

City of Exeter

Housing Element

VII. Governmental Constraints

A. Land-Use Controls

Government Code Section 65583(a) requires “An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels,...including land use controls, building codes and their enforcement, site improvements, fees and other executions required of developers, and local processing and permit procedures...”.

Although local ordinances and policies are enacted to protect the health and safety of citizens and further the general welfare, it is useful for Exeter to periodically reexamine its ordinances/policies to determine whether, under current conditions, they are accomplishing their intended purpose or if in practice constitute a barrier to the maintenance, improvement or development of housing for all income levels.

Such an examination may reveal that certain policies have a disproportionate or negative impact on the development of particular housing types (e.g., multi-family) or on housing developed for low- or moderate-income households. This may violate State and federal fair housing laws which prohibit land-use requirements that discriminate or have the effect of discriminating against affordable housing.

This analysis of potential governmental constraints will describe past or current efforts to remove governmental constraints. Where the analysis identifies existing constraints, the element will include program responses to mitigate the effects of the constraint. Each analysis will use specific objective data, quantified where possible. A determination will be made for each potential constraint as to whether it poses as an actual constraint. The analysis will identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing.

Exeter’s Housing Element will identify all relevant land-use controls, discuss impacts on the cost and supply of housing and evaluate the cumulative impacts of standards, including whether development standards impede the ability to achieve maximum allowable densities. The analysis will also make a determination whether land-use controls constrain the development of multi-family rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

Residential Development Standards

Basic residential development standards for Exeter are summarized in Table 40. The

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table indicates the minimum lot size requirements, minimum site area per unit, setbacks, height restrictions, and open space requirements that apply in each of the City's residential zoning districts.

Exeter has six residential base districts, RA (Residential-Rural, one unit per 20,000 square feet), R-1-6 (Residential Single-Family, one unit per 6,000 square feet), R-1-7.5 (Residential Single-Family, one unit per 7,500 square feet), R-1-10 (Residential Single-Family, one unit per 10,000 square feet), RM-3 (Multi-Family Residential, one unit per 3,000 square feet), and RM-1.5 (Multi-Family Residential, one unit per 1,500 square feet). In Exeter's Zoning Ordinance, the City has provided for a PD (planned development) combining district. This District can be attached to any of Exeter's residential zone districts. The purpose of this combining district is to promote effective and creative residential designs, which may involve clustering of dwelling units, deviation from zoning standards, an integration of open space and/or density bonuses. Exeter has employed the PD combining district with three approved residential subdivisions. Using this combining district has resulted in higher average residential densities when compared to the same subdivisions if they were processed under Exeter's traditional residential districts (e.g. R-1-7 zone district). In a recently approved subdivision, which is contained in Exeter's recently approved Southwest Exeter Specific Plan, the PD combining was used to design the subdivision so that Smart Growth and Green Building principles were incorporated into the development. These features included narrower lot widths and streets, tree-lined streets, east-west oriented streets, passive solar design, and low impact development for storm drainage improvements.

The RA district applies only to some large residential lots located along South Filbert just west of one of Exeter's industrial parks. These lots average over 20,000 square feet in size. Exeter's R-1-6 and R-1-7.5 zone districts includes most of the single family neighborhoods in Exeter. These districts were specifically created to retain the low density character of these areas and its development standards are structured accordingly. Minimum lot sizes range from 6,000 to 7,500 square feet. Setbacks are 20 feet in the front yard, 5 feet in the side yards, and 10 feet in the rear yard. Slightly larger requirements apply for corner lots. A 30' height limit applies.

Exeter's R-1-10 zone district has been used on two subdivisions that catered to larger homes on larger lots. Even one of these subdivisions was processed under the PD combining district. This combining district allowed 40-acre subdivision to be developed with narrow, tree-lined streets and a 4-acre park/pond that was integrated into the subdivision.

The RM-3 zone district has been applied to scattered sites throughout Exeter, almost all of which are already developed with medium density housing. The district has a minimum lot size requirement of 6,000 square feet but requires only 3,000 square feet

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of site area per dwelling. Setbacks are 20 feet in the front yard, 5 feet in the side yards, and 10 feet in the rear yard. A 30' height limit applies. The R-2 zone district can support projects as small as a duplex and as large as a 48-unit multi-family project.

The RM-1.5 zone district has also been applied to the core of the community. Most of the parcels are situated on corners. The district has a minimum lot size requirement of 5,000 square feet but requires only 1,500 square feet of site area per dwelling. Setbacks are 10 feet in the front yard, 5 feet in the side yards, and 10 feet in the rear yard. A 30' height limit applies. The RM-1.5 zone district can support projects as small as a tri-plex and as large as a 18-unit multi-family project. The number of parcels zoned to the RM-1.5 zone district is few. The Housing Element proposes to add more of this zoning to lands within the city limits so that higher density developments can be constructed.

**Table 40
Development Standards in Exeter's Residential Zones**

Development Standards	Zone Districts			
	RA	R-1-6/7.5/10	RM-3	RM-1.5
Minimum lot size or unit density	20,000 square feet	6,000/7,500/10,000	3000/unit	1500/unit
Minimum lot width:	80 feet	60 feet/70/100	60 feet	50 feet
Minimum lot depth:	120 feet	100 feet/100/120	100 feet	100 feet
Coverage:	50 percent	50/50/50 percent	50 percent	80 percent
Front yard setback:	30 feet	20/20/25 feet	20 feet	10 feet
Rear yard setback	20 feet	10/10/10 feet	10 feet	10 feet
Side yard setback:	10 feet	5/5/5 and 12 feet	5 feet	5 feet
Height	30 feet	30 feet	30 feet	40 feet
Parking:	2 spaces per unit	2 spaces	1.5 per unit	1.5 per unit

Source: Exeter Zoning Ordinance

As previously mentioned, the PD (planned development) combining district can be applied to any of the above residential districts. The application of this combining district requires a conditional use permit and a public hearing before the Exeter Planning Commission. As stated, this zoning tool has been used with two previously approved subdivisions. The result was higher average residential densities that resulted from deviations from various zone standards, like lot width and front yard setbacks.

Since 2001, 37 multi-family residential units have been built in the community. The size of the projects ranged from duplexes to a 10-unit apartment project. None of the development standards detailed above constrained the projects so that they became

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unaffordable to renting households. Affordable, multi-family development is achievable in Exeter because residential land is inexpensive relative to other cities in Tulare County and the San Joaquin Valley, processing of multi-family projects only needs to be reviewed by the Planning Commission, and development impact fees are low compared to other local cities.

Exeter's residential development standards have not constrained housing development in the City nor have they been an obstacle to the development of affordable units. The densities generally match the General Plan land use categories. The setback and height requirements relate well to the densities permitted. Lot size requirements also are reasonable.

Exeter has a limited amount of land available for multi-family development. This condition precludes Exeter from insuring that ample land is available for lower-income households who can only afford rental housing. To mitigate this situation, Exeter will designate and zone additional land for multi-family development. In addition, planning staff will contact tax credit developers to see if they are interested in developing one or more apartment complexes in Exeter, one for families and one for seniors.

The above recommendations have been included in the Five-Year Action Program contained in this Housing Element.

Allowances for Residential Uses in Non-Residential Zoning Districts

Because some of the Exeter's housing potential is on sites that are non-residentially zoned, it is important to consider potential constraints to housing development in the non-residential districts. Multi-family housing is presently not permitted in Exeter's commercial districts, including the Neighborhood Commercial (CN), Central Commercial (CC), and Service Commercial (CS) districts nor does Exeter permit residential uses in its industrial districts because of potential land use conflicts and environmental concerns (e.g. noise, vibrations and odors).

To mitigate this particular condition, the City could amend language in two of its commercial zone districts, CN and CC (planning staff would not recommend placing residential uses in the CS zone district) zone districts, to add multi-story residential development to the conditional use list of these two zone districts. A conditional use permit application is the appropriate approach rather than placing this type of residential use on the permitted use list. Each potential residential site must be properly evaluated through the use permit process to insure that it does not create problems for existing commercial uses. The potential development standards that would be applied

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to these residential uses would emulate the standards that would be applied to the commercial uses, except for off-street parking requirements.

Residential development mixed with central and neighborhood uses is appropriate given current day events - climate change, cost of fuel and a faltering economy. By potentially placing high density residential uses adjacent to existing commercial uses, residents will be able to walk to surrounding commercial establishments, such as grocery stores, post office, beauty/barber shops and restaurants. This design feature helps save residents the cost of gas, it reduces the resident's carbon foot print and it brings business to local commercial establishments.

Height limits in the CC and CN zones are quite generous and allow three-story (30 feet) construction. Maximum lot coverage in CC and CN is not a building constraint because there is no lot coverage limits in these zones, however, new developments are required to provide on-site parking. Typically, high density residential uses require one and one-half stalls per living unit; one stall for senior projects. With the conditional use permit requirement, the project would be subject to the City's site plan review process.

Zoning revisions to Exeter's commercial districts are needed to facilitate the development of high density residential uses in these districts. This is particularly true in the CC and CN zones. To achieve this objective, Exeter's Zoning Ordinance shall be amended to add multi-family residential uses to the conditional use list of these zone districts. The density standard for these potential multi-family uses will be one unit per 1,500 square feet of lot area. All other development standards will comply with the standards of the respective commercial zones, including setback distances, building heights and lot coverage. These potential amendments to the Zoning Ordinance are supported by Exeter's recent update to its General Plan.

Zoning Standards: Parking

Parking standards are set forth in Chapter 17.42 of the Exeter Zoning Ordinance. These standards are summarized in Table 41. The requirements vary depending on the type of dwelling. The basic requirement for a single family house is that two off-street, covered, non-tandem spaces be provided. The single family parking requirements are generally not a development constraint and are comparable to those in jurisdictions throughout the county.

Multi-family requirements are 1.5 spaces per unit, half of the units must be covered. Although the covered parking requirement may provide a constraint to the production of affordable housing, it does represent a design feature that is is coveted by residents of multi-family projects.

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Table 41
Parking Requirements for New Housing

Unit Type	Parking Required
Single Family Home	two non-tandem covered spaces
Duplex	1.5 spaces per unit, one of which must be covered
Single Family Home with a Second Unit	two non-tandem covered spaces and one uncovered stall
Multi-Family (3+ units)	1.5 spaces per unit, one of which must be covered
Senior Housing	.5 spaces per unit

Standards for Special Housing Types

Table 42 identifies provisions in the Exeter Zoning Ordinance for four particular types of housing that often serve lower income households: second units, mobile/manufactured homes, residential hotels, and homeless shelters.

Table 42
Development Requirements for Special Housing Types

Unit Type	Requirements
Second Units	Requires building permit and site plan review
Manufactured Home	Requires building permit and compliance with design standards
Residential Hotels	Requires building permit and site plan review; a permitted use in Exeter's Central Commercial district
Homeless Shelters	Requires a conditional use permit in Exeter's multi-family and central commercial zone districts

Second units are permitted in all single family zones, subject to the granting of a building permit and site plan review. Exeter's second unit ordinance is consistent with

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the State's Government Code. None of the requirements contained in the State's Government Code that refer to second unit development or standards have dissuaded persons from making an application for a second unit. Exeter began accepting applications in 1992 for second units. These units, fortunately or unfortunately depending how one reviews the housing world, have become affordable housing for farm workers, very low-income households, seniors, persons who are disabled and housing for more than one family. The construction of these units has help Exeter meet some of its housing obligations for lower-income households. Since 2001, six of these units have been constructed in the community.

Mobile and manufactured homes on foundations are permitted in all of Exeter's residential districts, consistent with State law. Such homes require a building permit and they must conform to design standards provided in the Zoning Ordinance, including standards that regulate roof overhang, roofing material, siding material, and roof design. Since 2001, there have been no mobile or manufactured homes constructed on residential lots in Exeter.

There have been no residential hotels or homeless shelters constructed in Exeter nor is there the possibility that any will be constructed within the planning period, 2007 to 2014.

Revisions to Exeter's second unit standards are not required because they are currently consistent with the State Government Code. The current standards and processing procedures for this type of housing unit has not discouraged their construction. In fact, second units in Exeter have become an affordable source of housing for farmworkers, seniors, the disabled, and very low-income households.

The other types of affordable housing discussed above have been lacking in the community. There does not seem to be an interest or market for the construction of mobile homes of individual residential lots, homeless shelters or residential hotels. Planning staff will continue to promote their construction when the opportunity presents itself. Further, the new housing programs detailed in the Element will add homeless shelters to the conditional use list of Exeter's service commercial and light industrial districts.

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B. Fees and Exactions

Government Code Section 65583(a) requires “An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels...including...fees and other executions required of developers, and local processing and permit procedures...”.

Housing in Exeter is subject to two types of fees or executions:

- permit processing fees for planning and zoning; and
- impact fees or executions, imposed to defray all or a portion of the public costs related to the development project.

Fees and executions can impact the cost, and feasibility of housing development and its affordability, and involve issues of private property rights. Excessive planning and site development fees can impact property owners’ ability to make improvements or repairs, especially for lower-income households. In Exeter, new residential projects are subject to development impact fees from the City and Exeter’s two school districts. For both processing fees and impact fees, State law specifies procedural and nexus requirements:

- Government Code Section 66020 requires that planning and permit processing fees do not exceed the reasonable cost of providing the service, unless approved by the voters; agencies collecting fees must provide project applicants with a statement of amounts and purposes of all fees at the time of fee imposition or project approval.
- Government Code Section 66000 et. seq. (Mitigation Fee Act) sets forth procedural requirements for adopting, and collecting capital facilities fees and executions, and requires they be supported by a report establishing the relationship between the amount of any capital facilities fee and the use for which it is collected.

Planning and Permit Processing Fees

A planning fee study was completed by the city of Lindsay in 1999. The study surveyed 28 cities in the southern of the San Joaquin Valley. Exeter participated in this survey. The survey requested from each city a copy of their planning fee schedule. Lindsay then tabulated the results for each type of planning fee, showing lowest and highest fees, the average fee and the median fee.

A comparison of Exeter’s 1996 planning fees with the results of this planning fee study indicated that Exeter had fees that were well below the median fee, or has no fee at all

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for certain planning permits.

To insure that Exeter's planning permit fees keep pace with the actual cost of processing planning applications, in 2004 staff evaluated Exeter's current planning fee schedule. This 2004 fee analysis examined the following components of a fee schedule:

- 1) the current hourly rate of each person processing the planning application;
- 2) the amount of time required to process each planning permit by various persons responsible for processing a planning application; and
- 3) the current cost of postage, reproduction and public hearing notices.

Unlike most planning fee studies, the 2004 analysis included time spent by the city attorney and city manager on various planning issues, which in many cases, caused the calculated fee to be higher. In June, 2004, the City Council adopted an update to City's Planning and Permit Processing Fees (see Table 43).

For comparison purposes, Table 44 has been prepared that shows Exeter's current planning fees compared to other small and large cities in the county. This table shows that Exeter is in line with other cities in regards to the planning and permit fees charged for various applications. In fact, Exeter has some of the lowest planning fees in Tulare County .

Building permit fees are not detailed in the tables below because they are determined by the Uniform Building Code and they are based on the estimated value of each building project.

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**Table 43
Planning and Permit Processing Fees**

Planning Permit	1996 Fee	2004
Annexation	750	1325
Zoning Ord. Amendment		
(1) Map	400	950
(2) Text	150	1075
General Plan Amendment	450	850
Gen. Plan/Z.O. Amendment	600	950
Conditional Use Permit	350	950
Temporary CUP	NC	25
Variance	300	625
Density Bonus	200	1175
Minor Deviation	NA	50
Home Occupation Permit	25	25
Cert. of Compliance	100	75
Lot Line Adjustment	300	525
Site Plan Review	400	825
Planned Unit Development	1000	1575
Negative Declaration	100	275
EIR	actual + 10%+\$850	actual + 15%
Tent. Subd. Map	\$500 +10/lot	1375
Tent. Parcel Map	600	675
Final Subd. Map	\$200+10/lot	3775
Final Parcel Map	600	1825
Time Extension	100	No Charge
Encroachment Permit	NF	25
Demolition Permit	NF	50
Deferred Impr. Agreement	NF	525
Development Agreement	300	1300

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**Table 44
Planning Fee Study**

Planning Permit	Lindsay	F'Ville	Woodlake	Exeter	Tulare	Visalia
Annexation	1360	actual+25%	1325	1325	3022	3830-12,478
Zoning Ord. Amendment						
(1) Map	475	450	575	950	1079	3212
(2) Text		NF	525	1075	1079	3212
General Plan Amendment	500	400	675	850	1079	1976
Gen. Plan/Z.O. Amendment		650	875	950	NF	NF
Conditional Use Permit	TBD	400	900	950	1109	3460
Temporary CUP	145	50	50	50	153	124
Variance	230	175	475	625	643	1200
Density Bonus	245	400	750	1175	NF	NF
Minor Deviation	135	50	50	50	NF	NF
Home Occupation Permit	55	50	25	25	30	104
Cert. of Compliance	135	100	150	75	93	432
Lot Line Adjustment	275	125	200	525	464	503
Site Plan Review	TBD	300	650	825	1098	NF
Planned Unit Development	2000	780	1350	1575	965	3460
Negative Declaration	110	150	500	275	487	580
EIR	530 (review)	actual + 25%	actual + 15%	actual+15%	actual +965	actual+10%
Tent. Subd. Map	1200	600 +25/lot	1475 + 10/lot	1375	2047+10/lot	6240
Tent. Parcel Map	950	450	625	675	611	6240
Final Subd. Map	3300	700+24/lot	1200 + 14/lot	3775	NF	NF
Final Parcel Map	1600	350	525	1825	NF	NF
Time Extension	NF	NF	100	NF	67	NF
Encroachment Permit	NF	NF	25	25	NF	NF
Demolition Permit	NF	NF	25	50	141	NF
Occupancy Permit	NF	NF	50	NF	NF	NF
Deferred Impr. Agreement	110	175	450	525	NF	NF
Development Agreement	NF	actual + 25%	actual + 15%	1300	NF	1235
Other Planning Permits/New Fees						
Specific Plan	NF	NF	actual + 15%		NF	18,597
Specific Plan Amendment	NF	NF	actual + 15%		1057	4,387
Mit. Negative Declaration	530	NF	actual + 15%		NF	actual+10%

Development Impact Fees

Development impact and engineering/building permit fees constitute a larger percentage of the cost of a housing unit than do the planning permit fees discussed above. Development fees cover improvements such as water, sanitary sewer, storm drainage, parks, schools, traffic, and engineering/building plan review and field inspection.

Table 45 shows Exeter's development impact fees that pertain to sewer, water and storm drainage improvements and compares them to other cities in Tulare and Kings counties. Exeter is ranked fourth of the ten cities surveyed. In 2008, Exeter had to significantly increase fees from \$2,460 to \$7,050 in these three categories because

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Exeter's water system must be expanded to add new domestic wells. The Consultant only used these three types of development impact fees (storm drainage, sewer and water) for comparison because not all cities collected the same impact fees but all cities collected these fees. For example, some cities collect circulation or community facilities impact fees while others do not. Also, each city is located in one or more school districts. These districts each set their own school impact fees. This fee can range significantly from district to district.

Table 45
Development Impact Fee Survey (storm drainage, water and sewer)

Rank	Jurisdiction	Cost per Unit
1	Dinuba	\$ 8,687
2	Tulare	\$ 7,322
3	Lindsay	\$ 7,336
4	Exeter	\$ 7,252
5	Exeter	\$ 7,050
6	Farmersville	\$ 4,217
7	Visalia	\$ 4,174
8	Hanford	\$ 4,215
9	Lemoore	\$ 3,912
10	Porterville	\$ 2,208

Source: QUAD/Knopf, 2008; Collins & Schoettler, Planning Consultants

Note: Costs only include sewer, water and storm drainage impact fees. Some fees are assessed by the acre. The Consultant has converted these figures to a per residential unit fee.

More recent information compiled in 2008 provides all the development impact fees collected in Exeter on a typical 1,500 square foot single family that rests on a 7,000 square foot lot. Total fees were \$13,134.95 up from \$7,893.00, which was the fee collected in 2000. In 2008, development impact fees represented 7.6 percent of the total cost of a \$200,000 home. In 2000, development impact fees represented 8.3 percent of the total cost of a \$94,800 home. The most significant increases in development impact fees come in the areas of school impact and water fees. For example, school impact fees increased from \$1.97 a square foot to \$2.97 a square foot.

While Exeter's impact fees have changed substantially since 2000, the cost of housing has also increased, from \$94,800 to \$200,000. The cost of housing peaked in 2007. The value of a 1,5000 square foot single family dwelling reached \$240,000 but like most regions in California has fallen significantly since that time.

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Table 46
Development Impact Fees for Single Family Home¹ in Exeter

Building permit and plan check	\$ 1,700.95
Park fee	\$ 597.00
Landscaped Medians	\$ 395.00
Signals	\$ 315.00
Railroad Crossings	\$ 164.00
Bike Paths	\$ 33.00
Public Facilities	\$ 1,098.00
Water Capital Fee	\$ 5,176.00
Water Connection Fee	\$ 300.00
Sewer Connection Fee	\$ 729.00
Storm Drainage	\$ 845.00
School Impact Fee (\$2.63 per sq. foot)	\$ 3,945.00
Total	\$15,298.00

1 refers to a 1,500 sq. ft. home on a 7,000 square foot lot that costs \$200,000
Source: City of Exeter

Table 46 B
Development Impact Fees for a Multi-Family Unit¹ in Exeter

Building permit and plan check	\$ 418.25
Park fee	\$ 506.00
Landscaped Medians	\$ 282.00
Signals	\$ 225.00
Bike Path	\$ 23.00
Public Facilities	\$ 366.00
Water Connection	\$ 5,176.00
Sewer Connection	\$ 729.00
Storm Drainage	\$ 42.00
School Impact Fee (\$2.63 per sq. foot)	\$ 2,104.00
Total	\$ 9,871.25

1 refers to a unit in a typical multi-family project constructed in Exeter where the units would average 800 square feet and cost approximately \$70.00 per square foot to construct.

The development impact fees charged to each unit in a typical multi-family project built in Exeter make it difficult to provide rental rates affordable to lower-income households. To resolve this condition the City of Exeter is proposing programs that

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will attract tax-credit, multi-family projects to the city. To accomplish this objective, Exeter will identify parcels of land that are suitable to accommodating these types of developments. Two potential sites have been identified, one on the southeast corner of F Street and Chestnut Avenue and a second near the southwest corner of Visalia Road and Belmont. Multi-family units constructed using tax credit financing have the ability to absorb these impact fees while still providing affordable rental rates for extremely low-, very low- and low-income households.

The construction costs for a typical multi-family unit in Exeter runs about \$70.00 per square foot or about \$56,000 per dwelling unit. Current development impacts fees for multi-family units comprise about 17 percent of the total cost of a unit, which is within reasonable range for development impact fees.

C. Processing and Permit Procedures

Government Code Section 65583(a) requires "An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels,...including land use controls, building codes and their enforcement, site improvements, fees and other executions required of developers, and local processing and permit procedures..."

Processing and permit procedures can pose a considerable constraint to the production and improvement of housing. Common constraints include lengthy processing time, unclear permitting procedures, layered reviews, multiple discretionary review requirements, and costly conditions of approval. These constraints increase the final cost of housing, uncertainty in the development of the project, and overall financial risk assumed by the developer.

The Exeter Zoning Ordinance stipulates the residential types permitted, permitted with a site plan review permit, conditionally permitted, or prohibited in each residential zone district. Permitted uses are those uses allowed without discretionary review except for plot plan review, so long as the residential dwelling(s) complies with all development standards.

Permitted uses with a site plan permit is an administrative process in that only the site plan review committee must approve the project. Approval by the Committee clears the applicant to apply for a building permit on the residential project. Conditional use permits are approved by the Planning Commission unless appealed. Residential projects appealed to the City Council get priority scheduling. There is no fee for appealing a matter to the City Council. Typical findings for a CUP include consistency

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with the General Plan, compatibility with surrounding uses, and addressing basic public health, safety, and general welfare concerns.

Table 47 lists all the types of residential uses permitted, or permitted with a conditional use permit, in Exeter. The table also indicates which zones allow, or allow with a conditional use permit, the various housing types delineated in the table. Under each zone district one of four notations will be provided: p=permitted, spr=permitted with site plan review, cup=permitted with a conditional use permit, and np=not permitted.

**Table 47
Housing Types Permitted by Zoning District**

Residential Use	Zone				
	RA	R-1	RM-3	RM-1.5	CC
single-family dwelling	p	p	p	p	np
second unit(granny flats)	p	p	p	p	np
guest houses	cup	cup	np	np	np
manufactured home	p	p	p	p	np
duplex unit	np	cup	spr	spr	np
3 to 4 dwelling units	np	np	spr	spr	np
5 or more dwelling units	np	np	spr	spr	cup
mobile home park	np	cup	cup	cup	np
homes for mental	np	cup	cup	cup	np
homes for alcoholic	np	cup	cup	cup	np
homes for drug	np	cup	cup	cup	np
rest homes	np	cup	cup	cup	np
boarding homes	np	np	cup	cup	np
rooming homes	np	np	cup	cup	np
nursing homes	np	np	cup	cup	np
labor camps	np	np	cup	cup	np
sanitariums	np	np	cup	cup	np
hotels/motels	np	np	np	np	p
emergency shelter	np	np	cup	cup	cup

p=permitted; spr= site plan review; cup=conditional use permit; and np=not permitted

RA=rural residential; R-1=single family, one unit per 7,000 sq. ft.; RM-2=multi-family residential, one unit per 3,000 sq. ft.; RM-3=multi-family residential, one unit per 1,500 dsq. ft.; and CC=central commercial.

Table 47 notes a variety of housing for disabled populations require a CUP; as result; the element will evaluate this requirement as a potential constraint to their development. For example, the element will evaluate whether approval findings and discretionary action required by the CUP promote certainty in project approval and

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analyze the impact on the cost and supply of housing for persons with disabilities.

In order to remove constraints on housing for persons with disabilities, the City of Exeter is in the process of amending its zoning ordinance to add accommodating procedures for the approval of group homes and ADA retrofits.

Exeter does require a CUP for certain types of group homes; however, the City does not impose special occupancy permit requirements or business licenses for the establishment or retrofitting of structures for residential use by persons with disabilities. If structural improvements were required for an existing group home, a building permit would be required. If a new structure were proposed for a group home use, design review would be required as for any other new residential structure. The City design review process has not been used to deny or substantially modify a housing project for persons with disabilities to the point where it is no longer feasible.

Permit Processing

The time required to process a project varies greatly from one project to another and is directly related to the size and complexity of the proposal and the number of actions or approvals needed to complete the process. Table 48 identifies the typical processing time most common in the entitlement process. It should be noted that each project does not necessarily have to complete each step in the process (i.e., small scale projects consistent with general plan and zoning designations do not generally require environmental impact reports (EIRs). Also, certain review and approval procedures may run concurrently. For example, a ministerial review for a single-family home would be processed concurrently with the plot plan review. Since the majority of EIRs are prepared in response to a general plan amendment request they are often processed simultaneously. Exeter also encourages the joint processing of related applications for a single project. As an example, a rezone petition may be reviewed in conjunction with the required site plan, a tentative tract map, and any necessary variances. Such procedures save time, money, and effort for both the public and private sector.

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**Table 48
Timelines for Permit Procedures**

Type of Approval or Permit	Typical Processing Time Approval Body
single family building permit	1 week, building department
2-4 multi-family units building permit	5 weeks, site plan and planning commission
apartment complex building permit	5 weeks, site plan and planning commission
conditional use permit	6 -12 weeks, Planning Commission
variance	6 - 8 weeks, Planning Commission
zone change	12 - 24 weeks, Commission/City Council
general plan amendment	12 - 24 weeks, Commission/City Council
final subdivision map	12 weeks, city engineer
final parcel maps	6 weeks, city engineer
tentative subdivision maps	12-24 weeks, Planning Commission
tentative parcel maps	6-8 weeks, Planning Commission
negative declaration	4-6 weeks, planning department
environmental impact report	12-24 weeks, Commission/City Council

Source: Exeter Planning Department

Tentative Subdivision Map

Exeter works closely with developers to expedite approval procedures so as not to put any unnecessary timing constraints on residential subdivisions. For a typical residential subdivision, an initial pre-consultation meeting with the planning department, public works, city engineer and the fire department is arranged to discuss the residential proposal. Then the tentative subdivision map, application and project description is filed with the planning department along with an application fee. The map and application is first reviewed by the planning department and other agencies such as public works for consistency with the zoning and subdivision ordinances and general plan guidelines. The subdivision is then approved at the staff level. Depending on the complexity of the map (and underlying land use issues), the project is approved in 12 to 24 weeks from date of map submission. Final approval comes at the Planning Commission after a public hearing has been held.

After the tentative subdivision is approved by the Planning Commission, the applicant is responsible for submitting a final map with engineering drawings to the engineering department for review and approval. This process can take up to 16 weeks depending upon the complexity of the subdivision. The final map is then reviewed by the city council. Once the map is recorded, the developer must post a bond and then is free to begin to install improvements consistent with the approved construction drawings.

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Throughout the construction phase, the building department will perform building checks to monitor the progress of the building construction. This process does not seem to put an undue time constraint on most developments because of the close working relationship between the building department and contractors. Table outlines an approval timetable for a single-family residential subdivision project, and a multifamily project.

Multifamily projects take an average of three months to process, usually because of multiple meetings with staff during the design phase of the project. If the subject site is properly zoned for multi-family uses, no public hearings are required and the matter is decided administratively. If the subject property is not properly zoned or requires a variance from the zoning ordinance, the process could take up to six months. Both of these applications require public hearings before the Planning Commission and City Council.

Second-Unit Ordinance

Exeter processes applications for second-units consistent with Government Code Section 65852.2. The Government Code has established guidelines for residents who wish to construct a second-unit on their property. In accordance with State law, these applications are reviewed and approved at the staff level. They are not required to secure discretionary approval from the City. Exeter has processed approximately eight building permits for second units since 2001. This level of activity indicates that the State's regulations has not constrained development of second units. Criteria for second units include:

- No more than one additional dwelling unit is allowed on any one legal lot or parcel.
- The second-unit may be attached to detached.
- The total floor area of the second-unit can not exceed 1,200 square feet.
- Second units must conform to setback requirements of the zoning district.
- Occupancy of the second unit shall be an immediate family member of the primary residence.
- The second dwelling unit shall incorporate the same or similar architectural features as the primary residence.
- One on-site parking spot (uncovered) is required per unit.

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**Table 49
Typical Processing Procedures by Project Type**

	Single Family Subdivision (tentative and final map)	Multi-family Development, 19 units
Application review	one to two weeks	one to three weeks
Adm. processing	one to two months	one to two months
Planning Commission	one month	not required unless a zone change or variance is required then one month
City Council	one month	not required unless a zone change or variance is required then one month
Final Map	four months	variance is required then one month
Building Department	ongoing depending upon the number of units and rate of construction	ongoing depending upon rate of construction
Total Processing Time	seven to eight months	three to six months

D. Codes and Enforcement

The City of Exeter utilizes the 2007 Uniform Building Code (UBC) for processing building projects within the city limits. The city has not amended the UBC or State housing law.

Exeter gives financial consideration to persons or entities (Self-Help Enterprises) that are rehabilitating housing in Exeter. Other than financial support from the Exeter Redevelopment Agency or City of Exeter, using CDBG funds, Exeter does not deviate from the standards contained in the 2007 Uniform Building Code.

On/Off-Site Improvement Standards

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

As stated in HUD's study of Subdivision Requirements as a Regulatory Barriers, such requirements can reasonably be considered regulatory barriers to affordable housing if Exeter determines that the requirements are greater (and hence, more costly) than

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those necessary to achieve health and safety requirements in the community.

Exeter requires developers of housing to install a wide range of infrastructure improvements, including streets; curb, gutter, and sidewalks; water and sewer connections; landscaping; and storm drainage lines and basins. All of these improvements are required by local ordinance to insure public health, safety and welfare in addition to quality of life measures. For example, by requiring the housing developer to install sidewalks, school-aged children and adults living in the development can safely walk to school and other destinations.

The other improvements mentioned above such as streets and sewer and water connections are typical requirements that all cities in California generally require. The cost of these improvements are built into the cost of the housing or rental unit. Given that Exeter has some of the lowest home prices and residential rental rates in the San Joaquin Valley, it is very apparent that on/off-site improvements required of Exeter's housing projects do not have a significant adverse impact on the cost of housing.

Prior to the housing boom that occurred between 2003 and 2007, subdivision developers indicated that on/off-site improvements would run between \$15,000 and \$20,000 a lot, or about 12 to 17 percent of a \$120,000 home. During the peak of the housing market, these percentages remained about the same even though the cost of a single family home skyrocketed to \$220,000 and lot costs increased to \$25,000 to \$30,000 a lot. In 2008, the cost of on/off-site improvements has dropped dramatically as has the cost of housing, an average home now costs between \$180,000 and \$190,000.

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E. Constraints-Housing for Persons with Disabilities

Government Code Section 65583(a)(4) requires: “an analysis of potential and actual government constraints upon the maintenance, improvement or development of housing... for persons with disabilities as identified in the analysis pursuant to paragraph (4) of subdivision (a), including land use controls, building codes and their enforcement, site improvements, fees and other executions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities.

Government Code Section 65583(c)(3) requires the housing element provide a program to “address and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for persons with disabilities. The program shall remove constraints to and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.”

As noted in the Special Needs section of the Housing Needs Assessment Report, persons with disabilities have a number of housing needs related to accessibility of dwelling units; access to transportation; employment, and commercial services; and alternative living arrangements that include on-site or nearby supportive services.

The City ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations) and federal requirements for accessibility.

Procedures for Ensuring Reasonable Accommodations

To provide exceptions in zoning and land-use codes for housing for persons with disabilities, Exeter utilizes either a variance or encroachment permit process to accommodate requests such as special structures or appurtenances (i.e., access ramps or lifts) needed by persons with physical disabilities. While both variance and encroachment permit applications may be handled through an administrative procedure, the standard used to evaluate such deviations conflicts with laws applicable to housing for persons with disabilities. As a result, the Element will include a program to establish a written and administrative reasonable accommodation procedure in the zoning code for providing exception for housing for persons with disabilities in zoning and land use.

Efforts to Remove Regulatory Constraints for Persons with Disabilities

The State has removed any city discretion for review of small group homes for persons

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with disabilities (six or fewer residents). Exeter does not impose additional zoning, building code, or permitting procedures other than those allowed by State law. There are no City initiated constraints on housing for persons with disabilities caused or controlled by Exeter.

Exeter allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with accessibility requirements. Such retrofitting is permitted under Chapter 11, 1998 version of the California Code. Further, Exeter works with applicants who need special accommodations in their homes to ensure that application of building code requirements does not create a constraint. Finally, the Element includes a program to amend zoning and clarify that retrofitted access ramps are permitted in setback areas of Exeter's residential zone districts.

Zoning and Other Land Use Regulations

As part of the update of the housing element in 2002, Exeter reviewed its zoning laws, policies and practices for compliance with fair housing laws. It did not identify any zoning or other land-use regulatory practices that could discriminate against persons with disabilities and impede the availability of such housing for these individuals. It did determine that it could do a better job of reviewing multi-family projects to insure that more ground units were accessible to disabled persons.

Examples of the ways in which Exeter facilitates housing for persons with disabilities through its regulatory and permitting processes are:

- Exeter permits group homes of all sizes in all residential districts. The City has no authority to approve or deny group homes of six or fewer people, except for compliance with building code requirements, which are also governed by the State.
- Exeter does not restrict occupancy of unrelated individuals in group homes and does not define family or enforce a definition in its zoning ordinance.
- Exeter permits housing for special needs groups, including for individuals with disabilities, without regard to distances between such uses or the number of uses in any part of the City. The Land Use Element of the General Plan does not restrict the siting of special need housing.

Permits and Processing

Exeter does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. Exeter's requirements for building permits

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and inspections are the same as for other residential projects and are straightforward and not burdensome. The planning department is not aware of any instances in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

As discussed above, Exeter allows group homes of six or fewer persons by right, as required by State law. No use permit or other special permitting requirements apply to such homes. Exeter does require a use permit for group homes of more than six persons in all residential zones. The project of more than six persons is required to be processed through the City's site plan review process. Further, it is required to have a public hearing before the Planning Commission. Normally, the City does not impose special design conditions on these types of projects. Because these facilities are located in established residential neighborhoods, planning staff requires the design of the dwelling to be consistent with the local neighborhood. Sometimes additional parking is required above and beyond normal parking requirements for a single family dwelling.

If structural improvements were required for an existing group home, a building permit would be required. If a new structure were proposed for a group home use, design review would be required as for any other new residential structure. The City design review process has not been used to deny or substantially modify a housing project for persons with disabilities to the point where it is no longer feasible. All residential projects in the City require the same level of design review.

Building Codes

Exeter provides reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits through its flexible approaches to retrofitting or converting existing buildings and construction of new buildings that meet the shelter needs of persons with disabilities. The City adopted and implements the 2007 Uniform Building Code (UBC). There is nothing in this Code that serves to preclude the retrofitting of existing buildings or construction of new buildings to provide housing for persons with disabilities.

Universal Design Element

Exeter has not adopted a universal design ordinance governing construction or modification of homes using design principles that allow individuals to remain in those homes as their physical needs and capabilities change. Exeter has added the development of a Universal Design Ordinance as a program during this planning period. Exeter will refer to the HCD web site to develop guidelines and a model ordinance consistent with the principles of universal design.

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F. Non-Governmental Constraints

Government Code Section 65583(a)(6) requires "An analysis of potential and actual non governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction."

Although non governmental constraints are primarily market-driven and generally outside direct government control, localities can significantly influence and offset the negative impact of non governmental constraints through responsive programs and policies. Analyzing specific housing cost components including the cost of land, construction costs, and the availability of financing assists the locality in developing and implementing housing and land-use programs that respond to existing local or regional conditions. While the cost of new housing is influenced by factors beyond a locality's control, local governments can create essential preconditions (favorable zoning and development standards, fast track permit processing, etc.) that encourage and facilitate development of a variety of housing types and affordable levels.

Residential Land and Site Development Costs

Due to the wide availability of land in the Exeter area, developers do not compete for new properties; land is much cheaper on average than in the rest of the State and some cities in Tulare County.

Land costs for residential land was about \$70,000 per acre at the height of the residential market. In 2008, the residential market crashed. Today, residential land is selling for half of what it sold for during the peak of the housing market. At a residential density of 4 to 5 units per acre, land costs range from \$10,000 to \$12,500 per lot.

In 2007, the peak of the housing market, site work (grading and installation of infrastructure) would range from \$25,000 to \$30,000 a lot. In 2008, this figure has dropped dramatically. It now costs between \$17,500 and \$22,500 per lot for these improvements. The cost of a finished lot, including grading, street paving, and other pre-construction improvements, makes up less than 12 percent of total development costs.

Due to the infrequency of multi-family development in Exeter, there is little data available regarding multi-family development, however, development figures from surrounding cities - Woodlake, Farmersville and Visalia - provide a benchmark for costs in Exeter. Land costs for land zoned for multi-family development ranges from \$100,000 (\$2.50 per square foot) to \$150,000 (\$3.50 per square foot) per acre and site

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development costs can range significantly, depending upon the size and location (corner verses interior lot location) of the property, the number of building stories, and city development standards (e.g. parking ratios, landscaping, setback distances, and open space requirements). The planning department estimates that the per square foot cost for improvements will be similar to land costs - \$2.50 to \$3.50 per square foot.

Construction and Soft Costs

Recent figures for construction costs range from \$65 to \$75 per square foot for single family homes. Total construction costs for a 1,500 square foot single-family house average about \$105,000. Soft costs (development impact fees, building plans, construction drawings, etc.) are somewhat less dependent on the size of the unit, averaging about \$17,000 to \$20,000 per unit. Development impact fees alone are estimated to be \$15,300 per single family residential unit. Total costs for a single family home excluding land and financing costs range from \$114,500 to \$132,500.

Availability of Financing

Given the uncertain financial times, securing financing for residential development is proving difficult. In fact, just recently, a developer of single family homes in Exeter approached to City to discuss an alternative form of financing for a proposed 26-lot subdivision. The proposed alternative involved the sale of bonds to finance the installation of infrastructure and roadway improvements. The bonds would be retired through assessments applied to the subdivision. In other words, in addition to the homeowner paying a home mortgage, property tax and landscaping/lighting assessments, they would also pay an assessment to retire the bond. The developer indicated that the assessment would be reflected in the cost of a home. The cost a home would be less expensive than a similar home that was financed in the traditional manner. The developer was not able to determine what the cost difference would be for a home whose infrastructure and roads was financed by bonds versus a home whose infrastructure was financed by the developer.

Current interest rates for home loans are between five and six percent, depending on the terms of down payment. All the lending institutions in the Exeter and Visalia area have financing available for purchasers of single family homes assuming they are creditworthy. It is currently a “buyers” market given home prices have fallen by 25 to 40 percent since the peak in 2007.

It can be difficult for very low, low, and moderate income first-time homebuyers to acquire sufficient savings and income to pay for a downpayment, closing costs, monthly mortgage, and tax and insurance payments. To address this problem, Exeter administers the First Time Homebuyer Program (FTHB), a special low-interest,

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deferred-payment loan program designed to provide “silent” second mortgages of up to \$40,000, funded by the Home Investment Partnerships or the BEGIN Program.

Applicants must demonstrate financial need and pre-approval for a first mortgage; the second mortgage will be financed as a three-percent-interest, 30-year deferred loan payment. For the period 2001 to 2008, Exeter had 49 families utilized first-time homebuyer funds to purchase a new home. Funding that supported this program included HOME, CHAFA, CDBG, LMI and Cal HOME funds.

The City of Exeter’s Housing Rehabilitation Program contracting with Self-Help Enterprises and funded by the Community Development Block Grant (CDBG) Fund, distributes loans to low-income owner- and tenant-occupied households to achieve cost-effective repairs. Priority is accorded to health and safety needs, followed by energy conservation needs, extension of the unit’s useful life, and converting to the Uniform Building Code. Self-Help Enterprises used Exeter’s CDBG funds to rehabilitate 31 residential units during the 2001 to 2008 planning period.

Rental Housing in Exeter

Exeter has surveyed realtors in the Exeter area and they have indicated that there is a shortage of affordable apartments for seniors and families. The last apartments constructed in Exeter that fell into the non-market rate category were the Cody Motel Apartments (18 units, 1996) and Jacob Place Apartments (45 units, 1993). Preliminary data estimates a near zero percent vacancy rate with rental rates in 2009. This data validates the need for additional multi-family units in Exeter. With no new non-market rate rental housing built in over 12 years, Exeter needs to attract non-market rate housing to the city. Ideally, a senior and a family apartment project could be built in Exeter over the next three years.

Cost Summary for a Typical Single-Family Home

Based on the example of a 1,500 square foot house built on a vacant lot in Exeter, the Planning Department provided detailed development costs for a \$200,000 home, as presented in Table 49. According to the Planning Department, pre-financing costs (land, site development, construction, and soft costs) average \$103 per square foot for single family homes.

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Table 50
Example of Development Costs for a Single-Family Home (1,500sq. ft.)

Type of Cost	Approximate Value	Percent of Total
Land	\$ 12,500	6.25%
Site Development (grading, street paving)	\$ 22,500	11.2%
Construction	\$112,500	56.25%
Soft Costs (permitting, school fees)	\$ 16,000	8.0 %
Financing (overhead, commission, real estate fees)	\$ 16,600	8.3%
Subtotal – Developer’s Costs	\$180,000	90%
Profit	\$ 18,000	10%
Total Sale Price	\$198,000	100%

Source: Exeter Planning Department, 2009