

Chapter 6 – Housing Constraints

1.0 Overview

Housing Element law requires the City to analyze and identify potential and actual constraints to the maintenance and development of housing for all income levels, including housing for people with disabilities. The housing element must analyze and identify governmental and non-governmental constraints. Should the analysis identify existing constraints, the housing element must include programs to mitigate the effects.

2.0 Governmental Constraints

2.1 Land Use Controls

Housing Element law requires an analysis of governmental constraints and whether the City's existing regulations constitute an actual or potential barrier to the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities. Regulations that may constitute a barrier are assessed to determine whether they pose an actual or potential constraint and whether a barrier would 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. The City must analyze all of the following:

- Land Use Controls
- Processing and permitting procedures
- Fees and exactions
- Codes and enforcement of onsite and offsite improvement standards

2.1.1 General Plan

The City of Blue Lake does not have growth controls. The General Plan establishes goals and policies that guide all new development, including residential land uses. The City does not have additional growth control measures. Targeted updates were made to the Land Use Element of the General Plan in 2021. It presents a general picture of anticipated physical development by describing the existing and desired conditions. According to the Land Use Element, the primary concerns are maintaining the City's rural character and developing a healthy level of economic activity within the constraints of the City's existing physical environment (pgs. 9-10). For each residential land use designation in the General Plan, Table 6-1 below presents the applicable density range, minimum parcel size, compatible zones, and description. A review of Blue Lake's residential land use designations, as listed in Table 6-1, indicates there is a variety of residential designations, from large-lot suburban residential to designations that plan for residential development that is denser and more urban in character. Importantly, the maximum densities of the Mixed Use and Multi-family

Residential designations at 18 families per net acre and 24 families per net acre, respectively, exceed the statutory minimum of 15 dwelling units per acre. The 2021 Land Use Element establishes a near-uniform 6,000-square-foot minimum parcel size for the residential land use designations, including the Mixed Use designation.

Table 6-1 – Blue Lake Residential Land Use Designations

Designation	Density Range	Minimum Parcel Size	Compatible Zones	Description
Low Density Residential (LD)	0 – 4.3 families per net acre	Minimum 10,000 sq. ft. lots	Zones compatible with this designation: Agriculture Exclusive (A-E) and Residential One-Family (R-1-10) and "B" Combining Zone. ¹	Single family residential, in areas where large sites are desirable or necessary due to topography, sewer and water availability, and where livestock may reasonably be permitted.
Moderate-Low Density Residential (MD)	0 – 7.26 families per net acre	Minimum 6,000 sq. ft. lots	Residential One-Family (R-1 and R-1-10); Planned Development Residential (PDR); and Planned Development Combining Zone (P-D).	Single family residential, in urban areas with domestic water and sewer service, etc.
Multi-family Residential (MF)	0 – 24 families per net acre	Minimum 6,000 sq. ft. lots	Residential Two-Family (R-2) and Residential Multiple Family (R-3).	To be applied to land in urban areas with domestic water and sewer service, etc.
Mixed Use	0 – 18 families per net acre	Minimum 6,000 sq. ft. lots	Mixed Use (MU) and Opportunity (O).	A compatible and beneficial mixture of residential and commercial uses in a single structure or on a single or multiple sites. ²

As shown in Table 6-1, the Land Use Element residential density is to be calculated using a parcel's net acreage. However, "net acre" is not defined in the Land Use Element or elsewhere in the Blue Lake General Plan. When calculating a lot's net lot area, it is typical to exclude street rights-of-way and easements from the lot's acreage.

As analyzed below, the Blue Lake Zoning Ordinance (BLZO) establishes maximum density standards for each residential zoning district (see Table 6-5). In contrast to the Land Use

¹ According to Chapter 17.20, Regulations for the Combining of Zones and for Open Space Lands, of the Blue Lake Zoning Ordinance indicates that "B" Combining Zone has not been adopted.

² "The purpose of the Mixed Use Designation is to allow for the compatible and beneficial mixture of residential and commercial uses in a single structure or on a single or multiple sites. Mixed Use districts are designed to achieve a convenient business and residential environment in areas where multiple activities and an increased degree of pedestrian orientation are considered desirable. The MU designation is intended for areas which are suitable for a mixture of commercial and residential land uses such as the City Center area and properties which front on Blue Lake Blvd."

Element of the General Plan, the Zoning Ordinance defines Lot Area as "the total horizontal area included within the lot lines". This is a description of how to calculate a parcel's gross acreage. Like the General Plan, the BLZO does not define density. It is the City's practice to calculate residential density in accordance with the Zoning Ordinance's definition of Lot Area, that is, gross acreage. Additionally, the City's usage of gross density implements and is consistent with paragraph (6) of § Government Code 655915(o) which instructs how residential density is determined:

the greatest number of units allowed under the zoning ordinance, specific plan, or land use element of the general plan, or, if a range of density is permitted, means the greatest number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. Density shall be determined using dwelling units per acre.

This inconsistency between the General Plan and Zoning Ordinance regarding net density vs. gross density is a potential barrier to the development of multi-family housing types, and Program HI-x has been incorporated to resolve this vertical inconsistency between the Land Use Element and BLZO and to improve transparency.

Programs HI-6(A) and HI-6(B)

Program HI-6(A) commits the City to amending the description of the land use designations in the General Plan Land Use Element to replace net acreage with gross acreage and to add a definition of density to the Land Use Element and BLZO. This program will ensure gross acreage is used as the basis for residential density calculations by resolving the current inconsistency between the Land Use Element's use of net acreage and the BLZO's use of gross acreage (per the definition of Lot Area).

Additionally, to improve transparency and remove ambiguity for the City, the public, property owners, and developers, Program HI-6(B) commits the City to adding language to the Land Use Element and Zoning Ordinance indicating that non-density bonus project, if the density calculations that result in fractional units of less than 0.50 shall be rounded down to the next whole number, and those resulting in 0.50 or more shall be rounded up to the next whole number ; however, accessory dwelling units and junior accessory dwelling units shall be excluded from density calculations consistent with State law.

Table 6-2 provides counts and acreages for the four residential land use designations from Table 6-1. It shows that the Moderate-Low Density and Mixed Use designations have the highest counts and acreages of vacant parcels; however, this data is not filtered for Blue Lake's environmental constraints, which are analyzed in Chapter 7. There is less than one acre of vacant lands planned for MF, although there are more than 40 acres of Mixed Use which does allow multi-family development.

Table 6-2– Summary of Residential Land Designations

General Plan Land Use Designation	Count of All APNs	Total Acres of Land Use Designation (ac)	Count of Vacant APNs	Total Acres of Vacant APNs (ac.)
Low Density Residential (LD)	14 APNs	10.4	1 APN	0.06
Moderate-Low Density Residential (MD)	413 APNs	144.2	32 APNs	44.7
Multi-family Residential (MF)	40 APNs	8.6	7 APNs	0.65
Mixed Use	23 APNs	51.7	14 APNs	40.7

Assessor Parcels are categorized as “vacant” if the Assessor’s improvement value equals \$0.00.

2.1.2 Residential Zoning Districts and Standards

Every city in California has an existing zoning ordinance. In general, zoning is the division of a city into districts and the application of different regulations in each district. State law delegates to cities control over zoning matters while ensuring uniformity of, and public access to, zoning and planning hearings, although State law may limit or preempt local zoning control. A city’s zoning map and zoning text are the two components of a city’s zoning regulations. The City of Blue Lake exercises its authority over the residential development entitlement process by implementing the zoning (Title 17) and subdivision (Title 16) ordinances of its Municipal Code. These ordinances establish development standards to regulate all residential construction in a manner that is generally consistent with the General Plan. Development standards are requirements, such as maximum building height, setbacks, maximum ground coverage, minimum lot size, etc., that must be followed when placing structures on real property. The subdivision regulations similarly control the creation of new lots for development and regulate such matters as the layout of streets and lots, utility extensions, grading, and drainage improvements.

This analysis found the following actual and potential constraints to residential development:

- The regulations within specific zoning districts and combining zones.
- The availability of land within specific zoning districts.

Blue Lake’s residential zoning districts and the stated intent, or purpose, of each zoning district are presented in Table 6-3 below:

Table 6-3 – Residential Zoning Districts

Abbreviation	Zoning District	Zoning District Intent or Purpose
R-1	Residential One-Family	The R-1 Zone is intended to be applied in single-family home development in areas of the City in which topography, access, utilities and public services make residential density living both suitable and desirable.

Abbreviation	Zoning District	Zoning District Intent or Purpose
R-2	Residential Two-Family	The R-2 Zone is intended to provide and encourage a suitable environment for urban family living and to apply in areas of the City where it is reasonable to permit and protect medium density development.
R-3	Residential Multiple Family	The R-3 Zone is created to provide an environment for apartment development and higher residential uses and to provide for residences in mobile home parks and for professional offices.
PDR	Planned Development Residential	PDR Zone is intended to permit a more creative approach in the residential development of land resulting in a more efficient, attractive, desirable use of open area; to permit flexibility in design, including pedestrian and vehicular pathways, and placement of off-street parking areas. The PDR Zone is further intended to realize the best potential of the sites characterized by special features of shape, topography, or size.
MU	Mixed Use	The MU Zone is intended to allow for the compatible and beneficial mixture of residential and commercial uses in a single structure or on a single or multiple sites in a manner consistent with the City's General Plan goals and policies. These districts are designed to achieve a convenient business and residential environment in areas where multiple activities and an increased degree of pedestrian orientation are considered to be desirable. Residences in the Mixed Use Zone provide housing near sources of employment or commercial and professional services—an alternative to exclusively residential zones. New structures and additions to existing structures shall be required to meet specific design standards.
O	Opportunity	1. The O Zone is intended to allow for the compatible and beneficial mixture of commercial, manufacturing, and residential uses in a single structure or on a single or multiple sites in a manner consistent with the City's General Plan, goals and policies. 2. This zone is intended to encourage a live-work type environment. 3. This zone encourages craft-type manufacturing businesses and retail commercial spaces on the ground floor of structures with multi-family residential development units located above or behind commercial or manufacturing spaces. 4. This zone is designed to achieve a convenient business and residential environment in areas where multiple activities and an increased degree of pedestrian orientation and open space are considered to be desirable. 5. New structures and additions to existing structures shall be required to meet specific design standards. 6. Land uses in this zone shall be required to meet specific performance standards.

While the Retail Commercial (RC), Service Commercial (SC), and Highway Commercial (HC) zones permit residential uses, residential development requires the approval of a

conditional use permit and the demonstration that the residential use is secondary to a commercial use; therefore, these three zones are not considered to be residential zoning districts.³

Table 6-4 provides counts and acreages for the six residential zoning districts listed in Table 6-3. It shows that while the R-1 zoning district has the highest count of APNs, it is the Opportunity zone (or O zone) that has the most vacant acreage altogether at 12.3 acres, followed by the PDR zoning district. The O zone and PDR zone comprise 56% and 33%, respectively, of the City vacant land. The data indicate low availability of land zoned R-2 and R-3: a total of 6.23 acres across 28 parcels, of which there are four APNs totaling 0.32 acres are vacant. The availability of vacant land by zoning district is illustrated in Figure 1. It is noted that the data in Table 6-4 is not filtered for Blue Lake’s environmental constraints, which are analyzed in Chapter 7. Nonetheless, Table 6-4 and Figure 1 show that the availability of vacant residential land is concentrated in the O zone and PDR zone.

Table 6-4 – Summary of Residential Zoning Districts

Principal Zoning District*	Count of All APNs	Total Acres of Zoning District (ac)	Count of Vacant APNs†	Total Acres of Vacant APNs (ac.)
R-1	303	68.8	14	1.74 ac.
R-2	14	2.26	2	0.10 ac.
R-3	14	3.97	2	0.22 ac.
PDR**	109	47.7	15	7.20 ac.
MU	38	8.08	5	0.37 ac.
O	21	23.3	12	12.31 ac.

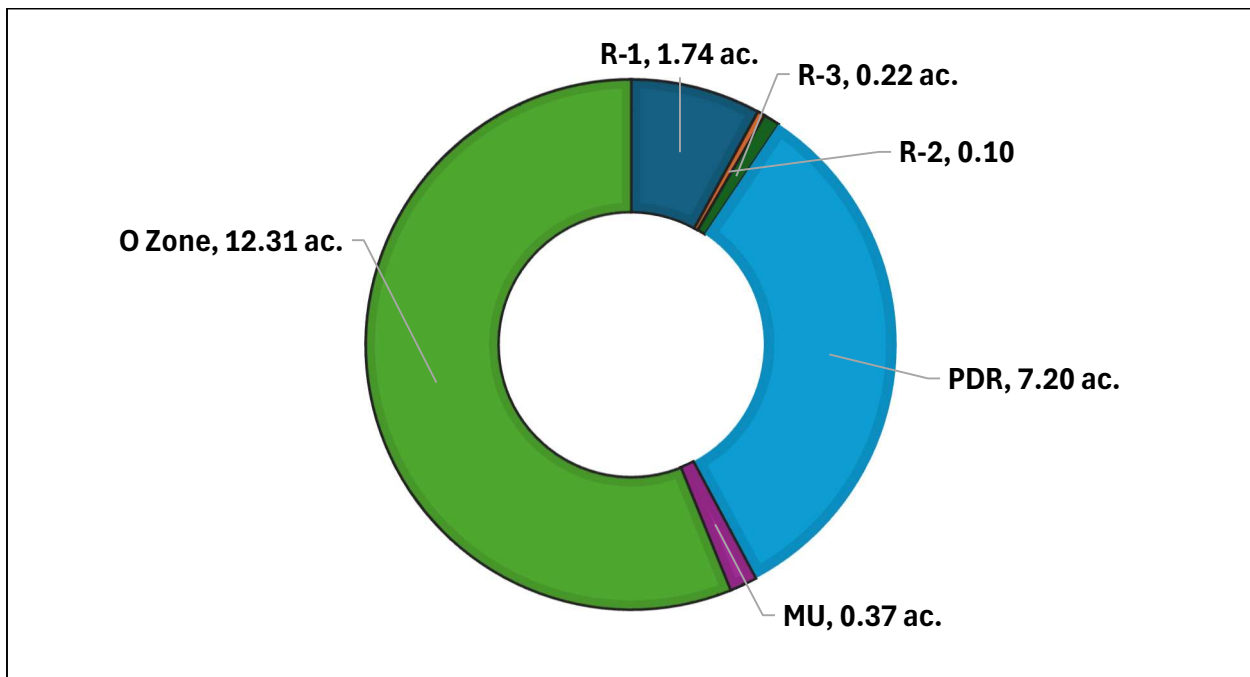
* Assessor’s Parcel Numbers (APNs) that have more than one zoning district and/or have a Combining Zone are counted.

** Excluded from this data are three parcels of land that total nearly 36 acres and are held in trust for the Blue Lake Rancheria. Also excluded is a 0.08 ac parcel owned by the City, which appears to be related to the MH park entitlements.

† APNs with an Assessor’s improvement value equal to \$0.00 are assessed as vacant.

³ These zones, however, are eligible for siting of supportive housing and low barrier navigation centers in accordance with Government Code §§ 65650 and 65650.

Figure 1 – Vacant by Zoning District



A. Zoning Standards

This section describes the Blue Lake Zoning Ordinance (BLZO) standards and requirements for residential development, including densities, setbacks, heights, and other relevant requirements. Table 6-5 below presents the City's existing setbacks, lot sizes, densities, and permitting requirements for principal zones that permit residential development; however, proposed amendments are not noted. The City adopted the development standards to ensure that minimum levels of design and construction quality are maintained, and adequate levels of street and infrastructure/utility improvements are provided.

It is acknowledged that some of the City's current development standards have the potential to result in a decreased supply of housing and increased cost per residential unit. Where appropriate, programs are proposed to remove potential constraints to the development of housing, which are intended to result in an increased supply and reduced cost for housing in the City.

Table 6-5 – Existing Residential Zoning Standards

Principal Zones and Dwelling Types	Use Permit	Site Plan Approval	Minimum Lot Area	Maximum Lot Coverage	Max. Density Un/SF	Setbacks F-R-S*	Maximum Height	Yards for Dwelling Groups
R-1			6,000 SF	40%	1/6,000	15-20(max)-4	35 feet	
Single-Family	No	No						
Two-Family	Yes	Yes						
R-2			6,000 SF	60%	1/2,500	20-15(max)-4	35 feet ⁵	
Single-Family	No	Yes						
Two-Family	No	Yes						⁴ Yes, see below
R-3			6,000 SF	60%	1/2,000	15-10-5	45 feet	
Single-Family	No	Yes						
Two-unit	No	Yes						⁴ Yes, see below
Multi-unit (≤4)	No	Yes						
Multi-unit (5+)	Yes	Yes						
PDR			6,000 SF	40%	1/6,000 ¹			
Single-Family	No	Yes				15-20(max)-4	35 feet	
Two-unit and Three-unit	Yes	Yes				25-25-10	30 feet	Not specified
Multi-unit (4+)	Yes	Yes				25-25-10	30 feet	Not specified
MU			6,000 SF	60%	1/2,500	15-20(max)-4	35 feet ³	
Single-Family	No	No						
Multi-Unit (≤4)	No	Yes						
Multi-Unit (5+)	Yes	Yes						

Principal Zones Dwelling Types	Use Permit	Site Plan Review	Minimum Lot Area	Maximum Lot Coverage	Max. Density Un/SF	Setbacks F-R-S*	Maximum Height	Yards for Dwelling Groups
O			15,000 SF	70%		Variable ²	35-45 feet	Not specified
Residential: ≤4 units that are ≥2 bedrooms: must be located above the ground floor	No	Yes		Additionally, residential units cannot exceed 35% of the floor area of a structure	1/2,500			
Residential: ≤8 units that are 1-bedroom units: must be located above the ground floor	No	Yes		Additionally, residential units cannot exceed 35% of the floor area of a structure	1/1,250			
Multi-Unit (5+): units can be located on the ground floor but cannot exceed 50% of the floor area of the ground floor.	Yes	Yes		Additionally, residential units cannot exceed 65% of the floor area of the structure	For ≥ 2-bedroom units: 1/2,500; for 1-bedroom units: 1/1,250			

* “F-R-S” means front, rear, and side.

1 Unless modified by D combining zone

2 Setbacks are required from Powers Creek, the creek trail, the public rights-of-way, and the Blue Lake Rancheria.

3 Program HI-19 of the Blue Lake’s 6th Cycle Housing Element commits the City to amending the R-2 and MU Zones to remove the limitation on the number of building stories. This amendment will make the R-2 and MU building height standards consistent with other zones that allow multi-family housing.

4 Yards for Dwelling Groups: The distance between separate buildings of a dwelling group shall not be less than 10 feet. The distance between the front of any dwelling unit in the group and any other buildings shall not be less than 20 feet. The distance between the front of any dwelling unit in the group and any side lot line shall not be less than 12 feet. All of the above distances shall be increased by two feet for each two feet that any building on the lot exceeds two stories.

While these standards generally apply to all developments, there is an opportunity to modify the principal zone standards to address site-specific design constraints associated with topography or sensitive resource areas. The principal zone standards may be modified by 1) applying the Planned Development (P-D) and/or Special Density (D) combining zones; 2) by requesting exceptions as part of the use permit process as allowed in the MU and O zones; 3) requesting a variance; and 4) qualifying housing projects (i.e., those including a specified number of units affordable to lower-income households and/or seniors) can seek further flexibility through incentives/concessions and waivers as allowed under the State Density Bonus Law. The Planned Development and Special Density Combining Zones are discussed further below.

B. Planned Development Residential or PDR Zone

The 6th Cycle Housing Element identified several PDR standards as constraints. Program HI-19 commits the City to preparing and adopting specific amendments that address those constraints. This evaluation builds on the 6th Cycle evaluation and program to ensure the existing regulatory barriers are removed from the PDR Zone. As presented in Table 6-4, of the City's six residential zoning districts, approximately 33% of the City vacant land is zoned PDR (although this data is not filtered in this chapter for environmental constraints).

The 6th Cycle Housing Element identified the PDR zone's development standards (i.e., setbacks, lot coverage, and height limits) for multi-family development that are more restrictive than those in the R-2 and R-3 zones. Program HI-19 was included in the 6th Cycle Housing Element to remove the identified potential constraints that are specific to multi-family development. More specifically, Program HI-19 committed the City to the following: 1) amending the PDR zone to allow a maximum ground coverage that is similar to the other zones that allow multi-family housing (e.g., 60 percent); 2) amending the PDR zone to allow a more permissive maximum building height such as the standard allowed for single-family structures (i.e., 35 feet); and 3) amending the PDR zone to allow more permissive setbacks for multi-family housing such as those allowed in other zones permitting multi-family housing (e.g., F-15 feet/R-20 percent of lot depth to a maximum of 20 feet/S-5 feet).

Because completion of Program HI-19 is in-progress at the time of preparation of this Housing Element update, it will be carried forward. It is recommended that it be augmented to address all of the following additional potential regulatory constraints that have been identified below:

- The subjective language of the PDR zone's purpose.
- The lack of flexibility in the application of the 6,000 square foot minimum lot size.
- Subjective findings.

Subjective language of the PDR zone's purpose. The Planning Development Residential Zone, or PDR, is a principal zoning district in the Blue Lake Zoning Ordinance. The stated purpose of the PDR Zone is

“...to permit a more creative approach in the residential development of land resulting in a more efficient, attractive, desirable use of open area; to permit flexibility in design, including pedestrian and vehicular pathways, and placement of off-street parking areas”.

The existing PDR purpose/intent language is subjective and does not contain objective guidance. For a residential development that requires approval of a use permit, the subjective language is a potential constraint because use permit findings typically require a project be evaluated for consistency with the zone’s purpose/intent. Blue Lake’s use permit approval findings are codified in § 17.28.030, are typical for this type of discretionary permit, and include the following finding:

1. That the proposed location of the conditional use is in accord with the objectives of subsection A of this section and the purposes of the zone in which the site is located. (emphasis added)

The PDR zone’s absence of objective language in its purpose statement has the potential to create ambiguity and uncertainty when evaluating whether a conditionally permitted housing development “is in accord with...the purpose of the zone”. This uncertainty can make use permit findings harder to defend and to apply consistently.

Lack of flexibility in the application of the 6,000 square foot minimum lot size. As stated above, the purpose of the PDR Zone is to provide for creativity, including in the **content context** of open space, and where there are special features of shape, topography, or size. However, the PDR lacks provisions that allow flexibility or reductions in the 6,000-square-foot minimum lot size to encourage clustered development designs that simultaneously avoid hazards and protect sensitive resources (where present) and avoid parcelization of those hazards and resources. While the density may be increased by adopting and applying a D Combining Zone, as discussed in section 2.1.2(D) below, neither the PDR Zone nor the Zoning Ordinance provides a pathway to decrease the 6,000 square foot minimum lot size. This lack of lot size flexibility appears to be inconsistent with the PDR Zone’s stated purpose “to permit a more creative approach in the residential development of land resulting in a more efficient, attractive, desirable use of open area; to permit flexibility in design”. The lack of lot size flexibility forecloses opportunities to create smaller parcels that can be sold, leased, or financed to accommodate special features or sensitive resources on a property. This may increase the likelihood of sensitive resources being divided rather than consolidated into a single unit to be managed holistically. With respect to housing, the lack of lot size flexibility limits opportunities for common interest developments that may feature smaller housing units, including naturally more affordable ownership options such as bungalow courts and townhomes.

Subjective Findings. The existing findings may limit the range of housing types and tenures. Only traditional detached single family residences are enumerated in the PDR Zone as a principally permitted housing type, although development is subject to the Site Plan

Approval process. The PDR Zone enumerates other housing types that may be more affordable and increase the variety of housing to meet the community's needs (i.e., duplexes, triplexes, and multi-family). However, these other housing types require approval of a use permit. In addition to the conditional use permit findings (evaluated below), the PDR Zone includes additional findings for other housing typologies by also requiring a use permit for other housing beyond a single-family dwelling (see § 17.16.080.D.4.b):

- i. The combination of dwelling types, lot sizes, and uses in the planned development will complement each other and will harmonize with existing and proposed land uses in the vicinity.
- ii. The development standards will produce an environment of sustained desirability and stability, harmonious with the character of the surrounding area and consistent with the objectives of the Blue Lake General Plan and other applicable plans or policies adopted by the City Council.

These findings are subjective and do not offer guidance or approval certainty for property owners and developers, and are a potential constraint to the development of a variety of housing types and tenures, including small-scale and denser housing types, for all income levels. The existing PDR Zone regulations outlined above act as a constraint on housing development because all types of residential development require discretionary approval; the standards and findings of the PDR Zone are subjective and do not offer approval certainty; and while the purpose of the PDR Zone is to provide flexibility, the standards do not offer flexibility without subjective discretionary approval, suggesting internal inconsistency within the zone itself. Program HI-3 carries forward the 6th Cycle's Program HI-19, and expands the scope of the amendments to address the PDR zone's constraints as identified.

Program HI-3

This program continues and modifies 6th Cycle Program HI-19 by committing the City to amend the PDR Zone to replace subjective standards (including Zoning Ordinance regulations that are cross-referenced) and procedures with objective standards and procedures for residential development, while not imposing new burdensome requirements. Additionally, the findings for approval are to be amended to provide for approval certainty. The amendments should allow for flexible lot sizes for projects that implement clustering residential development to protecting sensitive resources and avoiding hazards, and that implement objectives of the General Plan, including the Housing Element, without requiring a rezoning. Other modifications include a commitment that the City will explore expanding by-right housing types to include missing middle housing types, such as duplexes, triplexes, fourplexes, courtyard buildings, bungalow courts, cottage housing, and townhouses, to provide workforce housing.

C. Availability of Land for Residential Development

Chapter 7 “Sites Inventory” of this Housing Element demonstrates that the City of Blue Lake has an adequate supply of land that is appropriate, suitable, and available to meet its 7th Cycle RHNA, including all of Blue Lake’s lower-income RHNA. However, there is an overall limited supply of land that allows by-right small-scale denser multi-family development, i.e., up to four households as the primary use and without a discretionary permit:

- The R-2 and R-3 zones specifically enumerate by-right multi-family development without having a mixed-use requirement. The supply of land zoned R-2 and R-3 is less than 6.5 acres, of which there are four vacant parcels that total 0.32 acres, as indicated in Table 6-4.
- There is supply of land zoned PDR. The PDR Zone’s maximum allowable density and permitted housing types indicate it is essentially a single-family zoning district:
 - Maximum density of the PDR zone is 7.26 dwelling units per acre (or 8 units per acre when rounded up), which is the same as the R-1 zone.
 - Housing configured as duplexes and greater, including missing middle types is subject to discretionary permitting under the existing regulations.
- While there is a supply of land in the Opportunity Zone, this is a mixed use zone that enumerates multi-family housing as a primary and compatible use; however, a variety of non-residential commercial and light industrial uses are also permitted.

To facilitate and encourage more diverse housing opportunities throughout the City by improving the supply of land in the R-2 and R-3 zones, the Housing Element includes Program HI-10.

Program HI-10

This program is to encourage the development of a variety of housing types and tenures for all income levels by increasing the supply of sites suitable for housing. This program will help address the limited availability of rental and ownership housing that is affordable to the local workforce by the City offsetting the costs to upzone eligible properties to either the R-2 or R-3 zones. Property owner participation is strictly voluntary.

D. Combining Zones

The City of Blue Lake has several combining zones that modify the regulations of the principal zone with which they are combined (§ 17.20.010 BLZO). Combining zones, sometimes called overlays, add specialized regulations, development standards, and/or use restrictions on top of the underlying principal zone. Combining zones are typically established by amending the text of the jurisdiction’s zoning ordinance and zoning map. While these combining zones offer improvements to the strict application of the development standards of the principal zones, both require completion of the legislative process, which can be lengthy and costly, and adoption is uncertain.

Special Density (D) Combining Zone. Section 17.20.040 of the BLZO allows, on a parcel-by-parcel basis, the principal zone's maximum density to be increased by the adoption of a Special Density or D Combining Zone, which is accomplished by amending the Zoning Map.⁴ The highest density allowed by the D Combining Zone is one dwelling unit per 3,000 square feet, or 14.5 dwelling units per acre (or 15 dwelling units per acre when rounded up). Paragraph A of § 17.20.040 of the Special Density Combining Zone explicitly prohibits a decrease in the minimum parcel size, "In no case shall the D Combining Zone be applied so as to allow the creation of lots smaller than the minimum lot size specified by the principal zone." Based on a review of the Zoning Ordinance, there are no other regulatory pathways that allow for a reduction of the principal zone's minimum lot size, which is 6,000 square feet for nearly all residential zones as reviewed above. The inability to accommodate smaller parcel sizes to accompany an application of the Special Density Combining Zone density to a site may be a potential barrier to the creation of a greater variety of housing types and tenures, including affordable ownership housing, as the minimum parcel size is fixed.

Program HI-6(C)

This program commits the City to exploring amending the Special Density (D) Combining Zone to include allowances for smaller parcel sizes as part of the application of the D Combining zone to a site for projects create of a variety of housing types, including those for the development of affordable workforce units or affordable ownership housing.

Planned Development (P-D) Combining Zone. A developer may elect to use the City's P-D Combining Zone to facilitate the development of their project. The P-D Combining Zone is intended for large sites, with a minimum site area of 2 acres per § 17.20.020.D. According to the American Planning Association:⁵

the early stages of the planned unit development process is intended to provide a comprehensive development review that could overcome the shortcomings of zoning and subdivision regulation, improve project design, and provide for common open space in return for "clustering" development elsewhere in the project at increased densities.

For a developer to take advantage of the flexibility and approval certainty offered by the P-D Combining Zone, the Zoning Map must be amended to adopt the P-D Combining Zone for a specific site, and a use permit for the entire project must be approved concurrently. Blue Lake's P-D Combining Zone requirements and standards are typical. It is the City's

⁴ A combining zone is an overlay zone that modifies the regulations of the principal zones with which it is combined. Establishing a combining zone for a specific parcel of land requires the adoption of an ordinance amending the zoning map.

⁵ Mandelker, Daniel R., Planned Unit Developments, the American Planning Association Planning Advisory Service Report Number 545, March 2007, pg. 2.

assessment that the existing P-D Combining Zone is not a potential or actual constraint to residential development.

Multifamily (MF) Combining Zone. The MF Combining Zone was adopted by the City of Blue Lake in December 2025. It is intended to be combined with the Residential Multiple Family (R-3), Mixed-Use (MU), Opportunity (O), and Planned Development Residential (PDR) zones to facilitate multi-family housing for a variety of income levels, including when the provisions of Government Code § 65583.2(c) are triggered.⁶ Multifamily development with at least 20% of the units affordable to lower-income households is incentivized on properties where the MF Combining Zone is adopted because it is permitted by-right, is not subject to the City's Site Plan Approval procedures, and the City's approval is ministerial. It is the City's assessment that the existing MF Combining Zone is not a potential or actual constraint to residential development.

E. Parking Requirements

The City's parking requirements vary according to the type of dwelling unit, as shown in Table 6-6. Generally, requirements for on-site parking add development costs for constructing parking spaces, ongoing maintenance, and the physical area they occupy, which preclude other uses.

Table 6-6 – Schedule of Off-Street Parking Requirements for Residential

Type of Land Use	Number of Spaces Required
Residential; including single-family, two-family, second units, and apartments	1 for each dwelling unit containing 1 or fewer bedrooms
	2 for each dwelling unit containing more than 1 bedroom
Trailer Parks	1 for each trailer unit plus
	1 additional space for each 4 units
Institutional, Educational, Civic; including rest homes, nursing homes, etc.	1 for every 2.5 beds

To ensure that off-street parking requirements do not inhibit the development of housing in the City, § 17.24.100.B.4 of the BLZO allows the City Planner to waive off-street parking spaces otherwise required if certain criteria can be met. The criteria for parking waivers include the historical nature of the property, the architectural or landscaping amenities that would be displaced by parking, the availability of space on a parcel with existing improvements, the proximity to a bus stop or alternative transportation facilities, the provision of bicycle parking spaces, or the provision of pervious parking spaces. Generally, the City's waiver criteria are tied to community benefit. Most projects in the City can meet one or more of the above criteria to receive a parking waiver. Since the City provides an

⁶ Specifically, the requirement governing the reuse of a Housing Element site inventory site for consecutive planning periods.

administrative approval process for parking waivers, off-street parking requirements are not considered a constraint to residential development.

It is noted that “second units” are specified as a type of use for parking. State law changed the terminology from second units to accessory dwelling units in 2017. The City understands that State law specifies that any local ordinance that does not meet current statutory requirements is considered null and void, and it is the City’s practice to apply the State standards directly to the development of ADUs and JADUs, including the restrictions on imposing off-street parking requirements.

While the City develops a local density bonus (anticipated to follow the March 2026 State Density Bonus Law Sample Ordinance Template) as part of implementing the 6th Cycle Housing Element Program HI-1, it is the City’s practice to apply State Density Bonus Law directly. The City is aware that density bonus projects are entitled to parking reductions and that no off-street parking may be required for certain projects (e.g., special-needs housing, supportive housing). The City’s off-street parking standards for emergency shelters and residential care facilities are reviewed in section 2.2.9.

Programs HI-2(A) and HI-9

To improve the visibility of the City’s off-street parking waiver process, Program HI-9 commits the City to developing and maintaining publicly accessible information (e.g., the regulations, recent examples of successful applications, and application materials) on the City’s website.

Program HI-2(A) commits the City to adding language to its off-street parking requirements in § 17.24.100.B that clearly states that State ADU/JADU law governs off-street parking requirements.

2.1.3 Processing and Permitting 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. While a number of zoning districts state that specific residential development is allowed by-right (e.g., single-family residences in the R-1 zone), most residential development is subject to the City’s Site Plan Approval process. Table 6-7 summarizes the typical processing timeline for various City permits and entitlements, and Table 6-8 provides an overview of the typical processing procedures by project type. The City’s Site Plan Approval and Use Permit procedures, findings, and process are reviewed below.

Table 6-7 – Typical City Permit Process and Timelines

Type of Approval or Permit	Typical Processing Time*	Approval Body
Building Permit	2-3 weeks	City Staff
Conditional Use Permit	2-3 months	Planning Commission
General Plan Amendment	3-4 months	Planning Commission and City Council
Zone Change	3-4 months	Planning Commission and City Council
Site Plan Approval	1-2 months	Planning Commission
Variance	1-2 months	Planning Commission
Parcel Maps	4-6 months	Planning Commission
Initial Study	3-4 months	Planning Commission
Environmental Impact Report	6-8 months	Planning Commission

* From the point in time when the application is deemed complete.

Table 6-8 – Typical Processing Procedures by Project Type

	Single-Family Unit	Subdivision	Multi-family < 5 Units
Typical Approval Requirements	Principally Permitted	Parcel Map Review (including approval by Planning Commission and City Council)	Conditional Use Permit
			Site Plan Approval
		CEQA	CEQA
Estimated Total Processing Time	1 to 2 months	4 to 6 months	2 to 3 months

A. Site Plan Approval

The City of Blue Lake's Site Plan Approval is a design review type process. It is required as part of the use permit process or when it is specifically required in a zoning district for principally permitted uses. Site Plan Approval is a discretionary process and is required for most residential development on vacant residential sites, as indicated in Table 6-5. As indicated in Table 6-7, the Site Plan Approval process typically takes approximately 1-2 months once an application is deemed complete, and most residential development does not trigger further CEQA evaluation.

Section 17.24.250 of the Zoning Code lists the requirements for Site Plan Approval, which includes the "Principles to Be Followed" for Planning Commission review of a project. The 6th Cycle Housing Element reviewed the Principles to Be Followed and determined they include provisions that are subjective, which is inconsistent with subdivision (f) of the Government Code § 65589.5. To address this inconsistency, Program HI-21 was included in the City's 6th Cycle Housing Element. This program commits the City to replacing the subjective review criteria for the Site Plan Approval process (i.e., "Principles to Be Followed")

in Zoning Ordinance § 17.24.250(F)) with objective standards as defined by State Housing Law. In addition to implementing Program HI-21's amendments, additional amendments are needed to § 17.24.250 to replace the Site Plan Approval's intent language (below), which is subjective and inconsistent with State Housing Law:

The purpose of this regulation is to promote Blue Lake's orderly and harmonious development, the stability of land values and investments, and in order to help prevent excessive and unsightly grading of hillsides and removal of vegetation or the erection of structures of unsightly appearance. Applications for development permits shall be reviewed by the Planning Commission. Blue lake Zoning Ordinance § 17.24.250

With the exception of single-family structures in the R-1 and MU Zones, and ADUs and JADUs, the City's Site Plan Approval process is required for most residential development. BLZO Section 17.24.260 contains objective development standards for single-family residences that are reviewed for consistency by City staff when a building permit referral is received, but these are not applied to ADUs (these regulations are review in section 2.2.2 below). Otherwise, the City's Zoning Ordinance does not provide regulatory procedures for by-right residential development, even when a use is enumerated as a principal permitted use, complies with City standards, and is not located on a site with environmental constraints. A "use by-right" is defined in subdivision (i) of Government Code § 65583.2, and means the jurisdiction shall not require:

- A conditional use permit.
- A planned unit development permit.
- Other discretionary, local-government review or approval that would constitute a "project" as defined in Section 21100 of the Public Resources Code (California Environmental Quality Act "CEQA").

Because most zoning districts and most housing types are subject to Site Plan Approval, it is an actual regulatory barrier and constraint on the development of a variety of housing types and tenures across all income levels. Program HI-4 is included to address this regulatory constraint.

Program HI-4

This program commits the City to preparing and adopting a by-right residential development regulatory procedure that allows residential development to be principally permitted (by right) without discretionary review when the proposed development complies with all applicable objective City development standards and is located outside of an environmentally sensitive areas (e.g., stream buffers). The objective standards shall not be overly burdensome, and provide for a variety of housing types, tenures, and income levels. This regulatory procedure shall be available in the R-2, R-3, PDR, MU, and O zoning districts.

B. Conditional Use Permit Findings

According to the American Planning Association, “local governments establish conditional uses as a technique in the zoning ordinance for flexibility and because special standards are sometimes required for desirable uses. There are often uses that would be welcome within the zoning district if additional standards could prevent them from undermining the purpose and intent of the district.”⁷ The use permit is the discretionary zoning approval for a conditional use. The “conditional” part means the local planning authority (e.g., Planning Commission) grants the permit subject to specific requirements designed to protect surrounding properties and the community.⁸ The local government’s use permit regulations include findings that align with statute and case law. Blue Lake’s use permit approval findings are in § 17.28.030, and are typical for this type of discretionary permit:

1. That the proposed location of the conditional use is in accord with the objectives of subsection A of this section and the purposes of the zone in which the site is located.
Subsection A: Use permits may be granted, upon application to the Planning Commission for any use for which a use permit is permitted or required by these regulations, or for any use which, while not specifically enumerated in these regulations, is, in the opinion of the Planning Commission, similar to and compatible with the uses permitted in the zone in which the subject property is situated.
2. That the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

Table 6-3 above includes each zoning district’s stated purpose. The purpose of nearly all residential districts includes subjective language. For example, the purpose language for both MU and O Zones is nearly identical: “to allow for the compatible and beneficial mixture of residential and commercial uses”. When the use permit finding *that the proposed location of the conditional use be in accord with the purpose of the zone* is to be analyzed in the context of the subjective intent/purpose language of a zoning district, it creates ambiguity and uncertainty for ascertaining when a conditionally permitted housing development “is in accord with the purpose of the zone”. This uncertainty can make use permit findings harder to defend and to apply consistently. Although it may be considered an abuse of discretion by a decision making body to deny a 100% residential project in the MU or O zones should a housing development project to be found inconsistent with the intent/purpose of the zone, it remains a deterrent. Addressing this existing subjective language may encourage the application of the MU Zone and O Zone existing provisions for exceptions through the City’s existing use permit process. Completion of Program HI-5 will remove regulatory barriers by replacing the existing subjective language in each residential and mixed-use zoning district’s purpose statement and by initiating and completing

⁷ Zoning Practice, <https://www.planning.org/publications/document/9027798/>, American Planning Association, May 1, 2026

⁸ <https://permitplace.com/what-is-a-conditional-use-permit/>, accessed June 14, 2026.

regulatory and procedural improvements to increase approval certainty for residential development subject to a use permit.

Program HI-5

This program commits the City to undertaking the regulatory and procedural improvements to increase approval certainty for residential development subject to a use permit, such as:

- Replace any existing subjective language in each residential zoning district's purpose statement with objective language.
- Translating intent of the findings into objective criteria. This could be a decision matrix or scoring system tied to General Plan and density compliance; defining what constitutes "accord with the zone purpose".
- Adopt a uniform set of objective findings for housing-related use permits.
- Create a special use permit process or overlay standards specifically for housing that provides a streamline pathway for qualifying projects.
- Adopt an internal and public-facing guidance manual explaining how to interpret zone purpose statements.

C. Variance

Blue Lake Zoning Ordinance § 17.28.020 allows for variances to the development standards where the Planning Commission is able to make either of the findings below. The Planning Commission considers a variance following a noticed public hearing.

- That any variance granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privilege, inconsistent with the limitations upon other properties in the vicinity, and zone in which the subject property is situated, and that because of special circumstance applicable to subject property, including size, shape, topography, location or surroundings, the strict application of the zoning regulations is found to deprive the subject property of privileges enjoyed by other properties in the vicinity and under identical zone classification; or
- That any variance granted will not be contrary to the intent of the zoning regulations or to the public interest, safety, welfare, and, where due to special conditions or exceptional characteristics of such property, or its location or surroundings, a literal enforcement of the zoning regulations would result in practical difficulties or unnecessary hardships.

The City's variance procedures and findings to grant a variance are typical of many California cities and counties, are consistent with State law, and do not constitute a regulatory barrier to the construction or maintenance of housing.

A. Design Review Procedure

Section 17.16.120 of the Zoning Ordinance contains another design review procedure, titled Design Review Procedure. According to subsection C.1, this procedure applies to structures listed on the Blue Lake Historical Building Register and to real property subject to a historical zoning overlay. Subsection C.2, however, grants the “City Planner or Mayor discretion to refer other development projects to the Planning Commission for review and comment when in their judgment the projects might have a significant impact on the aesthetic character of the City.” Although the Planning Commission’s review and input are advisory, the trigger for invoking this procedure is vague and subjective. This provision has not been invoked by either the Mayor or City Planner since at least 2000; however, it remains a potential regulatory barrier because it can increase the time and cost of permitting a housing development.

Program HI-6(D)

As part of removing development constraints and barriers, Program HI-x commits the City to either adding qualifying language that expressly exempts housing developments from subsection C.2 of BLZO § 17.16.120, or striking C.2 of BLZO § 17.16.120 entirely.

B. Special Study Zones

Section 17.24.160 of the Blue Lake Zoning Ordinance gives the Planning Commission the authority to establish a Special Study Zone when there are unusual or unique situations occur and when the Planning Commission makes a determination in regards to the existence of such a situations. The examples of unusual or unique situations cited in § 17.24.160 are “...hillside lot development, new housing concepts.” It is unclear whether the Planning Commission follows a legislative process to establish a Special Study Zone; nor does § 17.24.160 elaborate on the possible outcome of establishing a Special Study Zone; ostensibly, it would impose additional requirements. Given the subjectivity of “new housing concepts” language and the potential to conflict with State housing law, Program HI-6(E) has been included to remove this potential barrier.

Program HI-6(E)

This program commits the City to striking the language of “new housing concepts” from § 17.24.160 to remove this potential barrier because, if applied, it is likely to be inconsistent with State law.

C. Density Bonus Provisions

State Density Bonus Law (SDBL) requires the provision of certain incentives for residential development projects that set aside a certain portion of the units to be affordable to lower- and moderate-income households. SDBL aims to encourage the development of affordable housing by providing housing developers with certain incentives such as increasing density above the maximum allowed on the site by the local zoning, reductions in local parking standards, concessions to reduce project costs, and reductions or waivers of applicable

development standards. SDBL is regularly amended and, in recent years, has been updated nearly every year. The amount of density bonus granted varies depending on the percentage of affordable units provided and ranges from 5 percent to 50%. Cities and counties are also required to provide up to five additional incentives; relief, via waivers, from development standards that physically preclude development of the project at the density; and reduction in parking standards.

SDBL requires cities and counties to adopt a local density bonus ordinance that meets state requirements. Jurisdictions must implement their local ordinance in compliance with SDBL. Even without such an ordinance, cities and counties must provide developers the benefits to which the law entitles them.⁹ While the City does not have a local Density Bonus ordinance, it is the City's practice to apply State Density Bonus Law directly from State law. During the 6th Cycle, the City did not receive any density bonus requests. Although as part of reviewing a potentially eligible project, the City notified the developer of the potential to use concessions and waivers for exceptions to applicable development standards as allowed under SDBL.

Program HI-2(I)

To meet the statutory requirement that the City establish a local density bonus ordinance, this program commits the City to establishing local density bonus procedures consistent with SDBL. The City may elect to adopt HCD's sample ordinance released in March 2026. Program HI-2(I) is a continuation of 6th Cycle program HI-1.

2.2 Provisions for a Variety of Housing

Housing element law require the housing element to provide for a variety of housing types including multi-family rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, transitional housing, housing for persons with disabilities, and accessory dwelling units. Providing development opportunities for a variety of housing types promotes diversity in housing price, tenure, style, and size, and encourages the development of various types of housing for all economic segments of the population. It contributes to neighborhood stability by offering more affordable and move-up homes and accommodating a diverse income mix. Table 6-9 summarizes the different housing types permitted or conditionally permitted in the City's zones that allow residential development. Each of these housing types is described below, including how it is regulated by the City's Zoning Ordinance. Any programs proposed to comply with State housing law or remove potential constraints to the development of housing are noted.

⁹ <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/housing-law-fact-sheets.pdf>, accessed July 10, 2026

Table 6-9 – Housing Types Permitted by Zoning District

Housing Types Permitted	R-1	R-2	R-3	PDR	MU	O	AE
Single Family Dwelling	P	P	P	P	P	P	P ⁴
Two-Family Dwellings	CUP	P	P	CUP	P	P	--
Three-Family Dwellings	--	--	P	CUP	P	P	--
Four-Family Dwellings	--	--	P	CUP	P	P	--
Multi-family (5+ Units)	--	--	CUP	CUP	CUP	CUP	--
Rooming and Boarding Houses	--	CUP	CUP	CUP	CUP	--	--
Rest Homes	CUP	--	--	CUP	--	CUP	--
Mobile home parks	--	--	CUP	CUP	--	--	--
Manufactured Homes on Individual Lots ⁵	P	P	P	P	P	P	P
Accessory Dwelling Unit and Junior Accessory Dwelling Unit ⁶	P	P	P	P	P	P	P
Supportive Housing ⁷	P	P	P	P	P	P	P
Transitional Housing ⁷	P	P	P	P	P	P	P
Emergency Shelter	--	--	--	--	--	P	--
Single Room Occupancy Housing	--	--	--	--	--	--	--

“P” = Principally Permitted; “CUP” = Conditional Use Permit; “—” = Use Not Allowed

¹ When secondary to a commercial use in RC and SC zones.

² When secondary to a commercial use in the RC zone. Not allowable in the SC zone.

³ Only allowable in the HC zone.

⁴ One (1) dwelling unit per ten (10) acres.

⁵ State law allows manufactured homes in any zone that allows a conventional (“stick-built”) home.

⁶ State law allows accessory dwelling units and junior accessory dwelling units in any zone that allows a single-family residence, and accessory dwelling units are allowed on parcels with existing multi-family development, and proposed multifamily development subject to certain criteria.

⁷ State law requires supportive housing and transitional housing to be permitted in the same manner as other residential uses and structures in the same zone.

2.2.1 Accessory Dwelling Units

Section 17.24.270 of the Zoning Ordinance defines accessory dwelling units (ADUs) as an attached or detached residential dwelling unit situated on the same lot as a primary unit, which provides complete independent living facilities for one or more persons. However, it contains numerous inconsistencies with State ADU law, and does not provide for junior accessory dwelling unit (JADU) development. As such, the regulations are out of date and out of compliance with State ADU law. If an existing ADU ordinance fails to meet the requirements of State ADU Law, the ordinance is “null and void” and the jurisdiction must apply the standards set forth in State ADU Law until it adopts an ordinance that complies

with state law (Government Code, § 66316). Accordingly, it is City practice to defer to current State regulations for ADUs and JADUs, including HCD's most current ADU Handbook. City staff have contacted HCD (adu@hcd.ca.gov) on several occasions for technical assistance to ensure that State ADU regulations were being properly implemented in the City.

To ensure the City's permitting procedure for ADUs and JADUs is consistent with State law, 6th Cycle Housing Element Program HI-1 is continued and expanded.

Program HI-2(A)

This program commits the City to repealing Section 17.24.270 in its entirety, and amending any other Zoning Ordinance provisions that regulate ADUs (e.g., off-street parking standard in section 17.24.100.A) to comply with current State ADU law. Additionally, the Zoning Ordinance will be amended to include explicit language that ADUs and JADUs must be rented for period of no less than 30 days. The program also commits the City to promoting ADU and JADU by HI-9 to improve public awareness.

2.2.2 Single-Family Housing

The City defines single-family dwellings (referred to as "Dwelling, One-Family" in the definitions section of the Zoning Ordinance) as detached buildings designed and/or occupied exclusively by one family. As indicated in Table 6-9, single-family housing is principally permitted in all residential and mixed-use zones, but requires a use permit in HC, RC, and SC zones. Any single-family dwelling constructed or placed in the City (including a manufactured home) must comply with the development standards in Section 17.24.260 of the Zoning Ordinance, which provides standards for building width, roof pitch, roof overhang length, exterior siding materials, and roof materials.

The City's current definition includes stick-built homes but does not specifically include factory-built, modular housing units that are constructed in compliance with the California Building Code (CBC) or mobile homes/manufactured housing units that comply with the National Manufacturing Housing Construction and Safety Act of 1974 that are placed on permanent foundation systems. Because the City's current definition is not consistent with State housing law, it is City practice to defer to State law when reviewing these types of units.

Program HI-2

To remedy this inconsistency with State law, Program HI-2 commits the City to the following: 1) amend the Zoning Ordinance to allow manufactured housing and mobile homes in the same manner and in the same zone as conventional or stick-built structures are permitted (Government Code Section 65852.3).

A. Development Standards for Single-Family Housing

Zoning Ordinance section 17.24.260 specifies various objective standards for the exterior appearance of single family dwellings. Included in this list is a requirement that any single-

family home, including a manufactured home, have a minimum width of 20 feet (Section 17.24.260(A.1)). Section 17.24.260(B) provides a pathway for a property owner to deviate from the minimum width standard (and others).

While the 20-foot minimum dwelling width standard is objective, it has the potential to preclude the construction and placement of smaller footprint homes, including efficiency units. The minimum width standard also restricts home design to fit existing legal lots that may be small or irregularly shaped. Moreover, the standard may be inappropriately applied to accessory dwelling units constructed or placed pursuant to Government Code § 66314. Although section 17.24.260(B) provides a pathway for a property owner to deviate from the minimum width standard (and the other standards in the section), the approval criteria are ambiguous and do not provide approval certainty:

- The Planning Commission may allow a single-family home to deviate from the standards for exterior materials and the dwelling width where alternative reasonable development standards are substituted for those set forth in this section, or
- The Planning Commission may exempt such a home from the strict application of such development standards, upon a showing of good cause. A principal criterion for determining whether good cause exists for such exemption or substitution shall be compatibility with the neighborhood in which the structure is proposed to be constructed or placed.

Therefore, although the 20-foot minimum width standard is clear and objective, it is a potential barrier because it may preclude smaller homes, limit designs that accommodate existing nonstandard legal parcel shapes and sizes, and may be inappropriately applied to Government Code § 66314 ADUs.

Program HI-6(F)

To remove the 20-foot minimum width requirement as a potential constraint, Program HI-6(F) commits the City to amending the Zoning Ordinance to expressly preclude the application of the 20-foot minimum width standard to all ADUs.

2.2.3 Manufactured Housing and Mobile Homes

The City's definition of manufactured housing is the same as the definition in Section 18007 of the Health and Safety Code. Additionally, section 17.24.091 of the City's Zoning Ordinance contains standards for manufactured homes that restrict the placement of these types of units to the Planned Development Residential (PDR) zone. This requirement is inconsistent with State law because manufactured homes must be allowed in the same zones as stick-built residential structures (Government Code § 65852.3). Section 17.24.091 also contains the following eligibility requirements for manufactured homes to ensure they are permitted on compatible lots:

- The manufactured home must be certified under the National Manufactured Housing Construction and Safety Standards Act of 1974.

- The manufactured home shall have been constructed and certified not more than 10 years before date of application for the required installation permit or permits.
- The manufactured home must be installed on a permanent foundation system being designed in accordance with the provisions of Section 18551 of the Health and Safety Code and the City's current building standards and practices.
- The manufactured home shall be subject to all development standards to which a conventional single-family residence on the same parcel would be subject (see Section 17.24.260).
- The manufactured home must be owned by the property owner of record.
- The manufactured home may be precluded in an area or proposed to be listed on the National Registry of Historic Places consistent with Government Code Section 65851.3(b).

Because the City's current code requirements for manufactured housing are not consistent with State housing law, the City defers to State law when reviewing and permitting these types of units. To address this inconsistency with State law, Program HI-2(B) is included:

The City's definition of mobile homes is the same as defined in Section 18008 of the Health and Safety Code. There are two privately-owned mobile home parks in the City (owned by the same parties), with a total of 41 occupied mobile home spaces. Mobile home parks are allowed with a use permit in the R-3 and PDR zones. Similar to manufactured homes, a mobile home that is proposed to be located on an individual lot is subject to the requirements of section 17.24.091 of the Zoning Code. As noted above, Section 17.24.090 contains standards that restrict the placement of individual mobile home units to the Planned Development Residential (PDR) zone. This requirement of the Zoning Code is inconsistent with State law because mobile homes must be allowed in the same zones as stick-built residential structures (Government Code Section 65852.3). Because the City's current code requirements for individual mobile homes are not consistent with State housing law, the City defers to State law when reviewing these types of units. To address this inconsistency with State law, Program HI-2(B) has been included.

Program HI-2(B)

This program commits the City to amending the Zoning Code to allow manufactured housing and mobile homes in the same manner and in the same zones as conventional or stick-built structures are permitted. Program HI-2(B) is a continuation of 6th Cycle Program HI-1.

2.2.4 Multi-Family Housing

The City's Zoning Ordinance contains separate definitions for duplexes and triplexes, which are referred to as "Dwelling, Two-Family" and "Dwelling Three-Family," respectively. The Zoning Ordinance defines multi-family dwellings (referred to as "Dwelling, Multiple" in the definitions section of the Zoning Ordinance) as a building or portion thereof used and/or designed as a residence for four or more families living independently of each other, and

doing their own cooking in the building, including apartment houses, apartment hotels and townhouses, but not including automobile courts.

As indicated in Table 6-5 and Table 6-9, two-family dwellings are principally permitted in the R-2, R-3, MU, and O zones but are subject to the Site Plan Approval procedures. With a use permit, they are allowed in the R-1 and PDR. Three- and four-family dwellings are principally permitted in the R-3, MU, and O zones but are subject to the Site Plan Approval procedures. Three- and four-family dwellings require a use permit in the PDR, HC, RC, and SC zones. Multi-family housing (5+ units) requires a use permit in all zones that allow five or more residential units (i.e., R-3, PDR, MU, O, and HC zones).

As reviewed in 2.1.2(C) above, one potential barrier to the development of small-scale multi-family housing (i.e., four or fewer units) is the low availability of sites zoned R-2 and R-3. This constraint is addressed by Program HI-10 which commits the City to addressing the limited availability of rental and ownership housing that is affordable to the local workforce by initiating an voluntary upzoning program. Property owners will be incentivized to participate by the City offsetting the application costs to upzone eligible properties to either the R-2 or R-3 zones. Property owner participation in the program is strictly voluntary.

Additional constraints that inhibit the development and maintenance of multi-family development are the City's Site Plan Approval procedure and use permit findings discussed in sections 2.1.3(A) and 2.1.3(B) above. Program HI-4 commits the City to developing a regulatory procedure that would allow small-scale multi-family residential development to be principally permitted (by-right) without discretionary review when the proposed development complies with all applicable objective City development standards and is located outside of an environmentally sensitive areas. Program HI-10 will remove barriers to multi-family housing development and maintenance because it commits the City to undertaking regulatory and procedural improvements that increase approval certainty for residential development subject to a use permit. This program includes replacing existing subjective language in each residential and mixed use zoning district's purpose with objective language.

The PDR Zone allows multi-family housing with a use permit but some of the development standards are the same as those required in the R-1 zone or are less permissive for multi-family housing. For example, the maximum ground coverage requirement in the PDR zone is 40 percent, which is more appropriate for single-family housing and is a potential constraint to the development of multi-family housing. Most of the zones allowing multi-family housing have a maximum ground coverage standard of at least 60 percent (e.g., R-2, R-3, MU, and O Zones). The PDR zone also has separate development standards for single-family structures and "all other structures." Multi-family housing would fall under the "all other structures" category and is subject to a less permissive maximum building height (i.e., 30 feet instead of 35 feet) and less permissive setbacks (i.e., F-25 feet/ R-25 feet/S-10 feet instead of F-15 feet/R-20 percent of lot depth to a maximum of 20 feet/S-4 feet). To remove these potential constraints, the 6th Cycle Housing Element included Program HI-19 that committed the City

to the following: 1) amending the PDR zone to allow a maximum ground coverage that is similar to the other zones that allow multi-family housing (e.g., 60 percent); 2) amending the PDR zone to allow a more permissive maximum building height such as the standard allowed for single-family structures (i.e., 35 feet); and 3) amending the PDR zone to allow more permissive setbacks for multi-family housing such as those allowed in other zones permitting multi-family housing (e.g., F-15 feet/R-20 percent of lot depth to a maximum of 20 feet/S-5 feet). Above in section 2.1.2(B), additional potential PDR Zone regulatory barriers to multi-family housing are described, and Program HI-3 expands Program HI-19 to address these barriers.

Another component of 6th Cycle Program HI-19 committed the City to amending the R-2 and MU zones to remove the limitation on the number of stories in the maximum building height standard. These two zones allow multi-family housing and have a development standard that places a limitation on the number of stories a building may have in addition to the maximum building height in feet. The R-2 and MU zones have a maximum building height standard that states, “35 feet, or not exceeding two stories.” Although this standard could be open to interpretation as to whether it limits a structure to 35 feet or two stories, the intent of the standard was to limit the number of building stories to two. Thirty-five (35) feet is a height limit that would allow the development of three-story residential buildings, which can range in height from 30-40 feet depending on the design. As such, the limitation on the number of stories in the R-2 and MU zones would typically be the limiting factor for building height and is a potential constraint to the development of multi-family housing. For comparison, most of the zones allowing residential development in the City (e.g., R-1, R-3, PDR, and O) do not contain a limitation on the number of stories. Implementation of this program is in-progress as of the writing of this element update; to ensure this barrier is removed, this is being carried forward in the 7th Cycle Housing Element.

2.2.5 Condominiums and Townhomes

Condominiums describe a type of common ownership, while townhomes describe a type of use. Condominiums are permitted in the R-3 district and townhomes are permitted in the R-2 and R-3 districts. Condominiums are also allowed with the Planned Development (P-D) Combining Zone in any zone pursuant to approval of a planned development plan.

2.2.6 Mixed-Use

Mixed-use projects combine both nonresidential and residential uses on the same site. Mixed-use development can help reduce the effects of housing cost burden by increasing density and offering opportunities for reduced vehicular trips by walking, bicycling, or taking public transportation. Mixed Use residential developments are allowed in the MU, O, HC, RC, and SC zones, and in any zone with the Planned Development (P-D) Combining Zone pursuant to approval of a planned development plan.

2.2.7 Employee Housing, including Farmworker Housing

Government Code § 65583(c)(1)(C) requires the adequate provision of sites to accommodate the housing needs of farmworkers. Housing elements should ensure that

local zoning, development standards, and permitting processes comply with the Employee Housing Act, chaptered in the Health and Safety Code (HSC) §§17021.5, 17021.6, and 17021.8.

HSC § 17021.5 generally requires employee housing for six or fewer persons to be treated as a single-family structure and residential use. A jurisdiction cannot require any minor use permit, zoning variance, or other zoning clearance for this type of employee housing that is not required of a single-family dwelling of the same type in the same zone. Additionally, subdivision (b) expressly prohibits local ordinances including employee housing being included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling.

HSC § 17021.6 generally requires employee housing consisting of not more than 36 beds in group quarters or 12 units or less designed for use by a single family or household to be treated as an agricultural use in agricultural zoning districts. A jurisdiction cannot require a minor use permit, zoning variance, or other zoning clearance for this type of employee housing that is not required of any other agricultural activity in the same zone. Development applications for qualifying farmworker housing that meet specific State requirements on lands that are designated agricultural by a jurisdiction's general plan, HSC § 17021.8 requires cities and counties to process it through a faster, objective approval process, and cannot require discretionary permit. In addition to the general plan requirement, the requirements of HSC § 17021.8 include:

- The housing must be outside certain environmentally or safety-sensitive areas, such as wetlands, floodways, many high fire hazard areas, hazardous waste sites, and other protected locations.
- The housing must be operated by a certified affordable housing organization and restricted to affordable farmworker housing for at least 55 years.

HSC § 17021.8 does allow cities and counties to impose objective standards for:

- Water and wastewater service.
- Sewer connections.
- Road access.
- Parking.
- Health and safety standards for employee housing.
- Hazard mitigation requirements.

The City's Zoning Ordinance allows housing for farm employees in the Agriculture Exclusive (AE) zone. The AE zone allows a maximum of one dwelling unit per 10 acres by-right and one additional dwelling unit for each additional 10 acres (also by-right). The AE zone also specifies that such dwelling units shall be occupied by the farm and farm employees only (see Zoning Ordinance Section 17.16.020(A)(1)). Additionally, the City's Zoning Ordinance defines a "Farm Dwelling" as a dwelling on farm premises for permanent residents of the

farm, such as the owner, lessee, foreman or other whose principal employment is the operation of the farm, as distinguished from quarters for seasonal labor. Currently, there is only one property in the City that is planned for agricultural use and is zoned AE (APN 025-091-021), which is an approximately 4.5-acre parcel on the southern boundary of the City that has historically been used for crop production and grazing. This property is not included in the sites inventory in this element as a site needed to accommodate the City's share of the regional housing need. However, it is subject to HSC §§ 17021.6 and 17021.8.

As discussed above, HSC §§ 17021.5 and 17021.6 generally require agricultural employee housing to be permitted by-right, without a discretionary permit (e.g., Conditional Use Permit, Site Plan Approval, etc.), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. Additionally, Section 17021.6 requires that the permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located. For qualifying farmworker housing, HSC §17.021.8 requires the City to use a streamlined ministerial approval process with objective standards. To ensure the City's Zoning Ordinance is compliant with these sections of the Health and Safety Code, Program HI-2(H) has been included.

Program HI-2(H)

Program HI-2(H) includes specific commitments to amend the Zoning Ordinance for the following: 1) to allow agricultural employee housing for six or fewer persons by-right in the Residential One-Family (R-1) zoning district, subject to the same regulations as a single-family dwelling; 2) to allow agriculture employee housing of no more than 12 units or 36 beds as a by-right agricultural use in the Agricultural Exclusive (AE) zoning district; 3) a new agricultural employee housing development proposed on lands designated agricultural and that meets certain criteria is eligible for a streamlined, ministerial approval process and is not subject to a conditional use permit pursuant to HSC § 17021.8; and 4) amend the definition of "Farm Dwelling" in the Zoning Code to be consistent with HSC § 17026.1.

2.2.8 Emergency Shelters

In December 2022, the City adopted Ordinance 542 to meet the requirements of SB 2 (2007). Ordinance 542 is codified as part of City's Opportunity Zone (O Zone), the zoning district that permit emergency shelters as a by-right use. Currently, the Zoning Ordinance's definition chapter, § 17.08, does not include a definition of emergency shelter. Emergency shelters are described as part of the Opportunity Zone as follows:

Emergency Shelters. This use type allows housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. The shelters shall have onsite management and security shall be provided during hours when the shelter is open. Each shelter

shall be limited to a maximum of 15 beds. There shall be a separation of 300 feet between emergency shelters.

Beginning January 1, 2023, amendments to Government Code § 65583(a)(4) made by Assembly Bill 2339 (AB 2339) became effective. These amendments add additional local ordinance requirements and Housing Element analysis requirements on how cities and counties plan for emergency shelters. Table 6-10 reviews all of the statutory requirements and summarizes whether the City's existing emergency shelter regulations are compliant.¹⁰ As this analysis finds that some of the City's existing regulations do not comply with Government Code § 65583(a)(4), Program HI-2(G) carries forward the 6th Cycle Program HI-1 commitment for the preparation and adoption amendments to comply with the State law mandate for low barrier navigation centers, to include amendments to the City's emergency shelter regulations to resolve identified inconsistencies with State law.

Program HI-2(G)

The objective of the 6th Cycle Housing Element Program HI-1 is carried forward and expanded.

- The Program HI-1 commitment for the City to adopt compliant regulations for low barrier navigation centers (LBNCs), a specific type of emergency housing intervention for people experiencing homelessness, is carried forward.
- Program HI-2(G) also commits the City to amending its existing emergency shelter regulations to address the inconsistencies with State law and the constraints identified herein.

The City may elect to chapter its amended emergency shelter regulations, including those for LBNCs, either as part of Chapter 17.24, General Provisions and Exceptions, or into a new standalone chapter in Title 17.

¹⁰ Assembly Bill 2339 – Legislation Effective January 1, 2023: Housing Element: Emergency Shelters, December 29, 2022, prepared HCD, <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

**Table 6-10 – Compliance Review of Compliance with Government Code § 65583(a)(4)
Regulations for Emergency Shelters**

Gov't Code § 65583(a)(4)(B) Topic	Does the City have an adopted standard? If yes, the standard.	Compliant?
Expands the definition of “emergency shelters” to include other interim interventions, including but not limited to, navigation centers, bridge housing, and respite or recuperative care.	Yes. Defined as part of Opportunity Zone (§ 17.16.111(B.8))	No. AB 2339 expands the definition of “emergency shelters” to include other interim interventions, including but not limited to, navigation centers, bridge housing, and respite or recuperative care.
Emergency shelters shall only be subject to the following written, objective standards:		It is noted that the O zone contains other performance standards that are not intended to apply to emergency shelters, and are intended to protect occupants from impacts associated other commercial and light industrial uses allowed in the O zone. However, this intent is not clearly communicated as the regulations are currently structured and written. Therefore, as part of Program HI-2(G), it is recommended that the Zoning Ordinance be amended to remove this ambiguity and potential constraint.
(i) The maximum number of beds or persons permitted to be served nightly by the facility.	Yes. 15 beds per shelter	No. The analysis in Chapter 7 demonstrates there is an approximately 19,000 square foot area on APN 025-201-023, which is adequate to accommodate the City emergency shelter need for 42 individuals. However, the existing 15-bed limit impedes emergency shelter planning to meet the need identified in the 2024 Point In Time Count. Therefore, the bed limit is a constraint.
(ii) Sufficient parking to accommodate all staff working	No explicit standard	No. The O zone’s Parking and Loading standards cross-reference BLZO sections 17.24.100 and

Gov't Code § 65583(a)(4)(B) Topic	Does the City have an adopted standard? If yes, the standard.	Compliant?
in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone.		17.24.230. Section 17.24.100 is a schedule of off-street parking requirements based on the use and intensity of use. Currently, the schedule does not contain a parking standard specific for emergency shelters. The absence of a standard creates ambiguity and subjectivity as to the application of the appropriate standard. The absence of a specific standard creates the potential for personal interpretation and judgement that potentially could result off-street parking requirements in excess of all the staff working in the emergency shelter. As such, the existing regulations are inconsistent with subparagraph (ii) of GC § 65583(a)(4)(B).
(iii) The size and location of exterior and interior onsite waiting and client intake areas.	Yes, regulated by the O Zone's building height limit, setbacks, and lot coverage.	Yes. As analyzed in Chapter 7, the City has adequate area to develop emergency shelters to accommodate the 2024 Point In Time Count estimated unhoused population for Blue Lake.
(iv) The provision of onsite management.	Yes. "The shelters shall have onsite management and security shall be provided during hours when the shelter is open."	Yes.
(v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.	Yes, 300 feet separation between shelters	Yes. The analysis in Chapter 7 demonstrates that there is an approximately 19,000-square-foot area on APN 025-201-023 to meet the City's emergency shelter needs for the 2024 Point In Time Count estimated unhoused population for Blue Lake.
(vi) The length of stay.	Yes, 6 months or less	Yes.
(vii) Lighting.	Yes. Detailed in O zone performance standards	No. Some of the existing O Zone lighting performance standards are subjective.
(viii) Security during hours that the emergency shelter is in operation.	Yes, shelters shall have onsite security during hours when the shelter is open.	Yes.

Gov't Code § 65583(a)(4)(B) Topic	Does the City have an adopted standard? If yes, the standard.	Compliant?
The permit processing, development, and management standards applied shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act	Yes. To the extent required by Government Code Section 65583(a)(4), emergency shelters shall be allowed as a permitted use without a conditional use or other discretionary permit.	Yes

2.2.9 Single Room Occupancy

Single room occupancy units (SROs) are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and a bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other. SROs are often the most appropriate type of housing for extremely low-income persons.

2.2.10 Transitional and Supportive Housing

Transitional housing is a type of housing used to facilitate the movement of individuals and families experiencing homelessness to permanent housing. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments, and typically offers case management and support services to help people return to independent living (often six months to two years).

Supportive housing is defined by Government Code § 65582 as housing with no limit of stay, that is occupied by a target population, and is linked with on- or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. The target population is defined by Government Code § 65582 as persons with low incomes who have one or more disabilities including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or an individual eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 [commencing with Section 4500] of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments.

State law (Government Code § 65583(c)(3)) requires both transitional and supportive housing to be explicitly permitted in the City's Zoning Ordinance, considered a residential use of property, and subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. There are currently no specific definitions for these housing types in the City's Zoning Ordinance, and they are not included under the definitions of single-family or multi-family housing. Because the BLZO does not comply with these provisions, it is the City's practice to directly apply the requirements of State law when reviewing and permitting these types of units.

Program HI-2(D)

This program commits the City to amending the Zoning Ordinance to amending the Zoning Ordinance to resolve the inconsistencies with State law identified above, and to permit transitional and supportive housing as permitted uses

subject to only the same restrictions on residential uses contained in the same type of structure.

2.2.11 Supportive Housing Developments

In 2018, AB 2160 was signed into law and added Article 11 “Supportive Housing”, commencing at Section 65650, to Chapter 3, Division 1, Title 7 of the Government Code. AB 2160 applies to a narrowly defined group of housing developments and complements existing law for supportive housing discussed above. AB 2160 mandates that cities and counties allow qualifying supportive housing developments by-right, provide a ministerial approval process, and remove the requirement for CEQA analysis and for a CUP or other similar discretionary entitlements. More specifically, the new law obligates jurisdictions to permit qualifying supportive housing developments as by-right in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multi-family uses, when the proposed housing development meets all the requirements. For a housing development to be eligible as a by-right supportive housing development it must meet all the following:

- Units within the development are subject to a recorded affordability restriction for 55 years.
- 100 percent of the units, excluding managers’ units, within the development are restricted to lower income households and are or will be receiving public funding to ensure affordability of the housing to lower income Californians. For purposes of this paragraph, “lower income households” has the same meaning as defined in Section 50079.5 of the Health and Safety Code. The rents in the development shall be set at an amount consistent with the rent limits stipulated by the public program providing financing for the development.
- At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers’ units, in the development shall be restricted to residents in supportive housing.
- The target population of the supportive housing units are persons and families who have experienced homelessness.
- The developer provides the planning agency with plan for providing supportive services, with documentation demonstrating that supportive services will be provided onsite to residents in the project, and contains all of the information required by Section 65652.
- Nonresidential floor area shall be used for onsite supportive services in the following amounts:
 - For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services.
 - For a development with more than 20 units, at least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are

limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

- The developer replaces any dwelling units on the site of the supportive housing development in the manner provided in paragraph (3) of subdivision (c) of Section 65915.
- Units within the development, excluding managers' units, include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.

Jurisdictions may require supportive housing developments to comply with written, objective development standards but only to the extent that the objective standards apply to other multi-family developments within the same zone. The number of by-right supportive housing units in a qualifying development is limited to 50 units for cities with populations of less than 200,000 and a population of less than 1,500 persons experiencing homelessness, according to the most recent Point in Time Count.

Program HI-2(F)

This program commits the City to amending the Zoning Ordinance to comply with the requirements of Government Code § 65650 et seq.

2.3 Constraints to Housing for Persons with Disabilities

As part of a governmental constraints analysis, housing elements must analyze constraints upon the development, maintenance, and improvement of housing for persons with disabilities. Both the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications) in their zoning laws and other land use regulations when such accommodations may be necessary to afford persons with a disability an equal opportunity to use and enjoy a dwelling. The Zoning Ordinance, permitting procedures, development standards, and building codes were reviewed to identify potential constraints for housing for persons with disabilities. It is the City's practice to comply with State law, where the Zoning Ordinance is unclear by applying State law directly when reviewing applications for housing for persons with disabilities. The City's current regulations regarding housing for persons with disabilities are described below.

2.3.1 Definition of a Family

A restrictive definition of "family" that limits the number of and differentiates between related and unrelated individuals living together may be discriminatory by illegally limiting the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated. The City's current definition of family places limitations on the number of unrelated persons, which could potentially pose a constraint on housing choice for persons with disabilities. The City's current definition is:

“Family” means one person living alone; two or more persons related by blood, marriage or legal adoption; a group not in excess of five unrelated persons living together as a single housekeeping unit; and in addition thereto domestic employees”.

To remove the City’s limit on the number of unrelated persons residing in the home, Program HI-2(l) commits the City to updating the definition of family to a barrier-free definition that removes a potential constraint on group home facilities that do not require a State license.

2.3.2 Zoning Ordinance Definitions Relevant for Group Care Homes

Group homes are an important housing type for persons with disabilities. Like many other small rural jurisdictions, the City’s Zoning Ordinance contemplates group homes in the context of licensed residential care facilities that provide 24-hour non-medical care of unrelated persons who have a disability and are in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment, such as a nursing home. The BLZO does not currently expressly define group care homes or residential care facilities. However, the Definitions chapter (17.08) defines nursing homes and boarding house, both of which may be interpreted to be inclusive of residential care facilities and group homes:

Nursing homes: A structure operated as a lodging house in which nursing, dietary, and other personal services are rendered to convalescents, invalids, or aged persons, not including persons suffering from contagious or mental diseases, alcoholism, or drug addiction, and in which surgery is not performed and primary treatment, such as customarily is given in hospitals or sanitariums, is not provided. A convalescent home or a rest home shall be deemed a nursing home.

Boarding House: A dwelling, other than a hotel, wherein lodging and/or meals for four or more persons is provided for compensation.

The current definition of nursing homes is narrow and excludes certain categories of individuals on the basis of a disability, e.g., “not including persons suffering from...mental diseases, alcoholism, or drug addiction”. This definition is inconsistent with State and federal law. Program HI-2(l) addresses this actual barrier by committing the City to amending its Zoning Ordinance to address this barrier.

The definition of a boarding house may be interpreted to include a group home, and that is the City’s current practice. However, it may also be interpreted to be a type of transient lodging (e.g., bed and breakfast); this ambiguity may create uncertainty when reviewing and permitting a group home.

The 6th Cycle Housing Element indicated that the Zoning Ordinance’s definition of rooming houses may be interpreted to include group homes. While a rooming house is housing shared by unrelated persons, the rooming house living arrangement, by definition,

stipulates that the people residing in the home agree to a specific rent for a specific space. It is likely that this living arrangement would be considered to be a single housekeeping unit pursuant to HCD's December 2022 Group Home Advisory. Therefore, rooming houses are unlikely to constitute a group home.¹¹

The City finds the existing definitions to be ambiguous and inconsistent with HCD's December 2022 Group Home Technical Assistance memo. Program HI-2(I) commits the City to amending the Zoning Ordinance to include a definition of group homes that is consistent with State law.

2.3.3 Zones Permitting Group Care Homes

In accordance with State law, the City must allow group facilities for six persons or less in any area zoned for residential use, and may not require licensed residential care facilities for six or less individuals to obtain conditional use permits or variances that are not required of other family dwellings. The Zoning Ordinance does not explicitly state that group homes for six or fewer are allowed in all residential and mixed use zones. However, State law requires group care facilities for six and fewer individuals are allowed by right in all zones allowing residential development. To avoid ambiguity, Program HI-2(I) commits the City to amending the Zoning Ordinance to explicitly state that group homes of six or fewer, regardless of State licensing, are to be allowed by-right in all zones allowing residential uses, and subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to residential uses of the same type allowed in the zone.

As stated throughout this chapter, it is the City's practice to comply with State law due to the inconsistency with the BLZO with current housing law. The City does not receive regular queries about siting group care homes for seven or more. While the Zoning Ordinance does not have modern group care home regulations, the regulations for boarding houses are consulted, or State law is applied directly. Group care homes for seven or more individuals are not a by-right use in any zones at this time due to the restrictive definition of family reviewed above. The Zoning Ordinance allows rest homes (which include nursing homes and convalescent homes) in the R-1, PDR, and RC zones with a conditional use permit. Boarding houses are allowed in the R-1, R-2, PDR, and HC zones with a conditional use permit. The Zoning Ordinance does not contain a limit on the number of these housing types that may be in an area of the City. Additionally, these housing types must comply with the same site planning requirements that are applicable to other residential uses in the same zone.

While the Zoning Ordinance does not have limitations on housing intended for persons with disabilities, it does not meet current legal requirements. This may lead to inappropriate application of outdated regulations and ambiguity and uncertainty for the City, the public,

¹¹ A rooming house is defined as "A dwelling or structure occupied by four or more persons who have agreed to pay a specific rent for a specific space as distinguished from guests subject to innkeeper's liability". Group Home Technical Advisory, HCD, 2019, pg. 5

and decision-makers. Program HI-2(I) commits the City to amending the Zoning Ordinance to be consistent with State law.

2.3.4 Reasonable Accommodation Procedures

The City's Zoning Ordinance does not have a reasonable accommodation procedure. Program HI-2(I) commits the City to establishing administrative reasonable accommodation procedures for both individuals with disabilities and providers of housing for persons with disabilities. Nonetheless, the City's Zoning Ordinance facilitates access for persons with disabilities by allowing uncovered porches, fire escapes, landing places, and ramps to extend into setbacks. With the amendments proposed as part of Program HI-2(I), the City's Zoning Ordinance would not constrain the development, maintenance, improvement, or alteration of housing for persons with disabilities.

Program HI-2(I)

To remove potential constraints related to housing for persons with disabilities, this program commits the City to the following:

- 1) Amend the Zoning Ordinance definition of "family." The amendments shall not overly scrutinize living arrangements, require that residents be related by blood, marriage, or adoption, or impose a zoning limit on the number of unrelated people (e.g., "One or more persons living together in a dwelling unit") to ensure they are consistent with State housing law. In preparing the amendments, it is recommended that the City consult the Department of Housing and Community Development (HCD) Group Home Technical Advisory published December 2022.
- 2) Amend the Zoning Ordinance to provide a definition of group care homes that is consistent with State and federal law.
- 3) Amend the Zoning Ordinance to allow for group care homes with six or fewer persons, regardless of licensing, by-right in all residential zones and mixed use zones and subject only to the same restrictions applicable to other residential uses in that zone.
- 4) Amend the Zoning Ordinance to not inappropriately require that all group homes that provide services to more than 6 residents, regardless of licensing, that operate as single family residences, to obtain a use permit, site plan approval, or other special approvals to locate in any zones allowing single family units.¹²
- 5) Establish administrative reasonable accommodation procedures for both individuals with disabilities and providers of housing for persons with disabilities that are consistent with State and federal law.

¹² <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>, accessed June 11, 2026.

Implementation of Program HI-2(I) will update the City's Zoning regulations and remove existing regulatory barriers to the development and operation of group homes in the City.

2.3.5 Building Codes

The City enforces the current California Building Standards Code provisions that govern the accessibility and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multi-family buildings without elevators consisting of three or more rental units or four or more condominium units subject to the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- At least one powder room or bathroom shall be located on the primary entry level served by an accessible route.
- All rooms or spaces located on the primary entry level shall be served by an accessible route. Rooms and spaces located on the primary entry level and subject to this chapter may include, but are not limited to, kitchens, powder rooms, bathrooms, living rooms, bedrooms, or hallways.
- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces is required.

2.3.6 Typical Densities for Development

As presented in Table 6-5 above, the maximum residential density in the City ranges from 1 unit per 2,000 square feet (21.78 units per acre or 22 units per acre when rounded up) to 1 unit per 6,000 square feet (7.26 units per acre or 8 units per acre when rounded up). While the O zone allows 1-bedroom units at a density of 1 unit per 1,250 square feet (38.84 units per acre), only eight 1- bedroom units per parcel are allowed by right.

During the 6th Cycle, the City did not receive property owner or developer requests to develop housing at densities below the identified realistic capacity of the adopted sites inventory. Consequently, the City does not find this to be a hinderance to the housing production to meet the City's RHNA.

2.3.7 Nonconforming Lots, Structures, and Uses

Zoning Ordinance section 17.24.210 recognizes and allows the development of legally created lots even if they may be nonconforming with respect to the area, frontage, width, or depth of the zone. The City's regulations for nonconforming lots does not present actual or potential constraints to development of housing.

Nonconforming uses and buildings are regulated by section 17.28.060 of the Zoning Ordinance, and are defined as "The lawful use of lands or buildings existing on the effective date of the application of these regulations to the subject property, although such use does

not conform to the regulation applied to such subject property, may be continued...”. Section 65852.25 of the Government Code restricts jurisdictions from enacting ordinances that prohibit the reconstruction, restoration, or rebuilding of a multi-family dwelling that is involuntarily damaged or destroyed by fire, other catastrophic event, or the public enemy. Subsection B of 17.28.060 is inconsistent with Government Code § 65852.25:

If any such use or building, after the effective date of the application of these regulations to the subject property is destroyed to the extent of 60% or more, then the subject property shall become subject to the regulations applicable to the subject property, and any subsequent use or buildings shall be in accordance with such regulations.

Subsection B. is inconsistent with State law because it would prohibit a property owner of a nonconforming multi-family from rebuilding if destroyed. For example, there is a fourplex located at the northeast corner of Greenwood Road and B Street. The property is approximately 7,840 square feet in size, and is in the R-1 zone. If the fourplex were destroyed in an earthquake or fire, it could not be reconstructed because fourplexes are not permitted in the R-1 zone. At best, a duplex could be built with an approved use permit. In addition, subsection C’s interruption standard does not support or encourage rehabilitation or reconstruction of a nonconforming multi-family building:

Any interruption of any nonconforming use, or the use of a nonconforming building which continues for six months or more, shall be deemed to be an abandonment of such use, and subsequent use or buildings shall be in accordance with the regulations applicable to the subject property.

Program HI-2(J)

This program commits the City to amending its nonconforming provisions to address the inconsistency with State law and to support the rehabilitation and reconstruction of nonconforming multi-family buildings.

Conclusion

A review of the City’s Zoning Ordinance found it does not encourage a diversity of housing, especially for multi-family housing and housing types that can typically be more affordable to the local workforce and for individuals and households on the lower end of the income spectrum. The Zoning Ordinance contains development standards that emphasize aesthetics and compatibility. However, it does not provide a road map to help property owners understand the community’s priorities for aesthetics and compatibility. This results in potential regulatory barriers for nearly all types of housing across all income spectrums.

In sum, the Zoning Ordinances imposes barriers due to:

- Inconsistencies with State law and internal inconsistencies within the Zoning Ordinance itself.
- Subjective and vague design guidelines
- Code compliant projects can electively be subject to advisory design review.
- While there are zones that principally permit residential development, the Site Plan Approval procedures effectively subject principally permitted development to discretionary review.
- The land use controls that have the greatest effect on the supply of housing, especially multi-family development, and are the requirements for conditional use permits and Site Plan Approval. The requirements for discretionary approvals for most residential development increases preconstruction time and costs while reducing approval certainty.

To address the existing regulatory constraints to the development of a variety of housing types and tenures, several housing programs commit the City to amending its land use regulations to remove these constraints.

2.4 Codes and Enforcement

Pursuant to Blue Lake Municipal Code section 15.04.010, the City has adopted the California Building Standards Code, Title 24. Furthermore, all amendments and revisions to the California Building Standards Code, Title 24, California Code of Regulations, are automatically adopted by reference, and are effective 180 days after publication in the State Building Standards Code by the State Building Standards Commission in accordance with Municipal Code section 15.04.020. The City has not adopted any additional regulations or amendments that would hinder or add cost to residential development. In this way, dwellings can be constructed in compliance with the minimum state building code, without any additional City-imposed regulations or costs. The City encourages voluntary compliance with the code. On those occasions where it becomes known that construction is being done without a permit, the City makes an effort to bring the structure into compliance with the code to ensure the health and safety of present and future occupants. In addition, the City may investigate violations of the building code on a complaint basis. It is the City's current practice to allow for complaints to be filed anonymously.

2.5 Water and Sewer Priority

The City of Blue Lake is the sole provider of water and sewer service within the City. The City does not have policies or procedures, written or otherwise, that would prevent any level of income unit from connecting to sewer and water services. Government Code Section 65589.7(a) requires cities to deliver their adopted housing elements to the water and sewer providers which are to grant priority for service connections to proposed developments that include units affordable to lower-income households. Program HI-7(A) commits the City to internal distributing the adopted Housing Element and to establishing a written procedure

to grant priority for water and sewer allocations to proposed developments that include units affordable in accordance with subparagraph (b) of Government Code § 65589.7.

Program HI-7(A)

This program includes the following commitments:

- 1) the Planning Department will distribute the 7th Cycle Housing Element to the City Engineer and the Department of Public Works within 30 days of adoption, along with a summary of its Regional Housing Needs Allocation.
- 2) The City will establish a written policy with procedures to prioritize water and sewer connections for housing developments that include lower income units, to be completed within three years of adoption of the 7th Cycle Housing Element.

2.6 On- and Off-Site Improvements

Title 16 of the City's Municipal Code contains the standards for subdivisions, which requires a number of improvements in connection with the approval of subdivision maps. These include improvements to the frontage of the lot, stormwater management improvements, access improvements, and any required utility connections and improvements required to underground those utilities in most circumstances. The following are the general improvement requirements contained in Chapter 16.08 (Improvement Requirements) of the City's Subdivision Code:

- A. The subdivider shall install improvements in accordance with the general requirements set forth in the subdivision agreement and this chapter, provided that the City Engineer may require technical changes if non-standard conditions arise during construction.
- B. Inundation. If any portion of any land, within the boundaries shown on any such final map, is subject to overflow, inundation or flood hazard by storm waters, such fact and said portion shall be clearly shown on such final map on each sheet of said map and further adequate storm drain system and/or levees, dikes, pumping systems and other protective infrastructure shall be provided. All developments shall comply with Chapter 13.20 of the City of Blue Lake Municipal Code, as amended.
- C. Streets and Highways. Design standards shall be based upon current Caltrans plans and specifications, AASHTO standards, City standards, and APWA standards, as approved by the City Engineer.
- D. Structures. Structures shall be installed as deemed necessary by the City Engineer for drainage, access and/or public safety. Such structures to be placed to grades and to be of a design approved by the City Engineer. Structures supporting traffic shall be designed to accommodate H-20 loading.
- E. Sidewalks, Curbs and Gutters. Curbs, gutters and sidewalks shall be of concrete and shall be installed according to standard plans and specifications of the City.

Sidewalk width shall be as provided in Chapter 15.08 of the City of Blue Lake Municipal Code, as it is amended from time to time.

- F. Sanitary Sewers. Sanitary sewer lines and appurtenances, including manholes, pump stations, and service lines, shall be provided within all subdivisions and shall connect with existing sewer lines and appurtenances. Where a sewer line is constructed or laid within a street, the subdivider shall install a lateral connection extending to the right-of-way line to serve each lot within the subdivision. Sanitary sewer lines, appurtenances, and service connections shall be constructed of a size, design, and laid to grades established and/or accepted by the City Engineer.

1. Where sanitary sewers are not available immediately adjacent to the proposed subdivision, or where pretreatment wastewater facilities are required as part of the development, connection to the City's sanitary sewer system shall be made in accordance with current policies as adopted by the City Council and Chapter 13.16 of the City of Blue Lake Municipal Code, all as amended.
2. All pumping systems, including drainage pumps, shall be designed in accordance with City standards and shall include both an economic analysis of the cost of operation of such system, and the source of financing for the operation of such system, and all shall be approved by the City Engineer.

G. Drainage Works.

1. The subdivider shall provide such drainage structures, including storm sewers, drainage channels and drainage pumps, as may be necessary for adequate drainage of surface and storm waters, and further including means for the disposal of surface and storm waters generated by the subdivision. Disposal of surface and storm waters into drainage wells or sewer lines shall not be permitted. Drainage facilities shall be installed as required by the City Engineer.
2. All pumping systems, including drainage pumps, shall be designed in accordance with City standards and shall include both an economic analysis of the cost of operation of such system, and the source of financing for the operation of such system, and all shall be approved by the City Engineer.

H. Water.

1. Adequate water supply and distribution system, water mains and fire hydrants connected to the water system serving the City of Blue Lake shall be installed by the subdivider. Where further development appears probable beyond the proposed subdivision, the subdivider may be required to install larger water mains to handle such additional development. Where additional storage facilities or pumps are required to serve the development, the developer may be required to have such facilities constructed. All development shall conform with Chapter 13.08 of the City of Blue Lake Municipal Code, as amended.
2. All pumping systems, including drainage pumps, shall be designed in accordance with City standards and shall include both an economic analysis

of the cost of operation of such system, and the source of financing for the operation of such system, and all shall be submitted to the City Engineer.

3. A detailed computer analysis shall be submitted to the City Engineer which identifies the impacts upon the existing City system in the areas of distribution, storage supply, and water quality, unless waived by the City Engineer.
- I. Street Trees. Street trees may be required by the Planning Commission and shall be of a type approved by the City Engineer and planted in locations approved by the City Engineer.
- J. Street Lighting. Street lighting shall be as required by the Planning Commission and shall meet current City standard plans and specifications.
- K. Railroad Crossings. Provisions shall be made for any and all railroad crossings necessary to provide access to or circulation within the proposed subdivision, including the preparation of all documents necessary for application to the current railroad owner for the establishment and improvement of such crossings. The cost of such railroad crossing improvement shall be borne by the subdivider, and shall be designed and built consistent with current California State Public Utilities Commission requirements and standards.
- L. Complete Improvement Plan. Three complete sets of improvement plans “as built” shall be filed with the Director of Public Works upon completion of said improvements. The three complete sets of plans shall be comprised of one reproducible set and two sets or blueprints. Upon receipt and acceptance of said “as-built” plans, the City Engineer will issue a certificate of acceptance when all requirements of the City are met.
- M. Underground Utilities Required.
 1. All utility distribution facilities, including but not limited to electric, communication and cable television lines, fire alarm systems, installed in and for the purpose of supplying service to any subdivision, shall be placed underground, except for equipment appurtenant to underground facilities, such as surface-mounted transformers, pedestal-mounted terminal boxes and meter cabinets, concealed ducts and poles supporting street lights.
 2. All underground installation under roadway shall be completed prior to the paving of the roadway.
 3. Public and private utility easements shall be provided by the subdivider as required. The subdivider shall make the necessary arrangements with the utility companies involved for the installation of said facilities.

The subdivision improvements required by the City of Blue Lake are relatively rudimentary and are comparable to the improvement standards required by the County and other local jurisdictions. Since these improvements are typically required by most jurisdictions for subdivisions and are necessary for public health and safety purposes, these requirements should not be considered a constraint on new housing development.

3.0 Analysis of Nongovernmental Constraints

This section identifies and analyzes constraints that are not under the direct control of the government. Potential nongovernmental constraints that affect the cost of developing land for housing include land costs, construction costs, and the availability and cost of financing. Additionally, the business decisions of individuals and organizations in home building, finance, real estate, and rental housing also affect housing cost and availability. These interrelated factors may constrain the ability of the private and public sectors to provide adequate housing that meets the needs of all economic segments of the community.¹³

3.1 Land Costs

The cost of raw, developable land creates a direct impact on the cost for a new home and is considered a possible constraint. A higher cost of land raises the price of a new home. Land prices are determined by numerous factors, most important of which are land availability and permitted development densities. As land becomes less available, the price of land increases. Developers often seek City approval for the maximum allowed densities per parcel of land.

According to online listings from Zillow.com in July 2026, four vacant parcels are currently listed for sale in Blue Lake. A further three parcels have been sold since 2024. Asking prices for lots sold or listed since 2024 ranged from \$2.25 to \$10.62 per square foot or \$125,000 to \$589,000 per lot. This provides an average of \$6.30 per square foot or \$274,520 per acre. The prices of land vary depending on a number of factors, including size, location, the number of units allowed on the property, and access to utilities.

Table 6-11 – Vacant Land Costs

For Sale or Sold	Lot Size in Sq. Ft.	Price	Price per Sq. Ft.
For Sale	17,424	\$175,000	\$10.04
For Sale	65,340	\$350,000	\$5.36
For Sale	17,424	\$185,000	\$10.62
For Sale	32,670	\$225,000	\$6.89
For Sale	206,039	\$589,000	\$2.86
Sold	60,113	\$135,000	\$2.25
Sold	20,473	\$125,000	\$6.11
Sold	17,424	\$175,000	\$10.04

Source: Zillow.com, accessed July 2026

¹³ The environmental conditions may also constrain and limit property development and affect the cost of development. Blue Lake's environmental conditions are programmatically reviewed in Chapter 7.

3.2 Construction and Labor Costs

Factors that affect the cost of building a house include the type of construction, materials, site conditions, finishing details, amenities, and structural configuration. They are also influenced by market demands and market-based changes in the cost of materials.

Buildora IQHome is an internet-based home construction estimating platform.¹⁴ Buildora IQHome estimates the cost to construct a 1,800 square foot entry-level single-family home in Humboldt County to range from \$243 to \$311 per square foot, or \$435,000 to \$560,000, excluding land costs (as of July 2026). A mid-range 2,400 square foot single-family home is estimated to be approximately \$220 to \$380 per square foot, or \$530,000 and \$910,000, excluding land costs as of July 2026.

Information from a nonprofit developer that has developed affordable multi-family housing projects in the region estimates that the cost to construct and operate a subsidized affordable multi-family housing project, including soft costs, is about \$482 per square foot as of July 2026 (excluding land costs).

A reduction in amenities and the quality of building materials can result in lower construction costs and lower purchase prices. Per-unit costs also decline with the size of the project, as developers benefit from economies of scale and are able to produce housing at a lower per-unit cost. High labor or material costs could substantially increase the cost of construction in the City to a level that impacts the price of new construction and rehabilitation. Therefore, increased construction costs have the potential to constrain new housing construction and rehabilitation of existing housing.

3.3 Availability of Financing

The cost of borrowing to finance housing construction or house purchases affects the amount of housing available across all income levels in Blue Lake. Higher interest rates increase a homebuyer's monthly payment and decrease the range of housing that a household can afford. Lower interest rates result in lower costs and lower monthly payments for the homebuyer. When interest rates rise, the market typically compensates by decreasing housing prices. Similarly, when interest rates decrease, housing prices begin to rise. There is often a lag in the market, causing housing prices to remain high when interest rates rise until the market catches up. Lower-income households often find it most difficult to purchase a home during this time period. As shown in Figure 2 mortgage rates reached a ten-year low of 2.65% in January 2021. Since then, average rates for 30-fixed rate mortgages have been increasing, while fluctuating, have been greater than 5.0% beginning in 2022 and mostly above 6.0%, peaking during the reporting period in November 2023 at 7.76%.

¹⁴ <https://buildoraiq.com/cost-to-build-home/humboldt-county-ca>, accessed July 10, 2026.

Figure 2 - 30-Year Fixed Rate Mortgage Average in the U.S, 2017 to 2026.¹⁵

Adjustment rate mortgages (ARMs) and graduated payment mortgages (GPMs) are mortgage alternatives to the conventional 30-year fixed-rate mortgage. These types of loans allow homeowners to take advantage of lower initial interest rates and payments to qualify for larger home loans. However, ARMs are not ideal for low- and moderate-income households living on tight budgets, given the risk that monthly housing costs could exceed their financial means. The availability of variable-rate mortgages has declined since the Great Recession due to increased regulation of housing lending markets. A GPM is a type of fixed-rate mortgage with the monthly payments increasing gradually from an initially low base level to a higher final level.¹⁶ GPMs may be a negative amortization loan because the borrower's payments are less than the interest charged on the note. This payment structure creates deferred interest, which adds to the total principal of the loan.¹³ The Federal Home Administration (FHA) offers GPM loans for homebuyers who currently have low to moderate incomes but expect them to increase substantially over the next 5 to 10 years.¹⁷ A key risk associated with GPM loans is the borrower's income growth may not match the GPM's payment structure, risking borrower default. While there are other alternative lending instruments that may give moderate- and lower-income households opportunity to purchase, the fixed-interest-rate mortgage remains the preferred type of loan, especially during periods of low, stable interest rates.

Table 6-12 presents interest rates as of July 2026 sourced from Wells Fargo. The table presents both the interest rate and annual percentage rate (APR) for different types of home

¹⁵ Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, accessed July 9, 2026.

¹⁶ <https://www.investopedia.com/terms/g/graduatedpaymentmortgage.asp>, accessed July 9, 2026.

¹⁷ https://www.fha.com/graduated_payment, accessed July 9, 2026.

loans. The interest rate is the percentage of an amount of money which is paid for its use for a specified time, and the APR is the yearly percentage rate that expresses the total finance charge on a loan over its entire term. The APR includes the interest rate, fees, points, and mortgage insurance and is therefore a more complete measure of a loan's cost than the interest rate alone. However, the loan's interest rate, not its APR, is used to calculate the monthly principal and interest payment.

Table 6-12 – Interest Rates

Conforming Loan Type	Interest Rate	APR
30-year fixed	6.625%	6.854%
15-year fixed	5.875%	6.222%
7/6-month adjustable rate*	6.250%	6.522%

Source: [Wells Fargo](#), July 2026.

* Fixed rate and payments for the first 7 years, then the rate adjusts periodically.

To reduce financial impediments to the construction of new housing, for the 6th cycle planning period, the City of Blue Lake.

3.4 Other Nongovernmental Constraints Upon the Maintenance, Improvement, or Development of Housing for All Income Levels

The preceding sections reviewed the costs of land, labor and materials, and financing as a constraint. The following paragraphs review other types of potential and actual nongovernment constraints that may hinder the maintenance, improvement, or development of housing for all income levels in accordance with subparagraph (a)(6) of Government Code Section 65583.

Access to housing opportunities can be dependent on interpersonal relationships. In communities such as Blue Lake where there is limited housing supply and low housing turnover, housing opportunities are often shared through informal social networks before they reach the broader market. In the 2026 Housing Element Community Survey for Blue Lake, responses suggest that the limited housing supply in Blue Lake has created a perception that obtaining housing often depends on having an "in", whether through family members, friends, employers, or other personal connections. Survey respondents described difficulty finding available homes and rental units and expressed frustration that opportunities are scarce, particularly for first-time homebuyers, young families, local workers, and individuals without established ties to the community. Several comments indicated that residents would like to remain in or move to Blue Lake but have been unable to secure housing due to the lack of available options. Collectively, these responses suggest that when housing opportunities are infrequent, they are often communicated through informal networks before becoming broadly available, making it more difficult for newcomers or those without local connections to access housing. While there is no

evidence that housing providers intentionally limit access based on personal relationships, the survey indicates that the constrained housing market has fostered a perception that social connections are often necessary to identify or secure available housing. This dynamic may disproportionately affect young adults seeking to establish independent households, employees relocating to the area, and individuals and households without existing community networks.

The City believes the analysis above in combination with the programs outlined above (see Chapter 4 for further detail) will reduce potential and actual nongovernment constraints that may hinder the maintenance, improvement, or development of housing for all income levels