

- a. Continue to promote and monitor the City’s Density Bonus Program as a means to achieving a broad range of affordable housing.
- b. Reduce the cost impact of permit processing time by “fast tracking” affordable housing proposals—prioritizing the processing of affordable housing projects and assignment of a staff person to shepherd such projects through required city development reviews. Expediting the approval of affordable housing includes the use of CEQA exemptions for

affordable housing, as permitted by state law, early notification and coordination with local neighborhood groups by one applicant and use of the design review to address site design issues early in the process.

- c. The City shall take a more proactive role in lobbying the state on policy/legislative issues that affect housing, such as workers compensation, liability insurance, and prevailing wages, and code requirements (fire sprinklers) that add tremendous costs to the provision of affordable housing.

Responsibility:	Community Development Department, Planning Commission, City Council
Timeframe:	Ongoing monitoring
Funding:	Application fees, general fund
Objective:	Reduce regulatory barriers to facilitating the provision of a variety of housing for all income groups. Request the state understand and address the significant cumulative costs of implementing state housing regulations adopted by the state that severely impact the costs to housing, particularly those adopted after 2009.

PROGRAM 4: Implement General Plan Policies

Action: Through measures described in programs 1 – 3, the City shall continue to implement General Plan policies that encourage efficient use of unconstrained land and a healthy economic base, including but not limited to:

- a. Clustering of housing units in annexation areas (such as Kenny Ranch, and North Star);
- b. Promoting the use of infill properties;
- c. Avoiding slopes and environmental resource areas;
- d. Maximizing efficient use of unconstrained portions of residentially designated properties by allowing opportunities for higher densities on unconstrained land;
- e. Promoting new developments in annexation areas that include a combination of residential uses, commercial services, and employment opportunities for residents;
- f. Encourage mixed-use developments on larger parcels in newly developing areas, incorporating jobs, generating businesses, and industry housing; and
- g. Promote primary jobs and core employment opportunities; those that export goods while importing capital.

For implementation, see programs 1 – 3.

PROGRAM 5: Encourage the Use of Development Agreements

Action: The City shall encourage larger residential developers to enter into development agreements. This tool vests the developer's right to proceed with a project under the regulations in effect at the time of application in exchange for commitments from developers on providing or establishing a financing mechanism for necessary public facilities that serve new development. Grass Valley will promote this option during pre-annexation and pre-applications meetings.

Discussion: The primary inducement for a developer to enter into such an agreement is the guarantee that subsequent changes in land use regulations will not affect the proposed project during the period covered by the agreement.

Responsibility: Community Development Department, Planning Commission, City Council

Timeframe: Current and ongoing, as part of the application process

Funding: Application fees

Objective: To expedite the process of final development approvals and ensure long-term protection for the City and developer

PROGRAM 6: Annual Housing Element Monitoring Report

Action: The Planning Department shall provide an annual report to the City Council on the City's progress in meeting its Housing Element objectives. The City shall continue to use the state-approved form and submit the report to HCD after review by the City Council. The report to the City Council may include recommendations for changes in Housing Element programs. The report will also include the following information, only to the extent applicable and in as much detail as appears warranted each year:

- a. Progress made toward achieving the City's fair-share housing allocation;
- b. A summary of efforts taken to improve the condition of the City's housing stock (e.g., CDBG-supported rehabilitation loans);
- c. An inventory of remaining vacant sites in zones suitable for the development of housing for low-income households; and
- d. A progress report on actions taken to meet special housing needs.

The City Council will decide, based on this annual evaluation of the progress, whether or not to adjust its program actions or to adopt new program actions.

Responsibility: Community Development Department, Planning Commission, City Council

Timeframe: Annual report as required by state law

Funding: General Fund

Objective: To evaluate progress annually and make appropriate revisions to policies and programs

PROGRAM 7: Promote Infill Development

In conjunction with Programs 1 and 4, the City shall continue to support policies and procedures to promote infill development and development adjacent to the City. The City will promote infill development in areas that contain adequate public facilities and services and to integrate small projects with existing neighborhoods.

The City will continue to apply for CDBG and other grants that can help reduce infrastructure costs of infill development. In 2013, the City received a CDBG grant. A majority of this grant is intended for sewer collection system upgrades in the older parts of the City. These upgrades can help reduce costs of developing infill, or redeveloping underutilized, parcels in the area. The City will promote its infill policies and procedures through a link on the City's web site,

distribution of the policies and procedures to the local building industry association, and as part of pre-application meetings with applicants.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Current and ongoing, 2014-2019.
Funding: General Fund and CDBG grants
Objective: To reduce infrastructure costs associated with infill development proposals

GOAL B: To Address Special Housing Needs as Defined by State Law and Local Conditions

PROGRAM 8: Allow Alternative Housing Types to Meet Special Needs

Action: The City shall continue to allow secondary dwelling units, group homes (residential care facilities), homeless and transitional housing facilities, and manufactured homes on individual lots and in mobile home parks, and farmworker housing according to the requirements of state law. To promote the City's development standards for alternative housing, the City will provide information at the Community Development Department public counter, provide a website link, and offer pre-application meetings to explain the City's policies and regulations. The City will also promote its standards for alternative housing types through its ongoing contacts with nonprofit housing organizations.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Current and ongoing, 2014 – 2019
Funding: General Fund
Objective: Provide greater housing and shelter opportunities for special needs groups

PROGRAM 9: Housing for Persons with Disabilities, including persons with Developmental Disabilities

Action: The City shall continue to implement state standards for accessibility in new housing by handicapped individuals. The City will require developers of affordable housing to incorporate adaptability and accessibility features in their project designs. The City will also continue to allow:

- a. Accessory structures in new housing developments and retrofitting of older homes to meet the needs of persons with disabilities, including persons with developmental disabilities;
- b. Handicapped access structures, such as ramps or lifts, within required yard and set-back areas;
- c. Residential care facilities designed for persons with disabilities, including those with developmental disabilities;
- d. On-site supportive services in combination with residential uses for persons with disabilities, including those with developmental disabilities; and

- e. Provide support to entities seeking state and federal funds for use of housing persons with disabilities, including persons with developmental disabilities.

The City will promote its policies and standards for housing and services for persons with disabilities, and persons with developmental disabilities by providing information at the Community Development Department public counter, a website link, pre-application meetings with housing and service providers, and periodic meetings with nonprofit and public agencies that serve persons with disabilities, and persons with developmental disabilities.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2014 – 2019
Funding: Application fees, General Fund,
Objective: Coordinate with the Regional Center and other entities that provide supportive housing to support and improve housing and shelter opportunities for persons with disabilities, including persons with developmental disabilities.

PROGRAM 10: Transitional and Supportive Housing

Action: The City shall review and revise if needed its Development Code to be consistent with state law. Pursuant to state law, the City will allow transitional and supportive housing in all zones that allow residential uses. Specifically, the City will need to review the NC-Flex zone and amend if needed the Development Code to allow transitional and supportive housing consistent with state laws.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Prior to December 2015
Funding: General Fund
Objective: Provide greater housing and shelter opportunities for individuals and families

PROGRAM 11: Housing Opportunities for Large Families

Action: Through its ongoing collaborations with nonprofit organizations and other public agencies, the City shall seek to include housing units suitable for large families in new developments containing affordable housing. The City shall continue to seek funding for affordable housing projects and programs (see Program 13). Specific actions may include:

- a. Requiring that affordable family housing projects include three- and four-bedroom housing units, with the goal that the percentage of such units will match the percentage of large families in Grass Valley, unless the applicant can show it is financially infeasible to include such a percentage;
- b. Implementing and promoting requirements of state law for childcare facility density bonuses (see Program 12);
- c. Providing financial and regulatory incentives listed in Programs 13 and 14 to facilitate the production of affordable housing;
- d. Providing density bonuses for projects that include minimum percentages of housing units affordable to very low- and/or low-income households (see Program 12); and

- e. Making the use of state and federal funds, including bond proceeds or tax credits, for large family housing one of the City's priorities (see Programs 13 and 14).

The City will promote its efforts to encourage the production of large family housing through its website, with links to the Nevada County Housing Authority and nonprofit organizations providing affordable housing or operating programs in Grass Valley. The City shall continue to provide pre-application meetings with affordable housing developers, and contact housing providers as part of the City's annual public workshops on the use of CDBG.

Discussion: The Community Profile (Chapter II) identified affordable family housing as a priority. Low-income large families and single parents, in particular, face many challenges to obtaining suitable housing. Such families typically need low-cost housing with three or more bedrooms, often rental housing, and convenient access to childcare services.

Responsibility: Community Development Department
Timeframe: See Program 13
Funding: See Program 13
Objective: See Program 13

PROGRAM 12: Workforce Housing Study

Action: The City shall continue to implement the recommendations of the Workforce Housing Study through a website link; notification of local building industry, business, and realtor organizations; provision of pre-approved building plans for model affordable homes, developing public improvement standards for residential projects that can lessen construction costs, and continuing to evaluate inclusionary provisions for the City.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Current and ongoing, 2014-2019
Funding: CDBG (planning grant) and/or HOME Grants
Objective: Provide greater housing opportunities for local workforce

GOAL C: To Meet the City's Low- And Moderate-Income Housing Needs

PROGRAM 13: Density Bonus

Action: The City shall promote its density bonus program as part of the pre-application process. The City will determine, on a case-by-case basis, the appropriate incentive(s) to offer to make a proposed affordable housing development financially feasible.

Responsibility: Community Development Department, Planning Commission, City Council
Funding: General Fund
Timeframe: Current and ongoing, 2014-2019
Objective: See Program 13

PROGRAM 14: Pursue State and Federal Funding for Affordable Housing

Action: The City shall continue to pursue available and appropriate state and federal funding sources in cooperation with private developers, nonprofit housing corporations, the Nevada County Housing Authority, and other interested entities to support efforts to meet the housing needs of low- and moderate-income households and to assist persons with rent payments required for existing units. The City's efforts to support affordable housing activities by others will include expedited processing of permits (particularly when needed to meet funding deadlines), the provision of information needed for an application, and requested letters of support for proposals that have received approval (preliminary or final) by the City.

The City will promote the availability of housing assistance through its website, website links to the Nevada County Housing Authority and nonprofit organizations providing affordable housing or operating programs in Grass Valley, information at the Community Development Department public counter and other public locations within the City.

Discussion: Grass Valley has applied for, and received, several state and federal grants for the construction, rehabilitation, or purchase of affordable housing for low- or very low-income households. Since 1993, the City has received CDBG and HOME program funding for the construction of affordable housing units, the rehabilitation of substandard housing units, and first-time homebuyer assistance. The City will continue this level of effort and support funding requests by nonprofit and for profit housing providers that does not have direct involvement by the City (such as for the sale of tax credits state or federal loan or insurance programs that provide assistance directly to the developer).

Responsibility: Community Development Department, Planning Commission, City Council

Funding: California Multifamily Housing Program
California Housing Finance Agency (HELP Program)
California Housing Finance Agency direct lending programs (single and multi-family)
Low-Income Housing Tax Credits (state & federal)
CalHome Program
Federal Home Loan Bank – Affordable Housing Program
Federal Department of Housing and Urban Development Programs – Section 221(d), Section 202 (elderly), Section 811 (persons with disabilities)
Child Care Facilities Finance Program (administered through the State of California), Special Housing Needs and Supportive Services
Mortgage Revenue Bonds or Mortgage Credit Certificates (see Program 16)

Timeframe: Current and ongoing, 2014 – 2019; meet annually with housing providers to establish funding priorities; apply quarterly for available funding based on annual priorities and the schedule of the state or federal program

Objective: Due to the loss of Redevelopment, and the City's only remaining ability to provide housing assistance will be based on its ability to obtain grants, it is more difficult to estimate a quantifiable number. The new objective is to continue to apply for specific grants and provide support to private

developers that are pursuing funding assistance for lower income housing. Based on past project approvals, the City's objective is:

New Construction: 25 very low-income units, 120 low-income units
Homebuyer Assistance: 5 very low-income, 5 low-income, and 25 moderate-income homebuyers

PROGRAM 15: Tax Exempt Bonds and Mortgage Credit Certificates

Action: The City has entered into a joint exercise of powers agreement to allow the California Statewide Communities Development Authority to issue tax exempt bonds or mortgage credit certificates for financing the construction of affordable housing or providing financial assistance to low- and moderate-income homebuyer assistance.

Discussion: The City participates in a consortium of municipal governments to pool its resources. Mortgage Revenue Bonds, a type of tax-exempt bond, can be used through various California Housing Finance Agency (CHFA) programs in which the City supports a developer's application for multi-family or single-family housing for low- and moderate-income households.

Responsibility: City Council
Funding: Tax Exempt Bonds
Timeframe: Current and ongoing, 2014-2019
Objective: Increase the availability of funding options for new or rehabilitated housing

PROGRAM 16: Community Reinvestment Act

Action: The City shall continue to work with financial institutions serving Grass Valley to solicit interest in providing financing to low- and moderate-income housing as part of their responsibility under the federal Community Reinvestment Act. The City will seek specific lending commitments in conjunction with state and federal funds.

Discussion: Grass Valley will continue its past practice of conducting presentations to local banking institutions regarding the City's housing programs and solicitation for their participation in both the housing rehabilitation and first-time homebuyer assistance programs.

Responsibility: Community Development Department
Funding: General Fund
Timeframe: Annual presentations, 2014 – 2019, additional meetings with specific lenders as needed
Objective: Increase the availability of funding options for new or rehabilitated housing

GOAL D: To Preserve the Existing Housing Stock and Conserve Existing Affordable Housing Opportunities

PROGRAM 17: Housing Rehabilitation Programs

Action: The City shall continue to use federal and state for funds for housing rehabilitation, provide loans for both owner-occupant and rental rehabilitation, and offer grants to homeowners for emergency repairs. The City will promote this program through a City website link, information at the Community Development Department public counter and other public locations in Grass Valley.

Discussion: Under the City's current program, individuals who own homes or apartments within Grass Valley are eligible to receive loans or grants to repair their properties if they, or their tenants, meet income eligibility guidelines. For owner occupants, the maximum loan amount is \$85,000 amortized at one percent for 15 years. Very low-income owners may be eligible for deferred loans. For rental property owners, the maximum loan amount is \$60,000 for a two-unit structure, plus \$20,000 for each additional unit. Tenants must meet income qualifications and a fair market rent agreement is required. Under the Emergency Repair Program, the City offers grants of up to \$7,500 for emergency repairs to owner-occupied properties. Each property owner is eligible only once for the grant.

Responsibility: Community Development Department
Funding: CDBG and HOME funds
Timeframe: Current and ongoing, 2014 – 2019
Objective: Rehabilitation of 3 very low-income housing units and 5 low-income housing units

PROGRAM 18: Preservation of At-Risk Housing

Action: Based on the most current available information and interviews with property managers, the City does not have any units at risk of conversion to market units until 2027. The City can continue to assist owners in applying for state or federal assistance for refinancing, acquisition, and/or rehabilitation, or provide "gap" financing to public agencies or nonprofit housing organizations interested in purchasing "at-risk" rental housing developments. The City will also provide educational materials related to tenant relocation assistance and rental subsidies to tenants of the at-risk units, and post information on the web site and public information counter.

Discussion: The City has identified 836 subsidized rental-housing units in Grass Valley, all assisted by the programs listed in Table II-26. None of these units are not at risk of conversion over the next ten years. The City will continue to monitor the status of these properties should federal program restrictions change in a way that would increase the risk of conversion.

Responsibility: Community Development Department
Funding: General Fund
Timeframe: The City will continue to monitor and begin to address as part of the next Housing Element cycle
Objective: Preserve the affordability of 836 assisted rental housing units

PROGRAM 19: Rental Assistance

Action: The City shall continue to cooperate with the Nevada County Housing Authority in its administration of the federal Housing Choice Voucher (formerly called “Section 8”) rental assistance program to maintain the availability of housing vouchers in Grass Valley. The City’s role will be to:

- a. Provide necessary documentation to the Housing Authority to apply for annual commitments from the U.S. Department of Housing and Urban Development;
- b. Encourage rental property owners who have participated in the City’s housing rehabilitation program to participate in the Housing Choice Voucher program;
- c. Provide information on the rental assistance program in the City’s newsletter, and at the Community Development Department’s public counter; and
- d. Provide a website link to the Housing Authority

Responsibility: Community Development Department
Funding: General Fund
Timeframe: Annual collaboration with the Housing Authority during federal funding request; information distribution, current and ongoing, 2014 – 2019; ongoing promotion of rental assistance program to rental property owners
Objective: Maintain availability of rental assistance to Grass Valley residents

PROGRAM 20: Preservation of Mobile Home Parks

Action: Grass Valley shall continue to meet as needed with mobile home park owners to discuss their long-term goals for their properties and the feasibility of preserving these parks. The City will determine feasibility based on the condition of park infrastructure and buildings, the condition of mobile homes located in the park, parcel size, accessibility to services, and surrounding land uses. For those parks that are feasible to preserve, the City will:

- a. Assist property owners in accessing state and federal funds for park improvements by preparing funding requests, providing information to park owners on state and federal programs, and/or providing referrals to nonprofit organizations who can assist in preparing funding requests.
- b. Pursuant to California Government Code Section 65863.7, require, as a condition of approval for any change of use, that mobile home park owners who desire to close and/or convert their parks to another use provide relocation or other assistance to mitigate the displacement of park residents. The City shall also require the park owner to provide evidence of resident notification of intent to close and/or convert the mobile home park, as required by state law.

Discussion: Grass Valley contains four mobile home parks with 428 spaces. Two of these parks contain fewer than 50 spaces each. The City has met with the owners of the larger parks over the past few years. It may not be feasible to preserve all of the mobile home parks in Grass Valley, particularly smaller parks without adequate infrastructure and amenities to provide a suitable residential environment.

Responsibility: Community Development Department

Funding: CDBG, HOME, California Housing Finance Agency HELP program, California Mobile Home Park Resident Ownership Program
Timeframe: Meet with park owners and residents if requested to determine feasibility of preservation.
Objective: Preserve the condition and affordability of larger mobile home parks containing 360 spaces; provide relocation assistance to residents of parks that are not feasible to preserve

PROGRAM 21: Housing Code Enforcement

Action: The City shall continue to combine code enforcement and housing rehabilitation assistance, targeted to older neighborhoods with concentrations of substandard housing. Code enforcement will occur primarily on a complaint or request basis. The City will provide the resident and/or property owner with information on the City's housing rehabilitation assistance program.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2014-2019
Funding: CDBG, HOME, and inspection fees
Objective: Improve substandard housing conditions through correction of code violations. Document housing conditions and establish priorities for future code enforcement, housing rehabilitation assistance, and neighborhood improvement efforts.

PROGRAM 22: Re-Use of Large, Older Homes

Action: The City shall permit the re-use of large, older homes located in the Downtown area and R-2 and R-3 zoning districts as multi-unit residential structures. The City will ensure any reuse of structures will follow the historic preservation policies of the General Plan Historical Resources Element and in Article 5 of the Development Code, Cultural and Historic Resource Preservation. The City will assist, through its housing rehabilitation program, in the re-use of older homes that require rehabilitation if the property owner intends to sell or rent the units to low- or moderate-income households. (See programs 16 for details on the housing rehabilitation).

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2014 – 2019
Funding: CDBG, HOME, permit fees
Objective: Efficiently re-use and preserve existing residential structures and increase the supply of housing.

GOAL E: To Assure that All Present and Future Residents Have Equal Access to Housing Commensurate with their Financial Capacity

PROGRAM 23: Fair Housing Program

Action: The City shall continue to promote equal housing opportunity for all persons regardless of race, religion, sex, marital status, ancestry, nation origin, or color by supporting efforts of

community groups that provide counseling, investigatory, legal, or referral services to victims of discrimination. Specifically, the City will:

- a. Maintain information on state and federal fair housing laws at the Community Development Department and other public places for public distribution;
- b. Train City staff at the public counter to refer victims of housing discrimination to the appropriate local organization or to the State Fair Employment and Housing Commission;
- c. Seek the cooperation of the local homebuilders association, Realtor association and lenders in disseminating fair housing information; and
- d. Attend an annual community event for purpose of distributing fair housing information.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2014 – 2019; identify annual events in 2014 and include fair housing information beginning 2014 and thereafter
Funding: CDBG and General Fund
Objective: Educate the public on fair housing issues, reduce housing discrimination, and promptly resolve housing discrimination complaints

GOAL F To Promote Residential Energy Conservation

PROGRAM 24: Energy Conservation for New Construction and Residential Design

Action: The City shall continue to enforce state energy standards for new residential construction (Title 24 of the California Code of Regulations) and shall encourage, through the City’s residential design guidelines, additional energy conservation measures such as the siting of buildings, landscaping, and solar access.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2014 – 2019
Funding: Permit fees
Objective: Reduce residential energy consumption

PROGRAM 25: Weatherization and Energy Conservation for Existing Dwelling Units

Action: PG&E provides weatherization and energy conservation programs directed towards lower income households. To further assist in the promotion of, and to reduce the costs of, housing rehabilitation, the City shall add information on PG&E’s programs in its application forms for housing rehabilitation. The City shall continue to promote its housing rehabilitation program, which includes a specific program for energy efficiency upgrades to existing homes.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2014 – 2019
Funding: CDBG, HOME
Objective: See Program 16

E. Quantified Objectives

The City of Grass Valley has established quantified (numerical) objectives for several program categories to provide measurable standards for monitoring and evaluating program achievements. Quantified objectives have been established for accommodating the City’s share of Nevada County’s future housing needs, new housing construction, housing rehabilitation, the preservation of existing affordable housing, and homebuyer assistance. The quantified objectives for the City’s share of Nevada County’s future housing needs and housing construction differ because the housing construction objective is based on the City’s estimate of the number homes that will actually be constructed and affordable to each income group. The future housing needs objective addresses the City’s ability to accommodate housing based on the availability of appropriately zoned vacant and underutilized land, with public services and facilities. These homes may or may not be built depending on market trends and the availability of funding assistance to developers of affordable housing.

**Table IV-2
Quantified Objectives (2014 to 2019)**

Income	Accommodate Regional Share ¹	New Construction ²	Homebuyer Assistance	Housing Rehab. ³	Conservation of Affordable Housing	
					Rental Housing ⁴	Mobilehomes ⁵
Extremely Low	61	15	2	2	836	360
Very Low	61	120	3	3		
Low	88	60	5	5		
Moderate	100	100	25	--	--	
Above Moderate	220	200	--	--	--	
Total	530	495	35	10	836	360

1. Quantified objectives are for the 2014 – 2019 Nevada County Housing Allocation Plan
2. Quantified objectives cover 2014 – 2019, including housing units anticipated to be constructed between 2014 and 2019, based on anticipated market rate housing production (for moderate-and above moderate-income), availability of financial resources to assist in the construction of very low- and low-income housing, and the City’s past track record of producing affordable housing.
3. Based on historic level of performance under the housing rehabilitation program
4. Based on the conservation of 836 existing subsidized rental housing units—the City does not have specific information on the number of extremely low-, very low-, or low-income units
5. Based on the number of mobile homes in parks with 50 or more spaces; although the majority of mobile home park residents are likely to have very low- or low-incomes, the City does not have specific information on the income levels of mobile home park residents