A. Community Context

Over the past two decades, King City's population growth has created a unique set of housing needs. The 1990 and 2000 Censuses show that King City's population increased 45% over the decade. Demographically, the City has become younger, with more families with children. As a result, the average household size increased to 4.0 persons. The City median income also increased, from $27,386 to $34,398 (26%), but this trend was generally slower than other cities in the Central Valley due largely to the economic base in King City.

Over the past decade, the number of housing units in King City increased by 17%, although few multi-family units were built. In part due to changing demographics, the vacancy rate dipped to 2.4% among rentals and 0.6% among ownership units. As a result, the median value of a home rose 30%, while rents increased 41% over the decade. Since increases in housing costs outpaced household income, the ability of residents to afford housing diminished. As a result, the percentage of households overpaying increased, as did the proportion of households living in overcrowded conditions (32% to 40% of all households).

Over the planning period of 2002-2007, job growth will impact housing demand. The main employment base in King City is projected to continue to be agriculture services, followed by manufacturing, wholesale and retail, and other basic services. However, new employment opportunities will arise from the expansion of the hospital and medical facilities, a college extension center, commercial establishments, and growth in wineries. In addition, the City has remaining capacity within its business park to attract new manufacturing businesses.

The greatest areas of existing housing need in King City are the provision of apartments for renters and the provision of affordable townhomes and condominiums for young families. A large share of the population still earns lower incomes, as evidenced by significant levels of overcrowding and overpayment. In the future, job growth will bring a need for more affordable housing to accommodate the wholesale/retail industry and some business services. However, there will also be a need to expand single-family housing opportunities for higher income earners working in new industries.

King City faces several key housing issues:

1) providing housing affordable to all segments of the population;
2) preserving the quality of the housing stock;
3) providing adequate residential sites to accommodate the City's future housing needs; and
4) achieving a balance between employment and housing opportunities.

This Housing Element provides a series of goals, policies, and practical programs to address these housing issues in a manner consistent with goals, policies, and intent of City's vision articulated in the General Plan.
B. State Policy and Authorization

The California State Legislature has identified the attainment of a decent home and suitable living environment for every citizen as the State’s major housing goal. Recognizing the important role of local planning programs in the pursuit of this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Section 65302 (c) of the Government Code sets forth the specific components to be contained in a community’s housing element.

State law requires housing elements to be updated at least every five years to reflect a community’s changing housing needs. The King City Housing Element originally was updated in 1990 to cover a five-year period spanning 1990 through 1995. However, due to the economic downturn of the mid-1990s and shortfall in State funds, the State Legislature extended the planning period for the 1990 Housing Element through 2000. This Housing Element is for the planning period of 2002-2007.

C. Role and Scope of Housing Element

The Housing Element is a five-year plan covering the 2002-2007 periods, other General Plan elements typically cover a ten-to twenty-year planning horizon. This Housing Element identifies strategies and programs that focus on: 1) preserving and improving housing and neighborhoods; 2) providing adequate housing sites; 3) assisting in the provision of affordable housing; 4) removing governmental and other constraints to housing investment; and 5) promoting fair and equal housing opportunities.

The Housing Element consists of the following major components:

- An analysis of the City’s demographics, housing characteristics, and existing and future housing needs (Section 2)
- A review of potential market, governmental, and environmental constraints to meeting the City’s identified housing needs (Section 3)
- An evaluation of the land, financial, and organizational resources available to address the City’s identified housing needs (Section 4)
- A statement of the Housing Plan to address the City’s identified housing needs, including housing goals, policies and programs (Section 5)
D. Data Sources

Various information sources have been used to prepare the Housing Element, with 1990 and 2000 census data representing the primary sources. Although dated, the 1990 Census remains the most comprehensive and widely accepted source of information until detailed data from 2000 Census is made available. When available, data from the 2000 Census have been incorporated into the Element.

Data sources used to update the 1990 Census and supplement the preliminary 2000 Census data include:

- Population and demographic data has been updated using the State Department of Finance, sources and school enrollment data from the local school districts
- Housing market information, such as home sales, rents, and vacancies, has been updated by City surveys and property tax assessor's files
- Public and non-profit agencies were consulted for data on special needs groups, the services available to them, and gaps in the system
- Lending patterns for home purchase and home improvement loans were obtained from the Home Mortgage Disclosure Act (HMDA) database.

E. Relationship to the General Plan

The 2002-2007 Housing Element is one of eight elements of the City General Plan. King City adopted its General Plan in 1998. The City’s General Plan includes the Land Use Element, Circulation Element, Housing Element, Noise Element, Conservation/Open Space/and Safety Element, and the Economic Element. The Housing Element builds upon the other General Plan Elements and is consistent with the policies set forth in those elements.

The City will ensure consistency between the Housing Element and other General Plan elements so that policies introduced in one element are consistent with other elements. At this time, the Housing Element does not propose significant changes to any other element of the City's General Plan. However, if it becomes apparent that over time changes to any element are needed for internal consistency, such changes will be proposed for consideration by the Planning Commission and City Council.
F. Community Involvement

Community involvement allows residents to provide input on housing issues and helped in the development of strategies to address the housing needs of King City residents. The City’s Community Involvement program involved: 1) interviewing key housing and service providers; 2) conducting a fully-noticed City Council Study Session on the Housing Element preceded by direct invitation of interested parties; and 3) conducting public hearings for adoption before the City Council and Planning Commission after the draft Housing Element has been commented on by the Department of Housing and Community Development.

Interviews: As part of the Housing Element update, interviews were conducted of key housing and service providers, major employers, and several key developers. Information from these interviews is incorporated into the Housing Element where appropriate, and summarized in Appendix B. These interviews helped to define housing needs within the community, identify constraints, as well as discuss opportunities for future housing growth. These interviews also helped form the City’s Housing Demand Analysis (completed in 2002) which defined the nature and extent of the City’s future housing needs.

Public Hearings: The City will conduct a public hearing on January 14, 2003 on the Housing Element. To ensure wide circulation, King City will distribute notices to organizations and interested persons, including online notices for those registered on the City’s website. The draft Housing Element will also be published on the City’s web site and noticed in the King City Rustler (in English and Spanish) and at City Hall. The following groups invited to attend include, but are not limited to the following: Chamber of Commerce, Creekbridge, Cerruti Development, CHISPA, Monterey County Land Conservancy, and Salvation Army.

The purpose of the meeting will be to present findings from the needs assessment and obtain input and direction on potential programs to address the City’s housing needs. At the public hearings, the participants will be provided a range of options for addressing the City’s present and future housing needs arising from population growth and change. Direction received from the Planning Commission and City Council will be incorporated into the draft Element. Upon completion, the draft Housing Element will be sent to the State Department of Housing and Community Development (HCD) for the first 60-day review period.

Public Hearings for Adoption: After review, City staff will revise the draft Housing Element to address HCD’s comments. The Planning Commission, the City Council, and public will also have additional opportunities to respond to comments in several duly-noticed public hearings. Copies of the draft Housing Element will be available for review at the City Hall, public library, and local schools. The City will hold meetings with the Planning Commission and City Council to adopt the draft Housing Element in final form on _____ , 2003.