

## **E. Community Initiatives**

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Appendix E is a summary of community initiatives highlighted during forums by the Planning Commission during workshops and public hearings for the 2015 General Plan Amendment and subsequent workshops and public hearings for the 2017 amendment to the Housing Element.

### **Introduction**

Barstow is unlike most other cities that have other city jurisdictions adjacent to them. Barstow is surrounded by unincorporated county territory. During the comprehensive General Plan Amendment (2015-2020), which includes the 2014-2021 Housing Element, citizen participation is critical. The City's vision recognizes the importance of the visitors, but also the importance of living-wage jobs for the future workforce as the children grow into young adults. This vision is reflected in the general plan as a guiding principle in that informed community participation is a permanent part of achieving a greater City. Such a process is also important for the housing element update.

Since the general plan is a snapshot of community values at a given point in time, it is essential that there is a process for continuously involving the public in planning, monitoring, implementation, and updating the general plan. Informed discourse occurs when there is an exchange of clear and understandable information, and opportunities for citizen input are available. The need for public discussion is critical in the subject of housing, where Barstow has wrestled with an increasingly uncertain context.

The City held various forums in conjunction with the general plan to explore timely issues affecting housing policy and programs. Some of the efforts undertaken include:

- Second Unit Ordinance (2009)
- Reasonable Accommodations Ordinance (2011)
- Comprehensive amendment to the Zoning Ordinance (2015)
  - Density Bonus
  - Emergency Shelters
- Amended the Accessory Dwelling (Second Unit) Ordinance (2017)
- Amended the Density Bonus Ordinance (2017)
- Added Transitional and Supportive Housing Ordinance (2017)
- Planning Commission Study Sessions/Hearings
  - 8/26/13 – Goals and Policy Review
  - 9/9/13 – Goals and Policy Review
  - 9/23/13 – Goals and Policy Review
  - 8/25/14 – Public Workshop

- 9/25/17 – Public Workshop
- 11/13/17 – Public Workshop

In addition to the above public participation, the City contacted several agencies/stakeholders that provide assistance to those in need to solicit their information and input into the Housing Element. This included the following:

- Housing Authority of the County of San Bernardino
- New Hope Village/New Hope Too! (Rapid Rehousing/Permanent Supportive Housing)
- SCAG
- San Bernardino Community Development and Housing Department
- State Department of Housing and Community Development
- Haley House/Desert Sanctuary (Domestic Violence Shelter)
- Desert Manna Homeless Shelter
- Holiday Homes Mobile Home Park (age restricted park)
- Barstow Senior Citizens Center
- Lantern Woods Apartments (Affordable apartments)

Through these forums, initiatives were raised by the community, and the merits and drawbacks were discussed. As the economy improves and housing market changes, relevant issues may be revisited during the period covered by the 2014-2021 Housing Element.

### **1. Housing Production**

Barstow's need for affordable housing has been the result of many factors. The demand for housing has been fueled by historical underproduction of housing, demographic change locally and regionally, and the current economy, which has had an adverse impact on businesses and employment. This potentially brings an increase in demand for affordable housing. However, Barstow's current housing prices are affordable to most of the lower income and moderate income groups.

The General Plan Workshop on August 25, 2014 identified the following concerns pertaining to housing. This workshop utilized an electronic voting mechanism wirelessly connected to a computer to compile the votes associated with specific on-screen questions and multi-choice answers.

- **Greater Need for Affordable Units.** Although the current economy lends itself to a higher demand for affordable housing, the workshop on August 25, 2014 indicated that 58% of the people indicated that the City should not seek funding for additional affordable housing, while 82% indicated that the City should move towards new housing for middle-income

residents. Similarly, this pole also indicated 71% of the participants believed that new executive-level housing should also be pursued. 74% of the participants also indicated that townhomes and/or condominiums should also be built. More towards the affordable spectrum, the public also responded with 97% indicating a need for assisted living for seniors, and 85% for active seniors (both with verbal input that they be affordable). As with the funding for affordable housing question above, a later question was asked regarding housing for low-income residents. This netted a response of 84% against additional affordable housing. The City must allow for the affordable housing figures identified in RHNA. However, it is clear that not just the RHNA figures suggest that additional moderate-income housing and above moderate-income housing are needed, the participants of the workshop desire these homes to be built. This could be because of the large absentee landowners.

- **City Build-out.** The City is not close to build-out. The latest estimate is that at the availability of land, and not including underdeveloped properties, there is a potential for more than 80,000 units. In the short-term development is limited to sites that are closest to existing infrastructure. Regardless, there is adequate available land to meet both the shorter term (i.e., RHNA) and the long-term housing needs.
- **Development Standards.** The City recently adopted design guidelines. These are the first city-wide standards that have been adopted, having previously been limited to specific plans and the Redevelopment Area (which has been eliminated with the dissolution of the Redevelopment Agency). In addition, the City has development standards that, upon the completion of the General Plan update, the entire zoning ordinance will be re-written. This will help to establish a consistent standard applicable to all developments. Currently, our multi-family district has a certain amount of recreational/open space requirements as part of the project. This will be analyzed for consistency with state law.
- **Housing Prices.** Housing prices peaked between 2006 and 2008, then upon the collapse of the housing market, prices drastically dropped to pre-2000 prices. Although prices have stabilized, they have not fully recovered at this time. However, there is renewed interest in Barstow for commercial and industrial development, and with that the City expects to see a demand in housing. Upon the collapse of the market, one builder essentially scaled back production to houses that became committed for sale. Using this practice, the developer was able to build anywhere from 6 to twelve houses at a time until the subdivision was completed. Another problem with the housing market is that loans are more difficult to obtain. Should this change, it would spur the development of additional housing.

At the time of this writing (3<sup>rd</sup> quarter, 2017), there are no housing projects that have been submitted thus far other than three single-family permits. However, as discussed in Appendix A of this document, the City is working with some potential developers to provide active senior

housing on two sites near the new hospital. One project is proposed at 60 units, while the other is proposed with 30 units. In addition, the City has entered into an Exclusive Negotiating Agreement with Eagle Barstow 55, LLC, for the development of a senior (including active) housing project in this same location.

**2. Housing Diversity**

State housing law requires each community to facilitate and encourage a diverse range in types and prices of housing, affordable to all economic and social segments. The August 25, 2014 General Plan Workshop indicated that more moderate and above moderate income housing is needed. Housing prices have increased since 2015 (~\$70,000 in 2000 vs. ~\$125,000 mid 2017<sup>1</sup>), but are still well below the County average (~\$250,000<sup>1</sup>), making much of the available housing affordable to lower income renters and buyers. In addition to the Housing Element update, the entire general plan is being updated. The update for the general plan is proposing an increase in density above what the 1997 General Plan has identified. For instance, the multiple-family designation in the 1997 plan allows for a maximum density of 15 units to the acre. The 2015 General Plan will allow up to 20 units to the acre. In addition, many of the smaller lot single-family residential districts will allow for a slight increase in density as well. The City is introducing a Diverse Use land use designation that will allow for a variety of uses, including residential at 16 units to the acre. These are some of the changes moving forward with the new general plan. In addition, the diverse use designation will allow a mix of work/live units and creating walkable communities. Table E-1 lists programs recommended, assess the applicability, and indicates progress made to date in implementing them.

<sup>1</sup> *Trulia median sales price*

**Table E-1: Housing Initiatives to Increase Housing Choice**

Suggested Programs	Assessment
<p><b>Small Lot Homes</b>                      Adopt ordinance to facilitate small-lot, single-family subdivisions in the City as a means to providing affordable homeownership opportunities</p>	<p>Communities that are not built out often have areas where small lot development is feasible. This type of product is also advantageous in cities with deep lots that are underutilized in terms of residential density, contain dilapidated structures that can be demolished, or where lots are adjacent to one another and can be merged into larger parcels.</p> <p>Upon completion of the City’s Zoning Ordinance Update, Barstow converted much of the RS zoned properties suitable for small lot subdivisions to the SFR district, allowing for smaller lots. Much of the land that is currently developed is on lots that do not meet the prior zoning standard of sixty feet wide and one hundred feet deep. The prior zoning requirement has caused numerous lots in the City, especially the older portions, to be legal non-conforming in nature. In other areas, the lots could not be subdivided to the minimum lot standard due to the configuration of the lot. Upon the completion of the comprehensive general plan amendment effectively increasing the density, staff began a comprehensive zoning ordinance amendment to address this issue, and to create the allowance for smaller-lot subdivisions. A comprehensive amendment to the zoning ordinance was completed in 2015.</p>

<b>Suggested Programs</b>	<b>Assessment</b>
<p><b>Work/Live, Developments</b> Facilitate work/live developments by reducing code restrictions and providing flexible design standards.</p>	<p>The City had a zoning designation, Mixed Land Use, and general plan designation, Mixed Use, that allowed residential through commercial. This designation allowed such uses subject to a conditional use permit. Historically, this designation resulted in an “either-or” development, not a true mixed-use project. As a result, the City replaced this designation with the Diverse Use and Human Services designations. The City will continue to look at additional development standards to provide incentives to develop the projects truly as intended, to create a work/live community, or at least a walkable community.</p> <p>Work/live housing satisfies a relatively minor portion of the overall demand for housing in that the housing units are typically small, suitable for only one or maybe two people, are generally expensive, and located in commercial areas. These uses rarely contribute much to the achievement of affordable housing goals.</p>
<p><b>Revisit Second-Unit Codes</b> Second units can provide housing for seniors, college students, extended family members, and others. However, the deed restrictions may be a constraint to development.</p>	<p>Recent changes to the California Government Code require cities to enact ministerial approval process for approving second units (unless very specific findings are made). State law also mandates the use of very permissive statewide development standards if development standards are not adopted by a local government.</p> <p>Barstow adopted development standards to protect the character and integrity of neighborhoods. However, even if the City adopted more lenient standards, the number of units gained would be relatively few due to the availability and affordability of land and housing. This is evident when within the last 20 years only two applications have been made for second units, and none since the adoption of the accessory dwelling/second unit ordinance in 2009 and was amended in 2017.</p>
<p><b>Mixed-Use Housing</b> This has been discussed at public workshops with little or no response from the community. However, its benefits are as above, creating a work/live situation or a walkable community where people can walk to services from their residence.</p>	<p>As indicated above, mixed use developments have not occurred. What the City experienced with the Mixed Land Use designation is either commercial, or residential; not a true mix. The City re-designated this land use to Diverse Use and Human Services, which significantly increase the amount of lands so designated and further incentivize the development of a true mix of residential and commercial uses. This can net up to 16 units per acre under the 2015 general plan revision (adopted 2015). Much of this is already discussed in the above Work/Live discussion above.</p>
<p><b>Rental vs. Ownership Housing</b> According to Census figures, approximately ½ of all properties are rented. This can pose a problem when absentee land owners do not re-invest in their properties.</p>	<p>Over the years, the City has seen an increase in single-family housing being sold to individuals that do not live in the community and rent the housing out. As a result, the City is experiencing about a 50% rental rate, and difficulty in gaining compliance from the owners, who are in some cases either out of the state or out of the country. Code compliance typically has between 300 and 400 cases at any given time. According to the Code Compliance Supervisor, the largest problem is educating the owners. A rental registration ordinance was proposed several years ago, but has stalled. The City may need to consider alternative processes to educate the property owners.</p>

Suggested Programs	Assessment
<p><b>Encourage Accessible Developments</b>                      The City should actively pursue the development and implementation of universal design standards to accommodate people with disabilities.</p>	<p>The City has adopted a Reasonable Accessibility Ordinance in 2011. This ensures an individual’s opportunity to alter a residence to suit their particular disability. There is a no-cost application to allow the desired alterations. Future considerations may include the following:</p> <ul style="list-style-type: none"> <li>• Establish minimum hallway widths and other design features to ensure that modifications could be made to allow alterations without major renovations (i.e., allowance for 36” wide doors, lower thresholds, chair-height or ADA height water closets, etc.).</li> <li>• Require a percentage of homes in a subdivision development to build ADA accessible homes including roll-in showers, grab-bars, etc.</li> </ul>

**Recommendation**

Barstow has had limited success in facilitating and encouraging a broad range of housing types – single-family homes, condominiums, apartments, mixed-use, special needs housing, and housing accessible to people with disabilities. This is not due to any activity or inactivity of the City, but rather the current market. The crashing of the market and the inability of many people to qualify for loans has limited residential development to near non-existence. In addition, a lack of available loans for developers has also impeded residential development as there are few comparables for new homes. As indicated elsewhere, nearby cities are beginning to experience growth, indicating that in the next few years, the City could begin to see an increase in development.

**3. Entitlement Process**

The City of Barstow is known for its affordable housing. While the entitlement process has been successful in facilitating development in some communities, the economic downturn caused nearly all residential development in Barstow to cease. The City prides itself on being able to process plan reviews in a timely manner, whether for building permits or discretionary approval. The City also implemented a pre-application review process that has identified project requirements before official plan application submittal, and more recently adopted a Site Plan Review ordinance. Although this adds minimally to the time frame, it has proven beneficial to both the City and the project applicants.

- **Entitlement Process.** The City’s pre-application submittal has assisted in identifying criteria and requirements prior to official submittal of the development plans, whether for building permit or discretionary review. The City also meets with staff to discuss the process of discretionary permit approval, and the pre-application meetings identify procedures and what the applicant can expect in the plan-review stage. Implementation of the Site Plan Review ordinance will further clarify requirements on all projects.

- **Development Fees.** The City's development fees are lower than most cities. In addition, when the fees were implemented, they were to be phased in over a three-year period. To this day, single-family residential is still at the first tier of 33%. While the Fire Department fees are at 100% the cost is still minimal. The school district recently adopted development impact fees. Previously, the school had no such fees. This may cause a financial constraint on the housing development in the future. In 2016, the City, in cooperation with the School District, agreed to cut the development impact fees in half through December 31, 2017, for the first 50 in-fill, and first 50 tract development homes. However, during that time only three permits were issued.
- **Review of Projects.** The City reviews and approves most plans at the staff level. However, discretionary projects require approval by the Planning Commission, and in some cases, the City Council (such as specific plan adoption, general plan or zone changes, and final approval of tract maps). This allows a more timely process in the review of the projects.
- **Processing Time.** A key factor affecting the feasibility of housing production and in particular affordable housing financing is time. The City processes the applications in a timely manner. Time delays are typically from subsequent submittals to address corrections. In some cases, the plans had to be reviewed four or five times as corrections were not completely addressed, or there was an extensive time between submittals. The initial plan-check is typically two weeks (outside discretionary reviews), and resubmittals are typically processed in two additional weeks. This is a reasonable time-frame for such reviews.

Housing developers face significant challenges in constructing new housing. For the private sector, for-profit developers must be creative and spot opportunities that provide an acceptable rate of return on investment. The nonprofit developer has a mission to provide housing and must combine market savvy with the hunt for subsidies to produce homes at below-market rates. At the same time, developers must navigate an uncertain housing market, secure, and leverage multiple financing sources.

### **Recommendation**

Although the City has timely approval processes, it is clear that any additional expediting options must meet several City objectives. Such expedited processes must: 1) preserve neighborhood involvement and public review as applicable, 2) ensure housing of lasting quality and design, and 3) appropriately mitigate environmental impacts. The City Planning and Economic Development Department could consider an expedited review process within the City, enhanced funding for City staff to review and expedite projects, and improved capacity through the development of a relationship with a Nonprofit Housing Development Corporation.

#### **4. Social Diversity**

The City of Barstow is committed to maintaining a socially and economically diverse population and affirming the contributions that each resident makes. As such, the City's commitment to diversity is reflected in the City's mission, its General Plan, Housing Vision, and the Policy on Children, Youth, and Families. This statement identifies six key areas to be pursued to improve the health and well-being of children, youth, and families in Barstow – good health, safety and survival, economic well-being, social and emotional well-being, education, and information and access to services.

As discussed in earlier chapters, Barstow has made considerable progress in facilitating the production of a range of housing – senior, housing for people with disabilities, mixed-used products, and many more. However, because of the economy and supply of suitable housing, many lower, moderate and above moderate income family households may locate in communities with move-up and executive housing. Some of the challenges to providing all housing opportunities are as follows:

- **Changing Demographics.** Barstow has seen a significant increase in housing costs during the housing market boom, followed by a drop in prices to below 2000 levels. However, rents peaked around 2007 (2005-2009 ACS), and stabilized with a gradual increase per the 2006-2010 and 2008-2012 ACS surveys and slight decrease through 2014 (2010-2014 ACS). Based on this, apartments were less impacted than single-family housing from the market crash. More recent figures reflects an increase in rent, correlating with the increase in the housing costs (various web searches, *Profile of the City of Barstow, Southern California Association of Governments (SCAG)/Nielson Co. (2017)* and Redfin.com).
- **Publicly Assisted Housing.** The City of Barstow does not have any apartments at-risk of converting to market rate for many years. Currently, Barstow only has two apartments that are specifically established for affordable, large-family households. They were approved in 2003 and 2006, with conversion dates of 2058 and 2061, respectively. All other complexes have converted in prior years. One complex (Virginia Terrace) converted in 2001, yet participates in a HUD Voucher program.
- **Housing Prices.** As identified above, housing prices experienced a dramatic increase in the mid-2000s due to speculation in the housing market. During this time, historically low interest rates were offered, there were lax lending practices, and overvalued land prices. The collapse of the market resulted in some cities having over 1,000 new homes sitting vacant or incomplete. Fortunately, Barstow had fewer than 100 homes constructed during that time, and they were all completed and eventually sold. The last year (2017) has seen an increase in housing costs, but Barstow still remains among the lowest cost housing in Southern California.



Since the prior housing element, the City knew that there were a few missing markets regarding housing. This included senior housing and executive housing. However, during the peak of the housing market, the primary focus of the developers was on first-time homebuyers, with some classified as “move-up” housing.

With the dissolution of the Redevelopment Agency, the City is limited on what it can achieve financially in providing assistance and incentives to build specific types of housing. However, the City is working with at least two potential developers to provide housing for active seniors, and working with other developers for industry that could help increase demand for housing through future employment growth.

### **Recommendation**

Beginning in 2011 (lowest housing prices), the housing sales prices have gradually increased, and are currently around the prices from 2009 and 2004 (prices peaked at 2006)(*MDA Data Quick, 2012 and Profile of the City of Barstow, Southern California Association of Governments (SCAG)/Nielsen Co. (2017)*). As the economy is slightly improving, there is an increase in housing costs, potentially displacing those of lower incomes. To combat this, the City is increasing the density for apartments from 15 units to the acre, to 20 units to the acre. The City has amended the zoning code to allow for smaller lot subdivisions consistent with the 2015 General Plan density increases. The City has a need for senior and executive housing, and will continue to convey this to potential developers. This is consistent with the outcome of the public input during the General Plan workshop that the City held on August 25, 2014. Recently, the City entered into an Exclusive Negotiating Agreement with a potential developer of affordable and market-rate senior housing.

## **5. Housing Resources**

All communities face the challenge of securing financial resources to produce affordable housing, whether through intergovernmental transfer of funds, private resources, or through the philanthropic community. Unlike most cities, Barstow has an abundance of available land at lower prices. However, the City also faces the challenge of developers traveling to this location to build housing.

- **Low Land Costs.** As Barstow is not fully built-out like some cities, land is available, and at a reasonable price compared to other communities. Barstow has a wide city boundary with a low population. Additionally, some sites may not be within a reasonable distance of infrastructure, and utilities, road networks, etc. would need to be extended to the site.

- **Financing Limitations.** Financing affordable housing is an expensive proposition, usually requiring multiple private, public, and nonprofit partners. Barstow has been fortunate to have parties interested in providing affordable housing for the community, with the conversion of a run-down, market-rate apartment complex. Clifford Beers in association with San Bernardino County renovated and converted this complex to an affordable housing complex. In addition, an additional TCAC funded apartment complex is proposed.
- **Need for Expanded Partnerships.** Public-private partnerships are the key to addressing the need for affordable housing, including the provision of supporting community services. Partnerships need to be cultivated to not only leverage and maximize limited financial resources, but also to provide additional administrative resources to implement housing programs. As the City is less than 50,000 in population, the City of Barstow is not directly entitled to CDBG monies through HUD. Although incorporated as a city, Barstow is considered rural. The City has joined as a participating city with San Bernardino County in order to be eligible for some CDBG funding, but it is limited in amount, and for what it can be used. Therefore, it is important to partner with other agencies.

### **Recommendation**

As mentioned above, financing and funding is limited. As a small city, funds are not available, and, it is clear from the August 25, 2014 General Plan Workshop, that the indication is that no additional affordable housing is desired. It is very important that private entities, such as those that utilize TCAC funds as Lantern Woods Apartments has done (Table C-2, Appendix C) to gain additional financial mechanisms for affordable housing. The City may be able to offer incentives such as reduced prices for city-owned land or density bonuses, but is otherwise limited.