

2013-2021 HOUSING ELEMENT TECHNICAL REPORT

CITY OF BANNING

DRAFT

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I. Introduction

A successful strategy for improving housing conditions and expanding housing opportunities must be preceded by an assessment of the housing needs of the community and region. This Housing Element Technical Report for the City of Banning discusses the major components of assessing housing needs, including trends in population, households, and types of housing available in Banning.

The technical report examines the following topics:

- Population, employment, household, and housing characteristics;
- Constraints on housing production; and
- Available housing resources.

This Housing Element Technical Report serves as a foundation for the policies and programs presented in the Housing Plan for the 2013-2021 planning period.

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II. Housing Needs Assessment

This section of the Housing Element Technical Report examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the City's projected housing growth needs based on the 2014-2021 Regional Housing Needs Assessment (RHNA) are examined. This analysis provides the basis for developing a successful housing strategy that meets the needs of the community.

The Housing Needs Assessment utilizes the most recent data from the U.S. Census, the California Department of Finance (DOF), the California Employment Development Department (EDD), the Southern California Association of Governments (SCAG) and other relevant sources. Supplemental data were obtained through field surveys and from private vendors.

Community Profile

The City of Banning is located in the San Geronio Pass area adjacent to US Interstate 10 in west-central Riverside County. The City was incorporated in 1913, and encompasses approximately 23.2 square miles. During the 2013-2021 planning period residential growth is expected to occur on land within the existing City limits as well as on adjacent areas within the Sphere of Influence as it is annexed.

Riverside County is part of the "Inland Empire," which provides less expensive housing options for many people who work in Los Angeles and Orange counties are unable to afford the higher housing costs in those coastal counties.

To avoid serving simply as "bedroom" communities for adjacent counties, Riverside County jurisdictions, including Banning, are working to attract new businesses to provide employment opportunities for local residents. This also helps promote a more balanced jobs/housing ratio, reduces the need for long commutes, and improves the local air quality and quality of life in general.

Population Characteristics

Population Growth Trends

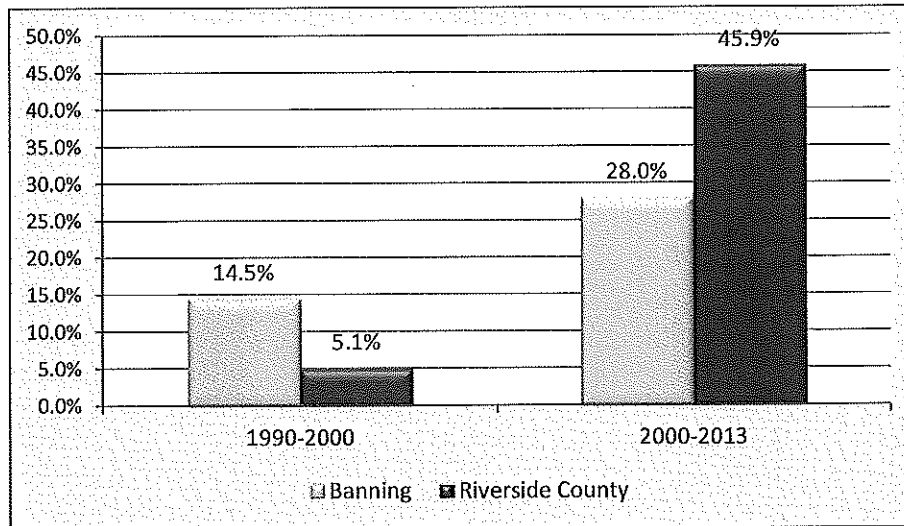
According to the Census Bureau, Banning's population increased from 20,572 in 1990 to over 30,000 in 2013 (see Table 1 and Figure 1). Although the City has continued to experience strong growth in the past decade, its rate of growth has been significantly lower than for Riverside County as a whole since 2000. The city's 2013 population of 30,170 represented only 1.3% of the county's total population of 2,255,059.

Table 1
Population Trends, 1990-2013 –
Banning vs. Riverside County

	1990	2000	2013	Growth 1990-2000	Growth 2000-2013
Banning	20,572	23,562	30,170	14.5%	28.0%
Riverside County	1,470,413	1,545,387	2,255,059	5.1%	45.9%

Source: U.S. Census, California Dept. of Finance Table E-5 (2012)

Figure 1
Population Growth 1990-2013 –
Banning vs. Riverside County



Age Characteristics

Housing needs are influenced by the age characteristics of the population. Different age groups require different accommodations based on lifestyle, family type, income level, and housing preference. Traditionally, both the young adult population (20-34) and the elderly population (65+) tend to require low to moderate cost, smaller units. Persons between 35 to 54 years old usually reside in more expensive, larger units because they typically have higher incomes and larger households.

Table 2 provides a comparison of the city's and county's population by age group in 2010. This table shows that Banning has a substantially larger proportion of senior citizens than Riverside County as a whole. Persons age 65 and older comprise about 26% of the city's population while these groups represent less than 12% countywide. The median age of the city's population is 42.3 years compared to 32.7 years for the county as a whole. This age profile is influenced by the

large senior communities of Sun Lakes (3,327 homes) and Serrano del Vista (246 homes), along with four senior mobile home parks with 648 homes. Together these developments represent 39% of all housing units in the city. However, nation-wide demographic trends suggest an increasing need for senior housing as the “Baby Boom” generation (persons born between 1946 and 1964) enter their retirement years. The oldest “Boomers” turned 65 in 2011, and the 65+ age group is expected to be the fastest growing segment of the population over the next 50 years¹.

Table 2
Age Distribution –
Banning vs. Riverside County

Age Group	Banning		Riverside County	
	Persons	%	Persons	%
Under 5 years	1,840	6.2%	162,438	7.4%
5 to 9 years	1,839	6.2%	167,065	7.6%
10 to 14 years	1,942	6.6%	177,644	8.1%
15 to 19 years	2,009	6.8%	187,125	8.5%
20 to 24 years	1,877	6.3%	154,572	7.1%
25 to 29 years	1,784	6.0%	143,992	6.6%
30 to 34 years	1,514	5.1%	138,437	6.3%
35 to 39 years	1,397	4.7%	143,926	6.6%
40 to 44 years	1,353	4.6%	149,379	6.8%
45 to 49 years	1,621	5.5%	152,722	7.0%
50 to 54 years	1,603	5.4%	140,016	6.4%
55 to 59 years	1,559	5.3%	114,765	5.2%
60 to 64 years	1,604	5.4%	98,974	4.5%
65 to 69 years	1,713	5.8%	78,495	3.6%
70 to 74 years	1,710	5.8%	62,103	2.8%
75 to 79 years	1,747	5.9%	49,003	2.2%
80 to 84 years	1,346	4.5%	36,793	1.7%
85 years and over	1,145	3.9%	32,192	1.5%
Total	29,603	100%	2,189,641	100%
Median age	42.3		32.7	

Source: 2010 Census, Table DP-1

Race/Ethnicity Characteristics

The racial and ethnic composition of the city differs from the county in that a slightly lower percentage of city residents are Hispanic/Latino, and a higher percentage of city residents are non-Hispanic white (Table 3). Approximately 41% of city residents are Hispanic/Latino contrasted with 46% for the county as a whole. Non-Hispanic white residents comprise 43% of the city’s population compared with 40% of the county’s residents.

¹ Source: California Department of Finance, Report P-1, January 2013

Table 3
Race/Ethnicity –
Banning vs. Riverside County

Racial/Ethnic Group	Banning		Riverside County	
	Persons	%	Persons	%
Not Hispanic or Latino	17,422	58.9%	1,194,384	54.5%
-White	12,858	43.4%	869,068	39.7%
-Black or African American	2,023	6.8%	130,823	6.0%
-American Indian/Alaska Native	365	1.2%	10,931	0.5%
-Asian	1,510	5.1%	125,921	5.8%
-Native Hawaiian/Pacific Islander	34	0.1%	5,849	0.3%
-Other races or 2+ races	632	2.1%	51,792	2.4%
Hispanic or Latino (any race)	12,181	41.1%	995,257	45.5%
Total	29,603	100%	2,189,641	100%

Source: 2010 Census, Table DP-1

Employment Characteristics

Occupation and Labor Participation

According to recent Census estimates, approximately 44% of Banning residents were in the civilian labor force compared to 62% for the county as a whole (Table 4). (The labor force includes employed and unemployed persons aged 16 years and above.) This smaller labor force percentage reflects the larger proportion of retirement-age residents in Banning.

Table 4
Labor Force –
Banning vs. Riverside County

Labor Force Status	Banning		Riverside County	
	Persons	%	Persons	%
Population 16 years and over	23,289	100%	1,571,629	100%
In labor force	10,279	44%	978,372	62%
Civilian labor force	10,279	44%	974,178	62%
Employed	9,299	40%	865,088	55%
Unemployed	980	4%	109,090	7%
Armed Forces	0	0%	4,194	0%
Not in labor force	13,010	56%	593,257	38%

Source: Census 2006-2010 ACS, Table DP3

As shown in Table 5, occupations of Banning residents were fairly evenly distributed among occupation categories, with sales/office representing the largest group with 28% of residents and management/business with 25% of residents.

Table 5
Employment by Occupation

Occupation	Banning	
	Persons	%
Civilian employed population 16 years and over	9,299	100%
Management, business, science, and arts occupations	2,314	25%
Service occupations	1,845	20%
Sales and office occupations	2,559	28%
Natural resources, construction, and maintenance occupations	1,149	12%
Production, transportation, and material moving occupations	1,432	15%

Source: U.S. Census 2006-2010 ACS, Table DP3

Job Location

According to recent Census data, approximately 81 percent of employed Banning residents worked in Riverside County, and approximately 31 percent were employed within the city limits (Table 6).

Table 6
Job Location for Banning Residents

Workplace Location	%
Worked in state of residence	99.9%
Worked in county of residence	80.9%
Worked in place of residence	31.0%
Worked outside county of residence	19.0%
Worked outside state of residence	0.1%

Source: Census 2006-2010 ACS, Table S0801

Household Characteristics

Household Composition and Size

Household characteristics are important indicators of the type of housing needed in a community. The Census defines a household as all persons who occupy a housing unit, which may include families related through marriage or blood, unrelated individuals living together, or individuals living alone. People living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

According to the 2010 Census, husband/wife families represented 47% of Banning households compared to 55% for the County as a whole. About 29% of Banning households were persons living alone – a much larger proportion than the entire County with just 19%. Nearly half of all households in the city included someone 65 years of age and older, compared to just 27% for Riverside County. The average household size was 2.61 persons compared to 3.14 for the County as a whole.

Table 7
Housing by Type –
Banning vs. Riverside County

Household Type	Banning		Riverside County	
	Households	%	Households	%
Family households:	7,186	66.3%	510,241	74.4%
Husband-wife family	5,106	47.1%	376,381	54.8%
With own children under 18 years	1,517	14.0%	185,194	27.0%
Male householder, no wife present	592	5.5%	42,845	6.2%
With own children under 18 years	294	2.7%	22,059	3.2%
Female householder, no husband present	1,488	13.7%	91,015	13.3%
With own children under 18 years	737	6.8%	49,824	7.3%
Nonfamily households:	3,652	33.7%	176,019	25.6%
Householder living alone	3,092	28.5%	132,494	19.3%
Households with individuals under 18 years	3,083	28.4%	294,200	42.9%
Households with individuals 65 years and over	5,268	48.6%	187,484	27.3%
Total households	10,838	100%	686,260	100%
Average household size	2.61		3.14	

Source: 2010 Census, Table DP-1

Household Income and Overpayment

Household income is a primary factor affecting housing needs in a community – the ability of residents to afford housing is directly related to household income. According to recent Census data, the median household income in Banning was \$37,373, which was less than two-thirds the Riverside County median income of \$58,365 (Table 8). This large difference may be at least partly explained by the higher proportion of senior citizens in Banning.

Table 8
Median Household Income --
Banning vs. Riverside County

Jurisdiction	Median Income	% of County Median Income
Banning	\$37,373	64%
Riverside County	\$58,365	100%

Source: U.S. Census, 2007-2011 ACS

The income earned by a household is an important indicator of the household's ability to acquire adequate housing. While upper income households have more discretionary income to spend on housing, lower- and moderate-income households are more limited in the range of housing that they can afford. Typically, as household income decreases, the incidence of overpayment and overcrowding increases.

The following income categories are used in Housing Element analyses:

- **Extremely-low-income households** earn 30% or less of the Area (county) Median Income (AMI), adjusted for household size;
- **Very-low-income households** earn between 31% and 50% of the AMI, adjusted for household size;
- **Low-income households** earn between 51% and 80% of the AMI, adjusted for household size;
- **Moderate-income households** earn between 81% and 120% of the AMI, adjusted for household size; and,
- **Above-moderate-income households** earn over 120% of the AMI, adjusted for household size.

State and federal standards consider a household as overpaying for housing if it spends more than 30% of its gross income on housing. A household spending more than it can afford for housing has less money available for other necessities and emergency expenditures. Very-low-income households overpaying for housing are more likely to be at risk of becoming homeless than other households. Renter households overpay more often than owner households because of their typically lower incomes. Compared to renters, overpayment by owners is less of a concern because homeowners have the option to refinance the mortgage, or to sell the house and move into rentals or buy a less expensive home.

Recent Census data reported that about 52% of lower-income owners and 88% of lower-income renters in Banning overpaid for housing (Table 9). Overpayment was most prevalent among extremely-low-income households.

Table 9
Overpayment by Income and Tenure

Income Category	Owners		Renters	
	Households	Percent	Households	Percent
Extremely low households	370		405	
Households overpaying	350	94.6%	405	100.0%
Very low households	1,355		1,215	
Households overpaying	730	53.9%	1,055	86.8%
Low households	1,985		545	
Households overpaying	830	41.8%	445	81.7%
Subtotal: All lower-income households	3,710		2,165	
Subtotal: Households overpaying	1,910	51.5%	1,905	88.0%
Moderate households	1,900		265	
Households overpaying	450	23.7%	80	30.2%
Above moderate households	2,240		595	
Households overpaying	355	15.8%	0	0.0%

Source: U.S. Department of Housing and Urban Development, CHAS, based on the 2006-2008 ACS, Table 15.

Extremely Low Income Households

Following the passage of AB 2634 in 2006, state law requires quantification and analysis of existing and projected housing needs of extremely low-income (ELI) households. Extremely-low-income is defined as less than 30% of area median income, adjusted for household size. As of 2013 the area median income in Riverside County is \$65,000². For extremely-low-income households, this results in an income of \$19,500 or less. Households with extremely low-incomes have a variety of housing problems and needs.

Existing Needs

As noted in Table 9, recent Census data estimated that there are 370 ELI owner households and 405 ELI renter households in Banning. Of these, 95% of owners and 100% of renters were reported as overpaying for housing.

Projected Needs

The projected housing need for extremely-low-income households is assumed to be 50% of the very-low-income regional housing need of 872 units. As a result, the City has a projected need for 436 new extremely-low-income units during the 2014-2021 planning period. The resources and programs to address this need are the same as for other lower-income housing in general, and are discussed elsewhere in the Housing Element and Technical Report. Because the needs of extremely-low-income households overlap extensively with other special needs groups, further analysis and resources for these households can be found in the Housing Needs Assessment/

² California Department of Housing and Community Development, *State Income Limits for 2013*, 2/25/2013

Special Needs Populations and Housing Constraints/Provision for a Variety of Housing discussions in this Technical Report.

Overcrowding

An overcrowded household is defined by the Census Bureau as more than one person per room, excluding bathrooms, kitchens, hallways, and porches. A severely overcrowded household is defined as more than 1.5 persons per room. Overcrowding results from a lack of affordable housing and/or a lack of available housing units of adequate size. Table 10 summarizes overcrowding for the City of Banning and Riverside County.

Table 10
Overcrowding –
Banning vs. Riverside County

Occupants per Room	Banning		Riverside County	
	Units	%	Units	%
Owner occupied units	8,623	100%	467,086	100%
1.01 to 1.50	185	2%	15,586	3%
1.51 to 2.00	89	1%	3,952	1%
2.01 or more	21	0.2%	1,021	0.2%
Renter occupied units	3,248	100%	199,820	100%
1.01 to 1.50	220	7%	18,488	9%
1.51 to 2.00	85	3%	5,685	3%
2.01 or more	0	0%	1,852	1%

Source: Census 2006-2010 ACS, Table B25014

According to recent Census data, overcrowding was more prevalent among renters than owners. Approximately 10% of the City's renter-occupied households were overcrowded compared to 3% of owner-occupied households. Overcrowding is slightly less prevalent in Banning than the County as a whole.

Special Needs Populations

Certain segments of the population may have more difficulty in finding decent, affordable housing due to their special circumstances or needs. These "special needs" populations include elderly persons, agricultural workers, single-parent households, persons with disabilities, large households, and the homeless. Many of these households also fall under the category of extremely-low-income.

A variety of City policies and programs described in the Housing Element address the needs of extremely-low-income households, including those in need of residential care facilities and persons with disabilities. However, it must be recognized that the development of new housing for the lowest income groups typically requires large public subsidies, and the level of need is

greater than can be met due to funding limitations, especially during these times of declining public revenues.

Elderly

The special needs of the elderly are often a function of lower fixed incomes and/or disabilities. Housing for the elderly often requires special attention in design to allow greater access and mobility. Housing located within vicinity of community facilities and public transportation also facilitates mobility of the elderly in the community.

As seen previously in Table 2, Banning's population is older than Riverside County as a whole. According to recent Census estimates, well over half of owner households but only 12% of renter households in Banning were headed by someone age 65 or older (Table 11). Elderly residents are more likely to have a disability, which may require special housing design.

Table 11
Elderly Households by Tenure

Householder Age	Owner		Renter	
	Households	%	Households	%
Under 65 years	3,912	45%	2,866	88%
65 to 74 years	2,106	24%	206	6%
75 to 84 years	2,083	24%	117	4%
85 years and over	522	6%	59	2%
Total Households	8,623	100%	3,248	100%

Source: U.S. Census 2006-2010 ACS, Table B25007

Finally, many elderly live on fixed incomes and occupy older homes. These factors may make paying for needed home repairs and maintenance difficult. The City's programs to increase senior affordable housing opportunities help to address this issue.

Agricultural Workers

Agriculture is a major industry in Riverside County although large-scale farming is not prevalent in the Pass area. Recent Census estimates reported 48 Banning residents employed in farming, forestry, fishing and mining occupations³. Agricultural workers face various housing issues due to their typically lower incomes and the seasonal nature of their work.

The City's zoning regulations allow agricultural employee housing with up to 12 units or 36 beds as an agricultural use, consistent with state law.

³ 2006-2010 ACS, Table DP-3

Single-Parent Families

Single-parent families with children often require special attention due to their needs for affordable childcare, health care, and housing assistance. Female-headed families with children tend to have lower incomes, thus limiting housing availability for this group. According to recent Census data, about 9% of owner households and 28% of renter households in Banning were headed by single-parents (Table 12). Banning's housing programs aimed at increasing the supply of affordable housing help to assist single-parent families.

Table 12
Household Type by Tenure

Household Type	Owner		Renter	
	Households	%	Households	%
Married couple family	4,556	53%	1,143	35%
Male householder, no wife present	182	2%	227	7%
Female householder, no husband present	645	7%	671	21%
Non-family households	3,240	38%	1,207	37%
Total Households	8,623	100%	3,248	100%

Source: U.S. Census 2006-2010 ACS, Table B11012

Persons with Disabilities

According to recent Census estimates, approximately 18% of Banning residents reported having a disability. Among the elderly population (65+) 36% reported some type of disability.

Physical and mental disabilities can hinder a person's access to traditionally designed housing units (and other facilities) as well as potentially limit the ability to earn income. Housing that satisfies the design and locational requirements of disabled persons are limited in supply and often costly to provide.

Housing opportunities for disabled persons can be addressed through the provision of affordable, barrier-free housing. In addition to the development of new units, housing rehabilitation assistance programs can also be provided to disabled residents to make necessary improvements to remove architectural barriers of existing units. As noted in the Constraints section, the City has procedures in place for reviewing and approving requests for reasonable accommodation in housing for persons with disabilities in accordance with state law.

Developmentally Disabled

Section 4512 of the California Welfare and Institutions Code defines a "Developmental disability" as a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require

treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult. The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Inland Regional Center is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

Currently, nearly 600 Inland Regional Center staff members provide services to more than 25,000 people with developmental disabilities and their families in San Bernardino and Riverside counties. Once a consumer is found eligible, he/she is paired with a Consumer Services Coordinator (CSC) who becomes their primary contact at the center. They will meet on an ongoing basis to develop an annual Individual Program Plan (IPP) that lists specific, agreed upon goals and objectives that will enhance opportunities to live more closely in line with the core values of the agency. To better meet the needs of consumers, Inland Regional Center designed programs according to age, specialization, and geographic location. Categories include Early Start/Prevention 0-3; School Age 3-15; Transition 16-22; Adult 23-59; and Senior 60+.

Large Households

Large households are defined as those with five or more persons. Recent Census data estimated that 7% of owner households and 10% of renter households in Banning had five or more members (Table 13). Typically, the availability of adequately-sized and affordable housing units is an obstacle facing large households. The issue for large households is often related to affordability, particularly among renters. However, since the vast majority of Banning households are comprised of three or fewer persons, the need for large units is less than in many communities.

Table 13
Household Size by Tenure

Householder Age	Owner		Renter	
	Households	%	Households	%
1 person	2,813	33%	911	28%
2 persons	3,802	44%	1,031	32%
3 persons	621	7%	624	19%
4 persons	685	8%	334	10%
5 persons	295	3%	240	7%
6 persons	212	2%	70	2%
7 persons or more	195	2%	38	1%
Total Households	8,623	100%	3,248	100%

Source: U.S. Census 2006-2010 ACS, Table B25009

Homeless

The homeless population refers to persons lacking consistent and adequate shelter. Homelessness is a continuing problem throughout California and urban areas nationwide. During the past two decades, an increasing number of single persons have remained homeless year after year and have become the most visible of all homeless persons. Other persons (particularly families) have experienced shorter periods of homelessness. However, they are often replaced by other families and individuals in a seemingly endless cycle of homelessness.

The 2013 Riverside County Point-in-Time Homeless Survey estimated that there were a total of 2,978 sheltered or unsheltered homeless persons countywide at the time of the survey. This represented a 31% decrease compared to the 2011 homeless count. The 2013 count identified 42 homeless persons in Banning, all of whom were unsheltered and 40% were considered chronically homeless.

Inventory of Homeless Facilities

In response to the growing needs of the homeless population in Riverside County, a Continuum of Care (COC) process began in 1994 in order to provide the delivery of facilities and services to the homeless population at each step of the transition from living on the street, to permanent and sustained, independent living. The COC consists of four components:

1. Outreach and Assessment;
2. Emergency Shelters with Supportive Services;
3. Transitional Housing with Supportive Services; and
4. Permanent and Affordable Housing.

There are 19 emergency shelters, 19 transitional housing facilities, and 11 permanent supportive housing facilities in Riverside County. There are currently no homeless shelters in Banning.

HELP Services, the primary homeless service provider in Banning, provides meals to homeless persons.

Senate Bill (SB) 2 of 2007 strengthened local planning requirements for emergency shelters and transitional housing. In compliance with SB 2, the City's zoning regulations allows emergency shelters by-right in the Airport Industrial zone.

Housing Stock Characteristics

Table 14 shows the change in Banning's housing stock from 2000 to 2013 compared to Riverside County. The City's housing stock increased by approximately 24% during this period compared to 39% for the County as a whole. The majority (80%) of the existing housing stock in Banning consisted of single-family detached and attached homes. The remaining 20% of units were almost equally divided between multi-family units and mobile homes.

Table 14
Housing by Type –
Banning vs. Riverside County

Structure Type	2000		2013		Growth	
	Units	%	Units	%	Units	%
Banning						
Single-family	7,575	77.6%	9,670	79.6%	2,095	87.7%
Multi-family	1,030	10.6%	1,336	11.0%	306	12.8%
Mobile homes	1,156	11.8%	1,143	9.4%	-13	-0.5%
Total units	9,761	100%	12,149	100%	2,388	100%
Riverside County						
Single-family	398,752	68.2%	602,898	74.2%	204,146	89.7%
Multi-family	103,034	17.6%	130,314	16.0%	27,280	12.0%
Mobile homes	82,888	14.2%	79,022	9.7%	-3,866	-1.7%
Total units	584,674	100%	812,234	100%	227,560	100%

Source: Cal. Dept. of Finance, Tables E-5 & E-8

Tenure and Vacancy Rates

Table 15 illustrates the tenure (owner vs. renter) of occupied housing in Banning and the County as a whole. The table shows that Banning has a homeownership rate of 61% compared to 58% for the County as a whole. It is noteworthy that 3% of units were vacant but not for sale, for rent or held for occasional use. It is assumed that many of those units were foreclosures held by lending institutions.

Table 15
Housing Tenure – Banning vs. Riverside County

Housing Type	Banning		Riverside County	
	Units	%	Units	%
Occupied housing units	10,838	89%	686,260	86%
Owner-occupied housing units	7,412	61%	462,212	58%
Average household size of owner-occupied units	2.37		3.10	
Renter-occupied housing units	3,426	28%	224,048	28%
Average household size of renter-occupied units	3.12		3.22	
Vacant housing units	1,306	11%	114,447	14%
For rent	424	3%	23,547	3%
Rented, not occupied	26	0.2%	1,107	0.1%
For sale only	320	3%	18,417	2%
Sold, not occupied	54	0.4%	3,255	0.4%
For seasonal, recreational, or occasional use	134	1%	50,538	6%
All other vacants	348	3%	17,583	2%
Homeowner vacancy rate (%)	4.1		3.8	
Rental vacancy rate (%)	10.9		9.5	
Total housing units	12,144	100%	800,707	100%

Source: 2010 Census, Table DP-1

Vacancy rate is a measure of housing availability in a community. A vacancy rate of 2% for ownership housing and 5% for rental housing generally indicates an adequate supply of vacant housing to allow mobility. According to recent Census data, both owner and renter vacancy rates were 3%, very similar to Riverside County as a whole.

Housing Stock Age and Condition

The age of housing is commonly used as an indicator of need for major repairs. In general, housing units over 30 years old are likely to exhibit signs of rehabilitation needs, such as new roofing, foundation work, or plumbing.

As depicted in Table 16, about 58% of the housing units in Banning were built after 1979 and most are likely to be in good condition. Approximately 42% of units are over 30 years of age and may be in need of major repairs or even replacement.

Table 16
Age of Housing Stock –
Banning vs. Riverside County

Year Built	Banning		Riverside County	
	Units	%	Units	%
Built 2005 or later	285	2%	69,098	9%
Built 2000 to 2004	1,848	14%	130,497	17%
Built 1990 to 1999	2,802	21%	131,438	17%
Built 1980 to 1989	2,761	21%	179,429	23%
Built 1970 to 1979	1,332	10%	123,182	16%
Built 1960 to 1969	1,112	9%	65,589	8%
Built 1950 to 1959	1,558	12%	51,864	7%
Built 1940 to 1949	863	7%	16,139	2%
Built 1939 or earlier	511	4%	15,880	2%
Total units	13,072	100%	783,116	100%

Source: Census 2006-2010 ACS, Table DP-4

Based on discussions with the City's code enforcement and Building Department staff, it is estimated that approximately 500 units may be in need of substantial repair or replacement. Other code enforcement issues in Banning include weed abatement, which is concentrated on rental properties with absentee landlords, as well as vehicle abandonment.

Housing Costs and Affordability

This section discusses current real estate market trends in Banning, both for-sale and rental. It must be emphasized that real estate markets are cyclical, and in recent years a sharp downturn in sales volumes and property values has occurred in the Inland Empire (Riverside and San Bernardino Counties), in large part due to the "sub-prime" mortgage crisis. While such downturns result in lower prices and more affordable housing opportunities, the corresponding increase in foreclosure rates and softening job market, combined with the rapid escalation in gasoline prices, has hit Banning and other Riverside County communities particularly hard. The following discussion should be viewed in recognition of recent events, and with the understanding that market conditions will change over time.

Housing Affordability

Housing affordability is determined by the ratio of income to housing costs. According to the HCD guidelines for 2013, the area median income (AMI) for a family of four in Riverside County is \$65,000. Based on state guidelines, income limits for a four-person family along with rents and estimated sales prices generally considered to be "affordable" are shown in Table 17.

An affordable housing payment is considered to be no more than 30% of a household's gross income. For rental units, this includes rent plus utilities. Assuming that a potential homebuyer

within each income group has acceptable credit, a typical down payment (5% to 10%), and other housing expenses (taxes and insurance), the maximum affordable home price can be estimated for each income group, as seen in Table 17. Based on the current home prices described below, both low- and moderate-income households would generally be able to purchase a home with a sufficient number of bedrooms to avoid overcrowding. Very-low-income households may be able to purchase a home, but it would most likely be a smaller, older unit or a condominium or mobile home.

Table 17
Income Categories and Affordable Housing Costs – Riverside County

2013 Areawide Median Income = \$65,000	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30% AMI)	\$20,100	\$503	--
Very Low (31-50% AMI)	\$33,500	\$838	\$150,000
Low (51-80% AMI)	\$53,600	\$1,340	\$250,000
Moderate (81-120% AMI)	\$78,000	\$1,950	\$350,000
Above moderate (120%+ AMI)	\$78,000+	\$1,950+	\$350,000+

Assumptions: --Based on a family of 4
 -30% of gross income for rent or PITI
 -10% down payment, 4.5% interest, 1.25% taxes & insurance
 Source: Cal. HCD; J.H. Douglas & Associates

Ownership Housing

According to DataQuick Information Systems, the calendar year 2012 median resale single-family home price for Banning was \$129,000, which was significantly lower than the median price of \$205,000 for Riverside County as a whole (Table 18). The median resale price for condos in Banning was \$116,000, well below the county median of \$157,000.

Table 18
House and Condo Median Sales Prices, 2012

Zip Code	SFD	Condo
Banning	\$129,000	\$116,000
Riverside County	\$205,000	\$157,000

Source: DataQuick Information Systems, 2013

A 2013 market survey found no new home developments currently active in Banning. However, in the City of Beaumont, which is immediately adjacent to the west, one new development (K. Hovnanian's Four Seasons⁴) was selling single-family detached homes at prices ranging from \$220,159 to \$367,550.

⁴ <http://www.newhomesource.com/yahoorealestate/homedetail/specid-985337> (accessed 9/2/2013)

Based on the estimated affordable prices (Table 17) and home prices presented above, housing affordability is currently considered excellent in Banning. Sales prices for new single-family housing are within the affordability range for moderate-income households, and even some lower-income households. The current recession, while creating severe hardship for many, has resulted in much improved affordability in the housing market.

Rental Housing

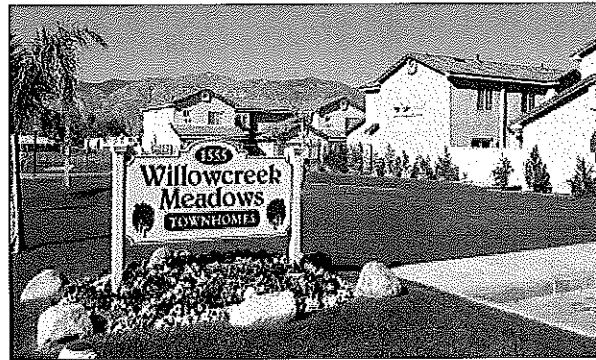
The rental housing market in Banning includes apartments, townhomes, and single-family homes. The results of a recent internet rental survey are shown in Table 19.

Table 19
Rental Market Data –
Banning

Unit Size	Rent
1-bedroom apartment	\$655
2-bedroom apartment	\$810
3-bedroom SF house	\$1,250

Source: Forrent.com⁵

Since no apartment complexes have been built in Banning in recent years, a review of newer apartments in the nearby city of San Jacinto was conducted. Willowcreek Meadows at 1555 S. Santa Fe Street, a gated 52-unit market-rate townhome apartment project with 2-car attached garages, is built at a density of 13.7 units/ acre and offers 2-bedroom units for \$1,050-1,150/month and 3-bedroom units for \$1,200-1,300/month⁶. Based on the affordability levels shown in Table 17 (page 19), all of these units are affordable to lower-income households. It should be noted that this project is less than 10 years old and represents the “high end” of the rental market in San Jacinto, and most (if not all) other apartment projects in the vicinity are expected to have lower rents.



Based on Riverside County income limits and current rental rates, most very-low-, low-, and moderate-income households can afford market rents in Banning. However, households with extremely-low incomes face an “affordability gap.” Programs to facilitate development of new assisted rental housing and Section 8 vouchers can help to address this gap, and are discussed in the Resources section and the Housing Plan.

⁵ www.forrent.com (accessed 9/1/2013)

⁶ <http://www.rent.com/california/san-jacinto-apartments/willowcreek-meadows-4-664903> (accessed 9/1/2013)

Assisted Housing At-Risk of Conversion

State Housing Element law requires cities to prepare an inventory of assisted multi-family rental units that are eligible to convert to market rate due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions. Under Housing Element law, this inventory is required to cover the ten-year period from 2013 to 2023.

Table 20 summarizes the inventory of assisted rental housing projects in Banning. Three assisted developments are located in the City. None of these projects is at-risk of conversion during the current planning period.

Table 20
Inventory of Assisted Rental Housing

Development Name	Total Units	Funding Source	Expiration of Affordability Covenants
Cherry Valley Healthcare	132	223(a)(7)/223(f)	2039
Westview Terrace	75	HFDA/8 NC	2066
Windscape Village Apartments	128	207/223(f)	2040

Sources: SCAG, CHPC, City of Banning, 2013.

Growth Needs 2014-2021

Overview of the Regional Housing Needs Assessment

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies anticipated need for housing within each jurisdiction for the period from January 2014 through October 2021. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

The current RHNA was adopted by the Southern California Association of Governments (SCAG) in October 2012. The future need for housing is determined primarily by the forecasted growth in households in a community. Each new household, created by a child moving out of the parent's home, by a family moving to a community for employment, and so forth, creates the need for a housing unit. The housing need for new households is then adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. The sum of these factors – household growth, vacancy need, and replacement need – determines the construction need for a community. Total housing need is then distributed among four income categories on the basis of the county's income distribution, with adjustments to avoid an over-concentration of lower-income households in any community.

2014-2021 Banning Growth Needs

The total housing growth need for the City of Banning during the 2014-2021 period is 3,792 units. This total is distributed by income category as shown in Table 21. While the RHNA did not address the needs of the extremely-low-income category, state law requires jurisdictions to analyze this segment. As allowed by state law, the extremely-low category is assumed to be one-half of the very-low-income need.

Table 21
Regional Housing Growth Needs 2014-2021

Very Low	Low	Moderate	Above Moderate	Total
872*	593	685	1,642	3,792
23.0%	15.6%	18.1%	43.3%	100%

*50% of the Very Low category is assumed to be in the Extremely Low Income category
Source: SCAG 2012

How the City's growth needs will be accommodated is discussed in Section 4 – Housing Resources.

III. Housing Constraints

Governmental, infrastructure, environmental and market factors can pose constraints to the provision of housing. These constraints may result in housing that is not affordable to low- and moderate-income households, persons with special needs, or may render residential construction economically infeasible for developers. This chapter analyzes these potential constraints and where necessary, identifies steps the City can take to alleviate them.

Governmental Constraints

Governmental regulations, while intentionally controlling the characteristics of development in the community can also have the unintended effect of increasing the cost of housing. Potential governmental constraints include land use plans and regulations, building codes and their enforcement, site improvement standards, fees and other exactions required of developers, and local development processing and permit procedures.

Land use regulations limit the amount or density of development, potentially increasing the cost per unit. On-site and off-site improvements such as roads, traffic signals, water or wastewater systems may increase an individual project's costs of development. Processing and permit requirements may delay construction, increasing financing and/or overhead costs of a development. The following describes potential governmental constraints and analyzes the extent to which they may affect the cost and supply of housing in Banning.

General Plan

The Banning General Plan was adopted in 2006. The state-mandated Land Use Element of the General Plan is contained in Chapter III - Community Development⁷. The General Plan describes a range of residential types dispersed throughout the City in the following land use categories and densities:

- Ranch/Agriculture Residential (RAR) – 1 unit/10 acres
- Ranch/Agriculture Residential - Hillside (RAR-H) – 1 unit/10 acres
- Rural Residential (RR) – Up to 1 unit/ acre
- Rural Residential - Hillside (RR-H) – Up to 1 unit/ acre
- Very Low Density Residential (VLDR) – Up to 2 units/acre
- Low Density Residential (LDR) – Up to 5 units/acre
- Medium Density Residential (MDR) – Up to 10 units/acre
- High Density Residential (HDR) – 11 to 18 units/acre
- Very High Density Residential (VHDR) – 19 to 24 units/acre
- Mobile Home Park (MHP)

In addition to these residential land use categories, mixed-use or exclusive residential development is allowed in the Downtown Commercial (DC) land use category at densities up to

⁷ <http://www.ci.banning.ca.us/DocumentCenter/Home/View/663>

18 units/acre. In the previous planning period, some of the larger sites in the Downtown Commercial area were designated affordable housing candidate sites with allowable densities of up to 20 units/acre.

Zoning Regulations and Residential Development Standards

The City of Banning regulates the type, location, density, and scale of residential development primarily through the Zoning Code. Development regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. The residential land use districts set forth in the Zoning Code are the same as those described in the General Plan Land Use Element. The City's residential development standards, which include density, lot area, coverage, height, and setbacks, are shown in Table 22. These development standards are similar to those of other jurisdictions in the same market area and do not create an unreasonable constraint to the cost and supply of housing.

In addition to "conventional" zoning designations, Specific Plan districts allow customized development standards and design criteria. Such techniques may include clustering of units, density transfer within the project, or variations in lot orientation, layouts, and development standards. Specific plans are normally used for large-scale master planned developments and involve a high level of public review.

Table 22
Development Standards for RM, RMH, RH, and RVH Zones

Zone District	Maximum Building Height	Minimum Lot Width	Minimum Yard Setback			Minimum lot size (sq. ft.)	Allowable Density (units/acre)	Floor Area Ratio		Maximum Building Coverage (%)
			Front	Side	Rear			One Story	Multi Story	
R/A	35' or 2-story	600	50	25	50	10 acres	1/10 acre	0.10	0.20	10
RAR-H	35' or 2-story	600	50	25	50	10 acres	1/10 acre	0.10	0.20	10
RR	35' or 2-story	150	50	25	35	40,000	0-1	0.15	0.30	15
RR-H	35' or 2-story	150	50	25	35	40,000	0-1	0.15	0.30	15
VLDR	35' or 2-story	100	35	15	35	20,000	0-2	0.15	0.30	15
LDR	35' or 2-story	70	20	10	15	7,000	0-5	0.35	0.60	40
MDR	45' or 3-story ¹	50	15	5	10	5,000	0-10	0.40	0.70	40
HDR/HDR-20	60' or 4-story	150	15	5	10	7,000	11-18 ²	0.40	0.70	40
VHDR	60' or 4-story	150	15	5	10	7,000	19-24 ³	0.40	0.70	40
MHP	25' or 1-story	150	10	5	10	N/A	9-18	0.50	N/A	50

Source: City of Banning Municipal Code, Chapter 17.08

1. Maximum height only permitted if Fire Department provides written verification that they can serve

2. Allowable density is 20 units/acre for HDR-20 sites

3. Allowable base density is 20 units/acre for qualifying affordable housing developments

Standards for Multi-Family Housing

Chapter 17.08 of the Zoning Code establishes standards for multi-family housing and PUD-type developments. All developments with more than ten units must provide 30% useable open space for active and passive recreational uses, excluding: rights of way; parking areas; areas adjacent to or between any structures less than 15 feet apart; setbacks; detention basins or any use whose primary purpose is not intended for recreation; patio or private yards; or areas with a slope greater than eight percent. Every dwelling unit must also have a patio or balcony not less than 300 square feet in area or 25% of the dwelling unit size, whichever is less. All multi-family developments must provide recreational amenities within the site, such as swimming pool, clubhouse, tot lot with play equipment, or day care facilities, according to the following schedule:

Number of Units	Number of Amenities
Up to 10	1
11 - 50	2
51 - 100	3
101 - 200	4
201 - 300	5
More than 300	One additional amenity for each additional 100 units

These standards are typical of most higher-density developments in Southern California, and do not pose an unreasonable constraint to housing supply or affordability.

Density Bonus

Under current law, applicants are eligible for a range of density bonuses up to 35 percent based on the percentage of affordable units in a development. Applicants are also eligible for a land donation density bonus. The City is required to offer one to three regulatory incentives based on the percentage of affordable units in a development. Reduced, waived, or partially paid fees are possible incentives associated with applications for density bonuses. The law also limits parking requirements that localities may impose. The City's density bonus regulations are in conformance with current state law.

Off-Street Parking Requirements

Table 23 depicts the off-street parking requirements for residential uses in Banning, as required by Chapter 17.28 of the Zoning Code. These requirements are typical for Southern California cities and are not considered an unreasonable constraint to the production of housing. The City offers reduced parking requirements as an incentive associated with applications for density bonuses in compliance with state law.

Table 23
Off-Street Parking Requirements

Residential Unit Type	Number of Required Parking Spaces
Single family dwellings	Two covered spaces within an enclosed garage.
Multi-family residential:	
Studio and one bedroom	One covered parking space per unit, plus one uncovered guest parking space for every 4 units.
Two bedrooms	Two covered parking spaces per unit, plus one uncovered guest parking space for every 4 units.
Three or more bedrooms	Three covered parking spaces per unit, plus one uncovered guest parking space for every 4 units.
Planned unit developments including single family dwellings and condominiums	Two covered spaces within an enclosed garage per unit, and one uncovered off street guest parking space for every five units.
Residential day care	Two spaces in addition to those required for the primary residence.
Senior citizen apartments	One covered space for each unit, plus one uncovered space, and one space for each three units for guest parking.
Senior congregate care	One covered space for each unit.
Mobile home parks	Two covered parking spaces within an enclosed Garage, which may be tandem, and one uncovered guest space for each unit.

Provisions for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of types of housing for all income levels and for persons with special needs, including mobile homes, congregate care facilities, senior housing, emergency shelters, and transitional housing. Table 24 summarizes the various housing types that are permitted within Banning's residential zone districts.

Table 24
Permitted Residential Uses by Zoning District

Housing Types Permitted	Zoning District							
	RA	RR	VLDR	LDR	MDR	HDR*	VHDR	MHP
Single Family Dwelling	P	P	P	P	C	C	C	X
Condo/Townhouse	X	X	C	C	P	P	P	X
Multi-Family Dwellings	X	X	X	C	P	P	P	X
Mobilehome Park/Subdivision	X	X	X	X	C	C	C	P
Agricultural Employee Housing	P	X	X	X	X	X	X	X
Second Dwelling Unit	P	P	P	P	X	X	X	X
Single Room Occupancy facilities	X	X	X	X	X	C	C	X
Transitional & Supportive Housing	P	P	P	P	P	P	P	P
Congregate Care Facilities	X	X	X	P	P	P	P	X
Residential Care Facility (licensed/6 or less residents)	P	P	P	P	P	P	P	P
Residential Care Facility (unlicensed/6 or less residents)	X	X	X	X	C	C	C	X
Residential Care Facility (7 or more residents)	X	X	X	X	C	C	C	X

Source: City of Banning Zoning Code, 2013.

P= Permitted, C=Conditionally Permitted, X=Not Permitted

*Includes HDR-20

Housing Affordable to Lower-Income Persons: As noted previously in the Needs Assessment, housing in Banning is much more affordable than many metropolitan areas of Southern California. While the current recession has caused increased unemployment and financial strain for some families, it has also brought about a significant decline in home prices and rents. The City's General Plan and zoning regulations facilitate development of affordable housing by providing a balance of land use designations with densities up to 24 units/acre (excluding density bonus) in the Very High Density Residential district. Typical multi-family housing developments (both market-rate and affordable) in the Banning market area have been at densities in the range of 16-20 units/acre. This density can be accommodated in both the HDR and VHDR districts even without density bonus. When state-mandated density bonus incentives are included, allowable densities of 24 – ~~32~~³⁰ units/acre may be achieved in the HDR and VHDR zones. Discussions with affordable housing developers have indicated that the densities and development standards currently allowed by the City's zoning regulations are appropriate for this market area and facilitate the construction of lower-income housing. In the previous planning period, several parcels were rezoned to a new HDR-20 district, with a minimum and maximum base density of 20 units/acre. The purpose of this zone is to facilitate development of affordable housing, and the minimum density of 20 units/acre is required by state law. With the state mandated density bonus of 35%, the allowable density range in the HDR-20 district is 20 – 27 units/acre. Since most affordable housing projects in the Banning market area have been built at densities less than 20 units/acre, the minimum required density of 20 units/acre could pose a constraint to development of affordable housing in this zone. However, this minimum density is required by state law and therefore the City has no ability to reduce it.

Mixed Use: Mixed-use development (residential and non-residential combined on the same parcel) is permitted in the Downtown Commercial (DC) and General Commercial (GC) zones, and is conditionally permitted in the Highway Serving Commercial (HSC), Professional Office (PO) and Business Park (BP) zones. A primary policy objective for the 2013-2021 planning period is to encourage higher-density affordable housing in the Downtown Commercial area as a means of stimulating economic investment in underutilized properties while also accommodating a substantial portion of the City's assigned share of lower-income regional housing need. Zoning regulations currently allow residential densities of up to 18 units/acre on smaller sites and 20 units/acre on larger sites of at least 0.8 acre. In order to provide an incentive for affordable multi-family and mixed-use development, Program 7 in the Housing Plan includes a proposal to amend the DC zoning regulations to increase the allowable base density to 24 units/acre for projects that meet the minimum affordability standards under state Density Bonus law (e.g., 5% very-low- or 10% low-income units). Development standards in the DC zone currently allow a height limit of 60 feet and 4 stories. The DC regulations currently allow properties fronting on Ramsey Street and San Geronio to have multi-family residential use only above the ground floor. Since a height limit of 60 feet and 4 stories is allowed, this does not preclude mixed-use projects achieving a density of more than 20 units/acre in 3- or 4-story buildings. However, all of the other parcels in the DC zone that are not fronting Ramsey Street and San Geronio Avenue allow exclusive residential use with no required commercial component.

Second Units: Second units can provide additional opportunities for affordable housing while also providing a source of income for homeowners. As shown in Table 24, second units are permitted uses in all single-family zones. Standards for second units are provided in Section

17.08.100 of the Zoning Code pursuant to California *Government Code* Section 65852.2 and include the following requirements:

- The minimum lot size on which an attached residential second unit may be located shall be 7,000 square feet. The minimum lot size on which a detached residential second unit may be located shall be 10,000 square feet.
- The floor area of attached second unit shall not exceed 30% of the existing living area.
- The total area for a detached second unit shall not exceed 1,200 square feet.
- A residential second unit shall comply with all development standards for the applicable zoning district, including, but not limited to, standards for front, rear and side yard setback requirements for a primary unit under the regulations of the applicable zoning district.
- The owner of the lot shall reside on the lot, either in the primary unit or in the residential second unit, and the residential second unit shall not be sold, or title thereto transferred separate from that of the property.
- A minimum of one off-street parking space shall be provided per bedroom of the residential second unit.
- The minimum gross floor area of an attached residential second unit shall be 400 square feet.
- An attached residential second unit may have a separate entrance; provided, however, in no event shall any external stairwell be placed within the side yard setback.
- A residential second unit shall contain separate kitchen and bathroom facilities, and shall be metered separately from the primary dwelling for gas, electricity, communications, water, and sewer services.
- A residential second unit shall have no more than two bedrooms.
- The design of second unit shall be architecturally compatible with the primary unit on the same parcel with the predominant architecture of the area.

These standards ensure that new second units will not adversely impact the surrounding community and do not unreasonably constrain the development of second units.

Mobilehomes and Manufactured Housing: Mobilehome subdivisions and parks provide an important affordable housing source for residents of Banning, with mobile homes comprising nearly 10% of the housing stock. The Zoning Code allows mobilehome parks and subdivisions as a permitted use in the MHP zones. Manufactured housing units on permanent foundations are permitted in the same manner as single-family homes consistent with building code requirements.

Housing for Persons with Disabilities: The Zoning Code allows licensed Residential Care Facilities for six persons or less in all residential zones by-right. Small unlicensed care facilities and large care facilities (7+ residents) are permitted subject to a conditional use permit in the MDR, HDR and VHDR residential zones, as well as the Highway Serving Commercial zone.

Definition of “Family”

Zoning Code §17.04.070 defines “family” as a “single housekeeping unit”, as follows: “Single Housekeeping Unit is one or more individuals, whether related by blood, marriage, legal adoption or not, jointly occupying a dwelling unit, including the joint use of and responsibility for common areas, and sharing household activities and responsibilities such as meals, chores, household maintenance, and expenses, and where, if the unit is rented, all adult residents have chosen to jointly occupy the entire premises of the dwelling unit, under a single written lease with joint use and responsibility for the premises, and the makeup of the household occupying the unit is determined by the residents of the unit rather than the landlord or property manager.” This definition is consistent with state law.

Separation Requirements

There is no City requirement for minimum separation distance between small licensed care facilities other than as may be provided in state law. Unlicensed care facilities must maintain a minimum separation of 1,000 feet from any other unlicensed care facility, boarding house, SRO, elementary or secondary school or day care center (Zoning Code §17.08.201).

Parking Standards

For boarding house type uses, one parking space is required for each room or two beds, whichever is greater. For senior congregate care facilities, two parking spaces per three units is required.

Supportive Services

There are no limitations on supportive services in group homes or care facilities.

Reasonable Accommodation for Persons with Disabilities

Reasonable accommodation refers to the City’s procedures for reviewing and approving requests from disabled and special needs residents to alter their homes to allow for mobility and use. Chapter 17.42 describes City procedures for processing requests for reasonable accommodation for persons with disabilities and special housing needs in conformance with state law.

Emergency Shelters: State law (Senate Bill 2 of 2007) requires that emergency shelters be allowed by-right (i.e., without discretionary review such as a conditional use permit) in at least one zoning district. Emergency shelters are permitted by-right in the Airport Industrial (AI) zone.

Approximately 135.8 acres of land is within the AI zone, of which approximately 94 acres is vacant. This area has ample capacity to accommodate the development of at least one homeless shelter. Portions of the AI zone are within one-quarter mile from the downtown core and nearby central business district, within easy walking distance from services available in the downtown.

Transitional and Supportive Housing: “Transitional and supportive housing” means a residential facility that provides temporary accommodations, typically for six months to two years, to low- and moderate-income persons and families or persons with special needs, and which also may provide meals, counseling, and other services, as well as common areas for residents of the facility. SB 2 of 2007 requires that transitional and supportive housing be considered a residential use that is permitted under the same procedures and requirements as for other residential uses of the same type in the same zone. The Zoning Code allows transitional and supportive housing subject to the same standards and procedures as for other residential uses of the same type in the same zone in conformance with SB 2.

Farmworker Housing: State law⁸ provides that employee housing for six or fewer workers shall be considered a single-family use and no conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. State law further provides that any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use designation, and no conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone. The Zoning Code allows agricultural employee housing by-right in zones where agriculture is a permitted use consistent with state law.

Single Room Occupancy: Single room occupancy (SRO) facilities are small studio-type apartment units, typically intended for very-low- or extremely-low-income persons. SRO facilities are allowed with a Conditional Use Permit in the High Density Residential (HDR) and Very High Density Residential (VHDR) districts, as well as in the Downtown Commercial (DC) and Highway Serving Commercial (HSC) Districts.

Development and Planning Fees

After the passage of Proposition 13 and its limitation on local governments’ property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. In order to ensure public health and safety, the City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installation that are reasonably related to the project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities, and school sites, consistent with the Subdivision Map Act.

⁸ *Health and Safety Code* §17021.5 and §17021.6.

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Various fees and assessments are charged by the City and other public agencies to cover the costs of processing permit applications and providing services and facilities such as schools, parks, and infrastructure. These fees are typically assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit that will be derived.

While the cost of planning and development impact fees may be viewed as a constraint to housing supply and affordability, local governments and service providers have little discretion in this matter due to the state's legal and budgetary framework established under Proposition 13 and other related laws.

Banning charges various fees and assessments to cover the cost of processing permits and providing certain services and utilities. Under state law, these fees are limited to the actual cost of providing these services. Table 25 depicts current development fees for residential development. The City derives its building permit fees based on building valuation and fee data established by International Congress of Building Officials (ICBO).

Table 25
Development Fees

Fee Type	Single Family Unit	Multi-Family Unit
Permit processing	\$660* (1,500 sq ft unit)	\$316 (1 unit or 1,000 sq ft.)
Fire	\$1,335	\$1,335
Police	\$823	\$913
Traffic Control	\$250	\$172
General Plan	\$75	\$75
Parks	\$1,955	\$1,187
General City	\$478	\$530
Energy Conservation	\$45	\$45
New Electrical Service	\$1,400	\$1,400
Water Connection (per d.u.)	\$7,232	\$7,232
Sewer/Wastewater (per d.u.)	\$2,786	\$2,786
School Fees	\$2.97 or \$3.69** per sq ft.	\$2.97 or \$3.69** per sq ft.
T.U.M.F	\$10,046	\$7,054
M.S.H.C.P.	\$1,008-\$1,938***	\$1,008-\$1,938***
Total (per unit)	\$34,558	\$28,673

Notes: T.U.M.F refers to the Transportation Uniform Mitigation Fee

MSHCP refers to the Multi-Species Habitat Conservation Plan

* Permit cost for production phase 1,500 sq ft. dwelling unit as per City Fee table.

**Cost varies on school district jurisdiction, Banning District used to estimate total fees.

*** Cost varies based on dwelling units per acre.

Source: City of Banning, 2013

Building Codes and Enforcement

Banning has adopted the 2010 version of the California Building Codes. The California Building Code is considered to be the minimum necessary to protect the public health, safety, and welfare, and is used by most jurisdictions in the state. Code violations are investigated on both a

complaint basis and on a proactive basis as code enforcement officers patrol the city. Code enforcement officers work cooperatively with property owners to expedite remedial actions and advise them about any assistance programs that may be available to help bring properties into compliance. The City currently (2013) has one Code Enforcement staff. Prior to the recession that began in 2008, there were three Code Enforcement personnel.

Local Processing and Permitting

The City of Banning encourages the ongoing construction, maintenance, and improvement of housing by decreasing, to the extent possible, the time and uncertainty involved in gaining approvals for various development permits. This section outlines the City's development permit procedures. The Community Development Department currently (2013) has one staff planner assigned to processing planning applications.

Concurrent Processing

State law requires that all communities work toward improving the efficiency of their building permit and review processes by providing concurrent processing, thereby eliminating the unnecessary duplication of effort. Moreover, Assembly Bill 884 (passed in 1978) helped reduce governmental delays by 1) limiting processing time in most cases to one year, and 2) by requiring agencies to specify the information needed to complete an acceptable application. The following summarizes the existing approximate time frame and review procedures for single-family and multi-family projects.

Single-Family and Multi-Family Projects of Four Units or Less

Single-family or multi-family residential developments on legally established lots are permitted by-right and are approved by the Community Development Director. If a subdivision is proposed, review and approval by the Planning Commission and City Council is required pursuant to the state Subdivision Map Act.

Single-Family and Multi-Family Projects of Five or More Units

Developments with 5 or more units are subject to the Development Review process. Development review entails review by the Land Development Task Force (LDTF) that includes representatives from the Engineering, Community Services, Planning, Electric, Fire, and Police Departments. The purpose of the LDTF is to identify issues early in the planning process so that applicants can avoid costly revisions and project delays. At the conclusion of the LDTF meeting, the applicant is provided with preliminary conditions of approval, an estimate of processing costs associated with each development application/entitlement for each department, as well as an anticipated total development "package" cost. Applicants are also given an estimated processing time to a final decision, including Planning Commission and City Council hearings, if applicable. Every attempt is made on the part of the City to provide applicants with early feedback in order to minimize processing time and cost.

Design Review

Design review requirements are established in Chapter 17.56 of the Zoning Code. Prior to making a determination, the review authority shall determine that the project adequately meets adopted City performance standards and design guidelines, based upon the following findings:

- A. The proposed project is consistent with the General Plan.
- B. The proposed project is consistent with the Zoning Ordinance, including the development standards and guidelines for the district in which it is located.
- C. The design and layout of the proposed project will not unreasonably interfere with the use and enjoyment of neighboring existing or future development, and will not result in vehicular and/or pedestrian hazards.
- D. The design of the proposed project is compatible with the character of the surrounding neighborhood.

Design review for residential developments with four or fewer units is approved administratively by the Community Development Director. Projects with five or more units are approved by the Planning Commission or City Council, depending on whether other approvals are also required (e.g., specific plan).

Planned Unit Developments

Chapter 17.92 of the Zoning Code establishes procedures and criteria for Planned Unit Developments (PUD). PUDs provide flexibility in the application of the development standards for the underlying zoning district in order to encourage more efficient use of land. For example, a PUD can allow lot sizes that are smaller than the minimum for the zoning district in order to provide additional open space or preserve valuable environmental features of the site such as creeks, rock outcroppings, etc. PUDs may include exclusive residential or mixed uses. PUDs are approved by the Planning Commission unless it is part of an application package that requires City Council approval (e.g., zone change or development agreement).

Specific Plans

Government Code Sections 65451 and 65452 establish the legal framework for Specific Plans. Chapter 17.96 of the Zoning Code establishes the City's procedures for the adoption of Specific Plans. A Specific Plan application must include a text and a diagram(s) containing all of the required components outlined in state law. A Specific Plan is an alternative to conventional zoning regulations that establishes detailed standards and procedures governing development for a particular property. Like PUDs, Specific Plans may establish alternate development standards that are tailored to the characteristics of the property. Specific Plan districts allow for the use of special design criteria for maximum utility of the site and also allow for maximum design flexibility within density limitations. Techniques include clustering of units, or other unique lot orientation, layouts, and varying development standards. Specific Plans often include an infrastructure component that establishes a framework for the installation of utilities and other

improvements needed to serve the development. Adoption of a Specific Plan is a legislative act subject to approval by the City Council, and is typically processed concurrently with other approvals, such as subdivision maps, that may be required as part of the project.

Affordable Housing Projects in the HDR-20 and VHDR Zones

In the 4th planning cycle several properties were rezoned to HDR-20 and VHDR provide adequate sites for affordable housing pursuant to Government Code Sections 65583.2(h) and (i). Review of project applications on those sites is ministerial ("by-right"), which is a staff-level administrative review process that does not required a public hearing or constitute a "project" as defined by CEQA.

The following table summarizes the approval process for different types of residential developments.

Table 26
Development Review Summary

Development Type	Review and Approval Process		
	CD Director	Planning Commission	City Council
Single-family detached			
Individual house	D		
Subdivision (2 - 4 lots)	R	R	D
Subdivision (5 lots or more)	R	R	D
Multi-family apartments			
2 - 4 units	D		
5 or more	R	D	
Affordable housing in the HDR-20 and VHDR zones	D		
PUD or Specific Plan	R	R	D

R=recommendation D=decision

Environmental Protection

The California Environmental Quality Act requires environmental review of proposed discretionary projects (e.g., subdivision maps, use permits). Costs resulting from fees charged by local government and private consultants needed to complete the environmental analysis, and from delays caused by the mandated public review periods, are also added to the cost of housing and passed on to the consumer. However, environmental review is required by state (and in some cases federal) law and these regulations help to preserve the environment and ensure environmental safety for the City's residents.

Infrastructure and Environmental Constraints

Water Supply. The City of Banning provides water service to all residential areas within the City. In addition, the City owns and operates wells, reservoirs, and a distribution line system to

deliver domestic water. Projected capacity is sufficient to accommodate the level of growth anticipated in the General Plan.

Wastewater Treatment. The City provides sewage treatment at the Banning Water Reclamation Plant located at 2242 East Charles Street. The City sewer system contains 15-inch and 24-inch trunk lines, which are located within major City public right-of-ways. The present plant has a design flow capacity of 3.6 million gallons per day (MGD) and is currently (2013) operating at approximately 2.1 MGD.

Drainage and Flood Control Facilities. The Banning Canyon is located in several drainage basins and floodplains on the valley floor, subjecting the area to floods. The San Bernardino and San Jacinto Mountains within the Banning Canyon area are very steep and consists of rock that is fairly impermeable. Consequently, little infiltration of rainwater results in flows across the surface as runoffs and down the slopes as overland flows. These overland flows feed in fluvial streams in the drainage basins of the San Gorgonio Valley. Most of the 100-year flood plain is located in Banning Canyon area, which is not anticipated for residential development. This area has been designated as open space, due in part to its location in a flood plain, and in part to the natural habitat of the area. The potential sites for residential development shown in the land inventory (Appendix B) are not within this flood plain. All new developments are required to install drainage improvements to serve the property consistent with applicable engineering standards.

Street Improvements. The City requires a minimum public right-of-way width of 60 feet for residential streets and 66 feet for collector streets (including sidewalks and landscaped areas). The minimum curb-to-curb pavement width is 40 feet, with a 10-foot parkway on residential streets and a 13-foot parkway on collector streets. A 5-foot sidewalk is required. Lesser street widths could be approved through the City's planned unit development or specific plan processes.

Pedestrian ways or bridges are required if the City deems them necessary for access to schools, recreation areas, other public areas, or for the safety or convenience of pedestrians. The subdivider is required to install local streets or street segments serving the development, including curbs, gutters, sidewalks, pavement, traffic signs, street trees, mailbox inserts, and street lights.

The City's requirements for street improvements are consistent with most other suburban communities in the region and are not a significant constraint to the cost or availability of housing in Banning.

Market Constraints

Development and Financing Costs

Banning is fortunate in that the cost of vacant land for residential development is relatively affordable, especially when compared to the adjacent counties of Orange, Los Angeles, and San Diego. Land prices are highly variable and depend on the density of development allowed, whether the site has environmental constraints, and whether an existing use must be removed. Recent asking prices for vacant land range from approximately \$150,000 per acre for single-family land to \$300,000 per acre for multi-family land. Construction costs vary according to the

type of development, with multi-family housing generally less expensive to construct than single-family homes. However, there is wide variation within each construction type, depending on the size of unit and the number and quality of amenities provided, such as fireplaces, swimming pools, and interior fixtures among others. Recent building cost estimates published by the International Code Council range from approximately \$125/square foot for single-family to \$128/square foot for multi-family, although assisted affordable housing cost can be higher due to the prevailing wage requirements of state law. The City has no influence over materials and labor costs, and the building codes and development standards in Banning are not substantially different than most other cities in Riverside County.

A reduction in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sales prices. In addition, prefabricated factory-built housing may provide a lower-priced alternative by reducing construction and labor costs. Another factor related to construction costs is the number of units built at one time. As the number increases, overall costs generally decrease as builders can benefit from economies of scale.

Cost and Availability of Financing. Housing affordability is also largely determined by interest rates. First-time homebuyers are most impacted by financing requirements. Currently (2013) mortgage interest rates for new home purchases are at historically low levels of approximately 4-1/2% for a 30-year fixed-rate mortgage, which increases housing affordability. Although rates are currently low, they can change significantly and impact the affordability of the housing stock. The recent economic crisis has also resulted in a tightening of lending standards, as compared to the “easy credit” practices in recent years. Thus, a critical factor in homeownership involves credit worthiness. Lenders consider a person’s debt-to-income ratio, cash available for down payment, and credit history when determining a loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit rating. Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house.

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IV. Housing Resources

Land Resources

In accordance with *Government Code* §65584, projected housing needs for each city and county in the Southern California region are prepared by the Southern California Association of Governments (SCAG) under a process known as the Regional Housing Needs Assessment (RHNA). SCAG's Regional Council adopted the final Regional Housing Need Allocation in 2012. The RHNA allocation for Banning was discussed previously in the Housing Needs Assessment section of this Technical Report.

An important component of the Housing Element is the identification of sites for future housing development, and evaluation of the adequacy of this site inventory in accommodating the City's share of regional housing growth need. A parcel-specific vacant residential site analysis has been completed (see Appendix B) and Table 27 summarizes potential housing development that could be accommodated on the City's vacant and underutilized land.

Table 27
Residential Land Inventory Summary vs. RHNA

	Income Category			
	Lower	Mod	Above Mod	Total
♦ Approved Projects (Table B-3)				
♦ Approved projects – R-A			30	30
♦ Approved projects – Very Low Density Residential			1,036	1,036
♦ Approved projects – Low Density Residential			3,032	3,032
♦ Approved projects – Medium Density Residential		2,607		2,607
♦ Approved projects – High Density Residential		1,213		
♦ Subtotal – Approved Projects	0	3,820	4,098	6,705
♦ Vacant parcels (Table B-4)				
♦ Vacant parcels – Low Density Residential			513	513
♦ Vacant parcels – Medium Density Residential		1,088		1,088
♦ Vacant parcels – High Density Residential		395		395
♦ Vacant parcels – High Density Residential-20	1,942			
♦ Vacant parcels – Very High Density Residential	520			
♦ Subtotal – Vacant Parcels	2,462	1,483	513	1,996
♦ Underutilized Parcels (Table B-5)				
♦ Downtown Commercial parcels	86			
♦ Potential second units	5			5
♦ Total land inventory	2,553	5,303	4,611	8,706
♦ RHNA 2014 - 2021	1,465	685	1,642	3,792
♦ Adequate Sites?	Yes	Yes	Yes	Yes

Source: City of Banning, 6/2013

As shown in Table 27 and Appendix B, there are adequate sites in all income categories to accommodate the City's share of regional housing need during this planning period. However, some parcels are large and require subdivision or approval of a specific plan prior to development. In order to facilitate development of large sites, Program 5 includes actions such as expedited processing and incentives for subdivisions and specific plans to create sites for affordable multi-family housing.

Financial Resources

State and Federal Resources

Section 8 - The Housing Choice (Section 8) voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to rent decent, safe, and sanitary housing in the private market. Since the rental assistance is provided on behalf of the family or individual, participants are able to find and lease privately owned housing, including single-family homes, townhouses and apartments from landlords who accept vouchers. Eligible households pay 30% of their income toward rent with the balance paid by HUD. The Housing Authority of Riverside County (HARIVCO) coordinates and administers Section 8 rental assistance on behalf of the City of Banning.

Community Development Block Grant (CDBG) Program – Federal funding for housing programs is available through the Department of Housing and Urban Development (HUD). The CDBG program is very flexible in that the funds can be used for a wide range of activities. The eligible activities include, but are not limited to, acquisition and/or disposition of real estate property, public facilities and improvements, relocation, rehabilitation, and construction (under certain limitations) of housing, homeownership assistance, and clearance activities. Banning receives its CDBG funding through the County of Riverside.

HOME Investment Partnership Program – The HOME Program is designed to improve and/or expand a jurisdiction's affordable housing stock. Unlike the CDBG program, HOME funds can only be used for affordable housing activities. Specifically, HOME funds can be used for the following activities which promote affordable rental housing and lower-income homeownership: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based assistance.

There are fairly strict requirements governing the use of the funds. Two major requirements are that the HOME funds must be: 1) used for activities that target certain income groups (lower-income families in particular) and 2) matched 25% by non-federal sources.

The City of Banning is eligible to receive HOME funds as a participating city in the Riverside County program as applicants apply for HOME-qualified projects.

Low-Income Housing Tax Credit Program - The Low-Income Housing Tax Credit Program was created by the Tax Reform Act of 1986 to provide an alternate method of funding low-and moderate-income housing. Each state receives a tax credit, based upon population, toward

funding housing that meets program guidelines. The tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing. Limitations on projects funded under the Tax Credit programs include minimum requirements that a certain percentage of units remain rent-restricted, based upon median income, for a term of 15 years.

Local Resources

Redevelopment Housing Set-Aside Fund – In 2012 the state abolished all redevelopment agencies in California, therefore this tool for community revitalization and affordable housing assistance is no longer available.

Non-Profit Housing Providers

The following are housing providers that have been involved with development of affordable housing in the Banning area and may be interested in developing and/or preserving additional affordable housing in the future.

- Coachella Valley Housing Coalition
45-701 Monroe Street, Suite G
Indio, CA 92201
(760) 347-3157
- Habitat for Humanity – San Geronimo Pass Area
P.O. Box 269
Banning, CA 92220
951-769-7600
- Jamboree Housing Corporation
2081 Business Center Drive, Suite 216
Irvine, CA 92612
(949) 263-8676
- Affirmed Housing
200 East Washington Avenue, Suite 208
Escondido, CA 92025
(619) 738-8401
- The Olson Company
30200 Old Ranch Pkwy, #250
Seal Beach, CA 90740
(562) 596-4770
- Southern California Housing Development Corporation
8265 Aspen Street, Suite 100
Rancho Cucamonga, CA 91730
(909) 481-0172

- RC Hobbs Company
1110 E. Chapman Ave., Suite 206
Orange, CA 92866
(888) 633-4622
- LINC Housing Corporation
110 Pine Avenue, Suite 500
Long Beach, CA 90802
(562) 684-1100
- Palm Desert Development Company
P.O. Box 3958
Palm Desert, CA 92261
(760) 568-1048
- Riverside Housing Development Corporation
4250 Brockton Avenue
Riverside, CA 92501

Energy Conservation Opportunities

As residential energy costs rise, the subsequent increasing utility costs reduce the affordability of housing. As new development and infill development and rehabilitation activities occur, the City will have an opportunity to directly affect energy use within its jurisdiction.

State of California Energy Efficiency Standards for Residential and Nonresidential Buildings were established in 1978 in response to a legislative mandate to reduce California's energy consumption. The standards are codified in Title 24 of the California Code of Regulations and are updated periodically to allow consideration and possible incorporation of new energy efficiency technologies and methods. California's building efficiency standards (along with those for energy efficient appliances) have saved more than \$56 billion in electricity and natural gas costs since 1978. It is estimated the standards will save an additional \$23 billion by 2013⁹.

Title 24 sets forth mandatory energy standards and requires the adoption of an “energy budget” for all new residential buildings and additions to residential buildings. Separate requirements are adopted for “low-rise” residential construction (i.e., no more than 3 stories) and non-residential buildings, which includes hotels, motels, and multi-family residential buildings with four or more habitable stories. The standards specify energy saving design for lighting, walls, ceilings and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards and the use of nondepleting energy sources, such as solar energy or wind power. The home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations through the plan check and building inspection processes.

⁹ California Energy Commission (<http://www.energy.ca.gov/title24>).

Examples of techniques for reducing residential energy use include the following:

- **Glazing** – Glazing on south facing exterior walls allows for winter sunrays to warm the structure. Reducing glazing and regulating sunlight penetration on the west side of the unit prevents afternoon sunrays from overheating the unit.
- **Landscaping** – Strategically placed vegetation reduces the amount of direct sunlight on the windows. The incorporation of deciduous trees in the landscaping plans along the southern exposure of units reduces summer sunrays, while allowing penetration of winter sunrays to warm the units.
- **Building Design** – The implementation of roof overhangs above southerly facing windows shield the structure from solar rays during the summer months.
- **Cooling/Heating Systems** – The use of attic ventilation systems reduces attic temperatures during the summer months. Solar heating systems for swimming pool facilities saves on energy costs. Natural gas is conserved with the use of flow restrictors on all hot water faucets and showerheads.
- **Weatherizing Techniques** – Weatherization techniques such as insulation, caulking, and weather stripping can reduce energy use for air-conditioning up to 55% and for heating as much as 40%. Weatherization measures seal a dwelling unit to guard against heat gain in the summer and prevent heat loss in the winter.
- **Efficient Use of Appliances** – Appliances can be used in ways that increase their energy efficiency. Unnecessary appliances can be eliminated. Proper maintenance and use of stove, oven, clothes dryer, washer, dishwasher, and refrigerator can also reduce energy consumption. New appliance purchases can be made on the basis of efficiency ratings.

The Western Riverside Council of Governments (WRCOG) also sponsors a program called “HERO” intended to help reduce residential energy consumption. The HERO Program is offered through a partnership between WRCOG and Renovate America, Inc. The Program’s purpose is to provide relatively low interest rate financing to spark the local economy by creating jobs and reducing utility costs, and to reduce greenhouse gas emissions. The Program provides HERO Financing for permanently affixed energy efficiency, water efficiency, and renewable energy products (Eligible Products). HERO Financing is repaid through an assessment on the owner’s property tax bill over 5 to 20 years, based on the useful life of the products, and upon sale of the property, the balance generally stays with the property.

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