



I. INTRODUCTION

A. Purpose and Content of Housing Element

The Housing Element of the General Plan is designed 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, such as 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 to accommodating additional housing at higher densities due to topography and other factors. The State-mandated concerns and the local concerns combine to set the foundation upon which this Housing Element is built.

The Housing Element is a five-year plan for the 2003-2009 period, 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 is updated 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 faces a critical need to plan for and provide sufficient housing units, resources, and programs for our residents. Rising housing costs, a large 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 2003 to 2009. The result of this effort is the updated Housing Element of the General Plan.

Many unique circumstances face our community and the provision of adequate housing for all residents is dependent upon creating a program 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.

Within this broad context, the City must address key housing challenges over the 2003-2009 planning period. These challenges include:

- Providing sufficient sites for additional housing;
- Providing for a range in types and prices of housing;
- Providing for those with special housing needs;
- Addressing issues of overcrowding, overpayment, and low vacancy rates; and
- Maintaining and improving the local environment and quality of life in Grass Valley.

The 2003-2009 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

The California Legislature has identified the attainment of a decent home and suitable living environment for every resident as the State's major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Section 65302(c) of the Government Code sets forth the specific components 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 1993 Grass Valley Housing Element covered the five-year period spanning 1992 through 1997. However, due to an economic downturn in the mid-1990s and a shortfall in State funds, the Legislature extended the planning period for the 1992 Housing Element through June 30, 2009. Thus, this Housing Element covers the planning period of July 1, 2003 to June 30, 2009. Special legislation was later adopted to provide an extension for completing the Housing Element update to December 31, 2003.

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 1, 2001 and June 30, 2009. Therefore, while the Housing Element is a five-year document covering July 1, 2003 to June 30, 2009, the City has seven and one-half years (January 1, 2001 to June 30, 2009) to fulfill the RHNA.

D. Data Sources and Methodology

In preparing the Housing Element, various sources of information were used. Wherever possible, Census 1990 and 2000 data provided the baseline for all demographic information. Additional sources provided reliable updates to the 2000 Census. These include housing market data from Dataquick, 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 2003-2009 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 has 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. Programs included within the Housing Element 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;
- Amend the City's Zoning Ordinance to update the density bonus program commensurate with state law requirements;
- Continue implementation of state law requirements regarding redevelopment;
- Pursue state and federal funding opportunities;
- Monitor the progress of Housing Element goals that have been achieved on an annual basis; and
- Amend the Zoning Ordinance to reduce regulatory barriers to the development of affordable housing.

F. Public Participation

All segments of the community were encouraged by the City to participate in the preparation of the Housing Element through 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 a Planning Commission workshop on May 20, 2003 and a public workshop on June 23, 2003 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 September 3, 2003 and September 23, 2003 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 these interested parties of the availability of the Housing Element and provided each organization with a copy of the document for its review and comment.

The following organizations were contacted during the preparation of the Housing Element:

- Nevada County Board of Supervisors
- Economic Resource Council
- FREED (Equality Employment for the Disabled)

- Grass Valley Downtown Association
- Grass Valley/Nevada City Chamber of Commerce
- Habitat for Humanity
- Nevada Local Agency Formation Commission (LAFCo)
- Nevada City
- Nevada County Contractor's Association
- Nevada County Grand Jury
- Nevada County Transportation Commission
- Nevada County
- SCO Planning and Engineering (Workforce Housing Member)
- 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. The Planning Commission hearing was held on December 16, 2003 and the City Council hearing on January 27, 2004.

Comments made by the public regarding the Housing Element included the following:

- A resident inquired about potential annexations into the City.
- A resident inquired about traffic concerns.

To address these comments, the City recommends readers refer to Section IV of the Housing Element for a discussion of land requirements necessary to accommodate new housing, including consideration of whether annexations are necessary to meet housing demands. For traffic and transportation inquiries, the reader is directed to the Transportation Element of the General Plan.

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 Chapters of the General Plan. As such, goals and policies contained within the Housing Element should be interpreted and implemented consistent with the goals and policies of the rest of the General Plan. To ensure that the contents of the 2003-2009

Housing Element maintain consistency with the other elements of the adopted General Plan, a consistency analysis of the entire document was conducted. Table I-1 provides the goals and policies of the Housing Element and other General Plan policies that support them.

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 significant changes to any other element of the General Plan. However, if it becomes apparent that over time changes to any element are needed for internal consistency, such changes will be proposed for consideration by 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.
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.
17-LUP	Utilize California Redevelopment Law, where appropriate, to enhance older neighborhoods and protect them from blighting influences.
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.
Historic Element	Policy
3-HP	Establish appropriate design standards and elements that complement Grass Valley's historic heritage in newly developing areas.
10-HP	Where historic and prehistoric cultural resources have been identified,

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

	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.