

HOUSING CONSTRAINTS



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SECTION 5: HOUSING CONSTRAINTS

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HOUSING CONSTRAINTS



Actual or potential constraints to the provision of housing affect the development of new housing and the maintenance of existing units for all income levels. State housing element law requires cities and counties to review both governmental and nongovernmental constraints to the maintenance and production of housing for all income levels. Since local governmental actions can restrict the development and increase the cost of housing, State law requires the housing element to “address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing” (Government Code Section 65583(c)(3)). The housing element must also analyze potential and actual constraints on the development, maintenance, and improvement of housing for persons with disabilities.

Nongovernmental constraints are not specific to each community and are described in this section at the regional level. Governmental constraints, on the other hand, are specific to each local government and are described only generally in this section. The appendices contain a more detailed governmental constraints analysis for each local government.

GOVERNMENTAL CONSTRAINTS

Local governments have little or no influence on the national economy or the federal monetary policies that influence it. Yet, these two factors have some of the most significant impacts on the overall cost of housing. The local housing market, however, can be encouraged and assisted locally. One purpose of the housing element is to require local governments to evaluate their past performance in this regard. By reviewing local conditions and regulations that may impact the housing market, the local government can prepare for future growth through actions that protect public health and safety without unduly adding to the cost of housing production.

It is in the public interest for a local government agency to accommodate development while protecting the general welfare of the community, through a regulatory framework/environment. At the same time, government regulations can potentially constrain the supply of housing available in a community if the regulations limit the opportunities to develop housing, impose requirements that unnecessarily increase the cost to develop housing, or make the development process so arduous as to discourage housing developers.

Land Use Controls

Land use controls provided in the general plan and the zoning ordinance influence housing production in several ways. The permitted and conditionally permitted uses in each district guide new development and provide both developers and the public with an understanding of how vacant land will develop in the future. This includes the density of development that will occur within a particular zone, the compatibility of planned uses in a given area, and the range and type of buildings and uses that will be located throughout the city or the county.

General Plan

Each city and county in California must prepare a comprehensive, long-term general plan to guide growth and development. The land use element of the general plan must contain land use designations, which establish the basic allowed land uses and density of development for the different ranges and areas within the jurisdiction. Under State law, the zoning districts must be consistent with the general plan land use designations. The general plan land uses must provide suitable locations and densities to accommodate each jurisdiction's regional housing needs allocation (RHNA) and implement the policies of the housing element. Appendix 2 provides a description of each jurisdiction's general plan land use designations.

Zoning Ordinance

Land use controls provided in the zoning ordinance influence housing production in several ways. The permitted and conditionally permitted uses in each district guide new development and provide both developers and the public with an understanding of how vacant land will develop in the future. This includes the density of development that will occur within a particular zone, the compatibility of planned uses in a given area, and the range and type of buildings and uses that will be located throughout the jurisdiction.

Local governments regulate the type, location, and scale of residential development primarily through the zoning ordinance. The zoning ordinance implements the general plan. It contains development standards for each zoning district consistent with the land use designations of the general plan. Appendix 2 provides a description of each jurisdiction's zoning districts and development standards.

Residential Development Standards

Each jurisdiction's zoning ordinance contains development standards for each zoning district. These standards vary by jurisdiction, but typically include density, parking requirements, lot coverage, height limits, lot size requirements, setbacks, and open space requirements. The Housing Element must analyze whether development standards impede the ability to achieve maximum allowable densities.

Parking

Parking requirements do not constrain the development of housing directly. However, parking requirements may reduce the amount of available lot areas for residential development. Most of the participating jurisdictions require two parking spaces per single-family dwelling unit. Several, but not all jurisdictions, have reduced parking standards for multifamily and elderly housing.

Open Space and Park Requirements

Open space and park requirements can decrease the affordability of housing by increasing developer fees and/or decreasing the amount of land available on a proposed site for constructing units. All jurisdictions require that park space is set aside in new subdivisions, or that developers pay a fee in lieu of providing parks.

Density Bonus

Under current state law (Government Code Section 65915), cities and counties must provide a density increase up to 80 percent over the otherwise maximum allowable residential density under the Municipal Code and the Land Use Element of the General Plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with 100 percent of units affordable to low- or very low-income households.

Density bonus law also imposes statewide parking standards that a jurisdiction must grant upon request from a developer of an affordable housing project that qualifies for a density bonus. These parking standards are summarized in Table 5-1. These numbers are the total number of parking spaces, including guest parking and handicapped parking. The developer may request these parking standards even if they do not request the density bonus. Appendix 2 provides a description of whether or not individual jurisdictions comply with California’s density bonus law.

Table 5-1 Statewide Density Bonus Parking Standards

| Number of Bedrooms | Required On-Site Parking |
|--------------------|--------------------------|
| Studio/1 bedroom | 1 space |
| 2 to 3 bedrooms | 1.5 space |
| 4 or more bedrooms | 2.5 spaces |

Source: Government Code Section 65915 (9)(p)(1)

Growth Control

Growth-control ordinances or policies are designed to limit the amount or timing of residential development. Since growth-control policies, by definition, constrain the production of housing, local governments must analyze whether or not local growth-control policies limit the ability to meet the RHNA. Most jurisdictions have not adopted growth-control policies. Appendix 2 describes which jurisdictions have other growth-control policies or ordinances.

While not a form of growth control, all jurisdictions in Fresno County are subject to the City/County memorandum of understanding (MOU), which establishes procedures for annexation of land to cities. The City/County MOU encourages urban development to take place within cities and unincorporated communities where urban services and facilities are available or planned to be made available in an effort to preserve agricultural land. The MOU standards for annexation require that a minimum of 50 percent of annexation areas have an approved tentative subdivision map or site plan. Therefore, cities must wait for private developers to request an annexation before initiating an annexation. In cities that are mostly built out within their current city limits, the MOU limits the cities’ ability to accommodate future housing needs. While cities can take certain steps to “prezone” land in advance of annexation, the annexation of land into the city limits is not entirely within the cities’ control.

Airport Land Use Compatibility

State law requires each local agency having jurisdiction over land uses within an Airport Influence Area (AIA) to either: (1) modify its general plan, zoning ordinance, or other applicable land use regulation(s) to be consistent with the Airport Land Use Compatibility Plan (ALUCP); or (2) overrule all or part of the ALUCP within 180 days of its adoption. If a city or county fails to take either action, the agency is required to submit all land use development proposals to the Airport Land Use Commission (ALUC) for consistency review until such time as the ALUC deems their general plan consistent with the ALUCP. The Fresno Council of Governments (COG) Airport Land Use Commission has completed ALUCPs for airports within its jurisdiction. The following are the most recently adopted plans for public airports in Fresno County.

- Coalinga Airport Land Use Plan
- Fresno County Airports Land Use Policy Plan
- Fresno-Chandler Executive Airport Land Use Plan
- Fresno Yosemite International Airport Airport Land Use Compatibility Plan
- Harris Ranch Land Use Plan
- Reedley Airport Land Use Plan
- Selma-Reedley-Firebaugh-Mendota Airports Land Use Plans
- Sierra Sky Park Land Use Plan

The ALUCP has the potential to constrain residential development, if deemed incompatible with the ALUCP. No incompatibility has been identified with existing General Plan land uses and none is anticipated in the future. Sites identified in the residential sites inventory are not constrained by the land use compatibility requirements of any ALUCP. As such, the ALUCP is not considered a significant constraint in Fresno County and is not addressed in Appendix 2.

Zoning for a Variety of Housing Types

State Housing Element law (Government Code Section 65583(c)(1) and 65583.2(c)) requires that local governments analyze the availability of sites that will facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobile homes, housing for farmworkers and employees, emergency shelters, transitional and supportive housing, single-room occupancy (SRO) units, group homes and residential care facilities, and second dwelling units.

Multifamily

Multifamily housing includes duplexes, apartments, condominiums, or townhomes, and is the primary source of affordable housing. Appendix 2 provides descriptions of the restrictions on multifamily housing units in each jurisdiction.

Manufactured Housing

Manufactured housing can serve as an alternative form of affordable housing in low-density areas where the development of higher-density multifamily residential units is not allowed or not feasible because of infrastructure constraints. California Government Code Sections 65852.3 and 65852.4 specify that a jurisdiction must allow manufactured homes on a foundation on all “lots zoned for conventional single family residential dwellings.” Permanently sited manufactured homes built to the United States Department of Housing and Urban Development (HUD) Code are subject to the same rules as site-built homes, except architectural requirements concerning the manufactured home’s roof overhang, roofing materials, and siding materials.

The only two exceptions that local jurisdictions are allowed to make to the manufactured home siting provisions are if: (1) there is more than 10 years’ difference between the date of manufacture of the manufactured home and the date of the application for the issuance of an installation permit; or (2) if the site is listed on the National Register of Historic Places and regulated by a legislative body pursuant to Government Code Section 37361.

Appendix 2 provides descriptions of the allowances and restrictions on manufactured homes in each jurisdiction and whether the zoning ordinances in the jurisdictions comply with State law requirements for manufactured homes.

Farmworker Housing/Employee Housing Act

The Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6) requires jurisdictions to permit employee housing for six or fewer employees as a single-family use. The California Department of Housing and Community Development (HCD) also indicates that employee housing shall not be included within the zoning definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling. Jurisdictions cannot impose a conditional use permit, zoning variance, or other zoning clearance of employee housing that serves six or fewer employees that are not required of a family dwelling of the same type in the same zone. In addition, in any zone where agriculture is permitted or allowed by a conditional use permit, employee housing containing up to 36 beds and 12 units must be treated as an agricultural use. No conditional use permit, zoning variance, or other zoning clearance shall be required for this type of employee housing that is not required of any other agricultural activity in the same zone.

Appendix 2 provides an analysis of whether or not each jurisdiction complies with the Employee Housing Act.

Emergency Shelters

Emergency shelters are defined by the California Health and Safety Code (Section 50801) as:

Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay”

Senate Bill (SB) 2 (Government Code Section 65583) was enacted in 2008 to support the needs of the homeless by removing barriers to and increasing opportunities for development of emergency shelters. SB 2 requires every jurisdiction in California to identify a zone (or zones) where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit. To address this requirement, a local government may amend an existing zoning district, establish a new zoning district, or establish an overlay zone. The zone(s) must provide sufficient opportunities for new emergency shelters to meet the homeless need identified in the analysis and must in any case accommodate at least one year-round emergency shelter. SB 2 requires that emergency shelters only be subject to those development and management standards that apply to residential or commercial use within the same zone, except the local government may apply certain objective standards, as follows:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Off-street parking based on demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- The size and location of exterior and interior on-site waiting and client intake areas.
- The provision of on-site management.
- The proximity to other emergency shelters provided that emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

Assembly Bill (AB) 2339 (Government Code Section 65583 (a)(4)) requires jurisdictions provide a calculation methodology for determining the sufficiency of sites available to accommodate emergency shelters in the identified zoning designation.

Appendix 2 analyzes each jurisdiction’s compliance with State law requirements for emergency shelters.

Low-Barrier Navigation Centers

Government Code Section 65662 requires that the development of low-barrier navigation centers be developed as a use by right in zones where mixed uses are allowed or in nonresidential zones that permit multifamily housing. For a navigation center to be considered “low barrier,” its operation should

incorporate best practices to reduce barriers to entry, which may include, but are not limited to, the following:

- Permitting the presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth
- Pets
- Ability to store possessions
- Providing privacy, such as private rooms or partitions around beds in a dormitory setting or in larger rooms with multiple beds

Appendix 2 analyzes each jurisdiction’s compliance with State law requirements for low-barrier navigation centers.

Transitional and Supportive Housing

Pursuant to Government Code Section 65583, transitional and supportive housing shall be treated as a residential use and allowed in all zones that allow residential uses, subject only to those restrictions that apply to other residential uses of the same type in the same zone.

According to recent changes in State law, Government Code Sections 65650 and 65583 (AB 2162), states that the City must also allow 100 percent affordable projects that include 25 percent, or 12 units of supportive housing, by right where multi-unit and mixed-use development is permitted. The Housing Element includes an implementation program to comply with this new provision of State law. Transitional housing is a type of housing used to facilitate the movement of homeless individuals and families to permanent housing. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multifamily apartments; and typically offers case management and support services to help return people to independent living (often six months to two years).

The State defines transitional housing as:

“Transitional housing” shall mean buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance (Health and Safety Code Section 50675.14).

Supportive housing links the provision of housing and social services for the homeless, people with disabilities, and a variety of other special-needs populations. Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multifamily apartments. The State defines supportive housing as:

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“Supportive housing” shall mean housing with no limit on length of stay, that is occupied by the target population and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community (Health and Safety Code Section 50675.2(h)).

The State defines the target population as:

“Target population” shall mean persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people (Health and Safety Code Section 53260(d)).

Appendix 2 analyzes compliance with State law requirements for transitional and supportive housing in each jurisdiction.

Single-Room Occupancy Units

Single-room occupancy (SRO) unit means a living or efficiency unit, as defined by California Health and Safety Code Section 17958.1, intended or designed to be used, as a primary residence by not more than two persons for a period of more than 30 consecutive days and having either individual bathrooms and kitchens or shared bathrooms and/or kitchens. SRO units can provide affordable private housing for lower-income individuals, seniors, and persons with disabilities. These units can also serve as an entry into the housing market for formerly homeless people. Appendix 2 provides descriptions of the allowances and restrictions for SRO units in each jurisdiction.

Group Homes/Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Lanterman Act) and Health and Safety Code Sections 1267.8, 1566.3, and 1568.08 sets out the rights and responsibilities of persons with developmental disabilities. A State-authorized, certified, or licensed family care home, foster home, or a group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis must be considered a residential use that is permitted in all residential zones. Local agencies must allow these licensed residential care facilities in any area zoned for residential use and may not require licensed residential care facilities for six or fewer persons to obtain conditional use permits or variances that are not required of other family dwellings.

Appendix 2 provides descriptions of the restrictions on group homes in each jurisdiction.

Accessory Dwelling Units

Accessory dwelling units (ADUs), also called “second units” or “granny flats” are attached or detached residential dwellings that provide complete, independent living facilities for one or more persons. That is, they include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as a single-family dwelling and must be permitted ministerially subject to objective design standards (Government Code Section 65852.2).

Junior accessory dwelling units (JADUs) are ADUs of less than 500 square feet and must be permitted within the walls of the proposed or existing single-family dwelling. An existing bedroom or interior entry into the single-family home is not required for JADUs.

Appendix 2 analyzes compliance with State law requirements for ADU/JADUs in each jurisdiction.

On-/Off-Site Improvement Standards

On/off-site improvement standards establish infrastructure or site requirements to support new residential development, such as streets, sidewalks, water and sewer, drainage, curbs and gutters, street signs, park dedications, utility easements, and landscaping. While these improvements are necessary to ensure public health and safety and that new housing meets the local jurisdiction’s development goals, the cost of these requirements can sometimes represent a significant share of the cost of producing new housing.

Appendix 2 describes specific site improvement standards for each jurisdiction. Although improvement requirements and development fees increase the cost of housing, jurisdictions have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements.

Fees and Exactions

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Local governments charge various fees and assessments to cover the costs of processing permit applications and providing services and facilities, such as parks and infrastructure. Almost all of these fees are assessed based on the magnitude of a project’s impact or on the extent of the benefit that will be derived. Additional fees and/or time may be necessary for required environmental review, depending on the location and nature of a project.

In 2019, National Impact Fees Survey examined 37 jurisdictions in California. The study reports average impact fees of \$37,471 per single-family unit and \$21,703 per multifamily unit in California.

Appendix 2 provides an analysis of permit and processing and development impact fees in each jurisdiction. In addition to the fees shown in Appendix 2, jurisdictions in Fresno County are subject to two regional impact fees, including Regional Transportation Mitigation fees and San Joaquin Valley Air Pollution Control District fees.

Regional Transportation Mitigation Fees

In addition to local planning and development impact fees, Regional Transportation Mitigation Fees, shown in Table 5-2, are payable to the Fresno COG as a part of “Measure C,” approved by Fresno County voters in 2006. Jurisdictions have no control of these fees, which are paid to ensure that future development contributes toward the cost to mitigate cumulative, indirect regional transportation impacts. These fees are the same throughout the county and fund important improvements needed to maintain the transportation system.

Table 5-2 Fresno COG Transportation Impact Fee

| Residential Developments (\$/Dwelling Unit) | Fee |
|---|---------|
| Single-Family Dwelling (Market-Rate) | \$2,118 |
| Single-Family Dwelling (Affordable) | \$1,059 |
| Multifamily Dwelling (Market-Rate) | \$1,642 |
| Multifamily Dwelling (Affordable) | \$821 |

Source: Fresno Council of Governments, 2020.

San Joaquin Valley Air Pollution Control District Fees

Fresno County is within the regulatory jurisdiction of the San Joaquin Valley Air Pollution Control District (SJVAPCD). The air basin as a whole does not meet ambient air quality standards set at the state and federal levels and is within a “non-attainment” area for ozone, particulate matter with a diameter of 10 microns or less (PM₁₀; state), and particulate matter with a diameter of 2.5 microns or less (PM_{2.5}).

As a consequence of these conditions, the SJVAPCD has implemented an Indirect Source Review (ISR) process to reduce the impacts of growth in emissions from all new land development. An Air Impact Assessment (AIA) and potential mitigation fees are required for residential projects that contain 50 or more units and when there is a discretionary approval required. Fees are also exacted by the SJVAPCD to offset emissions created by typical operational sources. These fees can add hundreds of dollars to the cost of development. However, the cost is applied to all jurisdictions in the air basin and may be eliminated for a lesser number of units or reduced with additional mitigation measures.

Processing and Permit Procedures

Jurisdictions have various procedures that developers must follow for processing development entitlements and building permits. Processing times vary and depend on the size and complexity of the project. Appendix 2 provides more information on the processing and permit procedures in each jurisdiction.

Senate Bill 35

SB 35 requires jurisdictions that have failed to meet their RHNA to provide a streamlined, ministerial entitlement process for housing developments that incorporate affordable housing.

Appendix 2 analyzes each jurisdiction's compliance with State law requirements.

Senate Bill 330

SB 330, the Housing Crisis Act of 2019, established specific requirements and limitations on development application procedures. Housing developments for which a preliminary application is submitted that complies with applicable general plan and zoning standards is subject only to the development standards and fees that were applicable at the time of submittal. This applies to all projects unless the project square footage or unit count changes by more than 20 percent after the preliminary application is submitted. The developer must submit a full application for the development project within 180 days of submitting the preliminary application.

Appendix 2 analyzes each jurisdiction's compliance with State law requirements.

Building Codes and Enforcement

Building codes and their enforcement can increase the cost of housing and impact the feasibility of rehabilitating older properties that must be upgraded to current code standards. In this manner, building codes and their enforcement can act as a constraint on the supply of housing and its affordability.

The California Building Standards Code, Title 24, serves as the basis for the design and construction of buildings in California. State law prohibits the imposition of additional building standards that are not necessitated by local geographic, climatic, or topographic conditions, and requires that local governments making changes or modifications in building standards must report such changes to HCD and file an expressed finding that the change is needed. Appendix 2 provides more information on building codes and enforcement by jurisdiction.

Constraints on Housing for Persons with Disabilities

In accordance with SB 520 (Chapter 671, Statutes of 2001), jurisdictions must analyze the potential and actual governmental constraints on the development of housing for persons with disabilities. Appendix 2 contains a detailed review of zoning laws, policies, and practices in each jurisdiction to ensure compliance with fair housing laws.

California Building Code

The 2019 California Building Code, Title 24 regulations, provide for accessibility for persons with disabilities. The Housing Element must identify the version of the Building Code adopted in each jurisdiction and whether or not a jurisdiction has adopted any amendments to the Code that might diminish the ability to accommodate persons with disabilities. Appendix 2 provides information on which

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jurisdictions have adopted the 2019 California Building Code, including Title 24 regulations of the code concerning accessibility for persons with disabilities.

Definition of Family

There are a number of state and federal rules that govern the definition of family, including the Federal Fair Housing Amendments Act of 1988, the California Fair Housing and Employment Act, the California Supreme Court case *City of Santa Barbara v. Adamson* (1980), and the California Constitution privacy clauses. The laws surrounding the definition of family have a few primary purposes: to protect people with disabilities, to protect nontraditional families, and to protect privacy. According to HCD and Mental Health Advocacy Services, there are three major points to consider when writing a definition of family:

- Jurisdictions may not distinguish between related and unrelated individuals.
- The definition may not impose a numerical limit on the number of persons in a family.
- Land use restrictions for licensed group homes for six or fewer individuals must be the same as those for single families.

Appendix 2 analyzes whether or not the zoning ordinances in each jurisdiction contain restrictive definitions of “family.”

Zoning and Land Use Policies

Restrictive land use policies and zoning provisions can constrain the development of housing for persons with disabilities. The Housing Element must analyze compliance with fair housing laws, provisions for group homes, and whether or not jurisdictions have adopted any minimum distance requirements or other zoning procedures or policies that would limit housing for persons with disabilities. Appendix 2 provides information on zoning and land use policies.

Reasonable Accommodation Procedure

Both the federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. It may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the zoning ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances and must be decided on a case-by-case basis. Appendix 2 provides information on reasonable accommodation policies and procedures in each jurisdiction.

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The availability and cost of housing is strongly influenced by market forces over which local governments have little or no control. Nonetheless, State law requires that the housing element contain a general assessment of these constraints, which can serve as the basis for actions to offset their effects. The primary nongovernmental constraints to the development of new housing are land costs, construction costs, and availability of financing. This section also discusses environmental constraints that might affect housing development in the region.

Land Costs

The cost of land can be a major impediment to the production of affordable housing. Land costs are influenced by many variables, including scarcity and developable density (both of which are indirectly controlled through governmental land use regulations), location, site constraints, and the availability of public utilities. For example, available land parcels in downtown Fresno are small in size due to limited available land. The range is from \$375,000 to \$495,000, less than the high county average. This is often because sites are smaller and/or occupied by existing uses that generate revenue to property owners. As shown in Table 5-3 and Table 5-4, smaller sites (under 10 acres) have a smaller cost-per-acre in both the cities and unincorporated area.

As shown in Table 5-3, in August 2022, land was listed for more in the incorporated area. Excluding the City of Fresno, whose land costs are not reflective of the rest of the county, seven properties were listed for sale in the incorporated cities (three in Clovis, and one each in Kerman, Orange Cove, Parlier, and San Joaquin). The properties ranged in size from 1.7 acres for \$499,000 (\$297,024 per acre) to 20 acres for \$358,000 (\$17,900 per acre). The average list price per acre was \$282,686.

As shown in Table 5-4, in the unincorporated area (Auberry, Squaw Valley, Wonder Valley outside of Sanger), eight properties were listed for sale in August 2022. The properties ranged from 4.7 acres for \$80,000 (\$17,021 per acre) to 25 acres for \$199,000 (\$7,960 per acre). The average list price per acre was \$18,048.

Table 5-3 Listed Land Prices, Incorporated Cities (2022)

| Lot Size | Incorporated | | |
|------------------------|-----------------------|-------------------------------|--------------------|
| | Average Per-Acre Cost | Average Range Per-Acre Cost | Number of Listings |
| Less than 10 acres | \$383,601 | \$40,379 – \$1,269,430 | 5 |
| 10 or more acres | \$30,398 | \$17,900 – \$42,895 | 2 |
| Average \$/acre | \$282,686 | \$17,900 – \$1,256,410 | 7 |

Source: Redfin, August 2022.

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Table 5-4 Listed Land Prices, Unincorporated Areas (2022)

| Lot Size | Unincorporated | | |
|------------------------|-----------------|---------------------------|--------------------|
| | Average | Average Range | Number of Listings |
| Less than 10 acres | \$23,325 | \$17,021 – \$36,853 | 5 |
| 10 or more acres | \$9,253 | \$7,800 – \$12,000 | 3 |
| Average \$/acre | \$18,048 | \$7,800 – \$36,853 | 8 |

Source: Redfin, August 2022.

As shown in Table 5-5, in August 2022, land sold for less in the incorporated area. Excluding the City of Fresno, whose land costs are not reflective of the rest of the county, eight properties were sold in cities (two in Sanger, three in Clovis, one each in Selma, Coalinga, and Firebaugh). The properties ranged from 0.5 acres for \$135,000 (\$6 per acre) to 160.0 acres for \$1,559,396 (\$9,746 per acre). The average sale price per acre was \$67,582.

As shown in Table 5-6, in the unincorporated area, 13 properties were sold in August 2022, ranging from 4.1 acres for \$35,000 (\$8,495 per acre) to 54.3 acres for \$215,000 (\$3,959 per acre). The average cost per acre of all sold properties in Fresno County was \$13,907.

Table 5-5 Land Sale Prices, Incorporated Cities (August 2022)

| Lot Size | Incorporated | | |
|------------------------|-----------------|----------------------|--------------------|
| | Average | Range | Number of Listings |
| Less than 10 acres | \$85,152 | \$6–\$236,666 | 6 |
| 10 or more acres | \$14,873 | \$9,746–\$20,000 | 2 |
| Average \$/acre | \$67,582 | \$6–\$236,666 | 8 |

Source: Redfin, August 2022.

Table 5-6 Land Sale Prices, Unincorporated Areas (August 2022)

| Lot Size | Unincorporated | | |
|------------------------|-----------------|---------------------------|--------------------|
| | Average | Range | Number of Listings |
| Less than 10 acres | \$19,924 | \$6,237 – \$44,291 | 8 |
| 10 or more acres | \$4,280 | \$2,563 – \$5,338 | 5 |
| Average \$/acre | \$13,907 | \$2,563 – \$44,291 | 13 |

Source: Redfin, August 2022.

Construction Costs

Construction costs for a single-family home are approximately \$143 per square foot. This is based on costs calculated for a 2,000-square-foot, wood-framed, single-story, four-cornered home of good quality construction and including a two-car garage and forced-air heating and cooling in Fresno County. Estimated total construction costs for such a home are \$286,664. These construction costs include labor, materials, and equipment but do not include costs of buying land.¹

Costs for multifamily construction are approximately \$95 per square foot. This is based on costs calculated for a three-story building in Fresno County with 30 units and an average unit size of 800 square feet each. The calculation is for a wood or light steel frame structure, including forced-air heating and cooling and constructed of good-quality materials. The estimated total construction costs for each unit are \$71,736, and total construction costs for the building are \$2,294,428. These construction costs include labor, materials, and equipment but do not include costs of buying land.²

The availability and demand for materials, such as asphalt, roofing, and pipes, affect prices for these goods. Another major cost component of new housing is labor. The cost of labor in Fresno County is comparatively low because the area’s cost of living is relatively low compared to other areas in California.

According to a 2020 study of project costs in TCAC project application budgets, construction worker compensation only represents 14 percent of the total per-unit cost for a multifamily project. White collar labor costs, including developer fees, contractor income, and architecture and engineering fees, represent a combined 19 percent of per-unit costs. While prevailing wage requirements do add to project costs, low construction worker wages can create negative externalities by requiring construction workers to enroll in public safety net programs such as Temporary Aid for Needy Families (TANF), Earned Income Tax Credit (EITC), and Supplemental Nutrition Assistance Program (SNAP). Additionally, construction workers not receiving adequate pay could experience the same challenges of housing cost burden that affordable housing programs seek to address. Therefore, there is a regional benefit in maintaining livable wages for construction workers. There is little that municipalities can do to mitigate the impacts of high construction costs except by avoiding local amendments to uniform building codes that unnecessarily increase construction costs without significantly adding to health, safety, or construction quality. Because construction costs are similar across jurisdictions in Fresno County, the cost of construction is not considered a major constraint to housing production.

Dry Utilities

Dry utilities, including cable, electricity, and telephone service, are available to all areas in the city. There is sufficient capacity to meet the current need and any future need. Service providers for Fresno County are:

¹ 2022 National Building Cost Manual and 2022 15 zip code modifiers, Craftsman Book Company.

² 2022 National Building Cost Manual and 2022 15 zip code modifiers, Craftsman Book Company.

SECTION 5: HOUSING CONSTRAINTS

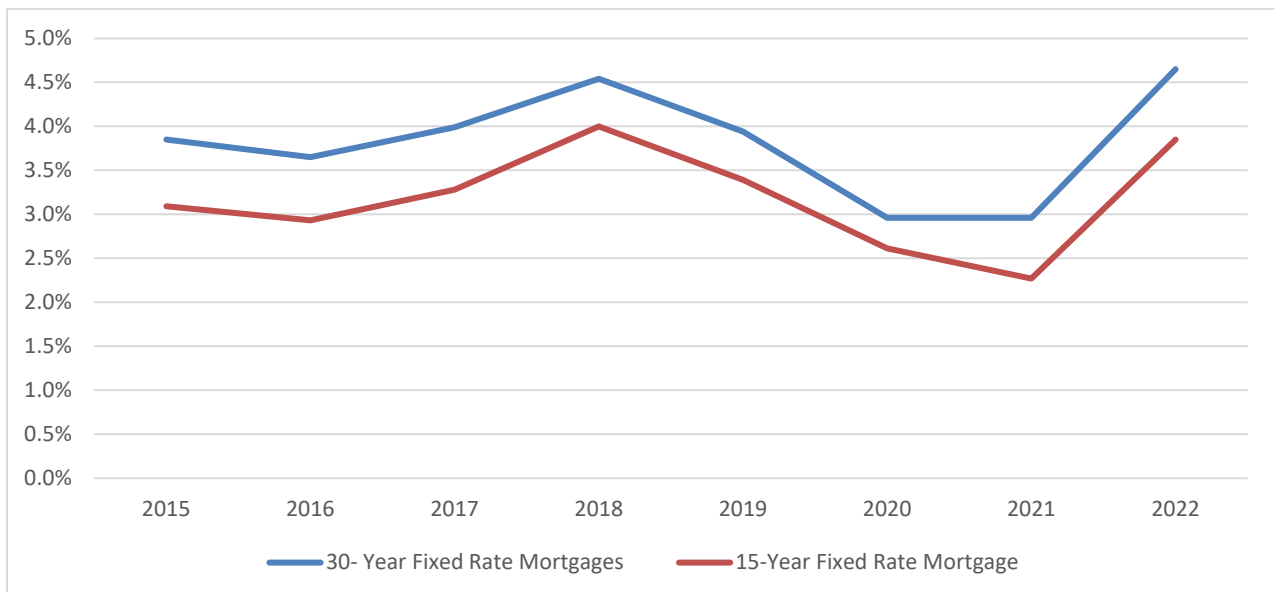
- Electricity: Pacific Gas and Electric Company (PG&E)
- Telephone:
 - Landline: Pacific Bell
 - Cellular: AT&T, Verizon, Sonic, and more
- Internet Service: AT&T, Verizon, Sonic, and Xfinity

Availability of Financing

Mortgage interest rates have a large influence over the affordability of housing. Higher interest rates increase a homebuyer's monthly payment and decrease the range of housing that a household can afford. Lower interest rates result in a lower cost and lower monthly payments for the homebuyer. When interest rates rise, the market typically compensates by decreasing housing prices. Similarly, when interest rates decrease, housing prices begin to rise. There is often a lag in the market, causing housing prices to remain high when interest rates rise until the market catches up. Lower-income households often find it most difficult to purchase a home during this time period.

As shown in Figure 5-1, the interest rate on a 30-year fixed-rate mortgage was an average of 3.85 percent in 2015. Interest rates hit a historic low in 2020 at 2.96 percent for a 30-year fixed-rate mortgage. As of August 2022, rates remain near average rates around 4.3 percent.

**FIGURE 5-1. HISTORICAL MORTGAGE INTEREST RATES, UNITED STATES
2015-2022**



Source: Freddie Mac Primary Mortgage Market Survey, August 2022.

Interest rates are determined by national policies and economic conditions and there is little that a local government can do to affect these rates. However, to extend homebuying opportunities to lower-income households, jurisdictions can offer interest rate write-downs. Additionally, government-insured loan

programs may be available to reduce mortgage down payment requirements.

Homebuyer assistance programs that provide mortgage assistance can be useful tools for helping lower-income residents with down payment and closing costs, which are often significant obstacles to homeownership. There are also areas of the county where housing is deteriorating. Residents in these areas are often unable to qualify for home improvement loans because of their low income. Housing rehabilitation programs can help these low-income residents with meeting their home improvement needs.

Environmental Constraints

Typical environmental constraints to the development of housing in Fresno County include physical features such as floodplains, sensitive biological habitat, and seismic zones. In many cases, development of these areas is constrained by state and federal laws (e.g., Federal Emergency Management Agency [FEMA] floodplain regulations, the Clean Water Act and the Endangered Species Act, and the California Fish and Game Code and Alquist-Priolo Earthquake Fault Zoning Act), Agricultural Mitigation, Sustainable Groundwater Management, and California Environmental Quality Act (CEQA) preparation timelines.

Floodplains

Official floodplain maps are maintained by FEMA. FEMA determines areas subject to flood hazards and designates these areas by relative risk of flooding on a map for each community, known as the Flood Insurance Rate Map (FIRM). The 100-year flood is defined as the flood event that has a 1 percent chance of occurring in any given year.

Principal flooding problems lie along the San Joaquin and Kings Rivers, smaller perennial streams in the Sierra Nevada foothills, and to areas in western Fresno County. This area includes the cities of Huron and Mendota that become flooded from streams flowing east from the Coast Range. Friant and Pine Flat Dams, upstream reservoirs, and stormwater detention/retention facilities operated by the Fresno-Clovis Metropolitan Flood Control District have minimized flooding problems in highly urbanized areas in the valley.

Development within a flood zone typically is required to be protected against flood damage. FEMA requires developers to obtain a flood zone elevation certificate when they apply for their permit. These certificates require elevating the developed area (i.e., house pad) above the known flood level of that particular flood zone. The sites in the inventory must obtain a flood zone elevation certificate, which may increase the cost of a development but is necessary nation-wide to protect against flood risks.

Each sites inventory provides parcel-specific environmental constraints, including whether or not the site is within the FEMA 100-year flood zone. While residential development can certainly occur within these zones, it has the potential to add an additional constraint.

Seismic Zones

There are a number of active and potentially active faults within and adjacent to Fresno County. Two of the active faults in western Fresno County have been designated Alquist-Priolo Earthquake Hazard Zones. No structure for human occupancy may be built within an Earthquake Hazard Zone (EHZ) until geologic investigations demonstrate that the site is free of fault traces that are likely to rupture with surface displacement. Special development standards associated with Alquist-Priolo requirements would be necessary for development in those areas.

Although all development must consider earthquake hazards, there is no specific threat or hazard from seismic ground shaking to residential development within the county, and all new construction will comply with current local and State building codes. Between the minimal historical hazard of earthquakes in the county and the use of the most current building codes and construction techniques, earthquakes pose a less-than-significant danger to residential development.

Biological Resources

A large percentage of Fresno County is occupied by orchard-vineyard habitat that grows crops such as almonds, nectarines, figs, and table wine and raisin grapes. Cultivated vegetable, fruit, and grain crops are also grown on cropland in Fresno County and can consist of corn, cotton, or grapes in this part of the valley. Urban development occurs mostly in the valley floor and Sierra Nevada foothill regions.

Fresno County supports a large diversity of habitats for vegetation and wildlife in four generalized biotic regions. Approximately one-third of the county lies within land under federal jurisdiction. The United States Forest Service and National Park Service manage these lands for recreation, biology, wilderness, tourism, timber, and mining under guidelines, policies, and laws separate from local government. Areas that are outside of federal ownership and, therefore, most subject to development include the Coast Range, valley floor, and lower Sierra Nevada foothill biotic regions. Sensitive biological resources are associated with specific habitat types (natural habitat areas not intensively farmed, wetlands, riparian, vernal pools, etc.) or habitat elements such as specific soil types (clay, alkaline, serpentine). The western valley floor and Coast Range biotic regions, in particular, have special planning concerns because of the San Joaquin kit fox (*Vulpes macrotis mutica*), San Joaquin kangaroo rats (*Dipodomys nitratooides*), and blunt-nosed leopard lizard (*Gambelia silus*). Regional habitat planning efforts can be used as the basis for addressing sensitive biological resources in the area.