



City of Dana Point General Plan 2006–2014 Housing Element

Adopted by the City Council June 8, 2009

Acknowledgements

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Executive Summary

Community Profile

From its beginnings as a resort community by the sea, Dana Point has always prided itself on its beach lifestyle, quality neighborhoods, and expansive views. After extensive growth and incorporation, the City now consists of 4,134 acres, of which 1,993 are in the coastal zone. At buildout, nearly 40,000 residents are expected to call Dana Point home and live in just over 16,000 units. The City is nearly built out and is expected to add growth through the development of its few remaining vacant acres and reuse of underutilized lands.

Dwelling units within the City vary considerably in size from small apartments of 400 to 500 square feet to large single-family homes exceeding 5,000 square feet. Existing and new home prices in Dana Point are out of reach for lower and moderate income households, and above moderate income households may also be priced out of larger homes. In a built-out coastal community such as Dana Point, where undeveloped land is rare and valued much higher than in inland communities, the downturn of the housing market has not softened prices to the point of broad affordability.

The 2000 Census reported an existing median home value of \$381,400 in Dana Point and new homes constructed between 1998 and 2005 were largely sold at prices exceeding \$500,000. For new homes sold since 2005, the median sales price reached over \$1 million. For renters, housing is more affordable, although the majority still see monthly rents in excess of \$1,500. As a result, affordable housing remains a unique challenge that must be addressed at a citywide level in the context of the General Plan.

Purpose of the Housing Element

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy relative to the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making, and sets forth an action program to implement housing goals for the state-designated planning period: January 1, 2006, through June 30, 2014. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family," as well as an expression of the concern of Dana Point residents for the attainment of a suitable living environment for every Dana Point household.

The City's housing strategy is based on a comprehensive evaluation of existing housing programs and policies; an assessment of the City's population, economic, and housing characteristics; and a discussion of the physical and regulatory resources and constraints for housing production.

The Housing Element has been designed to address key housing issues in the City. These issues include the provision of a mix and balance of housing types and costs to meet the needs of all segments of the community while enhancing and preserving the community's character, provision of affordable housing for special needs groups in the community, and the maintenance of the existing affordable housing stock. The Housing Element has also been designed to meet the legislative requirements of Housing Element law.

Regional Housing Needs Assessment

California’s Housing Element law requires that each city and county develop local housing programs designed to meet its “fair share” of existing and future housing needs for all income groups. This effort is coordinated by the jurisdiction’s Council of Governments when preparing the state-mandated Housing Element of its General Plan. This “fair share” allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but for all households who might reasonably be expected to reside within the jurisdiction, particularly lower income households.

The “fair share” allocation process begins with the State Department of Finance’s projection of total statewide housing demand, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the state’s official regions. The City of Dana Point is located in the six-county Southern California region, which includes Orange, Los Angeles, Riverside, San Bernardino, Ventura, and Imperial Counties. The agency responsible for assigning fair share targets to each jurisdiction in this region is the Southern California Association of Governments (SCAG). In this Regional Housing Needs Assessment (RHNA) cycle, SCAG delegated the responsibility for disaggregating housing needs for Orange County jurisdictions to the Orange County Council of Governments (OCCOG).

A local jurisdiction’s “fair share” of regional housing need is estimated in terms of four factors:

- The number of units needed to accommodate forecast household growth;
- The number of units needed to replace demolitions due to attrition in the housing stock (i.e., fire damage, obsolescence, redevelopment and conversions to non-housing uses);
- Maintaining an ideal vacancy rate for a well-functioning housing market; and
- An adjustment to avoid an overconcentration of lower-income households in any one jurisdiction.

The new construction need must be allocated to four household income categories used in federal and state programs: Very Low; Low; Moderate; and Above Moderate Income, defined operationally as households earning up to 50%, 80%, 120%, and more than 120% of the Orange County median income, respectively. The allocations are further adjusted to avoid an overconcentration of lower income households in any one jurisdiction. The fair share allocation must also consider the existing “deficit” of housing resulting from lower income households that pay more than 30% of their incomes for housing costs. This is the threshold used by the federal government to determine housing affordability.

2006–2014 Growth Needs

The City of Dana Point’s “fair share” of the region’s housing need for the January 1, 2006, through June 30, 2014 planning period is 68 units divided into income categories: 15 very low, 12 low, 13 moderate, and 28 above moderate income units.

In accordance with state law, this housing element also addresses the RHNA that was not accommodated in the previous planning period (January 1, 1998, to December 31, 2005). Of the original 1998–2005 RHNA of 450 units (see breakdown in Table HES-1), 41 units were constructed affordable to low income households, 61 units were constructed affordable to moderate income households, and 244 units were

constructed affordable to above moderate income units between 1998 and 2005. The affordability level of these units was determined using actual sales information from DataQuick and affordability covenants on second units and represents units sold between 1998 and 2005. Of the 41 units affordable to low income households, 38 units are smaller units sold in the late 1990s when market rate condominiums could still be constructed and sold for relatively modest prices. Sales prices for these units ranged from \$104,500 in 1998 to \$168,000 in 2005. To determine affordability, the sales prices were compared to the ability of a 3-person low income household (based on 80% of the AMI for the year of sale) to purchase a home, assuming a 5% downpayment, 7% interest rate on a 30-year loan, property taxes, and a monthly allocation for insurance and home owners association fees. Three second units were constructed between 1998 and 2005 and were, per the City’s Zoning Code (Section 9.07.210), restricted to lower income households.

In total, these 346 units reduce the City of Dana Point’s carryover “fair share” of the region’s housing need from the previous planning period to 119 housing units: 85 very low, 9 low, 25 moderate, and 0 above moderate income units. As shown in Table HES-1, during the 2006–2014 planning period, the City is responsible for accommodating both the carryover from the previous planning period (1998 to 2005) and current planning period (2006 to 2014), for a combined 2006–2014 RHNA of 187 housing units: 100 very low, 21 low income households, 38 moderate, and 28 above moderate income units.

**TABLE HES-1
REGIONAL HOUSING NEEDS ASSESSMENT
CITY OF DANA POINT**

	Very Low	Low	Moderate	Above Moderate	Total
1998–2005 RHNA	85	50	86	229	450
Constructed	0	41	61	244	346
Unmet Need	85	9	25	0	119
2006–2014 RHNA	15	12	13	28	68
Combined RHNA	100	21	38	28	187

Source: SCAG, City of Dana Point, and The Planning Center.

Constructed Units

Between January 1, 2006, and January 1, 2008, a total of 155 housing units were constructed in Dana Point. Of the 155 units, 36 were single-family detached, 44 were multifamily units in buildings of no more than 4 units, and 75 were multifamily units in buildings of 5 or more units. Based on the recent high sales and rental prices for housing in Dana Point, it is assumed that all 155 units were affordable only to above moderate income households. Although the constructed units exceed the RHNA allocation for above moderate income unit needs, the City must still accommodate new construction needs for very low, low, and moderate income households. The City is still responsible for accommodating 100 units affordable to very low income households, 21 units affordable to low income households, and 38 units affordable to moderate income households (a total of 159 units) within the current planning period.

**TABLE HES-2
BALANCE OF RHNA CONSTRUCTION NEED
CITY OF DANA POINT**

Income Category	1998–2005 Carryover RHNA	2006–2014 RHNA	Combined RHNA	Constructed Units	Balance
Very Low (0-50%)	85	15	100	0	100
Low (51-80%)	9	12	21	0	21
Moderate (81-120%)	25	13	38	0	38
Above Moderate (>120%)	0	28	28	155	0
Total	119	68	187	155	159

Source: SCAG, The Planning Center

City's Response

The City of Dana Point is actively pursuing several avenues to preserve and create affordable housing opportunities and accommodate the remaining 159 units of new construction. For the new construction need, the City's three main resources are approved units, vacant land, and underutilized land. The City has also identified numerous programs to preserve the housing stock and facilitate the construction of additional housing.

As a highly desirable coastal community, the market for new housing in Dana Point is expected to remain strong regardless of the downturn of the housing market. The City's current development pattern generally builds to the maximum density permitted by zoning. Dana Point seeks to continue to yield the highest and best use of residential land, and understands that this vision includes providing housing for all segments of the community. With this in mind, the City will increase multifamily and affordable housing potential by permitting multifamily housing in Community Facilities zone and reducing regulatory barriers to mixed-income and affordable housing in multifamily zones (Programs 1.2 and 3.1).

Approved Development

Employee housing associated with the Headlands Development and Conservation Plan (Headlands Plan) is expected to provide eight lower income units and four moderate income units. The Headlands Plan is an active project and the affordable units will be restricted through a covenant, as required by the development agreement. An additional 158 market rate units will be built under the Headlands Plan and Monarch Beach Specific Plan. One second unit, affordable to a low income household as required by the Municipal Code, has also been approved.

Vacant and Underutilized Lands

Vacant residential land and underutilized sites in Dana Point offer a variety of development opportunities, ranging from single-family homes with ocean views to Single Room Occupancy efficiencies. The potential buildout of each vacant parcel is calculated based upon existing densities, development standards, and market conditions. Realistic capacity buildouts on vacant land result in the potential for 175 new units, of

which 33 could serve lower incomes, 34 could serve moderate incomes, and 108 could serve above moderate income households. The breakdown by income category is a hypothetical analysis based upon development standards, product types, tenure, market trends, and financial and regulatory incentives.

A similar analysis for three underutilized sites revealed a potential for 487 new units, 92 of which could serve lower incomes, 85 could serve moderate incomes, and 310 could serve above moderate income households. The potential to achieve housing development on underutilized sites within the planning period is bolstered by the adoption of the Town Center Plan and through ongoing discussions with the owners of the two other underutilized sites.

FIGURE HES-1 UNDERUTILIZED SITES



Site 1: Dana Point Town Center



Site 2: Former Dana Point Marina
Mobile Home Estates



Site 3: Capistrano Unified School
District Storage Yard

Quantified Objectives and Implementation Plan

The City's Housing Element must establish goals, policies, quantified objectives and action programs to address the following needs:

- Providing adequate sites to achieve a variety and diversity of housing.
- Assisting in the development of affordable housing.
- Removing governmental constraints if necessary.
- Conserving the existing stock of affordable housing.
- Promoting equal housing opportunity.
- Preserving "at-risk" housing.

In total, the City's approved units, remaining vacant lands, and underutilized parcels are of sufficient number, zoning, and size to accommodate the potential growth for all income levels as prescribed in the City's combined RHNA. Special programs for housing assistance, rehabilitation, and preservation will help meet the City's existing and future housing needs during the 2006–2014 planning period. A summary of development potential and quantified objectives is provided in Table HES-3.

TABLE HES-3
DEVELOPMENT POTENTIAL AND QUANTIFIED OBJECTIVES SUMMARY
CITY OF DANA POINT

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction						
Constructed Units	0	0	0	0	155	155
Approved Units	0	4	5	4	158	171
Vacant Land	0	23	0	34	108	165
Second Units	0	10	0	0	0	10
Underutilized Land	10	60	22	85	310	487
Total	10	97	27	123	731	988
Assistance/Preservation						
Program 2.1 Housing Assistance Pilot Program	0	5	10	0	0	15
Program 2.5 Housing Initiatives Program	0	10	10	0	0	20
Program 6.2 Conservation of Existing Assisted Housing	0	42	42	0	0	84
Program 6.3 Section 8 Rental Assistance	10	21	0	0	0	31
Total	10	78	62	0	0	150
Rehabilitation						
Program 4.1 Owner Rehabilitation	0	5	15	0	0	20
Program 4.2 Rental Rehabilitation	0	5	5	0	0	10
Total	0	10	20	0	0	30
Source: City of Dana Point.						

The City of Dana Point, in adopting the Housing Element, adopts the goals and programs that follow as the framework for implementing its housing policies and strategies during the planning period. A detailed summary table, Table HES-4, is provided in the following pages.

**TABLE HES-4
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category # 1: Identify Adequate Sites for a Variety of Housing Types				
1.1 Affordable Housing Development Program Identify development opportunity sites for the remaining new construction need, as well as sources of funding for land acquisition for the purpose of partnering with a private or nonprofit organization to develop affordable housing.	Comm. Dev. Dept.	Identify opportunity sites and sources of funding to develop 100 very low income, 21 low income, 38 moderate income, and 28 above moderate income units. Investigate acquiring property from the CUSD.	Initiate discussions with CUSD by 2009 Identify other sites throughout 2008–2014	In-Lieu Fees, HOME, CDBG, Nonprofit Development Partners
1.2 Expand Zoning for Multifamily Housing Facilitate affordable housing by amending the Zoning Code to permit multifamily housing in the CF zone.	Comm. Dev. Dept.	Amend Zoning Code for CF zone.	December 2009	General Fund
1.3 Expand Zoning for Emergency Shelters and Transitional Housing Facilitate and encourage the development of emergency shelters, transitional housing, and permanent supportive housing to meet the needs of the City's homeless population.	Comm. Dev. Dept.	Permit transitional and permanent supportive housing as any other residential use. Permit emergency shelters by right in the CF zone and as an accessory use to place of worship. Collaborate with community organizations during the creation of appropriate development and management standards.	Amend Zoning Code regarding transitional and permanent supportive housing and contact organizations by December 2009; amend Zoning Code and adopt development and management standards for emergency shelters by June 2010.	General Fund
1.4 Density Bonus Housing Utilize density bonus provisions in the Town Center and citywide.	Comm. Dev. Dept.	10 lower income units (through either market rate or SRO projects).	2008–2014	General Fund
1.5 Second Units Promote the development of second units.	Comm. Dev. Dept.	Approve 1–2 lower income second units annually, for a total of 10 units. Continue to promote second units as an affordable housing option.	2008–2014	General Fund

**TABLE HES-4
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category #2: Assist in the Development of Affordable Housing				
2.1 Housing Assistance Pilot Program Provide rental subsidies, rental deposits, mortgage assistance, and relocation assistance to lower income households in Dana Point or those who have been displaced from Dana Point.	Comm. Dev. Dept.	Assist 5 lower income households annually, for a total of 15 households within the planning period.	Allocate funding by June 2010; initiate program by 2011	In-Lieu Fees
2.2 Mortgage Credit Certificates A Federal Income Tax program that increases the loan amount offered to a qualifying homebuyer and reduced federal income taxes by 20% of the annual interest paid on the home mortgage.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2008–2014, annually	County of Orange
2.3 Mortgage Assistance Program Provides silent second loans to qualifying very low and low income first-time homebuyers.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2008–2014, annually	County of Orange
2.4 CalHome First-Time Homebuyer Assistance Apply to participate in the County's CalHome application. Qualifying residents of participating cities may apply for silent second loans.	Comm. Dev. Dept.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2008–2014	HOME funds
2.5 Housing Initiatives Program Provide rental subsidies to employees of Dana Point hotel employees.	Comm. Dev. Dept.	Provide assistance to 20 hotel employees (in Dana Point) annually.	2008–2014	St. Regis Resort In-Lieu Fees
2.6 In-Lieu Fee Study Evaluate the need for, advantages of, and disadvantages of increasing the City's in-lieu fee.	Comm. Dev. Dept.	Evaluate the potential impact of increasing in-lieu fees in the coastal zone and citywide.	Conduct study by December 2010; adopt in-lieu fee standard(s) in 2011	General Fund

**TABLE HES-4
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category #3: Remove Governmental Constraints to the Maintenance, Improvement, and Development of Housing				
3.1 Streamlined Approval for Affordable Housing Development Facilitate affordable housing development between 14 and 30 units per acre in several zones.	Comm. Dev. Dept.	Amend Zoning Code to permit affordable and mixed-income housing in RMF-14, RMF-22, RMF-30, and CF zones by administrative review.	Amend zoning code by June 2010	General Fund
3.2 Parking Standards Study Conduct a study to identify the most appropriate reductions in parking standards for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct parking study.	Conduct study by December 2010; adopt findings (if appropriate) in 2011	General Fund
3.3 Development Fee Study Conduct a study for possible development fee reductions for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct fee study.	Conduct study by December 2010; revise fees (if appropriate) in 2011	General Fund
3.4 Priority Water and Sewer Service Service providers should be aware of the City's housing plans and adopt procedures to expedite service to lower income residential projects.	Comm. Dev. Dept.	Provide adopted Housing Element to SCWD. Assist SCWD in adopting written procedures to provide priority service to lower income residential projects.	Assist SCWD by December 2009	General Fund
3.5 Energy Conservation Study Identify cost-effective means for Dana Point residents to reduce energy consumption.	Comm. Dev. Dept.	Study measures for energy-savings in home construction, improvement, and utilities and provide findings to the public.	Provide findings to the public in 2010.	General Fund
Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing				
4.1 Owner Rehabilitation Apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner-occupied moderate income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 4 moderate income households annually, for a total of 20 ownership households.	2008–2014	CDBG and HOME Funds

**TABLE HES-4
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
4.2 Rental Rehabilitation Apply to the County of Orange for funding to provide rehabilitation grants for renter-occupied lower income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 2 lower income households annually, for a total of 10 renter households.	2008–2014	HOME funds, CDBG
4.3 Neighborhood Conservation Ensure neighborhood quality and integrity.	County of Orange and Comm. Dev. Dept.	Fund neighborhood improvements and monitor neighborhood conditions.	2008–2014	General Fund, Capital Improvements Program (CIP), CDBG Funds
4.4 Condominium Conversions Assist the public and development community in understanding the condominium conversion process.	Comm. Dev. Dept.	Inform residents, property owners, and real estate agents of condominium conversion guidelines through the City's website.	2008–2014	General Fund
Program Category #5: Promote Housing Opportunities for All Persons				
5.1 Fair Housing Services Assist residents and landlords in achieving fair housing.	Fair Housing Council of Orange County	Refer persons in need of housing assistance to the Fair Housing Council of Orange County.	2008–2014	CDBG
5.2 Senior Home Assessments Assist in maintaining the ability of independently living seniors to remain in their homes.	Community Services and Parks	Refer seniors in need of free home assessments to South Coast Senior Services.	2008–2014	General Fund
Program Category #6: Preserve Existing Assisted Housing Developments				
6.1 Affordable Housing Monitoring Ensure that new affordable housing units remain affordable according to the terms established for the particular development.	Comm. Dev. Dept.	Adopt affordability monitoring as a condition of approval for affordable housing projects. Notice tenants and make educational materials available on the City's website and at City Hall.	2008–2014	General Fund

**TABLE HES-4
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
6.2 Conservation of Existing Assisted Housing Ensure that existing affordable housing units remain affordable through negotiating with the current property owners or partnering with a nonprofit organization to purchase and rehabilitate assisted units.	Comm. Dev. Dept.	Monitor the affordability of existing and new assisted units. Identify opportunities to preserve 84 at-risk units and negotiate with owners or develop public/ private partnership with a qualified nonprofit organization to acquire and rehabilitate at-risk housing units.	Negotiate with owners or identify partner by December 2009 Preserve 40 at-risk units by 2012 Preserve an additional 44 at-risk units by 2014	General Fund, In-Lieu Fees, Private and Non Profit Development Partners
6.3 Section 8 Rental Assistance Participate with the Orange County Housing Authority (OCHA) to provide rental assistance to very low income households.	Orange County Housing Authority	Assist at least 31 extremely low and very low income units.	2008-2014	Section 8 Rental Assistance Fund (HUD)

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Introduction

Purpose

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy relative to the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making, and sets forth an action program to implement housing goals for the State-designated planning period: January 1, 2006, through June 30, 2014. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family," as well as an expression of the concern that every Dana Point household has a suitable living environment.

The City's housing strategy is based on a comprehensive evaluation of existing housing programs and policies; an assessment of the City's population, economy, and housing characteristics; and a discussion of the physical and regulatory resources and constraints for housing production.

The Housing Element has been designed to address key housing issues in the City. These issues include the provision of a mix and balance of housing types and costs to meet the needs of all segments of the community while enhancing and preserving the community's character, provision of affordable housing for special needs groups in the community, and the maintenance of the existing affordable housing stock. The Housing Element has also been designed to meet the legislative requirements of Housing Element law.

Citizen Participation

Public outreach for the current planning period occurred through contact with residents, business owners, developers, other governmental agencies, and non-profit organizations. Outreach efforts presented information and provided open forums for sharing input with regard to the City's housing needs and programs.

During 2007 the City met with representatives from several housing nonprofits and development firms—including The Olson Company, Jamboree Housing Corporation, Shea Homes, and Opus Development—to discuss opportunity sites identified in the revised Draft Housing Element and how to address regulatory and physical constraints. Through these discussions the City has garnered further understanding of the development potential of its vacant and underutilized sites.

The City also corresponded with The Kennedy Commission—a non-profit organization based in Orange County focused on the provision of affordable housing—several times over the course of 2008. The Kennedy Commission pointed out several Housing Element programs that could be strengthened to provide additional regulatory and policy support for affordable housing in Dana Point.

In 2008 Mission Hospital and Saddleback Memorial Hospital sponsored a Community Health Assessment, prepared by Processional Research Consultants, Inc., to study the communities of Dana Point, San Clemente, and San Juan Capistrano, CA. The Community Health Assessment was a systematic, data-driven approach to determining the health status, behaviors, and needs of residents in these three communities. The goals of the Assessment were to: improve residents' health status, increase

their life spans, and elevate their overall quality of life; reduce the health disparities among residents; and increase accessibility to preventive services for all community residents. Using telephone interview methodology, 1,001 individuals aged 18 and over were randomly selected to participate in the study. Of these 1,001 participants, 272 individuals were from Dana Point, 418 individuals were from San Clemente, and 311 were from San Juan Capistrano.

The Community Health Assessment has two sections: housing and disability and secondary conditions. The housing section looks at tenure characteristics, housing costs, availability of affordable housing, and condition of neighborhood homes; the disability and secondary conditions section looks at activity limitations. Need levels for these three communities were determined by St. Joseph Health System at the block group level. Each block group population was examined for key demographic and socioeconomic variables associated with community need (either positively or negatively). Selected characteristics are analyzed based on the respondents' level of need (high/highest need or average/lower need). Some key findings from the Assessment are described later in the Housing Element.

On October 16th, 2008, the City of Dana Point held a Housing Workshop at the Dana Point Community Center. The workshop provided an opportunity for the community to inform the City of existing and future housing needs. While the workshop was designed to elicit input from a variety of residents, there was a special focus on reaching those who are lower income, including seniors, the disabled, families, and individuals in the workforce.

Public outreach for the Housing Summit included direct mailing to churches, schools, and large employers in and around the City; press releases; advertisement in the *Dana Point News* and *Dana Point Times* (the local newspapers); posting on the City website; announcements at various meetings; and direct letters to developers and nonprofit organizations experienced in developing and managing affordable housing projects. Participation from the public directly influenced the identification of modification of several programs, including 1.3, Expand Zoning for Emergency Shelters and Transitional Housing, and 4.4, Condominium Conversions.

The outreach efforts described above resulted in a collection of input from residents, affordable housing advocates, and development experts. Their contributions shaped the ultimate outcome of the housing goals and strategies for the City of Dana Point. More specific information can be found in Appendix A, Community Outreach.

Upon receipt of approval from the state, public hearings will be held with the Planning Commission and City Council to adopt the Housing Element.

Consistency with State Law

State housing law requires every city and county to prepare and adopt a Housing Element of the community's General Plan. The purpose of this update is to comply with the state housing law for the current planning period of January 1, 2006, to June 30, 2014. In accordance with changes in state law in 2005 (Government Code Section 65584.09), the City of Dana Point will identify adequate sites to meet the needs of the current Regional Housing Needs Assessment (RHNA) as well as the unaccommodated RHNA from the previous planning period of July 1, 1998, through December 31, 2005. The City has proposed, through Programs 1.2 and 1.3, changes to the Zoning Code that will identify adequate sites for

the unaccommodated RHNA allocation from the previous planning period. The Zoning Code will be updated by December 2009.

Pursuant to state housing law, Dana Point's Housing Element must include four major components:

- An assessment of the community's housing needs.
- An inventory of resources to meet those needs and the constraints that impede public and private sector efforts to meet them.
- A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.
- An implementation program that describes a schedule of actions that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element.

General Plan Consistency

The Housing Element of the General Plan is only one segment of a City's comprehensive planning program. The California Government Code requires that General Plans contain an integrated, consistent set of goals and policies. The Housing Element is thus affected by the other elements of the General Plan: for example, the Land Use Element, which establishes the location, type, and density of residential development throughout the City.

The Housing Element has been reviewed for consistency with the City's other General Plan elements. As portions of the General Plan are amended in the future, the Housing Element will be reviewed for the purpose of maintaining internal consistency.

Organization of the Housing Element

The Housing Element consists of an executive summary, introduction, housing strategy, community profile, and evaluation of the previous Housing Element. The executive summary encapsulates the critical information presented in the Housing Element, including a brief description of the City's community profile, the Regional Housing Needs Assessment (RHNA), and the City's regulatory, land use, and programmatic response and objectives.

The introduction discusses the purpose of the Housing Element, public participation activities, and consistency with state law and the City's other General Plan elements. The housing strategy describes the RHNA, the City's goals, policies, and implementation measures, and provides quantified objectives. The community profile contains an assessment of supporting background information consistent with the provisions of state housing law. Included at the end of the Housing Element is an evaluation of the previous Housing Element programs and objectives.

Other specific components required by state housing law (Government Code Section 65583) include:

- Population and employment trends

- Housing stock characteristics
- Inventory of land suitable for residential development
- Units at risk of conversion to market rate
- Governmental and non-governmental constraints on affordable housing
- Existing, future, and special housing needs of the population
- Opportunities for energy conservation in relation to residential development

These components are discussed in the community profile section of the Housing Element.

Housing Strategy

The Housing Strategy presents the goals, policies, and quantified objectives of the City for the 2006–2014 planning period. This section is based on an evaluation of the City’s existing housing conditions, current and future needs, and community input.

Regional Housing Needs Assessment

California’s Housing Element law requires that each city and county develop local housing programs designed to meet its “fair share” of existing and future housing needs for all income groups. This effort is coordinated by the jurisdiction’s Council of Governments when preparing the state-mandated Housing Element of its General Plan. This “fair share” allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but for all households who might reasonably be expected to reside within the jurisdiction, particularly lower income households.

The “fair share” allocation process begins with the State Department of Finance’s projection of total statewide housing demand, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the state’s official regions. The City of Dana Point is located in the six-county Southern California region, which includes Orange, Los Angeles, Riverside, San Bernardino, Ventura, and Imperial counties. The agency responsible for assigning fair share targets to each jurisdiction in this region is the Southern California Association of Governments (SCAG). In this Regional Housing Needs Assessment (RHNA) cycle, SCAG delegated the responsibility for disaggregating housing needs for Orange County jurisdictions to the Orange County Council of Governments (OCCOG).

A local jurisdiction’s “fair share” of regional housing need is estimated in terms of four factors:

- The number of units needed to accommodate forecast household growth;
- The number of units needed to replace demolitions due to attrition in the housing stock (i.e., fire damage, obsolescence, redevelopment, and conversions to non-housing uses);
- Maintaining an ideal vacancy rate for a well-functioning housing market; and
- An adjustment to avoid an overconcentration of lower income households in any one jurisdiction.

The new construction need must be allocated to four household income categories used in federal and State programs: Very Low, Low, Moderate, and Above Moderate Income, defined operationally as households earning up to 50%, 80%, 120%, and more than 120% of the Orange County median income, respectively. The allocations are further adjusted to avoid an overconcentration of lower income households in any one jurisdiction. The fair share allocation must also consider the existing deficit of housing resulting from lower income households that pay more than 30% of their incomes for housing costs. This is the threshold used by the federal government to determine housing affordability.

2006–2014 Growth Needs

The City of Dana Point’s “fair share” of the region’s housing need for the January 1, 2006 through June 30, 2014, planning period is 68 units divided into income categories: 15 very low, 12 low, 13 moderate, and 28 above moderate income units.

In accordance with State law, this housing element also addresses the RHNA that was not accommodated in the previous planning period (January 1, 1998, to December 31, 2005). Of the original 1998–2005 RHNA of 450 units (see breakdown in Table HI-1), 41 units were constructed affordable to low income households, 61 units were constructed affordable to moderate income households, and 244 units were constructed affordable to above moderate income units between 1998 and 2005. The affordability levels of these units were determined using actual sales information from DataQuick and represents units sold between 1998 and 2005. The 38 low income units largely reflect smaller units sold in the late 1990s when market rate condominiums could still be constructed and sold for relatively modest prices (ranging from \$104,500 in 1998 to \$168,000 in 2005). Three second units were constructed between 1998 and 2005 and were, per the City’s Zoning Code, restricted to low income households. In total, these 346 units reduce the City of Dana Point’s carryover “fair share” of the region’s housing need from the previous planning period to 119 housing units: 85 very low, 9 low, 25 moderate, and 0 above moderate income units.

As shown in Table HI-1, during the 2006–2014 planning period the City is responsible for accommodating both the carryover from the previous planning period (1998 to 2005) and current planning period (2006 to 2014), for a combined 2006–2014 RHNA of 187 housing units: 100 very low, 21 low, 38 moderate, and 28 above moderate income units.

**TABLE HI-1
REGIONAL HOUSING NEEDS ASSESSMENT
CITY OF DANA POINT**

	Very Low	Low	Moderate	Above Moderate	Total
1998–2005 RHNA	85	50	86	229	450
Constructed	0	41	61	244	346
Unmet Need	85	9	25	0	119
2006–2014 RHNA	15	12	13	28	68
Combined RHNA	100	21	38	28	187

Source: SCAG, City of Dana Point

Policy and Implementation Plan

The data for each of the needs cited in the state housing law are presented and discussed in the Community Profile. This Community Profile also contains information on the housing resources and constraints that must be included in the City's Housing Element per state requirements. In addition to the Community Profile data, the City's Housing Element must establish goals, policies, quantified objectives and action programs to address the following needs:

- Providing adequate sites to achieve a variety and diversity of housing
- Assisting in the development of affordable housing
- Removing governmental constraints if necessary
- Conserving the existing stock of affordable housing
- Promoting equal housing opportunity
- Preserving "at-risk" housing

The City of Dana Point, in adopting the Housing Element, adopts the goals that follow as the framework for implementing its housing policies and programs during the planning period. A summary table, Table HI-2, is provided first, followed by goals, policies, quantified objectives, and program descriptions.

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**TABLE HI-2
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category #1: Identify Adequate Sites for a Variety of Housing Types				
1.1 Affordable Housing Development Program Identify development opportunity sites for the remaining new construction need, as well as sources of funding for land acquisition for the purpose of partnering with a private or nonprofit organization to develop affordable housing.	Comm. Dev. Dept.	Identify opportunity sites and sources of funding to develop 100 very low income, 21 low income, 38 moderate income, and 28 above moderate income units. Investigate acquiring property from the CUSD.	Initiate discussions with CUSD by 2009 Identify other sites throughout 2008–2014	In-Lieu Fees, HOME, CDBG, Nonprofit Development Partners
1.2 Expand Zoning for Multifamily Housing Facilitate affordable housing by amending the Zoning Code to permit multifamily housing in the CF zone.	Comm. Dev. Dept.	Amend Zoning Code for CF zone.	December 2009	General Fund
1.3 Expand Zoning for Emergency Shelters and Transitional Housing Facilitate and encourage the development of emergency shelters, transitional housing, and permanent supportive housing to meet the needs of the City's homeless population.	Comm. Dev. Dept.	Permit transitional and permanent supportive housing as any other residential use. Permit emergency shelters by right in the CF zone and as an accessory use to place of worship. Collaborate with community organizations during the creation of appropriate development and management standards.	Amend Zoning Code regarding transitional and permanent supportive housing and contact organizations by December 2009; amend Zoning Code and adopt development and management standards for emergency shelters by June 2010.	General Fund
1.4 Density Bonus Housing Utilize density bonus provisions in the Town Center and citywide.	Comm. Dev. Dept.	10 lower income units (through either market rate or SRO projects).	2008–2014	General Fund

**TABLE HI-2
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
1.5 Second Units Promote the development of second units.	Comm. Dev. Dept.	Approve 1-2 lower income second units annually, for a total of 10 units. Continue to promote second units as an affordable housing option.	2008-2014	General Fund
Program Category #2: Assist in the Development of Affordable Housing				
2.1 Housing Assistance Pilot Program Provide rental subsidies, rental deposits, mortgage assistance, and relocation assistance to lower income households in Dana Point or those who have been displaced from Dana Point.	Comm. Dev. Dept.	Assist 5 lower income households annually, for a total of 15 households within the planning period.	Allocate funding by June 2010; initiate program by 2011	In-Lieu Fees
2.2 Mortgage Credit Certificates A Federal Income Tax program that increases the loan amount offered to a qualifying homebuyer and reduced federal income taxes by 20% of the annual interest paid on the home mortgage.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2008-2014, annually	County of Orange
2.3 Mortgage Assistance Program Provides silent second loans to qualifying very low and low income first-time homebuyers.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2008-2014, annually	County of Orange
2.4 CalHome First-Time Homebuyer Assistance Apply to participate in the County's CalHome application. Qualifying residents of participating cities may apply for silent second loans.	Comm. Dev. Dept.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2008-2014	HOME funds

**TABLE HI-2
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
2.5 Housing Initiatives Program Provide rental subsidies to employees of Dana Point hotel employees.	Comm. Dev. Dept.	Provide assistance to 20 hotel employees (in Dana Point) annually.	2008–2014	St. Regis Resort In-Lieu Fees
2.6 In-Lieu Fee Study Evaluate the need for, advantages of, and disadvantages of increasing the City's in-lieu fee.	Comm. Dev. Dept.	Evaluate the potential impact of increasing in-lieu fees in the coastal zone and citywide.	Conduct study by December 2010; adopt in-lieu fee standard(s) in 2011	General Fund
Program Category #3: Remove Governmental Constraints to the Maintenance, Improvement, and Development of Housing				
3.1 Streamlined Approval for Affordable Housing Development Facilitate affordable housing development between 14 and 30 units per acre in several zones.	Comm. Dev. Dept.	Amend Zoning Code to permit affordable and mixed-income housing in RMF-14, RMF-22, RMF-30, and CF zones by administrative review.	Amend zoning code by June 2010	General Fund
3.2 Parking Standards Study Conduct a study to identify the most appropriate reductions in parking standards for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct parking study.	Conduct study by December 2010; adopt findings (if appropriate) in 2011	General Fund
3.3 Development Fee Study Conduct a study for possible development fee reductions for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct fee study.	Conduct study by December 2010; revise fees (if appropriate) in 2011	General Fund
3.4 Priority Water and Sewer Service Service providers should be aware of the City's housing plans and adopt procedures to expedite service to lower income residential projects.	Comm. Dev. Dept.	Provide adopted Housing Element to SCWD. Assist SCWD in adopting written procedures to provide priority service to lower income residential projects.	Assist SCWD by December 2009	General Fund

**TABLE HI-2
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
3.5 Energy Conservation Study Identify cost-effective means for Dana Point residents to reduce energy consumption.	Comm. Dev. Dept.	Study measures for energy-savings in home construction, improvement, and utilities and provide findings to the public.	Provide findings to the public in 2010.	General Fund
Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing				
4.1 Owner Rehabilitation Apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner-occupied moderate income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 4 moderate income households annually, for a total of 20 ownership households.	2008–2014	CDBG and HOME Funds
4.2 Rental Rehabilitation Apply to the County of Orange for funding to provide rehabilitation grants for renter-occupied lower income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 2 lower income households annually, for a total of 10 renter households.	2008–2014	HOME funds, CDBG
4.3 Neighborhood Conservation Ensure neighborhood quality and integrity.	County of Orange and Comm. Dev. Dept.	Fund neighborhood improvements and monitor neighborhood conditions.	2008–2014	General Fund, Capital Improvements Program (CIP), CDBG Funds
4.4 Condominium Conversions Assist the public and development community in understanding the condominium conversion process.	Comm. Dev. Dept.	Inform residents, property owners, and real estate agents of condominium conversion guidelines through the City's website.	2008–2014	General Fund
Program Category #5: Promote Housing Opportunities for All Persons				
5.1 Fair Housing Services Assist residents and landlords in achieving fair housing.	Fair Housing Council of Orange County	Refer persons in need of housing assistance to the Fair Housing Council of Orange County.	2008–2014	CDBG

**TABLE HI-2
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
5.2 Senior Home Assessments Assist in maintaining the ability of independently living seniors to remain in their homes.	Community Services and Parks	Refer seniors in need of free home assessments to South Coast Senior Services.	2008–2014	General Fund
Program Category #6: Preserve Existing Assisted Housing Developments				
6.1 Affordable Housing Monitoring Ensure that new affordable housing units remain affordable according to the terms established for the particular development.	Comm. Dev. Dept.	Adopt affordability monitoring as a condition of approval for affordable housing projects. Notice tenants and make educational materials available on the City's website and at City Hall.	2008–2014	General Fund
6.2 Conservation of Existing Assisted Housing Ensure that existing affordable housing units remain affordable through negotiating with the current property owners or partnering with a nonprofit organization to purchase and rehabilitate assisted units.	Comm. Dev. Dept.	Monitor the affordability of existing and new assisted units. Identify opportunities to preserve 84 at-risk units and negotiate with owners or develop public/ private partnership with a qualified nonprofit organization to acquire and rehabilitate at-risk housing units.	Negotiate with owners or identify partner by December 2009 Preserve 40 at-risk units by 2012 Preserve an additional 44 at-risk units by 2014	General Fund, In-Lieu Fees, Private and Non Profit Development Partners
6.3 Section 8 Rental Assistance Participate with the Orange County Housing Authority (OCHA) to provide rental assistance to very low income households.	Orange County Housing Authority	Assist at least 31 extremely low and very low income units.	2008–2014	Section 8 Rental Assistance Fund (HUD)

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Program Category #1:
Identify Adequate Sites for a Variety of Housing Types

State Housing Law, Section 65583 (c)(1), states that the City's housing program must include actions to:

"Identify adequate sites which will be made available through appropriate zoning and development standards ... to encourage the development of a variety of types of housing for all income levels..."

The purpose of this program category is to describe the actions that the City will take to ensure that a variety of housing types can be accommodated, including multifamily rental housing, factory-built housing, mobile homes, emergency shelters, and transitional housing. The City's Land Use Element, Specific Plans, and Zoning Code regulate the housing types permitted in the community.

GOAL 1:

Provide a variety of residential developments and adequate supply of housing to meet the existing and future needs of City residents.

Policies

- 1.1 Actively pursue opportunities to construct beyond levels identified by the RHNA.
- 1.2 Provide a variety of housing opportunities for all income levels of the City.
- 1.3 Coordinate new residential development with the provision of infrastructure and public services.
- 1.4 Balance the need for public services and community resources and employment opportunities for future increases in population.
- 1.5 Locate higher density residential development close to public transportation.

Programs

1.1 Affordable Housing Development Program

The City is in the process of implementing a program to achieve the construction of new rental housing affordable to very low and low income households. The main elements of the program are identification of appropriate sites for affordable housing, consideration of land acquisition by the City and eventual sale to an affordable housing developer (either non- or for-profit), and connecting public agencies with affordable housing developers to explore the potential for housing.

Objective: Identify development opportunity sites for the remaining new construction need of 100 units affordable to very low income households, 21 units affordable to low income households, 38 units affordable to moderate income households, and 28 units for above moderate income households.

The City will identify possible sources of funding for land acquisition. Potential sources include City In-Lieu Fees, County of Orange HOME and CDBG funds, Orange County Housing Authority operating

reserves, and State funds. During the course of this activity the City will estimate the amount of funding that could be obtained by the City for land acquisition. The City is already participating in discussions with several developers and will seek to match members of the development community with land owners interested in affordable housing development throughout the remainder of the planning period. It will pursue discussions with the Capistrano Unified School District (CUSD) on acquiring the excess surplus bus storage property (underutilized site #3) and excess South Coast Water District property (vacant site #1) for residential development.

Timeframe: Initiate discussions with CUSD by December 2009; identify additional potential throughout 2008–2014

1.2 Expand Zoning for Multifamily Housing

To facilitate the development of multifamily and affordable housing, the City will amend the Zoning Code to permit medium and high density multifamily housing (between 14 and 30 units per acre) in the Community Facilities (CF) zone, subject to the same development and design standards applied to multifamily housing in other residential zones.

Objective: Update the Zoning Code to permit multifamily housing in the CF zone at densities between 14 and 30 units per acre.

Timeframe: December 2009

1.3 Expand Zoning for Emergency Shelters and Transitional Housing

The Zoning Code permits emergency shelters subject to discretionary approval in residential and commercial zones and permits transitional housing subject to discretionary approval in residential zones. To remove barriers to housing for those most in need and comply with state law, emergency shelters with no more than 20 beds will be permitted in the CF zones by ministerial approval (without a conditional use permit or other discretionary approval) subject to appropriate development and management standards. In response to input from faith-based organizations seeking opportunities to serve the homeless, emergency shelters with no more than 10 beds will be permitted as an accessory use to places of worship (i.e. churches, synagogues, and temples) by ministerial approval (without a conditional use permit or other discretionary approval) subject to appropriate development and management standards. Transitional and permanent supportive housing will be permitted as any other residential use (based on density and product type). The definition of emergency shelters, transitional housing, and permanent supportive housing will be clarified in the Zoning Code to comply with Senate Bill 2.

The City will seek the assistance of faith-based organizations and other groups in determining a plan to further meet the needs of the homeless and those at risk of homelessness. With input from community partners, the City will recommend design, development, and management standards that encourage the conversion of existing structures to emergency shelters, transitional housing, and permanent supportive housing and facilitate the construction of new buildings for these uses. The City may also identify additional land resources for emergency shelters.

Objective: Update the Zoning Code to permit emergency shelters in the CF zone and as an accessory use to places of worship without a conditional use permit or other discretionary permit, and permit transitional and permanent supportive housing as any other residential use based on density and product

type. Recommend design, development, and management standards for emergency shelters. Adopt standards following careful consideration of recommendations provided by community groups.

Timeframe: Amend the Zoning Code with regard to transitional and permanent supportive housing and seek input from faith-based organizations and other community groups by December 2009; amend the Zoning Code to permit emergency shelters by right in the CF zone and as an accessory use to places of worship and adopt design, development, and management standards by June 2010.

1.4 Density Bonus Housing

SB 1818 (Government Code Section 65915), effective January 1, 2005, amended state density bonus law to create a broad range of available density bonuses, increase the maximum density bonus from 25% to 35%, and provide a flat 20% density bonus for all senior housing rather than the previous 25% for 50% senior housing. For each 1% increase in low-income units above 10%, the low income density bonus increases by 1.5%; for each 1% increase in very low-income units above 5%, the very-low density bonus increases by 2.5%; and for every 1% increase in moderate income units above 10%, the density bonus increases by 1%, each up to a maximum of 35%. On October 11, 2006, the City of Dana Point adopted a density bonus ordinance that complies with SB 1818. Future housing projects will be encouraged to provide affordable housing in accordance with the density bonus ordinance.

Objective: Promote the development of 10 lower income units in the Town Center area through density bonus incentives and/or a separate SRO project. Target extremely low income households (those earning up to 30% of median income).

Timeframe: 2008–2014

1.5 Second Units

The City is aggressively seeking to encourage single-family homeowners to construct second units. In December of 2007 the City published a second unit information sheet that defines a second unit, provides an outline of development requirements, and explains the permitting process. By disseminating this information the City is increasing the potential for affordable housing on lots zoned for single-family residential development, which would otherwise be unlikely locations for affordable housing. It is projected that by 2014 approximately 10 second units could be developed. In accordance with the City's Second Dwelling Unit Ordinance, these units will target lower to moderate income households and remain affordable for the life of the project. This objective is based in part on past development trends and on increased efforts of the City to promote and encourage the development of second units.

Objective: Permit 1 to 2 lower income second units annually, for a total of 10 units.

Timeframe: 2008–2014

Program Category #2:
Assist in the Development of Affordable Housing

The City’s existing needs include 2,349 renter households that are cost burdened, expending more than 30% of their income toward housing. The City’s new construction need includes 100 very low income, 21 low income, and 38 moderate income housing units, which can be met by developing vacant and underutilized land. The existing and new construction needs are explained in greater detail in the Community Profile.

GOAL 2:

Assist in the provision of housing affordable to lower income households.

Policies

- 2.1 Establish guidelines for the collection and expenditure of housing in-lieu funds.
- 2.2 Support innovative public, private, and non-profit efforts in the development and financing of affordable housing, particularly for lower income households, the elderly, large families, the physically impaired, and single-parent households.
- 2.3 Support the participation of federal, state or local programs aimed at providing housing opportunities for low and moderate income households.
- 2.4 Require that housing constructed for low and moderate income households is not concentrated in any single portion of the City.
- 2.5 Implement requirements for providing affordable housing for employees of hotel and resort developments.
- 2.6 Provide for mixed commercial/residential land uses to create additional housing opportunities.

Programs

The scope of actions appropriate for assisting in the provision of affordable housing usually includes methods of providing financial assistance. The resources available to the City include CDBG and HOME funds and in-lieu fees. To some degree, the City can leverage these resources with other financial resources such as tax exempt bond financing and tax credits.

2.1 Housing Assistance Pilot Program

In August 2005 the City of Dana Point established the Housing Assistance Pilot Program to provide aid to very low, low, and moderate income households. The City reviewed applications according to program guidelines and priorities established by the program coordinators. The priorities for funding were:

- Applicant lives and works in City of Dana Point (or was displaced from a Dana Point residence within one year due to circumstances beyond their control)
- Very low income applicant with two dependents

- Applicant has proof of disability or handicap
- Applicant is 62 years old or older
- Applicant is single parent with two dependents
- Applicant is at risk of homelessness or displacement from a residence in Dana Point

The City received 17 applications for the Housing Assistance Pilot Program. The first round of the program, which closed in September 2005, is considered successful in that a total of \$100,000 was appropriated for rental subsidy, rental deposits, relocation assistance, and mortgage assistance for 15 households that best met the eligibility and priority criteria. The City intends to reopen the Housing Assistance Pilot Program during the planning period.

Objective: Identify funding and assist 5 lower income households annually, up to a total of 15 households.

Timeframe: Identify funding by June 2010 and initiate the program by 2011.

2.2 Mortgage Credit Certificates

The Mortgage Credit Certificates (MCC) program is a Federal Income Tax Credit program offered through the County of Orange. The MCC increases the loan amount offered to a qualifying homebuyer and reduces federal income taxes by 20% of the annual interest paid on the home mortgage. Home buyers seeking to participate in the program must apply through a participating lender. The program requires the buyer to purchase a single-family detached home, condominium, or townhouse within the program boundaries, including the City of Dana Point. The buyer must occupy the property and must not have owned another principal residence within the previous three years. The buyer's household income and home purchase price cannot exceed limits established by the County.

Objective: Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.

Timeframe: 2008–2014, annually

2.3 Mortgage Assistance Program

The Mortgage Assistance Program (MAP) provides silent second loans to assist very low and low income first-time homebuyers. The 3% simple interest, deferred payment loan has a term of 30 years or upon sale or transfer of property and a maximum loan amount of \$40,000. The buyer must purchase a single-family home, condominium, or home within a planned unit development within the program area, including Dana Point, to occupy as a primary residence. The buyer must contribute a minimum 1% of the purchase price. The buyer's household income and home purchase price cannot exceed limits established by the County.

Objective: Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.

Timeframe: 2008–2014, annually.

2.4 CalHome First-Time Homebuyer Assistance

Dana Point was part of the successful 2004 CalHome application to state HCD for first-time homebuyer assistance of \$750,000. The state allowed the County to apply for funds for those cities participating in their CDBG program that provided a letter of interest. First-time homebuyers who qualify and wish to purchase a home in Dana Point can apply for those funds (up to \$40,000 in silent second loans).

Objective: Continue to apply with the County of Orange to maintain eligibility for Dana Point residents to participate in the CalHome First-Time Homebuyer Assistance program.

Timeframe: 2008–2014

2.5 Housing Initiative Program

The City partnered with Mary Erickson Community Housing to manage the housing subsidy program for The St. Regis Monarch Beach Resort and Spa in 2002. As a condition of building the hotel, the City mandated the housing subsidy program, which benefited 116 employees of the hotel in 2007. In 2007, the amount of money to be spent on housing subsidies was \$235,090 (annual in-lieu fees paid by the hotel) with a carryover from 2006 of \$40,410 for a total of \$275,500. The program allocates between \$50 and \$390 to eligible employees, with an average allocation of \$218 using Section 8 guidelines.

Of the 99 employees currently in the program, 37 (40 percent) work as housekeepers or laundry workers. The majority of the rest are servers, busers, cooks, or guest services. Salaries range from \$8.00 to \$16.48 per hour. Average household monthly income of the employees in the program is \$2,260 and their average rent is \$1,237.

Currently, 20 of the 99 employees live in Dana Point. The majority, 61 percent, live in Laguna Niguel and surrounding cities in Orange County. The remaining employees are scattered from Costa Mesa to San Gabriel.

Life skills programs are also held quarterly, with two meetings per speaker (one in English with a Mandarin translator and one in Spanish). Topics covered include banking options, Habitat for Humanity home ownership programs, credit counseling and money management, and the program's annual certification process.

Objective: Continue to collect in-lieu fees and support Mary Erickson Community Housing in operating the Housing Initiatives Program. Assist 20 employees who are Dana Point residents annually.

Timeframe: 2008–2014

2.6 In-Lieu Fee Study

The City currently collects affordable housing in-lieu fees for each unit developed in the Coastal Zone, including additional in-lieu fees for special projects such as the Headlands Development and Conservation Plan and Monarch Beach Specific Plan. In-lieu fees are an important source of funding for the City's housing assistance programs. The City will evaluate the potential impacts, including constraints to housing development and benefits for housing programs, which could result from increasing in-lieu fees in the Coastal Zone and/or establishing a citywide in-lieu fee.

Objective: Identify potential impact of increasing in-lieu fees in the Coastal Zone and/or establishing citywide in-lieu fee. Coordinate with Program 3.3.

Timeframe: Conduct study by December 2010; adopt appropriate in-lieu fee standard(s) in 2011

Program Category #3: Remove Governmental Constraints to the Maintenance, Improvement, and Development of Housing

State housing law requires the inclusion of program actions to:

“Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.”

The City addresses these issues through implementation of the Zoning Code, by establishing a preference for affordable housing projects, by streamlined processing of affordable housing proposals, and by working with private developers on other programs such as density bonus units. The City does not unduly constrain the maintenance, improvement, or development of housing. As a policy matter, the City will facilitate the evaluation and processing of proposals and applications, which will help to attain the affordable housing objectives set forth in the Housing Strategy.

GOAL 3:

.....
 Provide for a regulatory system free of governmental constraints to the maintenance, preservation, improvement and development of housing.

Policies

- 3.1 Encourage incentives to assist in the development of affordable housing, such as: 1) reducing permit processing time and waiving or reducing applicable permit fees; 2) on-site density bonuses when appropriate; 3) tax-exempt financing; 4) City participation in on- or off-site public improvements; and/or 5) flexibility in zoning or development standards.
- 3.2 Evaluate housing cost increases resulting from any new City requirements.
- 3.3 Consider flexibility in development standards to allow for single room occupant facilities for low income individuals.
- 3.4 Implement the provisions of the City's Zoning Ordinance that permit the development of transitional and emergency housing in specified zones.

Programs

3.1 Streamlined Approval for Affordable Housing Development

The City will facilitate affordable housing development by updating the Zoning Code to permit multifamily projects meeting specific density, zoning, and affordability thresholds through administrative review and a minor conditional use permit.

The affordable housing criteria for this approval process are:

- Project Density: 14 to 30 units per acre
Project Zoning: Community Facilities, Residential Multifamily 14, Residential Multifamily 22, or Residential Multifamily 30
Affordable Housing: At least 20 percent of total project units are restricted to be affordable to lower income households or at least 40 percent of total units are restricted to be affordable to moderate income households (for a period of time equal to provisions under State Density Bonus Law (California Government Code Section 65915)).

Objective: Update the Zoning Code to permit multifamily projects meeting the specific project density, zoning, and affordability thresholds described above through administrative review and a minor conditional use permit. Upon successful negotiations with the Capistrano Unified School District for the purchase (directly or in a partnership with another organization) of their excess site, issue a request for proposals to affordable housing developers to solicit interest in developing the site.

Timeframe: June 2010

3.2 Parking Standards Study

The City will perform a study of parking standards in order to identify appropriate reduced parking standards for affordable housing units and reevaluate parking standards for special needs housing projects, such as housing for the elderly and/or disabled. For example, less parking may be justified due to lower income levels and decreased car ownership of senior residents.

Objective: Conduct a parking study to identify appropriate reduced parking standards for affordable and special needs housing.

Timeframe: Conduct study by December 2010; depending on findings, the City will adopt new standards in 2011

3.3 Development Fee Study

The City will conduct a study to identify possible reductions for affordable and special needs housing projects.

Objective: Conduct a fee study for examining possible reductions for affordable and special needs housing. Coordinate with Program 2.6.

Timeframe: Conduct study by December 2010; depending on findings, the City will revise fees in 2011

3.4 Priority Water and Sewer Services

Service providers, particularly water and sewer, can assist in the facilitation of expediting affordable housing development by providing priority service to housing developments that serve lower income households. Service providers are impacted by residential development and therefore should be aware of the City's housing plans. SB 1087 requires local governments to provide the adopted Housing Element to the appropriate water and sewer provider, and the service provider must adopt procedures to facilitate priority servicing and future planning for lower income water and sewer needs.

Objective: Route the adopted Housing Element to the South Coast Water District (SCWD) and coordinate with the SCWD on future housing projects and changes to the Housing Element. Assist the SCWD in creating procedures that ensure priority water and sewer service is provided to lower income residential projects, prohibits denying or conditioning the approval of service to such projects without findings, and requires future water management plans to project water use for lower income residential development.

Timeframe: Forward the Housing Element upon adoption; work with the SCWD on procedures by December 2009

3.5 Energy Conservation Study

Consider and evaluate the most cost-effective measures for energy savings and indoor air quality improvements in new construction and rehabilitation projects. By educating the public and providing resources for utility programs and home improvement programs the City will encourage home upgrades and construction methods that reduce energy reliance, water waste, and air pollutants. Information gathered during this study is expected to influence policy development for the City's General Plan update efforts in 2010 and 2011.

Objective: Provide the findings of this research to the public and development community through brochures at City Hall and on the City's website in 2010.

Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing

According to the state housing law, the City's housing program must include actions to:

"Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public and private action."

The emphasis of this program category is the maintenance and improvement of Dana Point's existing affordable housing supply. Another purpose of this program category is to describe actions that will mitigate the loss of housing to both the housing market and the residents of the existing dwelling units. Many of the City's current activities satisfy the requirements of this program category; for example, code enforcement, neighborhood conservation, and Zoning Code regulations pertaining to condominium conversions.

According to the Southern California Association of Governments (SCAG), there are approximately 505 overcrowded housing units in the City's housing stock. In 2000, 23.4% of housing units were 30 or more years old. These statistics, which are fully explained in the Community Profile, are indicators of the need to continue code enforcement and housing rehabilitation programs.

GOAL 4:

.....
Conserve and improve the existing stock of affordable housing.
.....

Policies

- 4.1 Support a code enforcement program to help maintain the physical condition and appearance of neighborhood areas.
- 4.2 Support a code enforcement program to bring substandard buildings up to code.
- 4.3 Encourage the retention of existing single-family neighborhoods and mobile home parks that are economically and physically sound.
- 4.4 Provide neighborhood conservation and residential rehabilitation programs that offer financial and technical assistance to owners of lower income housing property to enable correction of housing deficiencies.

Programs

4.1 Owner Rehabilitation

The City will continue to apply to the County of Orange for CDBG and HOME funds so Dana Point households will remain eligible to participate in the programs. Under the Neighborhood Preservation Program, the County offers funding for housing rehabilitation focused on owner-occupied single-family homes and mobile homes. The funds are distributed on a competitive basis. The City has applied for CDBG through the County to implement housing rehabilitation programs to address health and safety needs and preserve the existing housing stock.

The program can provide rehabilitation assistance to owner-occupied properties for low income households by:

- Providing reduced interest rates
- Expanding loan eligibility
- Matching funds from banks
- Expedited loan processing

Objective: Provide assistance to 4 lower income households annually, up to a total of 20 households.

Timeframe: 2008–2014

4.2 Rental Rehabilitation

The County offers rental rehabilitation funding for various housing types, including multifamily and mobile homes. The City has applied for CDBG through the County to implement housing rehabilitation programs to address health and safety needs and preserve the existing housing stock.

Objective: Provide assistance to 2 lower income households annually, up to a total of 10 households.

Timeframe: 2008–2014

4.3 Neighborhood Conservation

This program will involve the continued implementation of a system of monitoring neighborhood conditions (i.e., structures, public amenities such as sidewalks) and utilize General Funds, CDBG funds and the Code Enforcement Program to maintain the integrity of these neighborhoods. For example, CDBG funding supported the improvements to storm drains and the construction of the Lantern Village Community Park. Also, a Community Improvement Program for the Lantern Village Area was initiated following completion of the "Lantern Village Action Plan" in May 1994. The City completed a Neighborhood Maintenance and Improvement Guide in 2008 and also has a Capital Improvements Program (CIP) that helps to revitalize infrastructure. Future improvements could include repair or replacement of concrete curb, sidewalk, curb/gutter, and cross-gutters. Roadway renovation techniques include total reconstruction, slurry seal, and asphalt overlays. These projects will ensure safe, structurally sound, and functionally adequate facilities to improve target area neighborhoods.

Objective: Fund neighborhood improvements (apply for CDBG monies) and monitor neighborhood conditions.

Timeframe: 2008–2014

4.4 Condominium Conversions

The City Zoning Code has requirements for condominium conversions. During the 2006–2014 planning period the City will continue to implement the Zoning Code regulations governing the conversion of apartments to condominiums.

The conversion of rental units into condominium ownership may result in the displacement of existing tenants. Some tenants might be unable to buy their units because monthly payments will be substantially greater than the previous rent; others might lack the down payment. The City will need to balance the public benefit of affordable rental housing with the conversion to ownership housing. In the past, the City has approved condominium conversion applications. The approved projects provided landscaping, site drainage, trash storage, aesthetic, and parking improvements. The approved projects also provided for a relocation plan and housing units that sell for less than the average price of two-bedroom condominiums in Dana Point.

Objective: Inform Dana Point residents, property owners, and real estate agents of condominium conversion requirements through the City's website.

Timeframe: 2008–2014

Program Category #5: Promote Housing Opportunities for All Persons

The City's housing program must include actions to:

"Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color."

GOAL 5:

.....
Ensure and promote housing opportunities for all population groups.
.....

Policies

- 5.1 Create and support opportunities to assist first-time homebuyers.
- 5.2 Encourage support services for the elderly through the provision of housing services related to in-home care, meal programs, and counseling.
- 5.3 Work with area social service providers in addressing the needs of the homeless population.

Programs

5.1 Fair Housing Services

The County of Orange allocates funds to the Orange County Fair Housing Council on behalf of the non-entitlement cities, such as Dana Point, that participate in the County's Urban County CDBG application. The Fair Housing Council provides the following types of services: housing discrimination response, landlord-tenant relations, housing information and counseling, and community education programs. The City has created a directory of contacts for housing-related assistance. A section within the directory provides contact telephone numbers in Orange County where persons may inquire about equal or fair housing.

Objective: Refer persons in need of housing assistance to the Fair Housing Council of Orange County.

Timeframe: 2008–2014

5.2 Senior Home Assessments

South Coast Senior Services operates the Dana Point Senior Center and provides free home assessments to seniors to determine the level of assistance needed to maintain senior independence.

Objective: Refer Dana Point seniors in need of free home assessments to South Coast Senior Services.

Timeframe: 2008–2014

Program Category #6: Preserve Existing Assisted Housing Developments

According to state housing law the City's housing program must include actions to:

"Preserve for lower income households the assisted housing developments" ...existing in the City.

The purpose of this program category is to describe actions that the City will take to preserve the affordability of existing housing units that are eligible to change from low income housing uses due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments" include: federally assisted projects; state and local multifamily revenue bond-financed projects; developments assisted by CDBG and local in-lieu fees; and density bonus units.

In addition, this program category describes other actions of the City to preserve the affordability of the existing housing supply. In particular, these actions contribute to a reduction in the cost of housing for low income households. As of March 2008 there are three rental housing developments containing 148 income-restricted units within the City.

GOAL 6:

.....
 Preserve the existing and future supply of affordable housing that is financially assisted by the City, County, State, or federal governments.

- 6.1 Monitor and protect the supply of affordable housing by enforcing existing deed restrictions, subsidizing units that convert to market rate, restricting the sale of future affordable units, restricting condominium conversions, and supporting programs for the rehabilitation of affordable housing.
- 6.2 Facilitate the purchase by existing tenants of rental units converted to condominium ownership where conversions are considered appropriate.
- 6.3 Conserve affordable housing opportunities in the City through implementation of state requirements for replacement of low and moderate income housing.
- 6.4 Ensure the long-term affordability of future affordable housing developments.

Programs

6.1 Affordable Housing Monitoring

The Community Development Department annually monitors deed-restricted units through existing databases. The City will include affordable housing monitoring as a condition of approval for projects with an affordable housing component. Monitoring may include identifying the location, size, type, and sales price of affordable units as well as other means of furthering the City's understanding of their affordable housing stock. The City will continue its program of annual monitoring of income-restricted rental housing units. The City will provide ongoing preservation technical assistance and educational materials to affected tenants and the community at-large on the need to preserve the existing affordable housing stock through brochures at City Hall and information on the City's website.

Objective: Adopt affordability monitoring as a condition of approval for affordable housing projects and distribute educational materials on affordable housing conversion to the public at City Hall and through the City's website.

Timing: 2008–2014

6.2 Conservation of Existing Assisted Housing

The Community Development Department will continue to monitor the affordability terms of existing assisted housing. City records identified three projects currently providing 148 units of affordable housing. Of these 148 units, 64 are preserved for affordable housing in perpetuity. The remaining 84 units, distributed into two projects, will be at risk of converting to market rate units by the year 2024.

Objective: Monitor owners of at-risk projects on an annual basis, in coordination with other public and private entities to determine their interest in selling, prepaying, terminating, or continuing participation in a subsidy program. Identify funding resources and development partners to preserve 40 at-risk units by 2012, and an additional 44 units by 2014.

More specifically, the City will seek to financially assist a nonprofit housing organization and/or work with existing owners to acquire and rehabilitate substandard apartment housing and to ensure long-term affordability to lower income households. A brief description of this partnership program is given below:

- The existing building will contain units at risk of converting to market rate by 2024.
- The City and non-profit organization will jointly estimate the acquisition and rehabilitation costs associated with different building sites in the City.
- The City and non-profit will jointly estimate the amount of funds that the City will need to allocate to the program.
- The City will leverage its financial resources with those that the County of Orange is obligated to allocate to community based nonprofit housing corporations.
- The City and County will establish long-term affordability requirements.

Timing: Identify partner/owner by December 2009, identify funds by 2010, and preserve 40 at-risk units by 2012 and 44 additional at-risk units by 2014

6.3 Section 8 Rental Assistance

The City will continue to implement the participation agreement with the Orange County Housing Authority (OCHA). As of March 2008, OCHA provided rental assistance to 31 households of Dana Point. The Section 8 program provides rental assistance to very low income families and elderly persons who spend more than 30% of their income on rent. The rental assistance is the difference between the excess of 30% of the monthly income and the federally approved fair market rent.

Currently there are two means of obtaining Section 8 rental assistance: certificates and vouchers. Under the certificate program, the landlord must enter into a contract with OCHA that limits the total rent for the unit involved to a federally approved fair market rent level. Under the voucher program, the landlord need not agree to limit the rent level; however, the tenant must then pay the difference between the federally approved fair market rent level and the actual rent. In both instances, the subsidy is paid directly

to the landlord. The Housing Authority provides all local administration, including qualification of the households, and qualification and inspection of the rental units. All funding is from the federal government; the City has no direct or indirect expenses. The City will continue to refer needy families to the Orange County Housing Authority and encourage property owners to participate in program.

Objective: Provide rental assistance to at least 31 extremely low and very low income households through participation in the OCHA Section 8 Rental Assistance program.

Timeframe: 2008–2014

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Community Profile

An evaluation of population and housing characteristics is the foundation for establishing housing goals, programs and quantified objectives. This section provides statistical information and analysis of demographic and housing factors that influence the demand for and availability of housing. The purpose of this section is to identify existing housing needs for all segments of the City’s population.

Please note that the Housing Element draws from the most current data available. A variety of trusted sources are cited, including the United States Census (Census), California Department of Finance (DOF), and Southern California Association of Governments (SCAG). The data, even when from the same overall source, may occasionally appear inconsistent and is subject to rounding. The inconsistencies are most commonly the result of internal differences in Census data, which collects and presents data from two different survey methodologies. Some data is collected for every United States citizen (also referred to as 100% or Summary Tape File 1), while other data is statistically inferred (also called sample data or Summary Tape File 3). The differences are not significant and have been vetted to ensure the analysis remains valid.

Population Trends and Characteristics

Population Growth

The City of Dana Point is one of 34 cities in Orange County. As indicated in Table H-1, the County’s population rapidly grew from 2.4 million in 1990 to 2.8 million in 2000, an increase of 18%. It is anticipated that the County population will reach 3.3 million by 2010, a 16% increase from the 2000 population. Growth in the City of Dana Point has been significantly slower than the county, due largely to the built-out nature of the City. Between 1990 and 2000 Dana Point’s population increased by 9%, or 3,214 persons. SCAG anticipates that Dana Point will add another 3,631 persons by 2010, an increase of 10% from 2000.

**TABLE H-1
POPULATION GROWTH FROM 1990 TO 2010
COUNTY OF ORANGE AND CITY OF DANA POINT**

Year	Orange County		Dana Point	
	Population	% Increase	Population	% Increase
1990	2,410,556	-----	31,896	-----
1995	2,590,100	7.4%	34,100	6.9%
2000	2,846,289	9.9%	34,851	2.2%
2005	3,103,377	9.0%	36,765	5.5%
2010	3,291,628	6.1%	38,482	4.7%

Sources: 1990 and 2000 - Census; 1995 and 2005 - DOF; 2010 - SCAG RTP.

Age Composition

Age composition is an important factor in determining housing demands. As shown in Figure H-1, the City of Dana Point has experienced a major increase of residents within the “retirement” and “senior citizens” population subgroups. This indicates a potential need for affordable senior housing opportunities.

In 2000, the majority of the population (51%) fell within the “prime working” population subgroup, which also correlates to the “preschool” and “school” subgroups, representing another 23% of the population. In general, these families create additional demand for homeownership opportunities. The large percentage in the “school” subgroup may also lead to future demand for rental housing opportunities affordable to young adults.

Race and Ethnicity

Although the non-white population increased by 41% from 1990 to 2000, the City of Dana Point remains primarily white. According to the 2000 Census 86.9% of the City’s population is white. It should be noted that persons of Hispanic origin are included within the various ethnic categories, and may be of any race. Figure H-2 displays the breakdown of Dana Point residents by race and ethnicity.

Employment

According to the California State Employment Development Department (EDD) there were 9,172 jobs within the City of Dana Point in January 2005. Approximately half of the jobs within the City are in the “accommodation and food services” and “retail trade” sectors (38.6% and 11.6%, respectively). Jobs in those sectors are expected to increase slightly following the anticipated construction of a hotel and various commercial uses in the Headlands and Town Center planning areas. Although both projects incorporate residential uses, job creation could create additional demand for affordable housing.

**TABLE H-2
TOP INDUSTRIES IN DANA POINT BY EMPLOYMENT IN 2005**

Industry	Number	Percent
Accommodation and Food Services	3,556	38.6%
Retail Trade	1,065	11.6%
Health Care and Social Assistance	712	7.7%
Construction	540	5.9%
Professional, Scientific, and Technical Services	496	5.4%
Government	465	5.0%
Waste Management and Remediation Service	462	5.0%
Other Services (except Public Administration)	437	4.7%
Educational Services	274	3.0%
Arts, Entertainment, and Recreation	266	2.9%
All Other Industries	899	9.8%
Total	9,172	100%

Source: California State Employment Development Department (EDD), 2005.

FIGURE H-1 AGE COMPOSITION IN DANA POINT

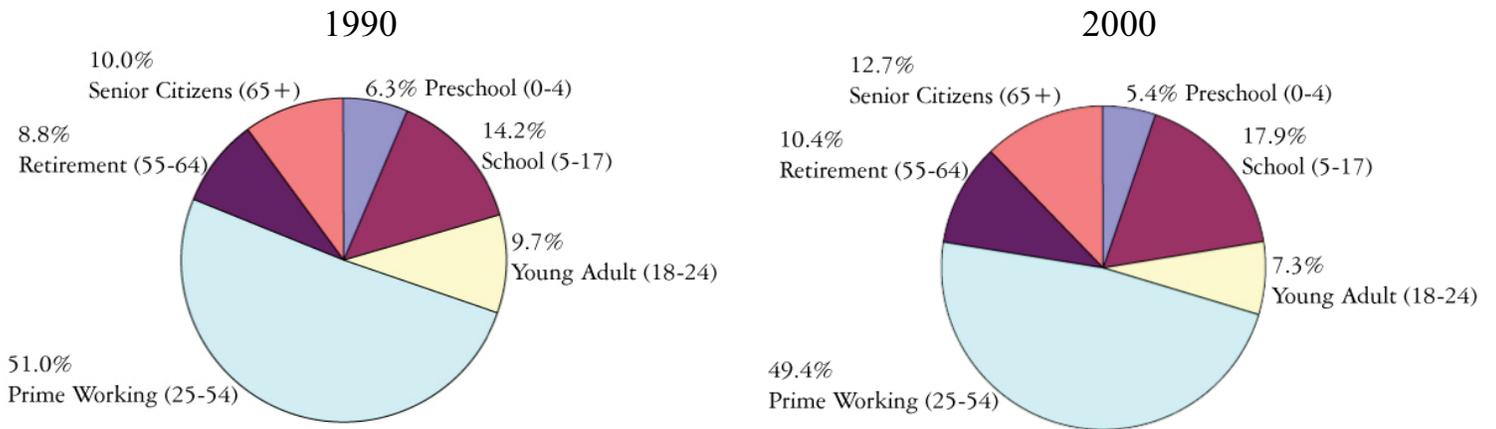
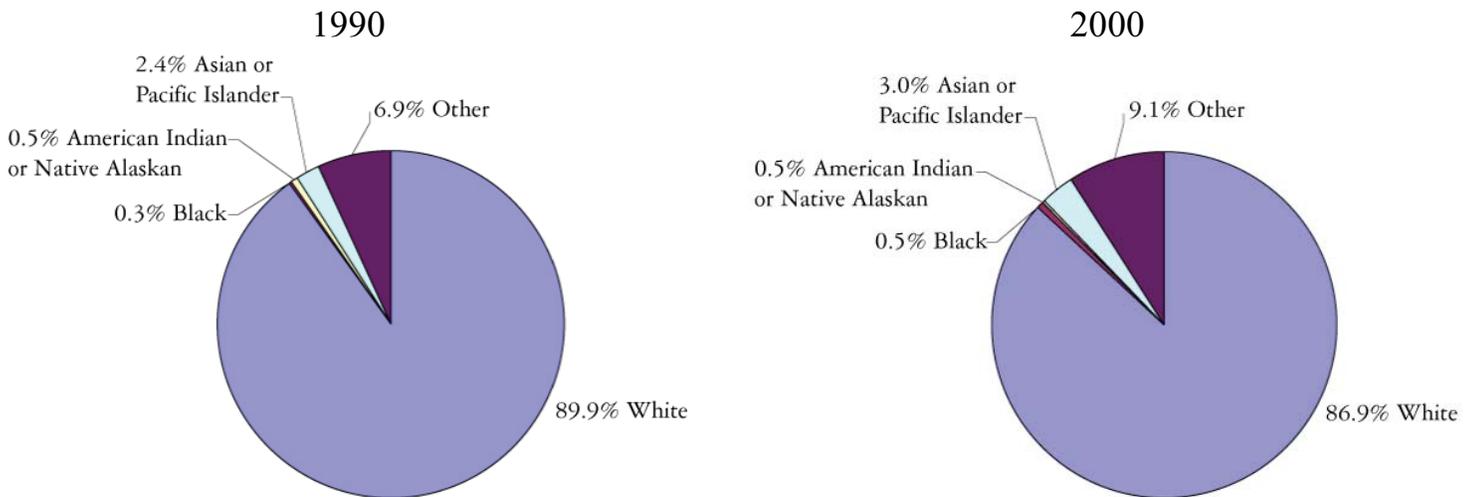


FIGURE H-2 RACIAL AND ETHNIC COMPOSITION IN DANA POINT



Source: 1990 and 2000 Censuses.

Household Characteristics

Analyzing existing household characteristics and trends will identify potential household issues and needs. By definition a “household” consists of all the people occupying a dwelling unit, whether or not they are related.

Household Growth Trends

In 2000 14,449 households resided in Dana Point, with approximately 61% (8,849) owner occupied and the remaining 39% (5,554) renter occupied. The City added 1,150 housing units between 1990 and 2007, growing to an estimated 15,816 units in 2007. Housing units have increased slower than the City’s population growth, averaging only 71 units per year, or one unit added for every 4.5 persons added. Given that the household size in 2000 was 2.4 persons, the housing trend between 1990 and 2007 indicates a growth in household size and potential for some overcrowded units.

Additionally, the majority of households with 5 or more persons reside in rental units. These households may include non-related adults sharing a rental home; however, given the City’s age distribution and household types it likely that most of the 5+ person households are large families who cannot afford to own a home.

**TABLE H-3
HOUSING GROWTH TRENDS 1990–2010
CITY OF DANA POINT**

Year	Estimated Dwelling Units	Cumulative Increase	Percentage Increase
1990	14,666	-----	-----
1995	15,464	789	5.4%
2000	15,682	218	1.4%
2005	15,740	58	0.4%
2010	16,495	755	4.8%

Source: 1990 and 2000: Censuses; 1995 and 2005: DOF (2005 estimate adjusted to reflect mobile home unit count provided by the City of Dana Point); 2010: SCAG RTP.

The majority of housing units added between 1990, 2000, and 2007 were single-family detached, while multifamily housing added only a couple of units per year. The most commonly added attached housing unit type was in developments of five or more units, which includes apartments and condominiums. Apartments are renter occupied and can be considered more affordable for lower income residents. Condominiums, however, are owner occupied and are generally highly priced in a beach community such as Dana Point. Those condominiums that are made available for rent are used as seasonal or recreational housing units.

**TABLE H-4
HOUSING STOCK COMPOSITION IN 1990, 2000, AND 2007
CITY OF DANA POINT**

Unit Type	1990		2000		2007	
	Units	Percent	Units	Percent	Units	Percent
1 unit, detached	6,834	47%	7,678	49%	7,933	50%
1 unit, attached	2,244	15%	2,266	15%	2,271	14%
2 to 4 units	2,755	19%	2,796	18%	2,821	18%
5+ units	2,435	17%	2,573	16%	2,622	17%
Mobile homes	314	2%	314	2%	169	1%
Other	84	1%	0	0%	0	0%
Total	14,666	100%	15,627	100%	15,816	100%

Source: Census 1990; 2007 mobile home estimate provided by the City of Dana Point; other 2007 estimates provided by DOF.

Household Type

As shown in Table H-5, the City’s households are comprised primarily of three types: married couples with no children (32%), people living alone (26%), and married couples with children under 18 years (19%). The majority of households in the City are occupied by married-couple families without young children. This category is likely to include couples in the “young adult” and “prime working” population subgroups, as well as retired couples and senior couples. Retired and senior couples may be primarily residing in large homes they once occupied with their children, whereas young couples are more likely to occupy apartments and other small rental units. However, young childless couples may also create a demand for homeownership opportunities as they desire investment opportunities and consider having children.

The segment of the population that lives alone can generate a need for small rental and ownership units, especially those designated for seniors, while married-couple families with children typically create a demand for ownership opportunities of single-family detached units.

**TABLE H-5
HOUSEHOLD TYPE IN 2000
CITY OF DANA POINT**

Married Household		Male-Headed Household		Female-Headed Household		Non-Family Household		All Households
with children under 18 years	no children under 18 years	with children under 18 years	no children under 18 years	with children under 18 years	no children under 18 years	Not Living Alone	Living Alone	
2,804	4,628	297	284	686	587	1,415	3,755	14,456
19%	32%	2%	2%	5%	4%	10%	26%	100%

Source: 2000 Census.

Tenure

The 2000 Census indicates that just over 60% of the City's housing units are owner occupied. Most of the owner households are single-family detached and single-family attached housing units, as reported in Table H-6. Only 12% of all occupied single-family detached housing units are renter occupied. Renter households reside primarily in multifamily structures of two to four units. While the large number of renters in duplex to fourplex structures can indicate a need for first-time homebuyer assistance, rental housing is also a valuable resource for many singles and young couples seeking to live in Dana Point.

**TABLE H-6
HOUSING STOCK BY TYPE AND TENURE IN 2000
CITY OF DANA POINT**

Type of Unit	Owner		Renter		Total	
	Units	%	Units	%	Units	%
1, detached	6,295	88%	867	12%	7,162	50%
1, attached	1,419	70%	604	30%	2,023	14%
2 to 4 units	484	19%	2,135	82%	2,619	18%
5 to 9 units	200	18%	932	82%	1,132	8%
10 units+	244	21%	926	79%	1,170	8%
Mobile homes	186	70%	80	30%	266	2%
Other	21	68%	10	32%	31	<1%
Total	8,849	61%	5,554	39%	14,403	100%

Source: Census 2000.

Vacancy Rates

The vacancy rate is a measure of the general availability of housing. It also indicates how well the housing units meet the current housing market demand. A low vacancy rate may serve to increase market rents and housing costs, as shortages tend to result in higher prices and may further limit the choices of households in finding adequate housing. A high vacancy rate may indicate either the existence of a high number of units undesirable for occupancy, or an oversupply of housing units. The availability of vacant housing units provides households with choices on different unit types to accommodate changing needs.

Excluding seasonal, recreational, and occasional-use homes, the 2000 Census indicated a vacancy rate of 1.5% for rental units and 4.0% for ownership units for the City of Dana Point. The overall vacancy rate is within the normal range of 3.0% and 5.0%. A vacancy rate within this range is considered enough to ensure the continued upkeep of rental and ownership properties without escalating housing costs. The lack of available rental units reflects the high cost of ownership and can also create a challenge for existing renters relocating to the City or within the City.

Housing Conditions

Housing is considered substandard when physical conditions are determined to be below the minimum standards of living, as defined by Section 1001 of the Uniform Housing Code. A housing unit is considered substandard if any of the following conditions exist:

- Inadequate sanitation
- Structural hazards
- Nuisances
- Faulty weather protection
- Fire hazards
- Inadequate maintenance
- Overcrowding
- Hazardous wiring, plumbing, or mechanical equipment

Households living in substandard conditions are considered as being in need of housing assistance even if they are not actively seeking alternative housing arrangements. In addition to structural deficiency and standards, the lack of certain infrastructure and utilities often serves as an indicator of substandard conditions.

According to the 2000 Census, there were 8 owner units and 58 renter units without complete kitchen facilities. There were 32 renter units without complete plumbing facilities, of which 22 were inhabited by households considered overcrowded (more than one occupant per room). There were 43 owner units and 92 renter units without any heating source, 30 owner units and 14 renter units that burn wood for heating, and 15 owner units and 10 renter units that used some other non-traditional heating sources. These figures indicate that only a small proportion of units in the City reflect substandard infrastructure and utility conditions.

Age of Housing Stock

The proportion of the housing stock that is older than 30 years can also act as an indicator of the magnitude of minor and major rehabilitation needs. The majority of the City's housing supply was constructed prior to incorporation in 1989. Table H-7 indicates that as of 2000, an estimated 33.3% of the City's housing stock was over 35 years old. Fifty-six percent of the City's housing stock existing in 2000 will be over 30 years old by 2010. A nearly equal amount of owners and renters occupy the City's older housing stock.

**TABLE H-7
AGE OF HOUSING STOCK IN 2000 BY YEAR BUILT
CITY OF DANA POINT**

Year Built	Units	%
1939 or Earlier	104	1%
1940 to 1949	233	2%
1950 to 1959	933	6%
1960 to 1969	2,382	15%
1970 to 1979	5,044	32%
1980 to 1989	4,800	31%
1990 to 1994	1,552	10%
1995 to 1998	462	3%
1999 to March 2000	139	1%
Total	15,649	100%

Source: Census 2000.

Based on code enforcement data generated in 2007, it is estimated that 3,000 housing units remain in need of minor, moderate, or substantial rehabilitation. The most frequent code violations included property maintenance problems such as lack of paint, poor landscaping, and deteriorated structures. About one-half of these housing units are in Lantern Village. Most of the Lantern Village housing units are in small, multifamily structures. In 2007 the City hired an additional code enforcement officer to specifically serve the Lantern Village area, bringing Code Enforcement staff up to three full-time employees and one part-time employee. Code Enforcement cases indicate the need for housing rehabilitation programs.

In addition to housing rehabilitation needs, there are also housing units in need of replacement. Some units may need to be replaced due to conversions or casualty losses such as fires. Units needing replacement because of these reasons have already been considered in SCAG’s allocation of the regional housing need allocation. Other housing units deserve replacement because they are too deteriorated to merit rehabilitation. Based on the housing supply greater than 60 years old, the City estimates that there are about 50 to 100 units beyond repair and, therefore, needing replacement.

Household Income

Each year the California Department of Housing and Community Development establishes four income categories for the purpose of determining housing affordability and need in communities. State law defines the income groups in terms of the percentage of the median income:

- 0–50% of the median income refers to very low income
- 51–80% of the median income refers to low income
- 81–120% of the median income refers to moderate income
- 120%+ of the median income refers to above moderate income

According to SCAG estimates, approximately 22% of Dana Point households have incomes of less than 80% of the County median income—1,717 renter and 1,195 owner households, respectively. The majority of lower-income households are renter households, indicating a need for affordable rental opportunities.

**TABLE H-8
HOUSEHOLD INCOME DISTRIBUTION
CITY OF DANA POINT**

Income Level	Renter Households	Owner Households	Total Households	% Distribution
Extremely Low (0-30%)	550	430	980	7%
Very Low (30-50%)	535	352	886	7%
Low (50-80%)	632	413	1,044	8%
Moderate (80-95%)	482	391	872	6%
Above Moderate (95%+)	3,387	6,411	9,798	72%
Total	5,584	7,995	13,579	100%

Source: SCAG RHNA 1999.

Housing Inventory and Market Conditions

This section summarizes the housing inventory and prevailing market conditions in the City of Dana Point. Analysis of current market conditions provides insight into the City’s existing stock of affordable housing. Understanding past housing trends can also indicate the City’s future ability to meet housing needs.

Housing Costs and Affordability

This section discusses the costs and affordability of existing housing and new housing, both for owner and rental households. The affordability of housing concerns the balance between a household’s financial means and the cost of adequate housing and amenities. The costs of homeownership and renting can be compared to a household’s ability to pay for housing, based on a percentage of the median income for Orange County and current market prices.

State housing policy defines housing affordability as housing costs equaling no more than 30% of a household’s annual income (although the equity and tax benefits of homeownership may permit a higher percentage of income [e.g., 35%] to be used for moderate income housing costs). Table H-9 identifies the maximum affordable rents and purchase prices by income category for a one-person, two-person, and four-person household based on 2008 state income limits. The cost of homeownership assumes a 30-year mortgage with a 5% down payment and allocations for annual real estate taxes, insurance, and utilities. Note that the various local, state and federal housing programs may require different calculations of maximum affordable rent or purchase prices. The figures shown in Table H-9 are meant as a guideline to compare to the 2007 and 2008 market.

**TABLE H-9
AFFORDABLE RENT AND HOME PURCHASE PRICE
2008 INCOME LIMITS
CITY OF DANA POINT**

One-Person Household			
Income Category	Annual Income Limits¹	Maximum Affordable Rent Payment²	Estimated Maximum Affordable Purchase Price³
Very Low (50%)	\$32,550	\$736	\$64,962
Low (51-80%)	\$52,100	\$1,178	\$124,965
Moderate (81-120%)	\$70,600	\$1,767	\$244,973
Above Moderate (> 120%)	>\$70600	>\$1,767	>\$244973
Median	\$58,900		
Two-Person Household			
Income Category	Annual Income¹	Maximum Affordable Rent Payment²	Estimated Maximum Affordable Purchase Price³
Very Low (50%)	\$37,200	\$841	\$79,224
Low (51-80%)	\$59,500	\$1,346	\$147,785
Moderate (81-120%)	\$80,700	\$2,019	\$284,907
Above Moderate (> 120%)	>\$80700	>\$2,019	>\$284,907
Median	\$67,300		
Four-Person Household			
Income Category	Annual Income¹	Maximum Affordable Rent Payment²	Estimated Maximum Affordable Purchase Price³
Very Low (50%)	\$46,500	\$1,051	\$107,749
Low (51-80%)	\$74,400	\$1,682	\$193,425
Moderate (81-120%)	\$100,900	\$2,523	\$364,777
Above Moderate (> 120%)	>\$100,900	>\$2,523	>\$364,777
Median	\$84,100		

1. Annual income limits based on California State income limits for 2008.

2 Calculated as 30% of income divided by 12 months.

3 Includes 5% downpayment provided by the owner and assumes set-asides for utilities, real estate taxes, and homeowners insurance. Assumes 30% of income for very low and low income households; 35% for moderate and above moderate income households.

Source: The Planning Center, 2008.

Affordability of Ownership Units

Existing and new home prices in Dana Point have continued to rise, following the trend seen throughout the nation of housing prices pushed higher by a continuous demand. This is particularly true for a built-out coastal community such as Dana Point, where undeveloped land is rare and valued much higher than in inland communities. Table H-10 shows the distribution of existing home values from the 2000 Census.

The 2000 Census reported an existing median home value of \$381,400 in Dana Point. The data indicates that 40% of existing homes are valued at or above \$400,000, including 5.7% that are valued at \$1 million

or more. New home sales data indicates that new housing purchase opportunities in the City continue to be unavailable for nearly all households. While a number of condominiums were sold in the late 1990s at rates affordable to lower income households, the escalation of real estate prices in the early 2000s put new housing out of reach for most households. Since 2000, the majority of new homes were sold at prices exceeding \$500,000.

**TABLE H-10
EXISTING HOUSING VALUES
CITY OF DANA POINT**

Property Value	Existing Homes in 2000	
	Number	%
Less than \$100,000	326	4%
\$100,000 to \$124,999	84	1%
\$125,000 to \$149,999	169	2%
\$150,000 to \$174,000	169	2%
\$175,000 to \$199,999	217	3%
\$200,000 to \$249,000	864	10%
\$250,000 to \$299,999	1,038	12%
\$300,000 to \$399,999	2,383	27%
\$400,000 to \$499,999	1,537	17%
\$500,000 or more	2,062	23%
Total	8,849	100%

Source: 2000 Census and DataQuick.

Based on this data, buying a new home in the City of Dana Point is an unlikely option for very low, low, and moderate income households without substantial financial assistance and the involvement of the City. The existing stock of resale units will provide some homeownership opportunities for lower income households, although the available stock will be limited due to the City’s highly desirable location, shortage of vacant residential land, and other market factors resulting in escalating housing costs.

Affordability of Rental Units

The 2000 Census reports the median gross rent of all rental units in the City at \$1,139. While rental prices have increased more slowly than sale prices, relatively few rental properties have been recently constructed in Dana Point. In 2007, rents for existing homes and multifamily units averaged \$2,500, with the lowest price at \$1,250 for a two-bedroom unit and the highest price at \$4,950 for a five-bedroom unit.

A comparison of market prices with the rental affordability limits presented in Table H-9 indicates that the 2008 rental market could serve the moderate and above moderate income households. Rental units require less land and can be built at higher densities than many ownership products. Additionally, rental units do not require the same level of amenities as is expected in ownership developments. The construction of additional rental units represents a key step in providing affordable housing opportunities for current and future moderate income households. For lower income households, two rental assistance programs are available: Through the City’s participation with the Orange County Housing Authority

(OCHA) and the Section 8 program, 31 Dana Point households received assistance as of March 2008. The Housing Initiative Program operated by Mary Erickson Community Housing in collaboration with the St. Regis Monarch Beach Resort and Spa provides rental assistance to hotel employees. In 2007, approximately 116 employees received assistance, 20 of whom lived in Dana Point.

Perceived Housing Affordability and Neighborhood Home Conditions

The 2008 Community Health Assessment conducted by Mission Hospital of over 1,000 South Orange County residents, including 272 in Dana Point, investigated the perceived availability of affordable housing. Of the Dana Point residents surveyed, 75.2% rated the availability of affordable housing in their community as “fair” or “poor” (the full range of ratings included excellent, very good, good, fair, or poor). While this was in line with the average response from all individuals surveyed (75.3%), it was significantly higher than the 51.0% reported across the nation. Adults in lower-need areas are more likely to feel that the availability of affordable housing in the community is “fair” or “poor”; in Dana Point 63.6% of high or highest need adult respondents rated the availability of affordable housing as “fair” or “poor” while 78.4% of average or lower need respondents rated the availability of affordable housing as “fair” or “poor.”

Based on the same rating options, 5.2% of Dana Point residents surveyed considered the condition of their neighborhood homes to be “fair” or “poor.” This is significantly less than the 14.9% response across the nation and the 9.7% overall response from all individuals surveyed in the Community Health Assessment. Respondents from the high or highest need areas of Dana Point were virtually the only Dana Point residents to rate the condition of their neighborhood homes as “fair” or “poor”; 20.4% of Dana Point high or highest need respondents reported the condition of neighborhood housing to be “fair” or “poor” compared to only 0.5% of average or low need Dana Point respondents.

Housing Needs

The following analysis of current City housing conditions presents housing needs and concerns relative to various segments of the population. Several factors will influence the degree of demand or need for new housing and housing assistance in Dana Point in coming years. The three major categories of existing need considered in this element include:

- **Overpayment:** Overpayment refers to renters and homeowners who must pay more than 30% of their gross incomes for shelter.
- **Overcrowding:** In response to higher housing prices, lower income households must often be satisfied with smaller, less adequate housing for available money. This may result in overcrowding where more than one person per room occupies a housing unit.
- **Special Needs:** Special needs are those associated with relatively unusual occupations or demographic groups that call for very specific program responses, such as preservation of residential hotels or the development of four-bedroom apartments. State law specifically requires analysis of the special housing needs of the elderly, the disabled, single-parent households, large families, farm workers, and homeless persons.

Overpayment

Overpayment refers to low income renters and homeowners who must pay more than 30% of their gross incomes for housing. Eventually this high cost of housing causes individuals with fixed incomes, particularly the elderly and lower income families, to spend a disproportionate percentage of their income for housing. This may cause a series of related financial problems, which may result in a deterioration of housing stock because costs associated with maintenance must be sacrificed for more immediate expenses such as food, clothing, health care, and utilities. It may also result in the selection of inappropriately sized units that do not suit the space or amenity needs of the household.

According to the 2000 Census, 38% of all households in Dana Point experienced overpayment. Expectedly, very low income households experienced the highest rate of overpayment, with more than 2,100 of the 2,794 very low income households (those earning up to \$35,000 per year in the year 2000) spending 30% or more of their income on housing. Additionally, over half of households earning between \$35,000 and \$50,000 (considered low income households) overpay for housing. As the income levels pass \$50,000, the overpayment rates drop from one-half to just over one-third. Past \$75,000, overpayment rates drop significantly, particularly for rental households.

Note: due to the reporting method of the Census, households who spend exactly 30% of their income on housing costs are also included in these figures, although they are not considered to be overpaying for housing. The number of units spending exactly 30% of their income is not considered significant.

**TABLE H-11
COST BURDENED HOUSEHOLDS BY INCOME LEVEL AND TENURE IN 2000
CITY OF DANA POINT**

Income ¹	Owner Households		Renters Households		All Households ²	
	Number	%	Number	%	Number	%
\$0 to \$35,000	595	59%	1,518	85%	2,113	76%
\$35,000 to \$50,000	538	64%	545	50%	1,083	56%
\$50,000 to \$75,000	742	50%	259	21%	1,001	37%
Greater than \$75,000	703	17%	27	2%	730	13%
Total	2,578	35%	2,349	42%	4,927	38%

¹ Relative to the 2000 median income for Orange County of \$69,600, the income categories presented are roughly equivalent to the very low, low, moderate, and above moderate income categories. However, due to the collection and presentation methods of the Census data, precise matches were not possible.

² The total households figure represents the total number of households measured by the Census for housing cost information as a percentage of household income.

Source: Census 2000.

The Community Health Assessment studied the number of households that worked extra in order to make housing payments throughout the past year. Of the survey respondents from Dana Point, 17.5% indicated that they or a member of their household worked an extra job or extra hours in order to afford a housing or rental payment. As might be expected, adults in the high-need areas of Dana Point were more

likely to indicate working extra in the past year in order to make a housing payment than those in average or lower need areas.

Overcrowding

In response to higher housing prices, lower income households must often settle for smaller, less adequate housing. This may result in overcrowding. Overcrowding places a strain on physical facilities and does not provide a satisfying living environment. While some families with low incomes may opt for overcrowding to derive additional income, the cost of housing usually necessitates overcrowding for many lower-income residents.

Both state and federal housing law define overcrowded housing units as those in which there are more persons than rooms. Severe overcrowding is measured by the number of housing units with 1.51 or more persons per room. The rooms do not include bathrooms, kitchens, and hallways, but includes other rooms such as living and dining rooms. An overcrowded housing unit does not necessarily imply one of inadequate physical condition.

According to a SCAG estimate, there are 505 overcrowded households in Dana Point, representing less than 5% of all households. The overwhelming majority of overcrowded units were occupied by rental households, with the highest rates of overcrowding found in very low income households (earning less than 50% of the median income). These households represent nearly half of all overcrowded units. Overcrowding is not prevalent in the City.

**TABLE H-12
OVERCROWDED HOUSEHOLDS BY TENURE IN 1999
CITY OF DANA POINT**

Income Level (% of Median)	Owner Households		Renter Households		All Households	
	Number	% of Total	Number	% of Total	Number	% of Total
Less than 30%	6	1%	101	18%	107	11%
30 to 50%	0	0%	104	19%	104	12%
50 to 80%	0	0%	104	16%	104	10%
80 to 95%	0	0%	60	12%	60	7%
> 95%	31	6%	101	3%	132	1%
Total	37	--	469	--	505	--

Source: SCAG RHNA 1999.

Special Needs Groups

Certain population groups are considered to have special housing needs. These groups include disabled persons, the elderly, large households, farm workers, female householders, extremely low income households, and homeless persons and persons in need of emergency shelter.

In many cases, the needs of these population groups are met in housing specifically designed for them. The needs assessment data shows that none of these groups constitute a large segment of the City's population. This condition, in turn, may mean that the economies of scale do not exist to facilitate the development of housing designed for the unique needs of these populations. As a result, the City's affordable housing programs will need to be sensitive to the needs of these groups as well as the general low income population.

The Community Health Assessment's section on Disability and Secondary Conditions describes activity limitation for 1,001 randomly surveyed residents of Dana Point, San Clemente, and San Juan Capistrano. One out of five adults in the overall study (19.7%) is limited in some way in some activities due to a physical, mental, or emotional problem. Dana Point has the lowest incidence of limitation (15.9%) of the three communities. In Dana Point, respondents of average or lower need were more likely to be limited in their activities due to a physical, mental, or emotional problem than respondents of high or highest need. Musculoskeletal issues, such as back/neck problems or fractures/joint injuries, are the leading causes of activity limitations among survey respondents.

The City publishes a Housing Resources Directory to assist Dana Point residents in finding affordable housing and related support. The directory describes programs operated by the City and other agencies and lists appropriate contact information. Many of these programs serve the special needs populations such as the disabled, homeless, and those in need of transitional housing.

Disabled Persons

The Federal Rehabilitation Act of 1973, Section 104.3(j) defines a disabled person as "any individual who has a physical or mental impairment which substantially limits one or more major life activities, has record of such impairment, or is regarded as having such impairment." The disabled population encompasses several distinct groups such as, but not limited to, the physically handicapped, developmentally disabled, and severely mentally ill. The special housing needs of these populations include independent living units with affordable housing costs, supportive housing with affordable housing costs, and housing with design features that facilitate mobility and independence.

Many physically disabled or handicapped persons are living on state disability income benefits. The following type of supportive housing is desirable for this population:

- Affordable to low and moderate income persons;
- Wheelchair accessible;
- Equipped with roll-in showers, grip bars, ceiling fans with extended cords, low sinks and light switches, automatic door openers;
- Close to public transportation and stores.

According to the Association for Retarded Citizens (ARC), a national organization for retarded and disabled citizens, this population is estimated to be about 1–3% of the total population. Based on the median of these two percentages, it is estimated that 697 Dana Point residents are developmentally disabled. An estimated 149 developmentally disabled people reside in lower income households.

Based on national prevalence rates, 1% of the adult population (18 years+) has a severe mental illness on the basis of diagnosis, duration, and disability. Approximately 278 (1% of total number of adults) Dana Point adults have a condition that meets the definition of severe mental disability. According to SCAG, approximately 21.4% of the City's households have incomes below 80% of the median income. As a result, it is estimated that about 59 severely mentally disabled persons live in lower income households. According to the 2000 Census, approximately 1,280 Dana Point residents aged 65 years or older have a form of sensory, physical, mental, self-care, or go-outside-of-home limitation or disability.

Elderly Population and Households

Elderly persons may experience special housing needs related to fixed income, health care support, and transportation. These characteristics indicate a need for smaller, lower cost housing units with easy access to transit and health care facilities.

The City conditionally permits “Senior Citizen Housing,” defined as licensed housing for persons 62 years of age or older, or unlicensed housing for persons 55 years of age or older, including such housing facilities as retirement villas, apartments, and condominiums, (but not including state-licensed rest homes, group homes, or convalescent hospitals, which are separately regulated), in the highest density residential single-family zone (RSF 22), several residential multifamily zones (RMF 7, 14, 22, and 30), and in mixed-use zones (Commercial/Residential and Professional/Residential). Senior citizen housing can provide a source of affordable housing as it is permitted at densities up to 30 units per acre and enjoys reduced parking requirements (only required to provide one covered and assigned stall, plus one-half of a guest stall per dwelling unit).

As of 2000, there were an estimated 5,278 persons who were 62 years of age or older residing in Dana Point. The ratio of females to males in this age group is 1.1 (2,872 females, 2,574 males). Table H-13 reports on the age of householder by tenure distribution for the City. There are an estimated 2,979 senior households in the 65 to 75 years and 75+ age groups. The majority of Dana Point’s senior households are in the 65–74 year bracket—1,570 of the 2,979 households—and approximately 13% of householders are 75 years or older. Of the total senior households older than 65 years, 89% are owners and 11% are renters.

The high percentage of senior homeowners may indicate a need for programs that assist seniors in maintaining their homes and facilitate independent living. The Dana Point Senior Center conducts free senior home assessments and provides case management to foster safe independent living. The Dana Point Senior Center performs an average of eight senior home assessments per year. Other Senior Center programs that facilitate independent living include meal delivery, no-cost Medicare and insurance counseling, no-cost legal consultation, visual aide consultation for low-vision seniors, and social activities.

According to Table H-14, 70% of all seniors 65+ years live in families. Approximately 28% of Dana Point seniors live in nonfamily households. Of those seniors in nonfamily households, 82% live alone. An estimated 17% of all seniors in this age group are women living alone. Seniors who live alone may greatly benefit from the free home assessment and social activities organized by the Dana Point Senior Center.

Activities include a group lunch each weekday, once-a-month movie afternoons, sports playoff screenings, Thursday gaming days, and trips to various locations every second Tuesday of the month.

Some elderly persons need supportive housing assistance if they are disabled and/or frail. According to the data in Table H-15, there are an estimated 1,280 seniors (age 65+) with disabilities out of a total of 4,442 seniors (29%). Disabled seniors may have a need for assisted living facilities or basic support services in order to maintain independence. For seniors ages 60 and over whose limited mobility impairs shopping and cooking, the Dana Point Senior Center will deliver three meals each weekday for a donation of five dollars per day. Transportation is also a critical concern for many seniors, particularly those who are disabled. The Orange County Transportation Authority operates the non-emergency South County Senior Transportation Program to provide South County residents aged 60 years and over with affordable and safe weekday transportation. As of January 2007 each trip costs the rider two dollars.

An estimated 3% of the seniors 65+ years in non-family households live in group quarters. Group quarters include state-licensed residential care facilities for six or fewer persons. These facilities are permitted by right in any residential zone within Dana Point. In 2007, the California Department of Social Services Community Care Licensing Services reported six small residential care facilities with a collective capacity to house 30 persons in Dana Point. The City also has two large residential care facilities with the ability to serve 164 persons. In January 2007, 51 beds in Dana Point residential care facilities were available. Other communities in the South Orange County area provide additional means for seniors to remain in the area. There are 261 residential care facilities, (1,543 beds), 18 assisted living facilities (2,282 beds), and 8 skilled nursing home facilities (787 beds) in other South Orange County communities.

Dana Point seniors also greatly benefit from the resources made available by the County of Orange Office on Aging (Office on Aging). The Office on Aging is the lead advocate for seniors residing in Orange County communities. The goals of the Office on Aging include improving transportation, health and safety, and access to affordable housing for the County’s elderly population. The Office on Aging operates the InfoVan, a traveling library of outreach materials for seniors and their caregivers that makes scheduled stops throughout the County. Another resource is the Office on Aging’s website, which provides an extensive database of useful information, such as guides for financial and legal matters, nutrition and exercise, safety, prescription medicine, diseases and conditions, and transportation.

**TABLE H-13
ELDERLY HOUSEHOLDERS BY TENURE IN 2000
CITY OF DANA POINT**

Age of Householder	Owner	%	Renter	%	Total
65 to 74 years	1,414	54%	156	46%	1,570
75 years+	1,225	46%	184	54%	1,409
Total	2,639	100%	340	100%	2,979

Source: Census 2000.

**TABLE H-14
HOUSEHOLD STATUS FOR PERSONS OVER
THE AGE OF 65 IN 2000
CITY OF DANA POINT**

Household Status	Number	Percent
In Family Households		
Male householder	1,430	32%
Female householder	264	6%
Spouse	1,177	26%
Other Relative	227	5%
Non-relatives	0	0%
Non-Family Households		
Male householder, living alone	216	5%
Male householder, not living alone	85	2%
Female householder, living alone	767	17%
Female householder, not living alone	33	1%
Non-relatives	119	3%
In group quarters	124	3%
Total	4,442	100%

Source: Census 2000.

**TABLE H-15
LIMITATIONS OF THE SENIOR (65+) POPULATION IN 2000
CITY OF DANA POINT**

Status	Male	Female	Total
With One Type of Limitation	352	393	745
Sensory Limitation	168	30	198
Physical Limitation	130	295	425
Mental Limitation	16	0	16
Self-Care Limitation	0	0	0
Go-Outside-Home Limitation	38	68	106
With Two or More Types of Limitations	158	377	535
Includes Self-Care Limitation	63	154	217
Does Not Include Self-Care Limitation	95	223	318
Total Senior Disabled	510	770	1,280

Source: Census 2000.

Large Households

In 2000, Dana Point had an estimated 14,403 total households, of which 1,044 were defined as large households—those consisting of five or more persons. These large households accounted for 7% of the City's total households as indicated by the data in Table H-16. Approximately 6% (515) of the City's owner households and 10% (529) of the City's renter households are large households. Large households experience a need for more space at affordable housing costs. In 2000 about 50% of all large family households resided in rented housing.

**TABLE H-16
HOUSEHOLDS BY HOUSEHOLD SIZE AND TENURE IN 2000
CITY OF DANA POINT**

Household Size	Owner		Renter		Total	
	Number	%	Number	%	Number	%
1 person	2,112	56%	1,677	44%	3,789	26%
2 persons	4,030	69%	1,854	31%	5,884	41%
3 persons	1,175	58%	861	42%	2,036	14%
4 persons	1,017	62%	633	38%	1,650	12%
5 persons	385	64%	221	36%	606	4%
6 persons	101	40%	155	61%	256	2%
7 persons	29	16%	153	84%	182	1%
Total	8,849	61%	5,554	39%	14,403	100%

Source: Census 2000.

Farm Workers

Low wages and the seasonal nature of many agriculture jobs create special needs for farm workers. According to the 2000 Census there are an estimated 53 Dana Point residents employed in the “agriculture, forestry, fishing, and hunting” sector. The need for housing generated by farm workers is estimated to be nominal and can be adequately addressed by the City's affordability programs, particularly in the expansion of opportunities for Single Resident Occupancy hotels in the Town Center and CF zone.

Single-Parent Householders

According to the 2000 Census, 7% of householders in the City are single parents with children under 18 years of age. Of those single-parent householders, 71% are female and 29% are male. There are approximately 686 female-headed households in Dana Point. These households are single-income households likely to have a need for lower income rental and homeownership opportunities.

Extremely Low Income Households

Changes in state law enacted through AB 2634 (2006) require local jurisdictions to include in their housing elements an assessment of housing needs and an inventory of suitable land for residential development of extremely low income households, defined as those earning no more than 30% of the area median income. According to the Southern California Association of Governments, approximately 980 households in Dana Point were categorized as extremely low income households in 1999. The future

housing need for extremely low income households can be estimated (per state law) at one-half of the City's very low income housing allocation.

As this law was adopted after the previous planning period, the calculation of extremely low income households is based on the City's 2006–2014 RHNA allocation of 15 very low income units (see Table HI-1). Accordingly, the City's projected need for extremely low income households is approximately 8 units (rounding up from 7.5).

Such households are the most likely to be currently homeless or on the verge of becoming homeless. An extremely low income household of four would earn less than \$23,611 per year and would be able to spend only \$590 per month in rent before overpaying for housing. A two-person household earning less than \$18,900 would only be able to spend \$473 per month in rent before overpaying for housing.

This population can be most effectively served by Section 8 Housing Certificates and Vouchers and through the construction of single resident occupancy (SRO) projects. The Dana Point Town Center Plan, as described in the Residential Land Resources section of the Housing Element, conditionally permits SROs and could accommodate approximately 10 extremely low or very low income units. Additionally, the City is updating its Community Facilities zone to conditionally permit SRO projects as part of Program 1.3.

Homeless and Those in Need of Transitional or Emergency Shelter

Homeless persons and families lack a fixed, regular, and adequate nighttime residence; their primary nighttime residence is a supervised, publicly or privately operated shelter designed to provide temporary living accommodations, such as welfare hotels, congregate shelters, and transitional housing for the mentally ill; an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for or ordinarily used as a regular sleeping accommodation for persons.

A homeless individual is defined as a youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children. A homeless family is defined as a family that includes at least one parent or guardian and one child under the age of 18, a pregnant woman, or a person in the process of securing legal custody of a person under the age of 18 who is homeless. Other subpopulations of the homeless include persons with service needs related to severe mental illness (SMI) only; alcohol/other drug abuse (AODA) only; both SMI and AODA; domestic violence; AIDS/related diseases; and other special service needs.

A "Continuum of Care" system for homeless persons involves five components:

- **Outreach/Needs Assessment:** a Continuum of Care begins with a point of entry in which the needs of a homeless individual or family are assessed. In most communities, the intake and assessment component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system should include a strong outreach component.
- **Emergency Shelter:** The County's 2006 Continuum of Care Gap Analysis identifies a countywide unmet need for almost 8,585 emergency shelter beds.

- **Transitional Housing:** Transitional housing provides rehabilitative services such as substance abuse treatment, short-term mental health services, and independent living skill classes. Appropriate case management should be accessed to ensure that persons receive necessary services. According to the County's 2006 Continuum of Care Gap Analysis there is an existing countywide unmet need for 7,660 beds in transitional housing facilities.
- **Permanent Supportive Housing:** Once a needs assessment is completed, the person/family may be referred to permanent housing or to transitional housing where supportive services are provided to prepare them for independent living. For example, a homeless person with a substance abuse problem may be referred to a transitional rehabilitation program before being assisted with permanent housing. Some individuals, particularly persons with chronic disabilities, may require ongoing supportive services once they move into permanent housing. According to the County's 2006 Continuum of Care Gaps Analysis, there is an existing countywide unmet need for 35,209 permanent support housing spaces.
- **Permanent Housing:** Permanent housing at affordable housing costs should be available as previously homeless persons make the transition to self-sufficiency.

The County of Orange conducts a countywide housing needs assessment every other year. According to County Homeless Coordinator, Mary Bishop, the needs assessment and gaps analysis are not conducted on a city-by-city basis. Instead, information is combined from local organizations that serve the homeless. One organization may respond to the needs of homeless persons originating from several cities, thus the County's reports provide a countywide overview and not any information on the homeless specific to the City of Dana Point.

The County's 2006 Continuum of Care Gaps Analysis has provided the following estimates of persons and families that comprise homeless subpopulations. These estimates are summarized below:

- It is estimated that there are 2,587 chronically homeless persons in Orange County.
- There are 5,916 homeless chronic substance abusers in Orange County's streets and shelters.
- It is estimated that there are 1,722 seriously mentally ill persons among Orange County's homeless. As with the homeless substance abusers, this subpopulation often requires proactive outreach programs in order for clients to be assessed and served.
- It is estimated that 322 HIV/AIDS-afflicted homeless individuals live in Orange County.
- It is difficult to estimate the number of victims of domestic violence in the County since many cases go unreported. It is estimated that 3,722 homeless, battered spouses (and their children) live in the County at any point in time.

Within the network of service providers in the County, several programs operate that specialize in services for homeless subpopulations. Through proactive outreach or referrals homeless individuals and families may reach any one of the components of the County's system of care. Once in the system, the region's network of service providers is geared toward moving the individual or family through the continuum toward self-sufficiency.

Considering the transient nature of a homeless population it is very difficult to estimate an exact number of homeless persons in Dana Point. In March 2008 the Dana Point Police Services division of the Orange

County Sheriff's Department estimated that approximately 25 to 75 homeless persons live in vehicles or motor homes in state beach parking lots for various periods of time. The City is also home to approximately 20 to 35 day laborers who camp out in dry creek beds or reside in vehicles. Most visible homeless persons in Dana Point are single males, although homeless couples occasionally live in vehicles by the beach. Overall the Sheriff's Department estimates that there are 50 to 170 homeless persons in Dana Point, with the homeless population peaking in the summer months due to the temperate climate and ability to live in vehicles by the beach. They estimate that there are 50 unsheltered homeless Dana Point residents; and that the remainder of the homeless population is actually making a nomadic lifestyle choice and select Dana Point as a temporary residence during the summer. Dana Point's chronic homeless population and extremely low income households could benefit from new SRO units, second units, emergency shelters, and transitional housing facilities.

The City's Zoning Code allows emergency shelters (including transitional housing) in all zones, subject to a conditional use permit (CUP). In conjunction with emergency shelters, the Zoning Code allows supportive services such as food, counseling, and access to other social services. In establishing conditions for all uses requiring a CUP, the City seeks to ensure the health and safety of the use and surrounding uses. The factors that are usually considered include parking, noise, and operational features of the use.

Through implementing Program 1.3 the City will update the Zoning Code to define emergency shelters and allow emergency shelters providing up to 20 beds in the Community Facilities (CF) zone by ministerial approval (without a conditional use permit or other discretionary approval) with appropriate development and management standards to comply with Senate Bill 2. There are 62.1 acres of CF land, of which 5 acres are vacant. The number of beds permitted without discretionary approval reflects site sizes and existing facilities in Dana Point and adjacent cities which generally provide between 15 and 25 beds each.

There are several options for providing emergency shelters in Dana Point, ranging from new construction to small modifications to existing facilities. Places of worship often have volunteer committees that serve the homeless and provide supportive services for people in transition to self-sufficiency. Such places of worship may be well positioned to also provide emergency shelter. Another aspect of Program 1.3 will involve amending the Zoning Code to allow emergency shelters providing up to 10 beds as accessory uses to places of worship without a conditional use permit or other discretionary permit. Approximately 13 churches are in Dana Point. By allowing new emergency shelter construction in the CF zone, conversion of existing building in the CF zone, and accessory shelters in places of worship, the City has the potential to accommodate 50 or more emergency shelter beds.

As described in Program 1.3, collaboration between planners, social justice advocates, and homeless service providers is expected to result in recommended design, development and management standards that encourage and facilitate the adaptation of existing structures and development of new structures for emergency shelters. The St. Edward's Catholic Church Social Justice Committee and Orange County Congregation Community Organization have begun working with the City. Through this program, the City will also amend the Zoning Code to clearly define emergency shelters, transitional, and permanent supportive housing uses, and permit transitional and permanent supportive housing in residential zones subject to the same requirements as traditional residential uses.

Homeless persons in the City of Dana Point and its environs are served by a variety of South Orange County organizations. Table H-17 identifies the organizations, homeless shelters and facilities in, or in close proximity to, Dana Point.

- **Toby’s House:** Toby’s House is a nonprofit organization with two facilities in Dana Point that serve homeless, pregnant women and their children under age five. Toby’s House provides expectant mothers with shelter, prenatal care, life skills courses, and access to child care so they may work, go to school, or complete a job training program.
- **Laura’s House:** A state-approved domestic violence agency serving South Orange County battered women and children. Laura’s House provides housing, counseling, and legal services.
- **McCullough Ministries:** This nonprofit organization operates the Adopt-A-Neighbor program, an outreach and emergency service for south and central Orange County homeless, mentally disabled, and needy persons. Funds are used for project and support costs including operating expenses, rent, insurance, utilities and supplies.
- **Mental Health Association of Orange County-Outreach Services:** This nonprofit organization uses CDBG funds to provide mobile outreach services for emotionally disabled homeless. Such services may include assistance for temporary shelter, outreach, and referral of this special needs group for necessary transitional programs.
- **Salvation Army/Family Services/South Orange County:** The Salvation Army food, utility assistance, transportation, clothing, and household item distribution center serving South County communities is in San Clemente, approximately five miles from the city center of Dana Point.
- **Corazon:** Located in Laguna Hills, approximately 15 miles from the city center of Dana Point, this volunteer group delivers groceries to the homeless and needy families throughout Orange County.
- **Friendship Shelter:** Located in Laguna Beach and serving south Orange County, the facility provides shelter and a program to assist single men and women get back on their feet.
- **Community Services Program (CSP):** This nonprofit organization provides emergency shelter and counseling to youth and their families in south Orange County.
- **Ecumenical (Episcopal) Service Alliance (ESA)/Anchor House:** Located in San Clemente, this facility provides transitional housing for up to three months for women with children.
- **San Clemente Community Service Center:** The Center offers food bags, including brown bag lunch during office hours. These services are provided when funds are available—rent, mortgage and utility assistance; transportation (bus tickets); transitional housing; information and referral; and counseling.
- **South County Outreach:** This nonprofit organization provides condominium housing for homeless families in South Orange County. Facilities are located in Lake Forest, Laguna Niguel, and Mission Viejo. Services include groceries, cleaning supplies, career coaching, computer training, legal counseling, consumer credit counseling, and psychological counseling.

These services comprise one or more components of a Continuum of Care plan for homeless persons and families in Dana Point and the South Orange County area. The City will continue to refer those in need to the above services and facilities. The City also will periodically update its inventory of service providers.

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**TABLE H-17
ORANGE COUNTY HOMELESS SHELTERS**

	Shelters	# of Beds	# Turn Away Daily	Target	Max Stay	Charge
1	Anaheim Interfaith	57	5	Families	9 mos.	\$--
2	Annie's House	< 6	2	HIV/AIDS	Unk.	Donations
3	Armories	250	0	Open	Varies	\$--
4	Beacon House	12	3	Mentally Ill	6 mos.	\$--
5	Bethany Women's Shelter	8	3	Single Women	6 mos.	15% of income
6	Casa Teresa	36	10	Preg. Adults	7-8 mos.	20 beds at \$170/mo
7	Casa Youth Shelter	12	3	Teens 12-17	14 days	Sliding
8	CSP Youth Shelter	6	2	Teens 11-17	2-3 weeks	Sliding
9	Cold Weather/Laguna Beach	25	0	Open	1 day	\$--
10	Cold Weather/San Clemente	25	0	Open	1 day	\$--
11	Dayle McIntosh Hearth	6	2 to 3	Disabled	30 days	n/a
12	El Modena	18	5	Families	6-9 mos.	\$250 deposit
13	Eli Home	21	5	Women w/kids	45 days	Sliding Scale
14	Friendship Shelter	29	6	Singles	60 days	\$--
15	Gerry House	Varies	Varies	IV Drug Users	1 year	Sliding Scale
16	Gerry House West	6	1	HIV Positive	1 year	Sliding Scale
17	H.C.A. Homeless Program	32	6 to 8	Mentally Ill	3 mos.	\$--
18	H.I.S. House	29	7	Families/Sgl	4 mos.	Unk.
19	Hannah's House	6	2	Sgl. Preg.	6 mos.	\$200/mo
20	Henderson House	24	6	Singles	18 mos.	\$250/mo
21	House of Hope	45	60	Women w/kids	18 mos.	\$--
22	Human Options	24	6	Dom. Vio.	45 days	24 at \$4.00/day
23	Human Options/Second Step	50	10	Dom. Vio.	12 mos.	1/3 income
24	Huntington Youth Shelter	12	2	Unacc. Youth	14 days	12 at \$10/week
25	Interval House	32	8	Dom. Vio.	45 days	\$4/day

**TABLE H-17
ORANGE COUNTY HOMELESS SHELTERS**

	Shelters	# of Beds	# Turn Away Daily	Target	Max Stay	Charge
26	Interval House/2nd Stage	19	4	Dom. Vio.	18 mos.	Sliding
27	Interval House/Transitional	5	1	Dom. Vio.	24 mos.	Sliding
28	Irvine Temporary Housing	60	5	Families	12 mos.	30% of income
29	Kathy's House	10	3	Fam./Dom. Vio.	12 mos.	\$--
30	Laura's House	18-22	2-5	Dom. Vio.	45 days	\$35/wk/family
31	Laurel House	6	4-5	Unacc. Youth	Indefinitely	0 or Sliding
32	Martha House	10	3	Ment. Ill Women	Varies	\$--
33	Mary's Shelter	12	4	Preg. Teens	9 mos.	\$--
34	Mercy House/Joseph House	24	3	Single Men	15 mos.	24 at \$175/mo
35	New Vista/Fullerton Interfaith	40	10	Families	6 mos.	\$--
36	Orange Coast Interfaith	55	5-10	Fam./Couples	7 days	\$--
37	O.C. Interfaith Transitional	18	0	Families	60-90 days	\$--
38	Orangewood Transitional	7	Unk.	Eman. Minors	18 mos.	\$250/mo
39	Precious Life Shelter	6	2	Preg. Adults	30 days	\$--
40	Regina House	18	3	Sgl Wom. W/kids	6 mos.	\$--
41	Rescue Mission for Men	95	85	Sgl Men	18 mos.	Unk.
42	Saddleback Comm. Outreach	5 condos	1	Families	6 mos.-1 year	\$300-\$550/mo
43	Sal Army/Buffalo Street	4 rooms	1	Small Families	6-12 mos.	Unk.
44	Salvation Army Hosp House	55	5-25	Families	3 days-9 mos.	\$--
45	Shelter for the Homeless	12	30	Fam./Men/Wom	60 days	12 at \$5/day
46	Shelter for the Homeless/Trans	90	30	Families/Vets	24 mos.	\$300/apt = 2 bedroom
47	South County Outreach	53	N/A	Families	Avg. 6-9 mos.	Unk.
48	The Sheepfold	55	14	Women w/kids	6 mos.	\$--
49	Thomas House	63	5 families	Families	12 mos.	0 for 6 mos./20% income
50	Toby's House	15	4	Pregnant Women	24 mos.	\$300/mo
51	Vet. Charities/Emerg.	30	5	Veterans	Open	\$25/week
52	Vet. Charities/Trans.	80	20	Veterans	Open	25% of income

**TABLE H-17
ORANGE COUNTY HOMELESS SHELTERS**

	Shelters	# of Beds	# Turn Away Daily	Target	Max Stay	Charge
53	Vietnamese League	15	5	Families	3 mos.	\$--
54	Women's Trans Living Center	56	12-15	Dom. Vio.	45 days	Sliding/\$4.00 to 0
55	YMCA Senior Step	5	2	Ages 55-70	12 mos.	\$65/week
56	YMCA Y's	10	3	Dev. Disabled	6 mos.	\$65/week
57	YWCA Hotel for Women	38	10	Sgl. Women	6 mos.	18 at \$70.55/week

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Governmental Constraints and Resources

Governmental constraints are policies, development regulations, standards, requirements or other actions imposed by the various levels of government on land and housing ownership and development. Although federal and state agencies play a role in the imposition of governmental constraints, these agencies are beyond the influence of local government and are therefore not addressed in this document.

Housing Element law requires an analysis of the following governmental factors:

- Land use controls (Land Use Element and Zoning)
- Building codes and their enforcement
- Site improvements
- Local processing and permit procedures
- Fees and other exactions

Land Use Controls

Land use controls provided by the Land Use Element of the City's General Plan and Zoning Code guide the location, distribution, density, and design of all development within the City.

General Plan Land Use Element

State law requires each city to have a General Plan that establishes policy guidelines for future development. The Land Use Element identifies the location, distribution, and density of land uses throughout the City. The Land Use Element describes five residential land uses and one mixed, commercial and residential land use, ranging in density from 3.5 to 30 dwelling units per acre for the residential designations and 10 dwelling units per acre for the mixed-use designation. The Dana Point Town Center Plan incorporates development standards and allows for a mix of commercial and residential uses at densities reaching 30 units per acre. Less than 16% of the City's land area or approximately 10% of dwelling units are within the lowest density General Plan designation of Residential 0-3.5.

These categories allow for a variety of housing types to accommodate a range of owner and rental housing opportunities. The program provided by the General Plan Land Use Element establishes five goals for future land development within the City. These goals facilitate:

- Balanced development in Dana Point
- Compatibility and enhancement among land uses
- Directing growth to maintain and improve the quality of life
- Preservation of natural resources
- Protection of resident-serving land uses

**TABLE H-18
GENERAL PLAN RESIDENTIAL LAND USE CATEGORIES
CITY OF DANA POINT**

Designation	Description
Residential 0–3.5	Primarily detached single-family homes.
Residential 3.5–7	Primarily detached and attached single-family homes that may include duplexes, condominiums, and townhomes.
Residential 7–14	Primarily attached single-family homes and multifamily dwellings such as apartments.
Residential 14–22	Primarily attached single-family homes and multifamily dwellings such as apartments.
Residential 22–30	Primarily attached single-family homes and multifamily dwellings such as apartments.
Commercial/Residential	The standard of 10 dwelling units per net acres is allowed when residential development is combined in the same building or parcel as commercial retail or office uses.
Town Center	A mix of pedestrian-friendly commercial and residential uses at higher densities than elsewhere in the City. Densities are extremely variable in the Town Center and residential units are to be developed in a mixed-use format. When constructed, however, residential densities are generally expected to reach an equivalent of 30 units per acre.

Source: City of Dana Point General Plan Land Use Element.

Zoning Code

Zoning regulations control development by establishing requirements related to height, density, lot area, yard setbacks, and minimum parking spaces. Higher residential zoning densities reduce land cost on a per unit basis and thus facilitate the development of affordable housing. Restrictive zoning that requires unusually large lot and building size can substantially increase housing costs.

The City’s Zoning Code regulates community development by establishing allowable uses and development standards for 13 residential zones in four density categories. Additionally, a Planned Residential Development (PRD) overlay zone ensures that new development can be built with similar, more flexible standards (such as setbacks and minimum lot size) as those of development existing at the time of incorporation. Residential uses are permitted in the City’s mixed-use zones and specific residential uses—including Single Room Occupancy units and residential care facilities—are conditionally permitted in commercial and industrial/business zones. The residential development potential in non-residential zones, however, is generally low considering the City does not have redevelopment powers. However, the City’s mile-long mixed-use Town Center, approved June 2008, will add residential units to a significant portion of the City that has historically been primarily commercial.

Dana Point’s residential zones range from a maximum of 2 units per acre in the Residential Single Family 2 (RSF 2) zone to 30 units per acre in the Residential Multiple Family 30 (RMF 30), exclusive of density bonus provisions. Additionally, the City allows manufactured housing in single or multifamily zones. The use of manufactured homes can reduce housing costs by as much as 30–40%, according to the U.S. Department of Housing and Urban Development. The City furthers this affordability by not requiring special design and use standards for manufactured housing.

A summary description of each zone permitting residential uses is given in Table H-19. The summary description identifies the principal housing types permitted in each zone. Table H-20 indicates the specific housing types that are allowed in some form in each residential zone. The Zoning Code provides for a variety of housing types to accommodate a range of owner and rental housing opportunities, including housing for special needs groups. Table H-21 lists the minimum acceptable standard for development within the City's residential districts necessary to assure quality development and attractive local residential areas without hindering the production of affordable housing. The City's development standards are not considered to be a constraint to affordable housing.

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TABLE H-19
ZONING FOR A VARIETY OF HOUSING TYPES
CITY OF DANA POINT

General Plan Designation	Zoning District	Maximum Density ¹	Housing Types
Very Low Density Residential			
Residential 0-3-5	Residential Single Family 2 (RSF 2)	2	Detached Single Family
	Residential Single Family 3 (RSF 3)	3	Detached Single Family
Low Density Residential			
Residential 0-3-5 & Residential 3-5-7	Residential Single Family 4 (RSF 4)	4	Detached/Attached Single Family
	Residential Single Family 7 (RSF 7)	7	Detached/Attached Single Family
	Residential Multiple Family (RMF 7)	7	Multi-Family
Medium Density Residential			
Residential 7-14	Residential Single Family 12 (RSF 12)	12	Detached Single Family
	Residential Beach Road 12 (RBR 12)	12	Detached Single Family
	Residential Duplex 14 (RD 14)	14	Duplexes
	Residential Multiple Family 14 (RMF 14)	14	Multifamily
High Density Residential			
Residential 14-22	Residential Beach Road Duplex 18 (RBRD 18)	18	Duplexes
	Residential Single Family 22 (RSF 22)	22	Detached Single Family
Residential 22-30	Residential Multiple Family 22 (RMF 22)	22	Multifamily
	Residential Multiple Family 30 (RMF 30)	30	Multifamily
Mixed-Use			
Commercial/Residential	Commercial/Residential (C/R)	10	Mixed-Use Residential
Professional/Administrative	Professional/Residential (P/R)	10	Mixed-Use Residential
Commercial, Industrial, and Community Facilities			
Community Commercial	Community Commercial/Pedestrian (CC/P)	0.6:1 FAR	Care Facility, Emergency Shelter, SRO
	Community Commercial/Vehicular (CC/V)	0.5:1 FAR	Care Facility, Emergency Shelter, SRO
Visitor/Recreation Commercial	Visitor/Recreation Commercial (V/RC)	0.5:1 FAR	Care Facility, Emergency Shelter, SRO
Industrial/Business Park	Industrial/Business (I/B)	0.5:1 FAR	Communal Housing, SRO
Community Facilities	Community Facilities (CF)	1.0:1 FAR	Senior/Communal Housing
Special Districts			
Town Center	Town Center (TC)	2.5:1 FAR	Mixed-Use Residential, SRO

¹ Maximum dwellings per net acre of land. Residential projects in non-residential districts shall comply with the Floor Area Ratio (FAR) of the zoning district.
 Source: Dana Point Municipal Code.

TABLE H-20
PERMITTED RESIDENTIAL USES BY ZONING DISTRICT
CITY OF DANA POINT

Residential Use	Very Low Density		Low Density		Medium Density			High Density			Mixed-Use				Commercial, Industrial, & Community Facilities							
	RSF 2	RSF 3	RSF 4	RSF 7	RSF 7	RSF 12	RBR 12	RD 14	RMF 14	RBRD 18	RSF 22	RMF 22	RMF 30	C/R	P/R	Town Center	CC/P	CC/V	V/RC	I/B	CF	
Accessory Living Quarters	A	A	A	A																		
Dwelling, Single Family	P	P	P	P	P	P	P	P	P	P	P	P	P	P ¹	P ¹							
Dwelling, Multiple Family				P				P	P		P	P	P	A ¹	A ¹	P						
Dwelling, Duplex				P				P	P	P	P	P	P									
Employee Quarters	C	C	C	C		C	C															
Granny Flat	C*	C*	C*	C*	C*	C*	C*		C*	C*												
Home Occupation																P						
Manufactured Home	P*	P*	P*	P*	P*	P*	P*	P*	P*	P*	P*	P*	P*									
Mobile Home Park	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*									
Mobile Home Subdivision	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*	C*									
Second Dwelling Unit	P	P	P	P	P	P	P															
Senior Citizen Housing																						
Single Room Occupancy																						
Congregate Care Facility	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Emergency Shelter	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Group Home	P	P	P	P	P	P	P	P	P	P	P	P	P	C	C	C	C	C	C	C	C	C

Notes:

- A = Accessory Use, permitted by right if accessory to a dwelling unit or a residential development
- A¹ = Accessory Use, permitted as part of a mixed-use project
- P = Permitted Use, permitted by right
- P¹ = Permitted Use, permitted by right to replace an existing single-family unit and subject to the standards of the RSF 7 district or as part of a mixed-use project
- Source: Dana Point Municipal Code, Chapter 9.09.

- P* = Permitted Use subject to special use standards in Chapter 9.07 of the Dana Point Municipal Code
- C = Conditional Use, allowed subject to the approval of a conditional use permit
- C* = Conditional Use subject to special use standards in Chapter 9.07 of the Dana Point Municipal Code

**TABLE H-21
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT**

Development Standards (1)	Residential Zoning Districts			
	RSF 2	RSF 3	RSF 4	RSF 7
(a) Minimum Lot Size: (2)	17,500 sf	12,000 sf	8,700 sf	5,000 sf
(b) Minimum Lot Width - (2)				
Standard Lot:	70 ft	50 ft	50 ft	50 ft
Cul-De-Sac Lot (at front building setback line):	30 ft	30 ft	30 ft	30 ft
Flag Lot (for access extension):	20 ft	20 ft	20 ft	20 ft
(c) Minimum Lot Depth: (2)	100 ft	80 ft	75 ft	75 ft
(d) Maximum Lot Coverage:	35%	35%	45%	60%
(e) Minimum Land Area Per Unit: (3)	17,500 sf	11,667 sf	8,750 sf	5,000 sf
(f) Maximum Height (4):	28 ft/ 2 stories	28 ft/ 2 stories	28 ft/ 2 stories	28 ft/ 2 stories
(g) Minimum Front Yard Building Setback - (5)				
From Ultimate Public Street ROW line:	20 ft	10 ft	20 ft	20 ft
Flag Lot (from connection with access extension):	10 ft	10 ft	10 ft	10 ft
(h) Minimum Side Yard Setback - (5)				
Interior Side:	10 ft	8 ft	5 ft	5 ft
Exterior Side:	15 ft	10 ft	10 ft	10 ft
Flag Lot: (6)	10 ft	8 ft	5 ft	5 ft
(i) Minimum Rear Yard Setback - (5)			(7)	
Standard Lot:	30 ft	25 ft (7)	25 ft	25 ft
Flag Lot and Cul-De-Sac Lot:	30 ft	25 ft (7)	25 ft	25 ft
Adjacent to Alley or Street (from ROW line):	20 ft	20 ft	15 ft	15 ft
(j) Minimum Open Space (Private):	30%	30%	30%	30%
(k) Minimum Landscape Coverage:	25%	25%	25%	25%
(l) Minimum Building Separation - (between primary and accessory buildings on the same lot):	10 ft	10 ft	10 ft	10 ft

TABLE H-21
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT

Development Standards (1)	Residential Zoning Districts		
	RSF 12	RBR 12	RBRD 18
(a) Minimum Lot Size: (2)	3,000 sf	4,200 sf	4,800 sf
(b) Minimum Lot Width - (2)			
Standard Lot:	40 ft	45 ft	45 ft
Cul-De-Sac Lot (at front setback line):	30 ft	N/A	N/A
Flag Lot (for access extension):	20 ft	10 ft	10 ft
(c) Minimum Lot Depth: (2)	60 ft	50 ft	50 ft
(d) Maximum Lot Coverage:	60%	N/A	N/A
(e) Minimum Land Area Per Unit: (3)	2,917 sf	2,917 sf	1,945 sf
(f) Maximum Height (4):	28 ft/ 2 stories	28 ft/ 2 stories (8)	28 ft/ 2 stories (8)
(g) Minimum Front Yard Setback: (5)			
From Ultimate Public Street ROW line:	20 ft	20 ft (10)	20 ft (10)
Flag Lot (from connection with access extension):	10 ft	N/A	N/A
(h) Minimum Side Yard Setback - (5)			
Interior Side:	5 ft	3.5 ft	3.5 ft
Exterior Side:	10 ft	3.5 ft	3.5 ft
Flag Lot: (6)	5 ft	5 ft	5 ft
(i) Minimum Rear Yard Setback - (5)			
Standard Lot:	15 ft	(9)	(9)
Flag Lot and Cul-De-Sac Lot:	15 ft	(9)	(9)
Adjacent to Alley or Street (from ROW line):	10 ft	(9)	(9)
(j) Minimum Open Space (Private):	700 sf per du	700 sf per du	700 sf per du
(k) Minimum Landscape Coverage:	25%	10% (11)	10% (11)
(l) Minimum Building Separation - (between primary and accessory buildings on the same lot):	10 ft	10 ft	10 ft

TABLE H-21
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT

Development Standards (1)	Residential Zoning Districts		
	RSF 22	RD 14	RMF 7
(a) Minimum Lot Size: (2)	2,000 sf	5,000 sf	15,000 sf
(b) Minimum Lot Width - (2)			
Standard Lot:	40 ft	45 ft	60 ft
Cul-De-Sac Lot (at front setback line):	25 ft	30 ft	30 ft
Flag Lot (for access extension):	N/A	25 ft	25 ft
(c) Minimum Lot Depth: (2)	50 ft	100 ft	100 ft
(d) Maximum Lot Coverage:	60%	50%	50%
(e) Minimum Land Area Per Unit: (3)	1,591 sf	2,500 sf	5,000 sf
(f) Maximum Height (4):	28 ft/ 2 stories	28 ft/ 2 stories	28 ft/ 2 stories
(g) Minimum Front Yard Setback - (5)			
From Ultimate Public Street ROW line:	7.5 ft	20 ft	20 ft
Flag Lot (from connection with access extension):	7.5 ft	15 ft	15 ft
(h) Minimum Side Yard Setback - (5)			
Interior Side:	4 ft	4 ft	5 ft
Exterior Side:	4 ft	10 ft	10 ft
Flag Lot: (6)	4 ft	4 ft	5 ft
(i) Minimum Rear Yard Setback - (5)			
Standard Lot:	7.5 ft	15 ft	15 ft
Flag Lot and Cul-De-Sac Lot:	7.5 ft	15 ft	15 ft
Adjacent to Alley or Street (from ROW line):	7.5 ft	10 ft	10 ft
(j) Minimum Open Space(Private and Common):			
Private	250 sf	20% net ac	400 sf/du
Common	None	N/A	30% net ac
(k) Minimum Landscape Coverage:	20%	15%	25%
(l) Minimum Building Separation (between primary and accessory buildings on the same lot):	8 ft	10 ft	10 ft

**TABLE H-21
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT**

Development Standards (1)	Residential Zoning Districts		
	RMF 14	RMF 22	RMF 30
(a) Minimum Lot Size: (2)	7,500 sf	4,800 sf	4,800 sf
(b) Minimum Lot Width - (2)			
Standard Lot:	45 ft	45 ft	45 ft
Cul-De-Sac Lot (at front setback line):	25 ft	25 ft	25 ft
Flag Lot (for access extension):	25 ft	25 ft	25 ft
(c) Minimum Lot Depth: (2)	100 ft	90 ft	90 ft
(d) Maximum Lot Coverage:	60%	60%	60%
(e) Minimum Land Area Per Unit: (3)	2,600 sf	1,591 sf	1,167 sf
(f) Maximum Height (4):	28 ft/ 2 stories	28 ft/2 stories	28 ft/2 stories
(g) Minimum Front Yard Setback - (5)			
From Ultimate Public Street ROW line:	20 ft	20 ft	20 ft
Flag Lot (from connection with access extension):	15 ft	15 ft	15 ft
(h) Minimum Side Yard Setback - (5)			
Interior Side:	5 ft	10 ft	15 ft
Exterior Side:	10 ft	10 ft	15 ft
Flag Lot: (6)	15 ft	10 ft	15 ft
(i) Minimum Rear Yard Setback - (5)			
Standard Lot:	15 ft	20 ft	20 ft
Flag Lot and Cul-De-Sac Lot:	15 ft	N/A	N/A
Adjacent to Alley or Street (from ROW line):	10 ft	15 ft	15 ft
(j) Minimum Open Space(Private and Common):			
Private	200 sf/du	200 sf/du	100 sf du
Common	30% net ac	25% net ac	20% net ac
(k) Minimum Landscape Coverage:	25%	20%	15%
(l) Minimum Building Separation (between primary and accessory buildings on the same lot):	10 ft	10 ft	10 ft

**TABLE H-21
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT**

Development Standards (1)	Residential Zoning Districts
(1) See Chapter 9.75 of the Dana Point Municipal Code for definitions and illustrations of development standards. (2) Development standard applies to any proposed subdivision of land. These standards do not apply to existing lots where no subdivision is proposed or to proposed condominiums or other common lot subdivisions. (3) Land Area per Dwelling Unit may not be rounded up. (Example: 14,250 square feet/2,500 square feet of land per dwelling unit = 5.7 dwelling units which equals 5 dwelling units, not 6 dwelling units.) (4) Subject to the measurement and design criteria in Section 9.05.110(a). (5) For existing lots less than fifty (50) feet wide and/or less than one hundred (100) feet deep, see Section 9.05.190 for reduced front, side and rear building setbacks. (6) If the side yard of a flag lot is adjacent to the rear yard of a residentially zoned lot, that side yard setback shall be a minimum of ten (10) feet. (7) Additional rear yard building setback from a bluff top may be required by Section 9.27.030. (8) For RBR 12 and RBRD 18, maximum building height is twenty-eight (28) feet as measured eighteen (18) inches above the Flood Plain Overlay 3 (FP-3) requirement or Beach Road, whichever is higher. Mezzanines may be allowed subject to compliance with the applicable provisions of the Uniform Building Code. (9) See Section 9.09.040(a) for special building setbacks and standards for maximum projections into required yards applicable to properties on Beach Road. (10) Setback for the first floor as measured from the right-of-way line of Beach Road. The second floor may project a maximum of five (5) feet into the required front yard setback. (11) A minimum of ten (10) percent of that portion of the lot area bounded by the side property lines. (Added by Ord. 93-16, 11/23/93; amended by Ord. 94-09, 5/24/94; Ord. 94-21, 12/13/94; Ord. 96-10, 8/13/96; Ord. 96-13, 11/26/96; amended during 8/99 supplement) Source: Dana Point Municipal Code, Chapter 9.09.	

The land use and development regulations for the Town Center District are contained in the Dana Point Town Center Plan, which can be found on the City’s website. In general, the development standards are more flexible than the standards required in other zoning districts. To allow for a more interesting streetscape and increased housing opportunities, development standards have been proposed, including establishing reduced setbacks from street frontages, increasing the maximum height limit from 35 to 40 feet, and rezoning for mixed-use development.

Parking Requirements

Parking requirements in the City of Dana Point are similar to those imposed by other cities in Orange County. Parking facilities are required to be located on the same lot and reduce the amount of available lot area for housing. This can increase the cost of developing housing, as fewer, smaller units are constructed on the remaining developable land.

Parking requirements generally relate to the housing type and number of bedrooms or units. Some uses, however, require fewer parking spaces, such as granny flats, second units, and senior housing facilities. To facilitate the production of affordable housing, the City maintains reduced parking standards for these uses. The City also permits shared parking between adjoining residential and commercial uses.

Furthermore, the Housing Element includes a program to study additional reductions in required parking for affordable housing developments (Program 3.2). The reduction in parking would be permitted if a study demonstrates that less parking is needed because of the income, car ownership, and special needs of the population that would reside in the proposed development. While the current parking standards do not appear to constrain the development of housing, the City will undertake a parking study to determine the financial impacts of parking spaces, particularly for multifamily and affordable housing.

**TABLE H-22
MINIMUM NUMBER OF REQUIRED PARKING STALLS BY USE
CITY OF DANA POINT**

Use	Required Number of Stalls		
Single-Family			
Single-family, detached: Up to 4 bedrooms	2 covered stalls		
Over 4 bedrooms	2 covered stalls + 1 covered stall for every two bedrooms over 4 bedrooms		
Single-family, detached on shallow or narrow lots (less than 50 feet wide and 100 feet deep)	2 assigned and covered stalls within a garage per dwelling; or 2 assigned and covered stalls within a garage (setback 5 to 9 feet) per dwelling. The garage must be equipped with a garage door opener and a roll-up garage door.		
Single-family, attached	2 assigned and covered parking stalls within a garage or parking structure, plus 0.3 visitor stalls unassigned per dwelling unit.		
Mobile Home Park	1 covered and assigned stall, plus 0.5 visitor stalls unassigned per dwelling unit.		
Second Unit	1 covered (non-tandem)		
Multifamily			
Multifamily units (including timeshares):	Stalls per Unit:		
	Covered ⁽¹⁾	Uncovered ⁽¹⁾	Visitor
1 bedroom or less	1.0	0.5	0.2
2 bedroom	1.0	1.0	0.2
3 bedrooms	2.0	0.5	0.2
More than 3 bedrooms	2.0	0.5 ⁽²⁾	0.2
	Notes: 1. Covered stalls shall be assigned; uncovered stalls shall not be assigned. 2. Plus 0.5 uncovered stalls per additional bedroom in excess of 3.		
Duplex	4-car garage (with minimum 40' x 20' interior floor space) and 1 additional stall per duplex		
Duplex on lot less than 50' wide	Two (2) covered and assigned parking stalls within a garage per dwelling unit; or Two (2) covered and assigned parking stalls within a garage for one (1) dwelling unit; and one (1) covered and assigned parking stall within a garage and one (1) uncovered tandem stall for the second dwelling unit, subject to the approval of a minor Conditional Use Permit by the Planning Commission.		

**TABLE H-22
MINIMUM NUMBER OF REQUIRED PARKING STALLS BY USE
CITY OF DANA POINT**

Use	Required Number of Stalls
Age Restricted or Special Needs Housing	
Age Restricted Single or Multiple Family Project	Same as single-family and multiple family listed above
Convalescent Hospital	1 stall for every 4 beds plus parking for on-site employee housing
Granny Flat	1 covered (non-tandem)
Senior Citizen Housing Complex	1 covered and assigned stall, plus ½ guest stall per dwelling unit, plus 1 stall for the resident manager
Senior Congregate	1.25 stalls per unit (may be reduced to 0.67 stall per unit subject to Conditional Use Permit to reflect presence of special transportation services or other unique characteristics)

Source: Dana Point Municipal Code.

Density Bonus

The State of California enacted significant changes to the state’s density bonus law, which went into effect on January 1, 2005. The City’s Zoning Code has been amended to reflect the new law (chaptered as Government Code Section 65915-65918), which requires jurisdictions to grant a density bonus of 20% above the maximum permitted density if a development provides at least 5% of the units at rates that are affordable to very low income households or 10% of the units at rates that are affordable to low income households. If 10% of condominium or planned development units are affordable to moderate income households, then the project is eligible to receive a 5% density bonus.

In addition, there is a sliding scale that requires additional density bonuses above the 20% threshold (up to a maximum density bonus of 35%):

- an additional 2.5% density bonus for each additional increase of 1% very low income units above the initial 5% threshold;
- a density increase of 1.5% for each additional 1% increase in low income units above the initial 10% threshold; and
- a 1% density increase for each 1% increase in moderate income units above the initial 10% threshold.

Additionally, jurisdictions must grant concessions or incentives reducing development standards, depending on the percentage of affordable units provided. Concessions and incentives include reductions in zoning standards, other development standards, design requirements, mixed-use zoning, and any other incentive that would reduce costs for the developer. Any project that meets the minimum criteria for a density bonus is entitled to at least one concession and may be entitled to as many as three concessions depending on the amount of affordable housing provided.

The new law also reduced parking standards for the entire development project for projects eligible for a density bonus. The new standards are stated below. These numbers are inclusive of guest parking and handicapped parking and may be tandem or uncovered (but cannot be on-street).

- Zero to one bedroom: one on-site parking space
- Two to three bedrooms: two on-site parking spaces
- Four or more bedrooms: two and one-half on-site parking spaces

Second Dwelling Unit Requirements

AB 1866 (Government Code Section 65852.2) provides that the permit process for second units is ministerial, an action that does not require public notice, public hearing or discretionary approval. The state law acknowledges that second units not only provide housing at below market prices, but also serve to meet the special population needs of the elderly, frail elderly, disabled, and low-income persons such as students.

The City amended the Zoning Code in 2003 to provide standards and procedures for the development of second dwelling units in accordance with state mandates. According to the Zoning Code, a second unit is an attached or detached residential unit, including complete and independent living facilities for one or two persons, on the same parcel as the primary unit (i.e., the unit includes permanent provisions for living, sleeping, eating, cooking, and sanitation). A “granny flat” is intended for occupancy by persons who are 62 years of age or older pursuant to Government Code Section 65852.1.

A second dwelling unit may only be established on a lot of an existing single-family home that is zoned for single-family residential development. Additional development standards and conditions are provided in the Zoning Code (Chapter 9.07.210), including the requirement that second dwelling units must be affordable to persons of lower and moderate income and remain affordable for the life of the project. The life of the project shall be determined as the length of time the second dwelling unit is occupied.

Three second units were constructed between 1998 and 2005 and were, per the City’s Zoning Code, restricted to low and moderate income households. Through reviews of the permit applications and recorded covenants, these units are restricted to low income occupants. An additional second unit application is currently under review and is also expected to serve a low income occupant.

The City is aggressively seeking to encourage single-family homeowners to construct second units. The City published a second unit information sheet in 2007 that defines a second unit, provides an outline of development requirements, and explains the permitting process. By disseminating this information, the City is increasing the potential for affordable housing on lots zoned for single-family residential development, which would otherwise be unlikely locations for affordable housing (see Program 1.5).

Single Room Occupancy

The City of Dana Point conditionally permits the development of SRO projects in multifamily residential, mixed-use, and commercial districts (see Table H-20), including the Town Center area. The Zoning Code requires rates for the rental of units in an SRO project to be restricted so that 50% of the units in the project are affordable to persons of very low income and 30% of the units are affordable to persons of low income. Twenty percent of the units may be unrestricted. As part of Program 1.3, the City will also conditionally permit SRO projects in the Community Facilities zone.

Each unit within an SRO project shall be furnished with a bed, chair, table, and telephone. The minimum size of each one-person unit is 150 square feet. A two-person unit must be at least 250 square feet. Each SRO project must provide full or partial kitchens, bathrooms, and laundry facilities. Such facilities may be

enclosed within each unit or provided in a common area. Laundry facilities may be deleted if the project is located within 1,000 feet of an existing laundromat.

All proposed SRO projects must be renter occupied and contain at least 10 SRO units, not including the required on-site manager's unit. Each SRO project shall provide three parking stalls, 0.5 parking stalls for every one-person unit, and 0.8 parking stalls for every two-person unit. In addition, each SRO project shall provide 0.4 secure bicycle stalls for each unit excluding the on-site manager's unit.

To ensure that SRO projects remain safe and maintained, each SRO project must be guided by a management plan, which includes, among other things, a provision for an on-site, 24-hour manager.

Housing for Disabled Persons

In accordance with Senate Bill 520 (SB 520), which became effective January 1, 2002, the City analyzed its procedures, policies, and practices to identify any existing or potential constraints on housing for disabled persons. In 2007 the City of Dana Point engaged in a review of the City's regulations, administrative policies, and procedures and studied how those regulations and practices affect the availability of housing for disabled persons. The study found that the City supports several policies, regulations, and programs that remove constraints to housing for disabled persons.

California Administrative Code Title 24. Under the provisions of California Code of Regulations Title 24, the City of Dana Point has the enforcement authority for state accessibility laws and regulations when evaluating requests for new construction. Similar to the requirements of the Federal Fair Housing Act of 1998 and the Americans with Disabilities Act (ADA), Title 24 provisions include standards and conditions to be applied to new development to ensure full accessibility for the physically disabled. Compliance with building codes and Title 24 may increase the cost of housing construction and rehabilitation; however, such standards are the minimum necessary for the City to ensure safety and adequate accessibility for all residents.

Building Codes. The City has adopted the 2007 Uniform Building Code and the most recent California Amendments. This code includes provisions of the Americans with Disabilities Act. To further address the needs of disabled residents, the City has added ADA coordination responsibilities to the role of the Certified Building Official. The City of Dana Point seeks to provide people with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing. Additionally, the City's Building Department helps residents with the retrofitting of their homes. Preliminary on-site inspection can be requested by homeowners seeking advice on Building Code requirements when modifying their home.

Reasonable Accommodation Ordinance. In November 2007 the City adopted a Reasonable Accommodation Ordinance. The ordinance enacts a process for disabled individuals or those acting on their behalf to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices, and/or procedures of the City, and includes a provision of assistance in making the request, as well as for appealing a determination regarding the reasonable accommodation to the Community Development Director.

Zoning Code. There are no maximum concentration requirements in the Zoning Code for residential care facilities or other facilities that serve the disabled. There is also no definition of family, and therefore no City restrictions on the number of non-related persons allowed per housing unit. The City permits a wide

variety of uses to assist and care for the disabled. Uses such as community care facilities, convalescent facilities, and residential care facilities for the elderly are permitted in any residential district with a CUP. These uses are also permitted with a CUP in any Commercial/Residential or Professional/Residential district. These uses act as unique commercial uses and have special requirements for employee parking, visitor parking, and service access for delivery vehicles (e.g., for delivery of food and medical equipment).

There are no special regulations restricting the siting of senior care facilities in relationship or distance to one another. Group homes (any state-licensed residential care facility for six or fewer persons) are permitted by right in any residential zone. This allows proponents flexibility in locating such facilities without additional development or permitting costs. A public comment period request is not required for the establishment of a residential care facility for six or fewer persons. Residential care facilities serving seven or more residents are conditionally permitted in all residential and mixed-use zones, and several commercial zones. Typical findings of approval for residential projects requiring a conditional use permit include consistency with the General Plan, that the nature, condition, and development of adjacent uses has been considered and the proposed use will not adversely affect adjacent uses, and that the proposed site is adequately sized to accommodate the necessary space for parking, landscaping, and other development features.

The City's Zoning Code requires that all parking lots and structures include at least one handicapped parking stall; the number of required handicapped stalls increases as the number of standard parking stalls increases. Handicapped parking stalls are required to be between four and six feet wider than standard stalls. One in every eight handicapped parking stalls, and always at least one handicapped stall, shall have a minimum dimension of 17 feet by 18 feet (9-foot-wide parking stall and 8-foot-wide access area by 18 feet deep) and shall have appropriate signage designating the stall "van accessible." The Zoning Code provides reduced off-street parking standards for uses such as convalescent facilities, senior housing complexes, and congregate care facilities. Reduced parking standards help reduce the cost of developing projects oriented toward serving disabled or elderly persons. The reduced parking standards are as follows:

- Convalescent Hospital: 1 stall for every 4 beds plus parking for on-site employee housing
- Senior Citizen Housing Complex: 1 covered and assigned stall, plus 0.5 guest stalls per dwelling unit, plus 1 stall for the resident manager
- Senior Congregate Care Facilities: 1.25 stalls per unit (may be reduced to .67 stall per unit subject to Conditional Use Permit to reflect presence of special transportation services).

As stated in Program 3.2, the City will undergo a parking standards study to identify additional opportunities for reduced parking standards for affordable and special needs projects, because reduced parking requirements may reduce construction costs and increase the amount of developable land that would otherwise have been dedicated to parking stalls.

Implementation of Program 3.1 will expand zoning for multifamily housing by permitting affordable multifamily housing (14 to 30 units per acre) in the Community Facilities zone and streamline approval for affordable housing projects in the Community Facilities and higher density Residential Multifamily zones. Program 1.2 will permit transitional housing as any other residential use and Program 1.3 permits emergency shelters without a Conditional Use Permit in the Community Facilities zone and permits

emergency shelters as an accessory use to places of worship. These programs encourage and facilitate a variety of housing types.

Coastal Zone

Dana Point consists of 4,134 acres, of which 1,993 fall within the coastal zone. Approximately 48% of the City of Dana Point is in the coastal zone, the remaining 52% is within 3 miles of the coastal zone. A variety of land uses are within the coastal zone in Dana Point, including Dana Point Harbor, beaches, parks, conservation areas, residential uses, and commercial uses providing over 1,900 hotel rooms and a 122-space campground at Doheny State Beach.

California Government Code Sections 65588 and 65590 require the Housing Element to take into account any low or moderate income housing provided or required in the Coastal Zone, including:

1. The number of new housing units approved for construction within the coastal zone since January 1982.
2. The number of housing units for persons and families of low and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles.
3. The number of existing residential dwelling units occupied by low and moderate income households required either within the coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.
4. The number of residential dwelling units for low and moderate income households that have been required for replacement.

The City of Dana Point incorporated on January 1, 1989 and established itself as a separate local government entity from the County of Orange at that time. From incorporation in 1989 through 2007, the City contracted with at least two private firms to provide Building Division services, including building permits, plan check, inspection and permit records services. The building permit records did not differentiate between housing units constructed within the coastal zone from those not within the coastal zone.

In 2007, the City converted its Building Division staff from contract to City employees, including hiring a Building Official, three Building Inspectors, and two Permit Technicians. The City also has obtained GIS services to provide higher levels of service, maintain more precise building permit records, and better monitor residential activities in the coastal zone.

Table H-23 describes the units constructed and demolished in the coastal zone and within three miles of the coastal zone from 1998 through 2007. The units were tabulated from available building permit record annual summaries provided to the State Department of Finance, constructed and demolished in both the coastal zone and within 3 miles of the coastal zone.

**TABLE H-23
UNITS IN THE COASTAL ZONE AND WITHIN THREE MILES OF THE
COASTAL ZONE 1989–2007
CITY OF DANA POINT**

Year	New Units	Demolished Units	Net Unit Increase
1989	120	3	117
1990	300	2	298
1991	39	3	36
1992	33	34	1
1993	80	2	78
1994	121	1	120
1995 ¹	38	0	38
1996 ²	23	0	23
1997	45	4	41
1998	184	5	179
1999	150	5	145
2000	54	0	54
2001	N/A	N/A	N/A
2002	57	1	56
2003	41	12	19
2004	41	0	41
2005	40	0	40
2006	40	3	37
2007	4	4	0

1: Monthly Reports for May through December 1995 are missing

2: Monthly Reports for January through April 1996 are missing

Source: Monthly Reports 1989–1997, Annual Dept. of Finance Reports 1998–2007

According to City records, there are approximately 151 deed-restricted affordable units in the coastal zone in Dana Point. The multifamily projects below are described in detail in the Preservation of At-Risk Units section beginning on page 107.

- Second Units: 3 units required to be affordable per Section 9.07.210 of the Zoning Code
- Domingo/Doheny Apartments: 24 3-bedroom lower income family units
- Monarch Coast Apartments: 42 very low and 42 low income units
- Harbor Pointe Apartments: 20 very low income and 40 low income units

According to City records no affordable units in the City of Dana Point have been demolished. The only identified demolition of development of 3 or more units occurred in 1992 when 32 market rate units at the Monarch Coast Apartments were demolished following a landslide. These market rate units are slated to be replaced, with increased affordability requirements on the existing affordable units as a condition of their approval. To date, no affordable units have required replacement in the coastal zone.

Building Codes and Code Enforcement

Building and safety codes adopted by the City are considered to be necessary to protect public health, safety, and welfare. However, these codes have the potential to increase the cost of housing construction and maintenance. The City has adopted the 2007 Uniform Building Code along with amendments specific to California. Other development codes enforced by the City include the most recent editions of the California Housing, Electrical, Fire, Plumbing, Mechanical, and Administrative Codes.

Code enforcement is a critical component of preserving and improving neighborhood quality and preventing situations that may damage residential structures and resident safety. The City employs three full-time and one part-time code enforcement officers. Code enforcement officers proactively identify and prescribe solutions to code violations and they respond to public complaints. The most common housing code violations relate to building maintenance, construction activities without a permit, landscaping (weed abatement), and trash. Violators are notified and referred to appropriate sections of the City's Municipal Code and relevant programs. In some cases, such as illegal construction, the violator is fined and may be ordered to dismantle the activity. The City created a Neighborhood Maintenance and Improvement Guide to inform residents about legal requirements and resources to assist in preserving and improving neighborhoods and homes. The majority of code violation complaints come from the Lantern Village neighborhood. At least one code enforcement officer is continuing to focus on serving this particular area of the City.

The City has received inquiries requesting financial assistance to residents who cannot afford maintenance and repairs. The City of Dana Point will apply for CDBG funds for rehabilitation assistance for low-income residents for health and safety repairs through Program 4.3. Implementing Program 4.3 will provide additional financial resources for rehabilitation efforts and establish a monitoring program to assist the City maintain its housing stock and support neighborhood preservation.

Site Improvements

Residential developers are required to provide the improvements necessary to enable the use of developed sites and to pay for a pro rata share of off-site improvements. Most of the City's remaining vacant land is of an infill character and necessary infrastructure systems are already in place and in good condition. The developer of a residential project is required to provide the connections to public infrastructure to serve the project. This includes, but is not limited to, the provision of storm drains and water and sewer connections. Utility lines, including but not limited to, electric, communications, street lighting, and cable television, shall be required to be placed underground within any new, revised, or reactivated residential subdivision. The subdivider works directly with the utility companies for the installation of such facilities.

While most of the City is currently served by adequate roadways and sidewalks, improvements for access or internal navigation may be necessary. Vehicular access to roadways will be determined in accordance with driveway locations and design specifically approved by Public Works. The width of roadways providing access to parking facilities for residential projects depends on street parking conditions; without street parking the road may be less than 32 feet, at least 32 feet but less than 40 feet for roadways with parallel stalls on one side, and at least 40 feet for roadways with parallel stalls on both sides. A five-foot-wide sidewalk is required on at least one side of the roadway, unless an alternative pedestrian route is provided.

Considering that development and revitalization efforts will be infill in character, the need for extensive site improvements is limited and should not be considered a constraint to affordable housing. Residential developers pay fees for school facilities; park and recreation facilities; transportation fees; transportation corridor fees; and connections to capital facilities such as water and sewer facilities.

Local Processing and Permit Procedures

The City of Dana Point's development review process is designed to accommodate development while ensuring safe and attractive development projects. There are three levels of decision-making bodies in the City that govern the development review process: the Community Development Director, the Planning Commission, and the City Council. The City also has Coastal Commission permit authority for most of its jurisdiction, thereby avoiding dual processing by the City and Coastal Commission.

The City offers "over the counter" plan checks and administrative review for several types of residential development projects. In all cases, applicants are encouraged to meet with City staff to discuss a project prior to submitting an application. When an application is submitted, it is briefly reviewed at the public counter to identify any potential issues and determine if discretionary review is needed. This counter review provides the applicant with an opportunity to make changes to the application, if necessary, which may result in saved time and money should the application have otherwise been deemed incomplete.

Ministerial Review

New single-family residential housing projects on existing subdivided lots require only ministerial review if outside of the coastal zone. For such projects, the Planning Division routes the completed application to various City departments for a 10-day code conformance review. The average time for residential ministerial project review is estimated to be four weeks. Most proposed residential projects in the coastal zone can be reviewed ministerially. Only properties in the sensitive oceanfront or coastal bluff top areas require a Coastal Development Permit that necessitates discretionary review.

Discretionary Review

Depending on the scope and size of proposed residential development, there are two levels of discretionary review for development beyond single-family dwellings. Residential development with less than 10,000 square feet of new floor area and/or four or less residential units require a minor site development permit. A minor site development permit requires an administrative hearing and allows the Director of Community Development to review the project for conformance with City regulations. Approval is granted by the Director of Community Development. Residential development that exceeds those parameters requires approval of a major site development permit, which is distinguished from a minor site development permit because it must be approved by the Planning Commission and/or City Council.

The discretionary review process for a minor site development permit, which includes public noticing time frames, typically takes from two to four weeks if not appealed to the Planning Commission. The discretionary review process for a major site development permit, which includes public noticing time frames, typically takes from four to eight weeks if not appealed to the City Council.

Similarly, there are two levels of conditional use permits for new residential development. A minor conditional use permit is typically triggered by projects needing a shared parking program or minor deviations from development standards that may have adverse impacts. A minor conditional use permit is

approved by the Director of Community Development through an administrative hearing. A major conditional use permit applies to certain residential uses that may have adverse impacts on existing residential areas, as listed in Section 9.09.020 of the Zoning Code. For example, a congregate care facility has special parking needs that may impact a surrounding residential neighborhood. Typical findings of approval for residential projects requiring a minor or major conditional use permit include consistency with the General Plan, that the nature, condition, and development of adjacent uses has been considered and the proposed use will not adversely affect adjacent uses, and that the proposed site is adequately sized to accommodate the necessary space for parking, landscaping, and other development features. Typical conditions of approval require the applicant to follow through with the project as proposed or face nullification of the conditional use permit. For example, relocation, substantial alteration, or addition to any use, structure, feature, or material not approved will nullify the conditional use permit.

In all cases, the planner assigned to a project will assess the adequate level of environmental review per the requirements of the California Environmental Quality Act (CEQA). Under CEQA, many infill projects and other small projects are exempt. For larger, more complex developments a consultant may be retained to perform environmental studies. Upon completion of environmental documentation the project is presented to the applicable approving body, which may approve the project, deny, or approve with conditions. If a project is denied, the applicant may revise the project and resubmit or withdraw the application entirely. If a project is approved, planning entitlements are issued; if conditionally approved, certain conditions may need to be met prior to receipt of permits.

A Coastal Development Permit is required for proposed uses within the City's coastal zone, as established by the California Coastal Act. All development projects undertaken within the coastal zone require the approval of a Coastal Development Permit unless exempted. A Coastal Development Permit must be approved by the Planning Commission at a public hearing. In approving a Coastal Development Permit, the Planning Commission must find that the specific use or activity proposed is consistent with the applicable land use regulations, the Certified Local Coastal Program for the area, and the California Coastal Act. Typical uses or activities subject to approval of a Coastal Development Permit include:

- Development of properties atop coastal bluffs;
- Development of properties on sandy beaches;
- Development of any other vacant property, modifications to existing property which constitute an intensification of use, and significant changes of landform.

As stated above, the City maintains Coastal Commission permit authority for most of its jurisdiction, thereby avoiding dual processing by the City and Coastal Commission. Accordingly, for the majority of housing projects, the Coastal Development Permit requirements do not add significant costs or processing time.

As a coastal community, about half of the City falls within the coastal zone. For sensitive oceanfront or bluff top properties, Coastal Development Permit requirements can increase the cost and processing time for such housing projects. This requirement is beyond the City's control and is required by the California Coastal Act. Dana Point is modifying the City-guided development processes (as detailed below) to minimize the permitting and processing procedures as a constraint.

Special Provisions for Multifamily and Affordable Housing Development

In addition to simplifying the Zoning Code and streamlining the approval process for smaller projects, the City is revising the Zoning Code to expand the number of zones that permit multifamily development and introduce special provisions that streamline the permitting process for affordable housing projects (Program 3.1).

The City will amend the Zoning Code to permit medium and high density multifamily housing (up to 30 units per acre) in the Community Facilities zone (Program 1.2). This zone contains underutilized land that could be appropriate to transition from a non-residential use to multifamily development. Market-rate multifamily development in this zone will be subject to existing discretionary review thresholds (projects with five or more units require a major site development permit). However, by amending the Zoning Code to permit residential development, the City has eliminated the need for a zone change and General Plan Amendment, thereby eliminating the requirement for such projects to be submitted to the City Council for approval.

The City will facilitate affordable housing development by updating the Zoning Code to permit multifamily projects meeting specific zoning and affordability thresholds (detailed below) through administrative review and approval by the Director of Community Development of a minor site development permit and minor CUP. Multifamily projects are usually reviewed by the Planning Commission at a public hearing. By limiting the approval to the Director of Community Development, the City is minimizing the potential for public opposition to derail an otherwise high quality affordable housing project, while still maintaining sufficient control to ensure safe, attractive development. This action removes a significant constraint to the successful construction of affordable housing.

The affordable housing criteria for this approval process are:

- Project Density: 14 to 30 units per acre
- Project Zoning: Community Facilities, Residential Multifamily 14, Residential Multifamily 22, or Residential Multifamily 30
- Affordable Housing: At least 20% of total project units are restricted to be affordable to lower income households or at least 40% of total units are restricted to be affordable to moderate income households (for a period of time equal to affordable housing provisions under State Density Bonus Law (California Government Code Section 65915)).

The affordability thresholds are extensions of existing density bonus requirements for providing low and moderate income housing. In density bonus law (California Government Code Section 65915), the maximum required density bonus is 35%. To obtain the maximum density bonus a project must dedicate either 20% of its units for low income households or 40% of its units for moderate income households. The density bonus process also allows an applicant to request financial or regulatory incentives, such as expedited processing, to enhance the feasibility of the affordable housing project. By guaranteeing expedited permitting processing, the City is providing additional incentives beyond State Density Bonus law.

Discussions with affordable housing developers also revealed that the majority of projects constructed by affordable housing developers frequently exceed the thresholds of 20% (for lower income) and 40% (for moderate income). The majority of such projects, in fact, often set aside more than 50% of all units for lower income households. The thresholds, therefore, are not considered a constraint.

The City maintains an existing, though informal, expedited development review process for projects with an affordable housing component to reduce the costs associated with the entitlement process. Expedited processing for a project that includes affordable housing (but is less than the thresholds identified above) and contains five or more units can be concluded in six to eight weeks, rather than eight to twelve weeks. For projects that do meet the higher affordable housing thresholds, the procedures adopted through the implementation of Program 3.1 will provide an official, formalized process that can be incorporated into a developer's pro forma analysis.

With the proposed Zoning Code updates, the City's entitlement procedures do not constrain housing development and instead provide the development community with opportunities and incentives to develop previously unobtainable land with shorter review times, while ensuring the City enjoys properly managed affordable units.

Development Fees

A variety of fees and assessments are charged by the City and other agencies to cover the cost of processing development permits and providing local services. These fees are necessary to ensure quality development review and adequate public services. However, development fees and exactions are passed down to the homeowner and renter, and therefore affect housing affordability.

While most cities collect fees on a cumulative basis (i.e., multiple fees for each entitlement sought for any given project), Dana Point charges only the single highest fees for entitlements that are processed concurrently. For example, should a project require a General Plan Amendment, Zone Change, and Tentative Tract Map, rather than charging all three fees, only the highest fee for the General Plan amendment would be charged. This provides for lower overall fees to the developer. According to a 2005 BIA survey, the City's fee structure was neither the highest nor the lowest in the four south Orange County cities of Dana Point, Laguna Niguel, Mission Viejo, and San Juan Capistrano. Moreover, none of the other four cities provided concurrent entitlement fee reductions. The City's fees for a variety of applications are described in Table H-24.

**TABLE H-24
PLANNING APPLICATION FEES
CITY OF DANA POINT**

Type of Application	Fee
Zone Change	Hourly rate
Tentative Tract Map	\$3,401
Tentative Parcel Map	\$1,760
Variance	\$844
Minor Site Development Permit	\$392
Major Site Development Permit	\$2,943
Minor Conditional Use Permit	\$392
Major Conditional Use Permit	\$2,355
Planning Site Plan Review	Hourly rate, maximum of \$196
Building Site Plan Review	Hourly rate, maximum of \$196

Source: Community Development Department 2008

In addition to fees charged for discretionary permits, fees also are charged for the actual construction of the project. Examples of the fees include plan check fees (building and infrastructure plans) and building permit fees (inspections conducted by building inspectors). All of these fees are used to offset City expenses incurred by the construction of the project.

Other fees are imposed to mitigate potential impacts created by new development. These fees are typically referred to as development impact fees. These fees may include: traffic impact fees, school fees, drainage fees, and fire fees. These types of fees vary widely from city to city and within areas of a given city. Some of these fees may be imposed directly by a city (e.g. park, library, and police) or collected by a city for another entity (e.g. traffic fees).

Some south Orange County cities, such as Dana Point, also collect traffic fees on behalf of other entities. These fees include fees for the San Joaquin Hills Transportation Corridor, Foothill/Eastern Transportation Corridor, and the Coastal Area Road Improvements and Traffic Signals (CARITS) fee. These fees are outside the direct control of the City of Dana Point. Again, these fees vary from city to city, within a city, and may not be imposed at all, depending on a project's location.

The City assesses an in-lieu fee of \$540 per unit constructed within the Coastal Zone. Higher in-lieu fees have been negotiated for the Headlands project (\$2,500 per unit) and the Hotel Village North project (\$5,000 per unit). The City's current in-lieu fee balance is \$132,940. The City expects to add \$265,000 in fees from the 118 market rate units in the Headlands project, \$6,480 from the 12 units at the Village at St. Regis project, and \$140,000 from the 28 units in the Hotel Village North project. In total, the City expects to accumulate a total of at least \$544,420 in in-lieu fees to fund its affordable housing programs.

Table H-25 displays development fees for three types of residential projects within Dana Point: a single-family house, a 20-unit condominium project, and a 50-unit apartment project. Dana Point last updated its fee structure in 1998, which has kept costs lower for recent development. The City is in the process of conducting fee studies (Programs 2.6 and 3.3) to ensure fees are appropriate. The studies may result in

adjustments to the fees; however, the City will also examine how to preserve lower or reduce fees for affordable projects. Overall, the City’s fee structure is not considered to be a constraint to housing.

**TABLE H-25
RESIDENTIAL DEVELOPMENT FEES**

Fees ¹	Single-Family Housing Project ²	Condominium 20-Unit Project ³	Apartment 50-Unit Project ⁴
City Fees			
Planning Fees (hourly)	\$98.00	\$784.00	\$784.00
Engineering Fees	\$3,563.00	\$4,563.00	\$4,563.00
Building Fees	\$4,132.60	\$41,771.51	\$52,827.91
Park In-Lieu (Quimby) ⁵	\$6,800.00	\$85,000.00	\$199,750.00
Transportation Fees	\$615.55	\$8,207.36	\$13,849.92
Housing In-Lieu Fee ⁶	\$540.00	\$10,800.00	\$27,000.00
General Government	\$28.58	\$381.12	\$643.14
Fire Protection	\$51.11	\$511.14	\$813.18
Art in Public Places	\$0	\$37,096.50	\$47,572.50
Other Governmental Agencies			
School Fees (CUSD)	\$9,980.00	\$149,700.00	\$249,500.00
Water/Sewer Fees (SCWD)	\$5,896.00	\$4,298.00	\$4,298.00
San Joaquin Transportation Corridor	\$4,185.00	\$2,438.00	\$2,438.00
TOTAL	--	\$345,550.63	\$604,039.65
Per Market Rate Unit	\$35,889.84	\$17,277.53	\$12,080.79

1. Projects may require site-specific environmental assessments, not included in above totals.
 2. Single-family home assumed at 2,000 square feet with 400 square foot garage in RSF7 zone.
 3. Condominium unit assumed at 1,500 square feet, 400 square feet garage in RMF14 zone.
 4. Apartment unit assumed at 1,000 square feet with 200 square foot carport in RMF22 zone.
 5. Park fees range from \$1,997 to \$6,800 per unit, depending on density park zone. Fees based on highest rate park zone.
 6. Housing In-Lieu fees for units within Coastal Zone, Amount may vary within City.
- Source: City of Dana Point, 2008.

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Non-Governmental Constraints and Resources

A local housing element incorporates an analysis of potential and actual non-governmental constraints including:

- Environmental Constraints
- Infrastructure Constraints
- Residential Land Resources
- Land Prices
- Construction Costs
- Financing

Environmental Constraints

The City has identified areas affected by environmental hazards where land development should be carefully controlled. Local geologic conditions vary throughout the City and can even differ from lot to lot, creating the need to study each development proposal individually. The following environmental constraints may impact future housing development in the City.

Coastal Erosion

There are two types of coastal erosion in Dana Point: the retreat of coastal bluffs and the loss of beach sands. Most beach sand comes either from sediment transport during river and stream runoff, or from erosion of coastal cliffs and bluffs. Because both of these processes have been impeded by urbanization, both in Dana Point and elsewhere, beach replenishment has been affected. Some portions of the Dana Point coastline have been more impacted than others, since impact is highly dependent on local factors, including beach configuration and location relative to manmade improvements, such as jetties and harbors.

Blufftop Erosion

Extending for approximately 6.7 miles, the Dana Point shoreline includes areas of sandy and rocky shore, coastal bluffs, and the rocky Dana Point Headlands. These areas have been subjected to continual erosion from oceanic, climatological, and developmental forces. Urbanization has accelerated the erosion process in many locations and created areas of instability.

Seismic Hazards

Dana Point, like the rest of southern California, is located in a seismically active area. However, no known active faults cross the City. The nearest significant active fault is the Newport-Inglewood Zone, approximately four miles to the southwest. Major active faults that could affect Dana Point include the Whittier Elsinore, San Andreas, Palos Verdes, San Clemente, and Rose Canyon faults. Because no known active faults cross the City, the potential for surface rupture is believed to be limited. Ground shaking, liquefaction, landslides, and rockfalls along coastal bluffs are the primary hazards to Dana Point in the event of an earthquake.

Watercourse Flooding

Flooding is a natural attribute of any river or stream, and is influenced by many factors, including the amount, intensity, and distribution of rainfall; soil conditions prior to storms; vegetation coverage; and stream channel conditions. All natural rivers and streams have a floodplain, which is the area subject to flooding during peak storm flows. There are three Federal Emergency Management Agency (FEMA) floodplains designated within Dana Point. The primary floodway is San Juan Creek; secondary floodways are Salt Creek and Prima Deshecha Canada.

Coastal Flooding

The “Coastal Flood with Velocity Hazard” designation extends the length of the coastline and inland approximately 150 feet in Capistrano Beach. According to the maps prepared by the Federal Emergency Management Agency, all beachfront properties are in this coastal hazard zone. These areas are subject to damage from seismic sea waves (tsunamis) and storm waves.

Infrastructure Constraints

Since the City of Dana Point is relatively built-out, the existing infrastructure is extensive and has adequate capacity to support anticipated population and new residential development growth.

Water and Wastewater

The City of Dana Point is served by two water and sanitary districts of the South Orange County Wastewater Authority (SOCWA): the Moulton Niguel and South Coast Water Districts. The vast majority of the water distribution lines in these districts is under 30 years old and reported to be in good to excellent condition. Two joint powers agencies, the Aliso Water Management Agency and SOCWA, provide sewage treatment to the wastewater districts that serve Dana Point. The condition of the sewer lines in these districts is generally very good, with the exception of some lines in Capistrano Beach, many of which are currently being repaired, upgraded, or replaced. The South Coast Water District is currently in the process of evaluating the condition of their lines and developing a prioritized plan for repairs and replacement. Through the implementation of Program 3.4, the City will ensure that projects with lower income housing units receive priority water and sewer service.

Energy Conservation

The City has promoted energy conservation for residential uses on both educational and regulatory levels. The City supports local utilities in their efforts to provide public information and technical assistance to developers and homeowners regarding energy conservation measures and programs. On a regulatory level, the City enforces the State Energy Conservation Standards (Title 24, California Administrative Code). These standards, incorporated into the City's Building Code, provide a great deal of flexibility for individual builders to achieve a minimum "energy budget" through the use of various performance standards. These requirements apply to all new residential and commercial construction as well as remodeling and rehabilitation construction only where square footage is added. Compliance with Title 24 of the California Administrative Code on the use of energy efficient appliances and insulation has reduced energy demand stemming from new residential development.

Additionally, there are more opportunities for conserving energy in new and existing homes. While the construction of energy efficient buildings does not necessarily lower the purchase price of housing, housing with energy conservation features should result in reduced monthly occupancy costs as consumption of

fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can result in a reduction in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits; retrofit to dual components or piggyback the use of evaporative coolers with air conditioning systems; installation or retrofitting of more efficient appliances, and mechanical or solar energy systems; and building design and orientation. The City is finding developers interested in the Town Center are considering energy-saving design opportunities, such as Leadership in Energy and Environmental Design (LEED) certification, as a market-driven amenity.

A study of rehabilitation and home maintenance activities with potential to improve energy efficiency and indoor air quality is proposed in Program 3.5. The study will highlight the most cost-effective methods and the City will provide publications pertaining to energy efficient home upgrades and construction at City Hall and place links to utility and energy conservation resources on the City's website. Information gathered during the study is expected to influence the City's 2010–2011 General Plan Update.

The City has facilitated more efficient land use patterns by approving the more intense, mixed-use Dana Point Town Center Plan. Higher density and mixed-use developments can demand less energy than lower density projects by encouraging walking, a decrease use of automobiles, and smaller housing units that are more efficient to operate. Implementing Programs 1.2 and 3.1 will also encourage more efficient land use patterns through removing governmental constraints to higher density multifamily housing.

Residential Land Resources

An important component of the Housing Element is the identification of remaining sites and future housing opportunities in the 2006–2014 planning period, in addition to the “carryover” RHNA from the 1998–2005 planning period. Opportunities for residential development fall into one of three categories:

- **Constructed Units:** Residential development constructed and sold on or after January 1, 2006;
- **Approved Units:** Residential units that are entitled but have yet to be constructed; and
- **Vacant and Underutilized Potential:** Vacant or underutilized land that is designated for or may be approved for residential use.

Constructed Units

Between January 1, 2006, and January 1, 2008, a total of 155 housing units were constructed in Dana Point. Of the 155 units, 36 were single-family detached, 44 were multifamily units in buildings of no more than 4 units, and 75 were multifamily units in buildings of 5 or more units. Based on the recent high sales and rental prices for housing in Dana Point, it is assumed that all 155 units were affordable only to above moderate income households. Although the constructed units exceed the RHNA allocation for above moderate income unit needs, the City must still accommodate new construction needs for very low, low, and moderate income households. As shown in Table H-26, the City is still responsible for accommodating 100 units affordable to very low income households, 21 units affordable to low income households, and 38 units affordable to moderate income households (a total of 159 units) within the current planning period.

**TABLE H-26
BALANCE OF RHNA CONSTRUCTION NEED
CITY OF DANA POINT**

Income Category	1998–2005 Carryover RHNA	2006–2014 RHNA	Combined RHNA	Constructed Units	Balance
Very Low (0–50%)	85	15	100	0	100
Low (51–80%)	9	12	21	0	21
Moderate (81–120%)	25	13	38	0	38
Above Moderate (>120%)	0	28	28	155	0
Total	119	68	187	155	159

Source: SCAG, City of Dana Point, and The Planning Center.

Approved Units

The City approved 118 market-rate units in the Headlands Development and Conservation Plan that are expected to be constructed during the planning period. The Headlands Specific Plan, approved by Planning Commission February 3, 2005, and upheld by City Council February 23, 2005, requires that a minimum of 12 units provide employees’ quarters. Occupants must be low or moderate income persons or families as defined in Section 50093 of the California Health & Safety Code. The affordability of these units will be restricted through a covenant, as mandated in the development agreement. With the majority of demand expected to come from low income employees who work in the service industry, the City projects that approximately eight of the units could be provided to low income households and four to moderate income households. These units, which are in addition to the 118 market rate units, shall be located on the same lot as the corresponding market-rate unit.

An additional 40 units were recently approved under the Monarch Beach Specific Plan. A total of 12 Sea Villas units are currently under construction adjacent to the St. Regis and another 28 duplex/triplex units near the St. Regis and Sea Terrace Park have been approved.

One second dwelling unit has been approved and will serve a low income occupant as required by the Municipal Code. In total, 171 units have been or will be approved to date, of which 13 will be affordable to low or moderate income households.

Vacant Residential Land

The purpose of the vacant residential land inventory is to identify sites available for residential development that may accommodate the City’s housing construction need for all income levels. A Geographic Information Systems (GIS) database, aerials, and site visits were used to identify and verify the City’s remaining vacant residential parcels.

To more accurately calculate potential unit yields, only vacant parcels meeting the minimum lot size requirement for their respective zoning designation, without the need for lot consolidation, were considered to be developable. Ninety-four vacant parcels on 25.3 acres outside of the City’s specific planning areas were identified as having residential development potential during the planning period. A GIS analysis of the existing housing stock indicates that most single-family and multifamily residential development has occurred at or very near the highest allowable densities. Additionally, recent

development applications indicate that single and multifamily residential development is continuing to occur near maximum densities.

Assuming future development continues to account for land use controls and site improvement requirements in similar fashion, the vacant acreage could realistically accommodate approximately 175 units comprised of approximately 113 single-family units, 52 multifamily units, and 10 second units. Tables H-25 through H-27 display the breakdown of vacant potential by zone, parcel, and income category. Figures H-3 through H-7 show the location of each vacant parcel. According to the General Plan Environmental Impact Report, adequate infrastructure exists to support this potential development. Furthermore, no environmental constraints have been identified on the sites considered as having infill residential development potential.

Vacant Land in Traditional Residential Zones

Based on analysis of recent new home sales figures provided by DataQuick, the majority of market rate units will be affordable only to above moderate income households. Of the potential 152 units that can be constructed on land zoned explicitly for residential development, approximately three-quarters, or 108, will be affordable only to above moderate income households. Several multifamily zones, including RD 14, RMF 14, and RMF 22, and a single-family zone, RSF 22, have very small minimum lot sizes and high densities. Smaller lot sizes and higher densities can result in the development of several smaller, more affordable units. Accordingly, the vacant land inventory estimates that up to 34 medium and high density units could be constructed at sales prices or rents affordable to moderate income households. The City estimates that, based on past performance and increased efforts of the City to promote second units (Program 1.5), an additional 10 units could be constructed as second units affordable to lower income households on nearly any of the 72 sites zoned for single-family residential development (second units must remain affordable to lower and moderate income households per City of Dana Point Municipal Code Section 9.07.210 (b)(5)). These second units can also be constructed on a large number of the City's existing single-family lots.

New home sales previously provided some units affordable to low income households; however, recent new home sales reflect the increasing cost of housing, caused in part by the desirability of coastal living, decreasing availability of land, and increasing land costs, which may prevent privately owned residential projects from providing housing affordable to lower income households without financial or regulatory assistance.

Vacant Land in Non-Residential Zones

To allow additional higher density multifamily and affordable housing development opportunities, the City plans to update the Zoning Code and development standards to allow multifamily housing (rental or ownership) ranging from 14 to 30 dwelling units per acre in the Community Facilities (CF) zone (Program 1.2). The Vacant Land Inventory identified 0.93 acre of vacant land zoned CF that is owned by the South Coast Water District (SCWD). Furthermore, SCWD has identified this site as excess surplus and intends to sell the site for development. This infill site, zoned for multifamily housing, could provide an opportunity for workforce housing. Local agencies and businesses, such as the SCWD, could benefit from workforce housing in Dana Point.

At a density of 25 units per acre, approximately 23 units could be constructed on the CF-zoned property. Assuming the SCWD (or subsequent developer) applies for development under the City's amended zoning ordinance, the site could feasibly provide 23 units for lower income households. This unusually shaped

site may be particularly well-suited for senior housing since fewer parking spaces would be necessary than required for other forms of multifamily housing. New City-initiated incentives for affordable housing (Program 3.1) and density bonus provisions could assist in the development of an affordable project. For example, per state law, the CF-zoned land could, among other regulatory and financial incentives, be approved for a density bonus of up to 35% and achieve a density of 33.8 units per acre. This density would boost the development potential to approximately 38 units on the CF-zoned land, providing the developer with an additional 15 units that could be sold or rented at market rates. To provide a more conservative estimate, however, the land inventory does not count density bonus units in the City’s overall potential.

In general, public agencies are specially positioned to pursue the highest and best use for the site with the public interest in mind. They have community-serving goals to achieve, whereas the private development community typically must propose particular uses and unit types specifically designed to maximize profit. Public agencies also benefit from the perception that they are acting on behalf of the public interest and form more direct lines of communication with the City. Those relationships may reduce the time it takes to communicate with various City departments and reduce public opposition to the project, thereby expediting environmental review and project permitting, resulting in reduced development costs and a greater chance to provide affordable housing.

The City’s vacant residential land could provide up to 175 units of new housing, of which 33 units could be made affordable to lower income households, 34 to moderate income households, and 108 to above moderate income households. Even greater development potential could be achieved in the event of a density bonus.

**TABLE H-27
VACANT RESIDENTIAL LAND POTENTIAL SUMMARY
CITY OF DANA POINT**

Zoning Designation (Maximum Density)	Minimum Lot Size	Sum of Vacant Acres	Assumed Density ¹	Potential Unit Yield
Vacant Land in Traditional Residential Zones				
RSF 3 (3 du/ac)	12,000	1.3	3	3
RSF 4 (4 du/ac)	8,700	6.7	4	24
RSF 7 (7 du/ac)	5,000	11.0	6	77
RSF 12 (12 du/ac)	3,000	1.1	8	3
RSF 22 (22 du/ac)	2,000	0.5	18	6
RD 14 (14 du/ac)	5,000	2.0	10	14
RMF 14 (14 du/ac)	7,500	1.3	10	11
RMF 22 (22 du/ac)	4,800	0.2	18	4
Second Units ²	--	--	--	10
Vacant Land in Non-Residential Zones				
CF (14-30 du/ac)	5,000	0.9	25	23
Total Potential	--	25.3	--	175

1. The assumed densities were derived from a GIS analysis of existing and pending development.
 2. Second units could be constructed on any of the 72 sites zoned for single-family residential development.
 Source: The Planning Center, 2008.

**TABLE H-28
VACANT RESIDENTIAL LAND POTENTIAL SUMMARY BY INCOME
CATEGORY
CITY OF DANA POINT**

Zoning Category	Lower Income	Moderate Income	Above Moderate Income	Total Potential Unit Yield
Residential Zoning	0	34	108	142
Second Units	10	0	0	10
Non-Residential Zoning ¹	23	0	0	23
Total Potential¹	33	34	108	175

1. The breakdown by income category is a hypothetical analysis of potential based upon development standards, product types, tenure, market trends, and financial and regulatory incentives. While the City seeks to facilitate and maximize the affordable housing constructed in the city, this housing element illustrates development potential and City targets, but does not constitute a requirement or regulation mandating the construction of affordable housing on a specific site.
Source: The Planning Center, 2008.

**TABLE H-29
VACANT RESIDENTIAL LAND POTENTIAL SITES INVENTORY
CITY OF DANA POINT**

Unique Reference	Zoning Designation	General Plan Land Use	Square Feet	Acres	Assumed Density ¹	Potential Unit Yield ²
Non-Residential Sites						
1	CF	Community Facilities	40,510	0.93	25	23
Monarch Beach Community Area						
2	RSF 4	Res. 3.5-7	15,106	0.35	4	1
3	RSF 4	Res. 3.5-7	30,923	0.71	4	2
4	RSF 4	Res. 3.5-7	10,219	0.23	4	1
5	RSF 4	Res. 3.5-7	20,186	0.46	4	2
6	RSF 4	Res. 3.5-7	15,258	0.35	4	1
7	RSF 4	Res. 3.5-7	18,066	0.41	4	1
8	RSF 4	Res. 3.5-7	13,638	0.31	4	1
9	RSF 4	Res. 3.5-7	9,977	0.23	4	1
10	RSF 4	Res. 3.5-7	10,730	0.25	4	1
11	RSF 4	Res. 3.5-7	10,637	0.24	4	1
12	RSF 4	Res. 3.5-7	9,819	0.23	4	1
13	RSF 4	Res. 3.5-7	10,034	0.23	4	1
14	RSF 4	Res. 3.5-7	9,770	0.22	4	1
15	RSF 4	Res. 3.5-7	16,167	0.37	4	1
16	RSF 4	Res. 3.5-7	12,389	0.28	4	1
17	RSF 4	Res. 3.5-7	9,229	0.21	4	1
18	RSF 4	Res. 3.5-7	9,005	0.21	4	1
19	RSF 4	Res. 3.5-7	21,039	0.48	4	2

**TABLE H-29
VACANT RESIDENTIAL LAND POTENTIAL SITES INVENTORY
CITY OF DANA POINT**

Unique Reference	Zoning Designation	General Plan Land Use	Square Feet	Acres	Assumed Density ¹	Potential Unit Yield ²
Dana Point and Lantern District Community Areas						
20	RSF 12	Res. 7-14	5,200	0.12	8	1
21	RMF 14	Res. 7-14	12,050	0.28	10	2
22	RMF 14	Res. 7-14	8,170	0.19	10	2
23	RMF 14	Res. 7-14	8,606	0.2	10	2
24	RMF 14	Res. 7-14	5,808	0.13	10	1
25	RSF 7	Res. 3.5-7	7,487	0.17	6	1
26	RSF 7	Res. 3.5-7	5,683	0.13	6	1
27	RSF 7	Res. 3.5-7	11,169	0.26	6	1
28	RSF 12	Res. 7-14	8,581	0.2	8	1
29	RSF 7	Res. 3.5-7	6,001	0.14	6	1
30	RSF 7	Res. 3.5-7	6,001	0.14	6	1
31	RSF 7	Res. 3.5-7	8,502	0.2	6	1
32	RMF 14	Res. 7-14	5,649	0.13	10	1
33	RSF 7	Res. 3.5-7	7,000	0.16	6	1
34	RSF 7	Res. 3.5-7	7,688	0.18	6	1
35	RSF 7	Res. 3.5-7	9,926	0.23	6	1
36	RSF 7	Res. 3.5-7	5,985	0.14	6	1
37	RMF 14	Res. 7-14	5,695	0.13	10	1
38	RSF 7	Res. 3.5-7	6,159	0.14	6	1
39	RSF 7	Res. 3.5-7	5,968	0.14	6	1
40	RSF 22	Res. 14-22	3,208	0.07	18	1
41	RMF 14	Res. 7-14	6,430	0.15	10	1
42	RMF 14	Res. 7-14	5,461	0.13	10	1
43	RSF 22	Res. 14-22	4,197	0.1	18	1
44	RSF 22	Res. 14-22	4,443	0.1	18	1
45	RSF 22	Res. 14-22	2,858	0.07	18	1
46	RSF 22	Res. 14-22	2,782	0.06	18	1
47	RSF 7	Res. 3.5-7	7,738	0.18	6	1
48	RSF 22	Res. 14-22	2,329	0.05	18	1
49	RSF 7	Res. 3.5-7	11,968	0.27	18	5
50	RSF 7	Res. 3.5-7	9,053	0.21	18	3
51	RSF 7	Res. 3.5-7	8,252	0.19	18	3
52	RSF 4	Res. 3.5-7	28,258	0.65	4	2
53	RSF 7	Res. 3.5-7	9,434	0.22	6	1
54	RMF 22	Res. 14-22	10,128	0.23	18	4
55	RD 14	Res. 7-14	8,253	0.19	10	2
Capistrano Community Area						
56	RSF 7	Res. 3.5-7	12,869	0.3	6	1
57	RSF 12	Res. 3.5-7	6,379	0.15	7	1
58	RD 14	Res. 7-14	6,668	0.15	10	1
59	RD 14	Res. 7-14	5,713	0.13	10	1
60	RSF 4	Res. 3.5-7	10,604	0.24	4	1
61	RSF 7	Res. 3.5-7	131,244	3.01	6	18
62	RD 14	Res. 7-14	8,531	0.2	10	2
63	RD 14	Res. 7-14	10,057	0.23	10	2
64	RD 14	Res. 7-14	5,205	0.12	10	1

**TABLE H-29
VACANT RESIDENTIAL LAND POTENTIAL SITES INVENTORY
CITY OF DANA POINT**

Unique Reference	Zoning Designation	General Plan Land Use	Square Feet	Acres	Assumed Density ¹	Potential Unit Yield ²
65	RD 14	Res. 7-14	5,186	0.12	10	1
66	RSF 12	Res. 3.5-7	7,125	0.16	6	1
67	RD 14	Res. 7-14	5,378	0.12	10	1
68	RSF 12	Res. 7-14	5,206	0.12	8	1
69	RD 14	Res. 7-14	5,975	0.14	10	1
70	RD 14	Res. 7-14	5,385	0.12	10	1
71	RD 14	Res. 7-14	5,378	0.12	10	1
72	RSF 12	Res. 3.5-7	6,153	0.14	7	1
73	RSF 7	Res. 3.5-7	6,880	0.16	6	1
74	RSF 7	Res. 3.5-7	8,286	0.19	6	1
75	RSF 7	Res. 3.5-7	6,948	0.16	6	1
76	RSF 7	Res. 3.5-7	6,120	0.14	6	1
77	RSF 7	Res. 3.5-7	8,298	0.19	6	1
78	RSF 7	Res. 3.5-7	8,918	0.2	6	1
79	RSF 7	Res. 3.5-7	7,716	0.18	6	1
80	RSF 7	Res. 3.5-7	6,017	0.14	6	1
81	RSF 7	Res. 3.5-7	5,980	0.14	6	1
82	RD 14	Res. 3.5-7	6,480	0.15	7	1
83	RSF 7	Res. 3.5-7	5,662	0.13	6	1
84	RSF 7	Res. 3.5-7	5,190	0.12	6	1
85	RSF 7	Res. 3.5-7	5,845	0.13	6	1
86	RSF 7	Res. 3.5-7	5,982	0.14	6	1
87	RSF 7	Res. 3.5-7	7,897	0.18	6	1
88	RSF 7	Res. 3.5-7	5,415	0.12	6	1
89	RSF 7	Res. 3.5-7	18,982	0.44	6	2
90	RSF 3	Res. 0-3.5	21,686	0.5	3	1
91	RSF 7	Res. 3.5-7	43,560	1	6	6
92	RSF 7	Res. 3.5-7	43,874	1.01	6	6
93	RSF 3	Res. 0-3.5	16,816	0.39	3	1
94	RSF 3	Res. 0-3.5	17,608	0.4	3	1
Subtotal	--	--	--	--	--	165
Second Units³						10
Total	--	--	--	--	--	175

1. The assumed densities were derived from a GIS analysis of development trends, existing development, and recent development applications in Dana Point; therefore these densities account for the impact of land use controls and site improvement requirements.

2. In some instances the assumed density resulted in a potential unit yield slightly less than one whole unit. For those particular sites the potential unit yield was rounded up to 1 unit since the sites meet the minimum lot size requirement and the City would permit the construction. In instances in which the potential unit yield resulted in whole unit(s) plus part of a unit, such as 1.8 units, the potential unit yield was rounded down to only 1 unit.

3. Second units could be constructed on any of the 72 sites zoned for single-family residential development.

Source: The Planning Center, 2008.

FIGURE H-3 VACANT RESIDENTIAL LAND (KEY MAP)



FIGURE H-4 VACANT RESIDENTIAL LAND (DETAIL 1)



FIGURE H-5 VACANT RESIDENTIAL LAND (DETAIL 2)

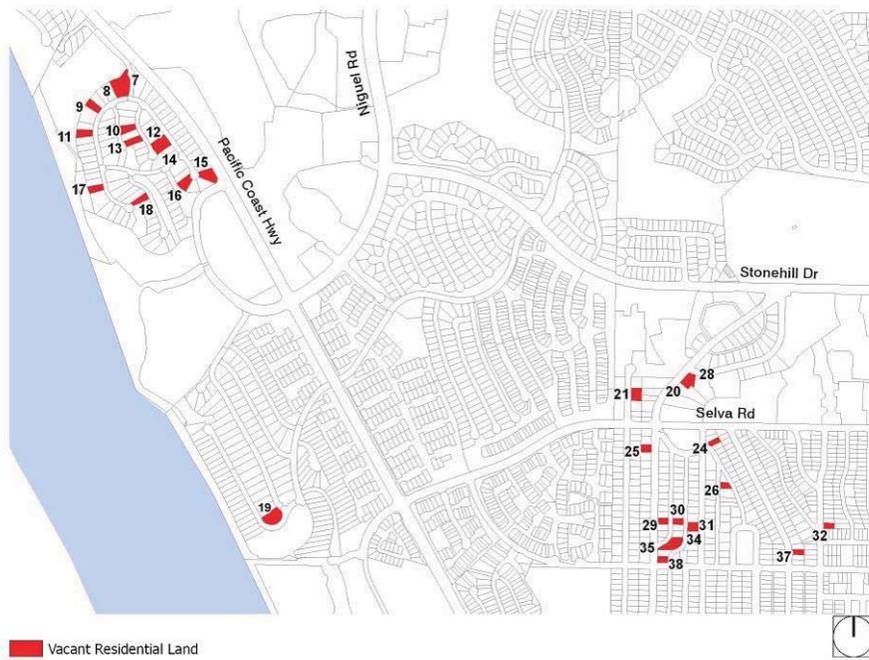


FIGURE H-6 VACANT RESIDENTIAL LAND (DETAIL 3)

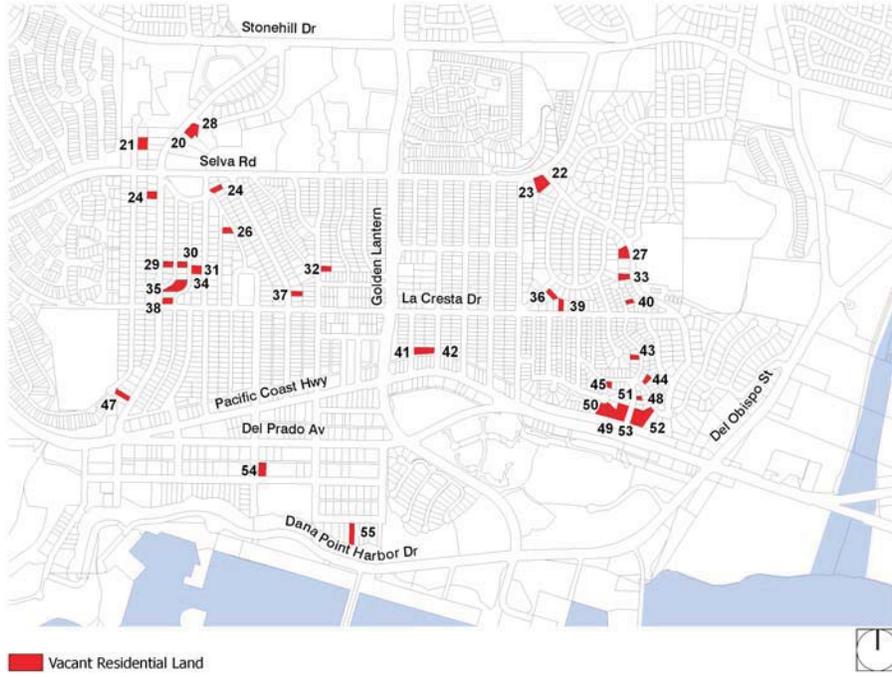
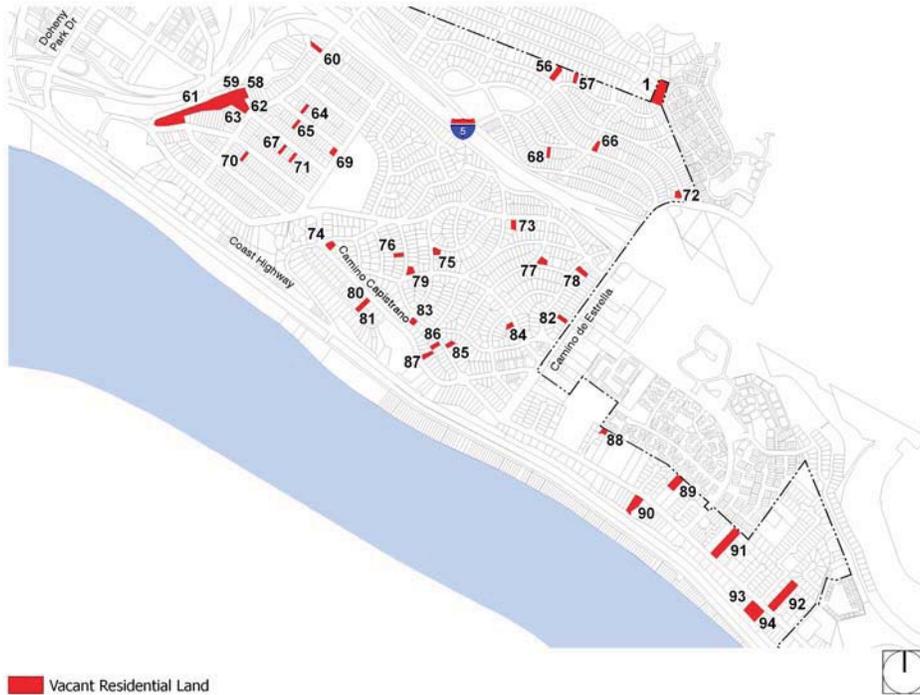


FIGURE H-7 VACANT RESIDENTIAL LAND (DETAIL 4)



Underutilized Land

The extremely high cost of land, limited supply of developable vacant land, and desirability of this coastal community requires Dana Point to look for housing opportunities in existing underutilized parcels. The City is dedicated to encouraging additional housing opportunities and has identified three underutilized areas appropriate for residential development. Underutilized parcels are defined as land that is developed or utilized at less than full potential. According to state law, underutilized sites may address a portion of the regional housing need if the element describes the additional realistic development potential.

Table H-30 shows these underutilized sites have the potential to collectively provide 487 units. The underutilized land suitability analysis must describe the methodology used to establish development potential, including:

- **Recent development trends:** The analysis should describe the jurisdiction’s current recycling or redevelopment trends and track record in encouraging and facilitating such uses.
- **Recent market conditions:** The analysis should describe if the market is ripe for redevelopment or reuse.
- **Existing uses:** The extent to which existing uses may constitute an impediment to additional residential development. The analysis should describe the condition or age of any existing development, describe the potential for such uses to be discontinued and replaced with housing, or provide a clear indication of whether housing could be added to the existing use. Also, the analysis should evaluate whether the reuse or redevelopment of the site would require lot consolidation.
- **Existing or proposed incentives:** The analysis should describe any existing or planned financial assistance or regulatory relief offered to facilitate or encourage more intensive residential development on an underutilized site.

Recent Underutilized Land Development Trends and Market Conditions

As previously mentioned, Dana Point’s high land costs and lack of vacant land necessitates the reuse or redevelopment of underutilized sites. Although much of the City is built out, it has experienced residential development on underutilized land in the Headlands Development and Conservation Plan area and successfully collected affordable housing in-lieu fees. Additionally, the City has consistently approved residential development at the highest allowable densities, allowing it to maximize development opportunities. Dana Point generated a master plan for the Town Center, the central commercial area of the City, to introduce high density housing opportunities in a mixed-use setting.

The City’s coastal location and the limited supply of vacant land make reuse and new development of underutilized parcels a favorable option for the development community. As part of the public outreach effort and as evidence of the development community’s interest in the City’s underutilized land, the City discussed affordable housing opportunities in underutilized areas of Dana Point with several developers. These developers included representatives from Urban Commercial Partners, The Olson Company, Jamboree Housing Corporation, Shea Homes, and Opus Development. Table H-30 summarizes the potential yield of the underutilized sites. To be conservative, it is not reflective of market-rate or affordable units possible through density bonus provisions.

**TABLE H-30
POTENTIAL UNIT YIELD OF UNDERUTILIZED SITES
CITY OF DANA POINT**

Site	General Plan Land Use	Zoning Designation	Size (Gross Acres)	Assumed Density	Income Level ¹			Potential Total Unit Yield
					Lower	Moderate	Above Moderate	
1: Town Center ²	Town Center Plan	Specific Plan	73.0	30	10	0	128	138
2: Former Marina Mobile Home Estates ³	Commercial/Residential	RMF 22	8.9	22	22	50	142	214
3: Capistrano Unified School District Storage Yard	Community Facilities	Community Facilities	5.6	30	60	35	40	135
Total	--	--	87.5	--	92	85	310	487

1. The breakdown by income category is a hypothetical analysis of potential based on development standards, product types, tenure, market trends, and financial and regulatory incentives, and submitted applications. While the City seeks to facilitate and maximize the affordable housing constructed in the city, this housing element illustrates development potential and City targets, but does not constitute a requirement or regulation mandating the construction of affordable housing on a specific site.

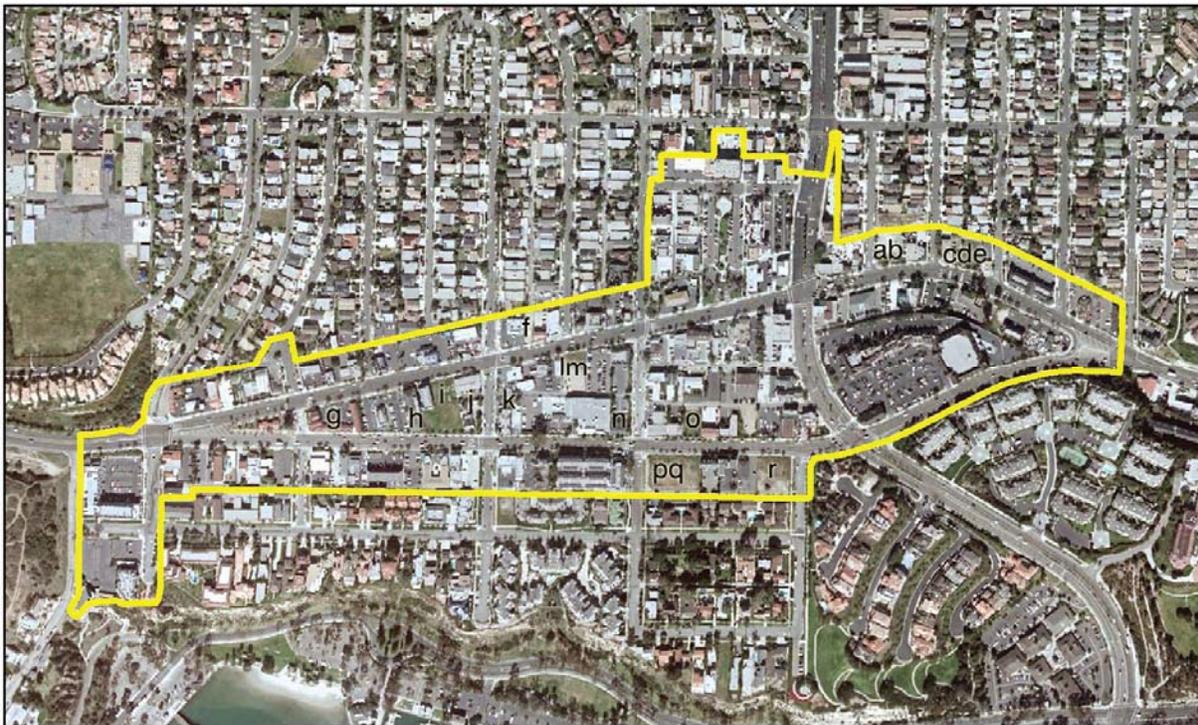
1. The Town Center is expected to provide 138 new units within the planning period, a conservative estimate derived from preliminary proposals from property owners. This development potential includes selected underutilized and vacant land in the Town Center area. Densities are extremely variable in the Town Center and residential units are to be developed in a mixed-use format. Residential densities could exceed 30 units per acre, based on prototypes' densities achieved in the Town Center Plan Development Analysis and Recommended Planning Concepts document and preliminary proposals from property owners.

2. The assumed density for the Former Marina Mobile Home Estates is based on a submitted application and Mitigated Negative Declaration. The project description states that 22 units will be affordable to lower income households.

Source: The Planning Center, 2008.

Underutilized Site 1 (Town Center)

**FIGURE H-8
UNDERUTILIZED SITE 1**



Existing Uses: The Town Center consists of approximately 73 acres between Blue Lantern and Copper Lantern Streets, fronting or in between approximately one mile of Pacific Coast Highway (PCH) and Del Prado. In recognizing the true potential of this area, the City has generated a specific plan to facilitate the new development and addition of residential uses to this area. The Town Center area has potential to become a vibrant cultural, civic, and commercial city center. The Plan will ensure compatibility between proposed uses and existing uses.

The Dana Point Town Center Plan describes a variety of existing retail and service uses, including nine structures that date back to the 1920s. The Plan recognizes the area has several underutilized and vacant parcels and identifies important issues, including the limited amount of housing in the downtown and lack of critical mass. Although there are numerous vacant and underutilized parcels in this area the City has identified selected sites that are expected to be developed within the planning period at densities of at least 30 units per acre, based on discussions with property owners and developers.

Proposed Uses: The Town Center Plan amended the zoning ordinance to establish land uses and densities to provide a mix of land uses and additional housing opportunities. The Fiscal Impact Analysis prepared for the Town Center noted significant underutilized retail and residential potential, making the area an ideal location for mixed-use and dense residential development. The analysis set forth two buildout projections. The moderate model describes a 10-year construction period providing 232 new housing units, 150 of which are new multifamily housing units expected to be constructed during the 2006–2014 planning period. Land acquisition and lot consolidation is already occurring in this area for future mixed-use projects. Three of the sites, 1j, 1k, and 1n, are the result of lot consolidation. Other lot consolidations

are currently being discussed with the City. A conservative estimate of the development potential during the planning period is provided in Table H-31, below. The Town Center Plan permits mixed-use development (residential to be located on the second story or above) and conditionally permits residential care facilities for the elderly, senior housing, and SRO units throughout the entire Plan area. Although the vacant and underutilized sites in the Town Center could facilitate housing at a variety of affordability levels, including extremely low income SRO units, a conservative estimate of only 10 lower income SRO units is assumed.

A unique set of development standards was created to enable residential development to be developed with a maximum Floor Area Ratio instead of a maximum density to facilitate higher densities (see Table H-32). The intent of the development standards is to maximize the development potential of each site and facilitate the creation of a variety of unit sizes. The Town Center Plan Development Analysis and Recommended Planning Concepts evaluated prototypes of the development expected to occur. The prototypes allow a density of at least 20 units per acre and many of the prototypes, particularly those maximizing the allowable percentage of studio units, achieved densities of over 50 units per acre without exceeding the 40-foot height limit. Preliminary plans provided by property owners indicate that densities of at least 30 units per acre could be achieved; however, the development potential described in Table H-31 is a conservative estimate and does not account for additional lot consolidations or densities over 30 units per acre.

**TABLE H-31
UNDERUTILIZED SITE 1 DEVELOPMENT POTENTIAL SUMMARY
CITY OF DANA POINT**

Site	General Plan Land Use	Zoning Designation	Size (Gross Acres)	Assumed Density	Potential Unit Yield	Existing Use
1a	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1b	Town Center Plan	Specific Plan	0.12	30	4	Vacant
1c	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1d	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1e	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1f	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1g	Town Center Plan	Specific Plan	0.39	30	12	Motel built 1929
1h	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1i	Town Center Plan	Specific Plan	0.11	30	3	Vacant
1j ¹	Town Center Plan	Specific Plan	0.42	30	13	Partially vacant storefront
1k ¹	Town Center Plan	Specific Plan	0.69	30	21	Partially vacant storefront and gas station
1l	Town Center Plan	Specific Plan	0.18	30	5	Vacant
1m	Town Center Plan	Specific Plan	0.19	30	6	Vacant
1n ¹	Town Center Plan	Specific Plan	0.58	30	17	Partially vacant storefront
1o	Town Center Plan	Specific Plan	0.21	30	6	Vacant
1p	Town Center Plan	Specific Plan	0.43	30	13	Vacant
1q	Town Center Plan	Specific Plan	0.23	30	7	Vacant
1r	Town Center Plan	Specific Plan	0.43	30	13	Vacant
--	--	--	4.6	--	138	--

1. Sites 1j, 1k, and 1n were created following lot consolidation.
Source: City of Dana Point, 2009.

**TABLE H-32
TOWN CENTER DEVELOPMENT STANDARDS
CITY OF DANA POINT**

Type	Standard
Maximum Lot Coverage	None (policies encourage achieving at least 75% lot coverage)
Minimum Lot Size	5,000 square feet
Floor Area Ratio	2.5
Maximum Building Height	40 feet
Minimum Front Setback	10 feet from property line
Minimum Side Yard Setback	None
Minimum Rear Yard Setback	None when abutting commercial, office or mixed-use; 5 feet when abutting an alley or street; 20 feet when abutting residential neighborhood
Private Open Space	100 square feet per dwelling unit
Common Open Space	100 square feet per dwelling unit
Unit Mix	Maximum 20% studio units; minimum 20% of units with 2 or more bedrooms

Source: City of Dana Point, 2008.

These vacant and underutilized sites, totaling 4.6 acres, range in size from 0.11 to .69 acres without additional lot consolidation. A conservative estimate of 30 units per acre results in the development potential for 138 new residential units. Assuming higher densities of 40 units per acre, the vacant sites could accommodate 184 new units. If developed alone each site could support small infill projects such as apartments, townhomes, or SRO units, an attached affordable housing product ideal for small infill sites..

There are no known environmental constraints to residential development in the Town Center area, and the city’s wet and dry infrastructure system can support the development proposed in the Town Center Plan.

Development Incentives and Requirements: Previous setback requirements, height limitations, parking requirements, and uniform zoning in the Town Center planning area resulted in development that does not create a vibrant, pedestrian-oriented business environment. To allow for a more interesting streetscape and increased housing opportunities, development standards have been proposed, including establishing reduced setbacks from street frontages, increasing the maximum height limit from 35 to 40 feet, establishing an In-Lieu Fee Parking Program, and rezoning for mixed-use development. Building mass is regulated by development standards designed to encourage buildings to cover at least 75 percent of the lot. Based on prototypes documented in the Town Center Development Analysis and Recommended Planning Concepts, an average density of 30 units per acre is a conservative estimate.

The In-Lieu Fee Parking Program allows developers in the core area to buy out of providing on-site commercial parking requirements to achieve the most efficient use of the land. The fees will help pay for a centrally located parking facility. The Plan also proposes allowing upper-level housing above any use in the planning area. Allowing housing where residential uses were previously prohibited will bring life back into the core of the City and support the retail uses below.

While the Town Center is overall an underutilized area, there are 4.6 acres available to accommodate mixed-use development during the planning period. The City is currently discussing future plans for development of the Town Center, including residential uses, with several developers.

Underutilized Site 2 (Former Dana Point Marina Mobile Home Estates)

**FIGURE H-9
UNDERUTILIZED SITE 2**



Existing Uses: Located at 34202 Del Obispo Street immediately north of Pacific Coast Highway (PCH), the 8.7-acre, 90-unit Dana Point Marina Mobile Home Estates was closed by choice of the property owner in 2005, and the coaches have been removed. The property is currently zoned for Coastal Recreation. The SOCWA wastewater treatment facility is directly north of the site, the San Juan Creek is directly east, commercial uses are west and south of the site across Del Obispo Street and PCH, and Doheny State Beach is south of the property, across PCH. The surrounding uses are not considered to be a significant constraint to the development of the site. The property's proximity to the beach provides a desirable amenity and would facilitate the construction of housing.

Proposed Uses: The property owner has applied for a General Plan Amendment and Zone Change for a residential/commercial mixed-use project, with a proposed density of 22 units per acre. The City Council approved the applicant's request to initiate the General Plan Amendment process. A Mitigated Negative Declaration (MND) was prepared for the project in October 2008. The MND assumed a project size of 214 units, including 22 units set aside for lower income households. Given the project size and density, City incentives for providing affordable housing (Program 3.1), density bonus incentives, and inclusionary

housing requirements in the Coastal Zone, it is reasonable to assume that a portion of the total units could be affordable to moderate income households. The project is expected to be approved in 2009.

The MND sets forth a plan to mitigate environmental impacts resulting from the proposed project. Existing connections to the City's water, sewer, and dry utilities are located on-site and these infrastructure systems have the capacity to serve the proposed additional residences.

Development Incentives and Requirements: The proposed residential/commercial mixed-use zoning of the site will allow additional housing units and provide housing opportunities for lower and moderate income households. Additional incentives for affordable housing provided by the City (Program 3.1) and density bonus provisions may increase the number of affordable units as well as the number of total possible units.

Underutilized Site 3 (Capistrano Unified School District)

**FIGURE H-10
UNDERUTILIZED SITE 3**



Existing Uses: Located at 26126 Victoria Boulevard, immediately south of the intersection of Victoria Boulevard and Sepulveda Avenue, and north of Pacific Coast Highway, this 5.6-acre parcel was identified by the Capistrano Unified School District (CUSD) as an excess surplus site. The site is currently being used as a district vehicle storage yard. There is also a small office building and other maintenance facilities on-site, including fuel pumps. Discussions with school representatives indicated that the fuel storage meets current standards. At the time of the preparation of this document there are no known on-site

environmental constraints. The school district indicated that a Phase 1 environmental site assessment was prepared and the site is developable during the planning period. Existing connections to City water, sewer, and other dry utilities are on-site and these forms of infrastructure can support the additional residences proposed. The existing zoning designation is Community Facilities, which will ultimately allow multifamily residential uses of up to 30 dwelling units an acre (see Program 1.2).

The surrounding parcels are zoned Commercial/Residential. Existing adjacent development includes a fire station, professional offices, and residential uses, including a 24-unit, rent-restricted residential project specifically built to accommodate large families. The existing uses are considered to be compatible with future residential development.

Proposed Uses: The land use designation (as revised in Program 1.2) may be particularly suitable for higher density multifamily senior housing. As stated in the Age Composition and Special Needs sections of the Housing Element, the City has experienced a major increase of residents in the “retirement” and “senior citizens” population subgroups since 1990. These senior residents are more likely to experience overpayment and be subject to a fixed income, indicating a strong need for additional senior housing in Dana Point. The site’s size and location also make it a good candidate for family housing. The site may provide opportunities for workforce housing for employees of local agencies such as CUSD.

Although size of the structure would be limited by a maximum FAR of 1.0 and a maximum of three stories, a density of 30 dwelling units per acre—the maximum allowed in the Community Facilities zone—could be achieved. Existing development and recent development applications indicate that most residential development in the City occurs at the highest allowable density. Moreover, projects that incorporate affordable housing tend to seek the highest density possible to maximize the land value. With a density of 30 units per acre, the site could accommodate 135 multifamily housing units. With the inclusion of affordable housing and a density bonus, the site could reach 35–40 units per acre (up to 224 units).

With a public agency as property owner and the size and density of the site lending itself to affordable housing development, this site is a prime candidate for affordable housing. Although the site could be developed as a mixed-income housing project (as is assumed for development potential), an affordable housing developer would be more likely to construct 100% of the units as affordable to lower or moderate income households. First, it is the mission of affordable housing developers to maximize the number of affordable units constructed. Second, a project increases its competitiveness for state and federal affordable housing funding programs as the number and percentage of affordable housing units increases. That is, a project with 100% affordable housing is potentially more likely to obtain affordable housing funding than a project with 50% affordable and 50% market rate housing.

The City is currently working with the CUSD to encourage affordable housing on the site. As part of Programs 1.1 and 3.1, the City is revising development standards and pursuing opportunities with affordable housing developers to maximize the construction of affordable units on the site.

Development Incentives and Requirements: Future development of the property is likely to occur through a public and private partnership. The City may consider a variety of affordable housing incentives such as reductions in lot size, width, depth, and setbacks, and increases in maximum lot coverage and floor area ratio. Additional incentives for affordable housing provided by the City (Programs 1.1 and 3.1) and

density bonus provisions may increase the number of affordable units as well as the number of total possible units.

Potential for Affordable Housing

The potential for new affordable housing on vacant and underutilized land is cited below for lower, moderate, and above moderate income groups. Lower income housing consists of both very low income households earning up to 50% of the County’s median income and low income households earning between 50 and 80% of the County’s median income.

The gap between market rate and what these income groups can afford to pay for housing is very large. However, the difference between the two income groups, in terms of their maximum affordable housing cost, is not as significant. For example, as shown in Table H-9, the difference between the maximum affordable rent for a very low income household of four is \$1,051, while the same rent limit for a low income household of four is \$1,682—a difference of 631. The current market rent for a two-bedroom unit averages approximately \$2,100, which would show a gap of \$1,049 and \$418, respectively.

In qualifying for certain state or federal assistance programs, private and non-profit housing developers may actually receive more assistance for building housing affordable to very low income households than for low income households. Accordingly, because the difference in the subsidy needed between very low and low income households is relatively small compared to the overall subsidy for each unit, and because the proportion of affordable units can be so variable depending on financial assistance programs, this Housing Element combines the potential for both income categories into one category: lower income.

To accurately assess the potential viability of the vacant and underutilized residential sites suitable for lower income housing, the Jamboree Housing Corporation (JHC) and the Southern California Housing Development Corporation (SCHDC) were consulted. Both corporations are non-profit housing development companies that build, preserve, and maintain affordable rental housing for lower-income households. They identified several qualifying factors for successful housing projects.

First and foremost, the parcel size should be able to accommodate a minimum of 50 units per project site, without parcel consolidation. This project size enables the developer to retain on-site management staff, an element considered key to the long-term success and acceptance of the project. Density is a factor when



Mendocino at Talega, San Clemente
Photo courtesy of Jamboree Housing Corporation

dictated by the parcel size and land price to achieve the minimum project size of 50 units. In this sense, parcel size and density levels work together; larger parcels can accommodate lower densities while smaller parcels will need a higher density. For example, a two-acre parcel will need a density level of at least 25 units per acre, while a three-acre parcel will only need a density level of 16.6 units per acre.

A project developed and owned by a local affordable housing developer is presented as evidence of these qualifiers in the high cost coastal communities of Orange County. With a grand opening in 2003, Mendocino at

Talega is a 100% affordable, 186-unit community (18.6 units per acre) consisting of two- and three-bedroom family apartments in the City of San Clemente, California. The units are affordable to families whose income falls between 40% and 60% of the County Area Median Income.

The 10-acre site was donated by the developer and financing for Mendocino at Talega included \$13.77 million in tax-exempt bonds issued by the County of Orange and purchased by U.S. Bank; a \$4.5 million loan from the State of California Multifamily Housing Program; a \$2.7 million loan from the Orange County Department of Housing and Community Development; \$5.2 million in Low Income Housing Tax Credit equity, purchased by Lend Lease; an \$837,000 loan from the Affordable Housing Program of the Federal Home Loan Bank of San Francisco; a \$613,000 loan from the City of San Clemente; and a \$660,000 predevelopment loan from the Low Income Housing Fund (LIHF).

Discussions with the aforementioned affordable housing developers and additional providers, such as Habitat for Humanity and the Coachella Valley Housing Corporation, revealed that new construction projects are often 100% affordable to lower income households and that very low income households are frequently targeted for the largest portion—generally a minimum of half of the total project units. One reason is that the mission of affordable housing developers drives them to construct projects that are 100% affordable. Another reason is that state and federal programs frequently require deeper income subsidies for projects to receive financial assistance—sometimes requiring housing for households earning as little as 30% of median income.

Accordingly, it is reasonable to assume that higher density units could be constructed primarily for lower and moderate income households on the City's remaining vacant and underutilized land.

Summary of Housing Development Potential

Because Dana Point is a highly desirable coastal community, the market for housing is expected to remain strong given the lack of available land and minimal development opportunities. Dana Point's current development pattern generally builds to the maximum density permitted by zoning. The City seeks to continue to yield the highest and best use of residential land and understands that this vision includes housing for all segments of the community. With this in mind, the City will increase multifamily and affordable housing potential by permitting multifamily housing in CF zone and reducing regulatory barriers to mixed-income and affordable housing in multifamily zones (Programs 1.2 and 3.1).

Employee housing associated with the Headlands Development and Conservation Plan (Headlands Plan) is expected to provide eight low income units and four moderate income units. An additional 158 market rate units will be built under the Headlands Plan and Monarch Beach Specific Plan. One second dwelling has been approved and will serve a low income occupant.

Vacant residential land and underutilized sites in Dana Point offer a variety of development opportunities, ranging from single-family homes with ocean views to SRO efficiencies. The potential buildout of each vacant parcel is calculated based on existing densities, development standards, and market conditions. Realistic capacity buildouts on vacant land outside of the Town Center area result in the potential for 175 new units, of which 33 could serve lower incomes, 34 could serve moderate incomes, and 108 could serve above moderate income households. The breakdown by income category is a hypothetical analysis based on development standards, product types, tenure, market trends, and financial and regulatory incentives.

A similar analysis for underutilized sites, with consideration of feasibility due to existing uses, results in the potential for 487 new units. Although the potential to achieve housing development on underutilized sites within the planning period is bolstered by the adoption of the Town Center Plan and through ongoing discussions with the owners of the two other underutilized sites, conservative affordability assumptions are provided in Table H-33. In total, the City’s approved units, vacant lands, and underutilized parcels are of sufficient number, zoning, and size to accommodate the potential growth for all income levels as prescribed in the City’s combined RHNA.

**TABLE H-33
SUMMARY OF RESIDENTIAL DEVELOPMENT POTENTIAL 2006–2014
CITY OF DANA POINT**

Development Category	Lower (0-80%)	Moderate (81-120%)	Above Moderate (>120%)	Total
Combined RHNA	121	38	28	187
Constructed	0	0	155	155
Approved	9	4	158	171
Vacant Land	23	34	108	165
Underutilized Land	92	85	310	487
Second Units	10	0	0	10
Total Potential	134	123	731	988
(Deficiency)/Surplus	+13	+85	+703	+801

Source: SCAG, City of Dana Point, 2009.

Price of Land

Typically, land costs increase as land availability decreases. With a very limited amount of available land the cost of land is a major constraint to housing production in Dana Point. In addition, the desirability of this coastal community, with ocean views and other local amenities, drives prices up. The most recent transactions for vacant, residentially zoned land within the City range from approximately \$100 to \$290 per square foot.

The high cost of land increases home prices, which in turn creates more need for large financial subsidies in order to bring the total new housing costs within the economic reach of low income households. As in the past, the City will actively pursue policies and programs to make very low, low, and moderate income housing available. However, to achieve affordable housing goals, a combination of public and private financing will be needed to overcome the obstacle of high land prices.

Cost of Construction

Construction costs primarily consist of the cost of materials and labor. Both of these factors fluctuate depending on market demand and market-based changes in the cost of materials. Other influences on the cost of construction include the type of unit being built and quality of the product being produced.

The cost of labor is based on a number of factors, including housing demand, the number of contractors in the area, and the union status of workers. Labor cost is usually two to three times the cost of materials, thus the cost of labor represents an estimated 17–20% of the cost of building a unit. Low income households can typically financially support about 30–40% of the development costs of a new dwelling unit. All costs above this level require gap financing to pay for the total costs. Construction costs, along with many other private market factors, contribute to making new housing unaffordable to lower income households.

To help mitigate constraints posed by construction costs, the City allows manufactured housing in single or multifamily zones. The use of manufactured homes can reduce housing costs by as much as 30–40%, according to the U.S. Department of Housing and Urban Development.

Financing

The affordability of owning a home is greatly influenced by mortgage interest rates. Increases in interest rates decrease the number of persons able to afford to purchase a home. Conversely, decreasing interest rates result in more potential homebuyers introduced to the market.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government-insured loan programs may be available to reduce mortgage down payment requirements.

First-time homebuyers are the group impacted the most by financing requirements. Lower initial rates are available with graduated payment mortgages (GPMs), adjustable rate mortgages (ARMs), and buy-down mortgages. However, variable interest rate mortgages on affordable homes may increase to the point of interest rates exceeding the cost of living adjustments, which is a constraint on the affordability.

Mortgage interest rates for new home purchases ranged from 5–7% for a fixed-rate, 30-year loan between 2000 and 2005, with an average rate of 6–7% in 2008. The recent foreclosure crisis has generated more conservative lending standards, and down payment requirements have increased.

Flexible loan programs, such as those for first-time homebuyers, can still offer down payment requirements between 0% and 20%. Such programs provide a method to bridge the gap between a required down payment and potential homeowner's available funds.

At this time the greatest impediment to homeownership is creditworthiness. According to the Federal Housing Authority, lenders consider a person's debt-to-income ratio, cash available for down payment, and credit history when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit ratings.

Persons with poor credit ratings will likely be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower income residents, who have fewer financial resources with which to qualify for a loan. The FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to reestablish a good credit history.

Preservation of At-Risk Units

State Housing Element Law requires the analysis of government-assisted housing that is eligible to change from lower income housing to market rate housing within 10 years after the end of the planning period (2024). The reasons why government-assisted housing might convert to market rate include expiring subsidies, mortgage prepayments, and expiration of affordability restrictions. State law also requires the development of programs aimed at the preservation of at-risk units. The following must be included in each housing element as part of its preservation analysis:

- An inventory of assisted housing units that are at risk of converting to market rate within 10 years after the end of the planning period (2024).
- An analysis of the costs of preserving and/or replacing these units.
- Resources that could be used to preserve the at-risk units.
- Program efforts for preservation of at-risk units.
- Quantified objectives for the number of at-risk units to be preserved during the housing element planning period.

Assisted Units

City records identified three projects currently providing 148 units of affordable housing. Of these 148 units, 64 are preserved for affordable housing in perpetuity. The remaining 84 units, distributed among two projects, will be at risk of converting to market rate units by the year 2024.



Domingo/Doheny Park Road Apartments

Domingo/Doheny Park Road: The Orange County Community Housing Corporation built the Domingo/Doheny Park Road rent-restricted project in 1983 specifically for large families. The project consists of 24 three-bedroom units for very low income households. As the length of affordability is for the life of the project, this project is not at risk of conversion by 2024.

Monarch Coast Apartments: Out of a total 418 units, the Monarch Coast Apartments provides 84 one- and two-bedroom units for lower income households. A total of 42 are restricted for very low income households and 42 are restricted for low income households as guided by HUD

fair market rents. These units were financed by a \$31.8 million bond in 1999 and are restricted for affordable rental housing until January 2015. Although maximum rent is determined by the number of occupants, the latest (2006) report provides the current maximum rents by income category and bedroom count (household size is assumed at two persons for one-bedroom units and four persons for two-bedroom units):

- 12 very low income one-bedroom units: \$1,018 maximum rent
- 12 very low income two-bedroom units: \$1,253 maximum rent

- 12 low income one-bedroom units: \$1,272 maximum rent
- 12 low income two-bedroom units: \$1,566 maximum rent

In 1992, 32 of the market-rate units were lost due to a landslide. In March 2006 the City Council authorized the City Manager to execute an Affordable Housing Agreement with William Lyon Company to rebuild the 32 units in return for preserving a portion of the Monarch Coast Apartments for affordable housing in perpetuity. According to the agreement, 20 units would be restricted for low income households and another 20 units would be restricted for moderate income households in perpetuity, even if they are converted to condominiums. The agreement results in the preservation of 40 income-restricted units in perpetuity.

In addition, the agreement provides that William Lyon Company will prepare a dispersal map showing where the affordable units will be located, which will be subject to City approval. This will enable the City to ensure that the affordable units are dispersed evenly and appropriately throughout the project. The remaining 44 income-restricted units will be able to convert to market rate units on January 1, 2015.



Harbor Pointe Apartments

Harbor Pointe Apartments: A 400-unit project located just south of the intersection of Golden Lantern and Camino Del Avion, Harbor Pointe Apartments provides 40 units for lower income households. A total of 20 are restricted for very low income households and 20 are restricted for low income households as guided by HUD fair market rents. These units were financed by a \$13 million bond in 1992 and are restricted for affordable rental housing until December 2012. The units are divided evenly by bedroom count, with 20 as one-bedroom units and 20 as two-bedroom units. Rents are determined by HUD based on household size and are similar to those cited above for the Monarch Coast Apartments.

Preservation Options

The City has three basic options for preserving the affordable units at risk of conversion to market rents: 1) continue the present rent subsidy; 2) build new units to replace those lost to conversion; or 3) facilitate the transfer to another non profit. As the current assisted units are either relatively new or in good condition, an acquisition and rehabilitation strategy is not considered appropriate.

Replace Rent Subsidies

The first preservation option is to replace the reduced-rent units in return for extending affordability covenants. The City would negotiate with the owner to extend affordability. The financial cost equals the difference between the fair market rent of a unit and the maximum rent tenants could pay each month. Table H-33 calculates the affordable housing subsidy that would be required to preserve the at-risk units based on 2007 rents for market rate units in each project.

Monarch Coast Apartments

The City can assume that the 44 at-risk units will be divided in the same proportion (and occupied by the same household size) as the current units. As shown in Table H-30, the City would need to provide approximately \$434,412 in annual financial assistance, translating into \$21.7 million over 50 years (the average life of an apartment building).

Harbor Pointe Apartments

As in the previous project, the City can assume that the 40 at-risk units will be divided in the same proportion (and occupied by the same household size) as the current units. As shown in Table H-34, the City would need to provide approximately \$202,920 in annual financial assistance, translating into \$10.1 million over 50 years.

**TABLE H-34
ESTIMATED COST OF PRESERVING AT-RISK UNITS
CITY OF DANA POINT**

Income Category	Bedroom Count ¹	Maximum Affordable Rent ²	Current Market Rent	Monthly Affordability Gap	Number of Units	Annual Affordability Gap
Monarch Coast Apartments						
Very Low	1	\$1,018	\$1,900	\$882	11	\$116,424
Very Low	2	\$1,253	\$2,300	\$1,047	11	\$138,204
Low	1	\$1,272	\$1,900	\$628	11	\$82,896
Low	2	\$1,566	\$2,300	\$734	11	\$96,888
Total for Monarch Coast Apartments					44	\$434,412
Harbor Pointe						
Very Low	1	\$1,018	\$1,450	\$432	10	\$51,840
Very Low	2	\$1,253	\$1,950	\$697	10	\$83,640
Low	1	\$1,272	\$1,450	\$178	10	\$21,360
Low	2	\$1,566	\$1,950	\$384	10	\$46,080
Total for Harbor Pointe					40	\$202,920

1. Assumes a household size of two persons for one-bedroom units and four persons for two-bedroom units.
 2. Per HUD established fair market rents.
 Source: City of Dana Point, The Planning Center, Monarch Coast Apartments, and Harbor Pointe Apartments.

Build New Units

The cost of constructing new units depends on whether the developer needs to purchase land and whether their initial contribution can be leveraged with other funding sources. Constructing all 84 units in one project would be the most efficient and cost-effective use of land. Assuming a density of 35 units per acre (with density bonus), the project could cost at least \$45–60 million from inception through construction, assuming the City acts as the applicant. This number is based in part on recent apartment projects built around the southland and land costs of \$150 to \$200 per square foot. If the City constructs this project on City-owned land, the cost could decrease by approximately \$10 to \$15 million. This new project

would also have to be maintained and monitored, adding additional operating costs that could not be covered by the subsidized rent for many years.

Facilitate Transfer of Units

The City of Dana Point could facilitate the transfer of the units to a nonprofit organization dedicated to providing affordable housing. A nonprofit housing corporation could purchase the project, rehabilitate the project using Low Income Housing Tax Credits, and extend the affordability controls. The City of Dana Point could, if desired, facilitate this effort through a reduction in building permit or impact fees or perhaps through committed financial assistance, such as low interest loans. The City could coordinate with the Civic Center Barrio Housing Corporation, an affordable housing organization operating in the Dana Point region.

Qualifying Entities

The Department of Housing and Community Development lists a number of qualified entities interested in acquiring and/or managing affordable housing at risk of conversion. In the event that an affordable housing development owner decides to sell the property, qualifying entities have the right to submit an offer matching the terms of any other offer. To qualify, an entity must meet several criteria, including being able to manage the facility; maintain affordability for at least 30 years or the remaining term of assistance; preserve the existing occupancy profile and maintain rents at an agreed-upon level of affordability; and agree to renew subsidies if available and as sufficient to maintain economic feasibility. Qualifying entities include, but are not limited to:

- Civic Center Barrio Housing Corporation
- Housing Corporation of America
- Jamboree Housing Corporation
- Mercy Housing
- Neighborhood Housing Services of Orange County, Inc.
- Nexus for Affordable Housing
- Orange Housing Development Corporation
- Shelter for the Homeless

Appendix A

Community Outreach

Public outreach for the preparation of this Housing Element has occurred over the course of several years due to the unique crossover of planning periods. The City conducted two Housing Summits and several public workshops/study sessions between 2005–2008 to discuss housing issues, needs, and opportunities in Dana Point.

Joint Study Session (2005): A joint study session was held on September 14, 2005, to inform the Planning Commission, City Council, and general public about the issues facing Dana Point on housing needs and opportunities.

Housing Summit (2006): A Housing Summit was held on May 10, 2006, to discuss housing strategies, specific development opportunity sites, inclusionary housing practices, and changes to state housing law with the public. Public comments influenced revisions made to the draft housing element. A Planning Commission meeting was held on September 6, 2006, and a City Council meeting was held on September 27, 2006, to gain additional input from the public and elected decision makers on revised housing strategies and underutilized sites. Participation from the public directly influenced the identification of underutilized sites and creation of programs, including 2.1, Housing Assistance Pilot Program.

Outreach to Non-Profit Organizations and Developers (2007): During 2007 the City met with representatives from several housing non-profit organizations and development firms—including The Olson Company, Jamboree Housing Corporation, Shea Homes, and Opus Development—to discuss opportunity sites identified in the revised Draft Housing Element and how to address regulatory and physical constraints. Through these discussions the City has garnered further understanding of the development potential of its vacant and underutilized sites.

Outreach to Non-Profit Organizations (2008): The City also met on an ongoing basis with the Saint Edward’s Church Social Justice Committee from March through December of 2008. The Social Justice Committee works with homeless individuals in Dana Point and is interested in assisting the City with this portion of the Housing Element. The City also communicated with The Kennedy Commission, an Orange County–based non-profit advocate focused on housing affordable to households earning less than \$20,000 annually.

Alliance for Housing Our Communities (2008): The City of Dana Point is a member of Alliance for Housing Our Communities, a group organized by Mission Hospital with the goal of increasing affordable homes in south Orange County. On October 15, 2008, the Alliance convened at Mission Hospital to review its strategic plan, update its action items, and identify new action items. The group discussed three strategies: to increase the number of public or private policies that support affordable housing, to increase broad-based community advocacy groups/organizations that identify and act on affordable homes as a priority, and to create new affordable homes. For each of these strategies three activities/objectives were identified, along with who would be responsible for each activity and how the success of each strategy and activity would be measured. The City of Dana Point will participate in future Alliance for Housing Our Communities activities, including the next regularly scheduled meeting on January 7, 2009, and the

Orange County Housing Summit Meeting, scheduled for April of 2009. A diagram of the Affordable Homes Strategic Plan for fiscal years 2009–2011 is shown below.



Community Health Assessment (2008): In 2008 Mission Hospital and Saddleback Memorial Hospital sponsored a Community Health Assessment, prepared by Processional Research Consultants, Inc., to study the communities of Dana Point, San Clemente, and San Juan Capistrano. The Community Health Assessment was a systematic, data-driven approach to determining the health status, behaviors, and needs of residents in these three communities. The goals of the assessment were to: improve residents' health status, increase their life spans, and elevate their overall quality of life; reduce the health disparities among residents; and increase accessibility to preventive services for all community residents. Using telephone interview methodology, 1,001 individuals aged 18 and over were randomly selected to participate in the study. Of these 1,001 participants, 272 individuals were from Dana Point, 418 individuals were from San Clemente, and 311 were from San Juan Capistrano.

The Community Health Assessment has two sections: housing, and disability and secondary conditions. The housing section looks at tenure characteristics, housing costs, availability of affordable housing, and condition of neighborhood homes, and the disability and secondary conditions section looks at activity limitations. Need levels for these three communities were determined by St. Joseph Health System at the block group level. Each block group population was examined for key demographic and socioeconomic variables associated with community need (either positively or negatively). Selected characteristics are

analyzed based on the respondents' level of need (high/highest need or average/lower need). Some key findings from the assessment are described in the Housing Element.

Housing Workshop (2008): On October 16, 2008, the City of Dana Point held a Housing Workshop at the Dana Point Community Center. The workshop provided an opportunity for the community to inform the City of existing and future housing needs. While the workshop was designed to elicit input from a variety of residents, there was a special focus on reaching those who are lower income, including seniors, the disabled, families, and individuals in the workforce.

To publicize the workshop, the City of Dana Point used a range of mediums. An advertisement was run in the *Dana Point Times* on October 3 and 10, 2008, and in the *Dana Point News* on October 9 and 16, 2008. On October 4, 2008, the City posted flyers at City Hall, Dana Point Library, Dana Point Post Office, Capistrano Beach Post Office, and the Dana Point Community and Senior Center. The City's website featured information about the workshop on its home page as well as under the housing element page of the website. An E-News item was sent to subscribers (including the press) on October 1, 2008.

The City mailed flyers for posting to key stakeholders, including churches, local employers, local developers, and real estate groups, at the end of September 2008. Reproductions of public outreach materials and notifications are provided below. Formal letters were sent the principals of Dana Point schools requesting their assistance in publicizing the workshop to teachers and parents by posting meeting notices on school bulletin boards. Periodic announcements were made at the Chamber of Commerce several weeks before the workshop. A number of interested parties attended the workshop, including local residents, local business owners, members of the Saint Edward's Church, and the South Coast Water District. At the workshop, the public commented on condo conversions, homelessness, off-site housing unit potential, density bonus regulations, mixed-income housing, and Habitat for Humanity activities. Input provided at the Housing Workshop influenced changes to Program 1.3, which addresses emergency shelters and transitional housing facilities, that are intended to strengthen the City's approach to meeting the needs of its homeless population.

Housing Workshop Flyer Announcement

City of Dana Point Housing Workshop – October 16th

**Dana Point Community Center
34052 Del Obispo Street, Dana Point
6:00 pm on Thursday, October 16th**

The City of Dana Point is in the process of updating its Housing Element of the General Plan and invites you to participate.

This workshop is an opportunity for the community to inform the City of existing and future housing needs. The City of Dana Point encourages involvement of the community to assist the City in developing housing strategies to meet the needs of all citizens.

There are several ways to provide your comments regarding housing:

- Come to the October 16th Housing Workshop and Speak
- Send an email to cteague@danapoint.org
- Write a letter to: Housing Comments
 City of Dana Point
 33282 Golden Lantern
 Dana Point, CA 92629

The latest draft of the City of Dana Point Housing Element can be viewed on the City's website at www.danapoint.org/housing.

For more information, contact Christy Teague, Economic Development Manager at (949) 248-3519 or cteague@danapoint.org.

Housing Workshop E-News Item

From: webmaster@danapoint.org [mailto:webmaster@danapoint.org]
Sent: Wednesday, October 01, 2008 2:29 PM
To: CHRISTY TEAGUE
Subject: City of Dana Point: City of Dana Point Seeks Community Input at October 16th Housing Workshop

City of Dana Point Seeks Community Input at October 16th Housing Workshop
Posted Date: 10/1/2008 2:00 PM

The City of Dana Point is updating its Housing Element of the General Plan and invites you to participate in this important process. On October 16, from 6 - 8 pm, a Housing Workshop will be held at the Dana Point Community Center, 34052 Del Obispo Street, and will present an opportunity for the community to provide feedback on housing needs in the City. The City of Dana Point encourages community involvement to assist the City in developing housing strategies to meet the needs of all residents.

If you cannot attend the October 16th meeting, but would still like to provide input on housing here in Dana Point, send comments via email to cteague@danapoint.org or through postal mail to Housing Comments, City of Dana Point, 33282 Golden Lantern, Dana Point, CA 92629. The most current draft of the City of Dana Point Housing Element can be viewed on the City's website at www.danapoint.org/housing.

For more information on the Housing Workshop or the Housing Element, please contact Christy Teague, Economic Development Manager, at (949) 248-3519 or cteague@danapoint.org.

Housing Workshop Newspaper Ad



CITY OF DANA POINT HOUSING WORKSHOP

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Housing Workshop Mailer List

Churches:

Faith Lutheran Church, Capistrano Beach
First Church-Christ Scientist, Dana Point
Gloria Dei Lutheran Church, Dana Point
Jehovah's Witnesses, Capistrano Beach
Laguna Woods Calvary, Capistrano Beach
Pacific Bible Baptist Church, Dana Point
Saint Edward's Catholic Church, Dana Point
South Shores Baptist Church, Dana Point
Episcopal Church, Dana Point
South Shores Church, Dana Point
First Church of Christ, Dana Point
St. Edward Church, Dana Point
Presbyterian Church, San Juan Capistrano
Capistrano Valley Church, San Juan Capistrano
Palisades United Methodist Church, Capistrano Beach

Developers/Real Estate:

The Hoffman Company, Irvine
Caruso Affiliated, Los Angeles
KB Home Coastal Inc., San Diego
Simpson Housing Solutions, LLC, Long Beach
Mary Erickson Community Housing, San Clemente
OLIVERMCMILLAN, San Diego
Building Industry Association, Irvine
St. Edwards Social Justice Committee, Laguna Niguel
R.W. Selby & Company, Inc., Los Angeles
Village Partners Inc., Irvine
San Diego Coastal, Inc., San Diego
Jamboree Housing Corporation, Irvine
The Olson Co., Seal Beach
DR Horton, Irvine

Local Employers:

St. Regis Monarch Beach Resort, Dana Point
Doubletree Guest Suites Doheny Beach, Dana Point
Capistrano Unified School District, San Juan Capistrano
Dana Point Chamber of Commerce, Dana Point
Ralph's, Del Prado, Dana Point
Salt Creek Grille Restaurant, Dana Point
Chart House Restaurant, Dana Point
Wind & Sea Restaurant, Dana Point
Stats, Capistrano Beach
Marriott's Laguna Cliffs Resort, Dana Point
The Ritz Carlton, Dana Point
Albertson's, Dana Point
Ralph's, Golden Lantern Street, Dana Point
Cannon's Restaurant, Dana Point
Gelson's Market, Dana Point
Smart & Final, Capistrano Beach

Developers/Real Estate continued:

The Kennedy Commission, Irvine
Lyon Capital Ventures, Newport Beach
The Algier Group, Inc., Monarch Beach
Orange County Housing Providers, Laguna Hills
Orange Coast Homebuilding – Lennar, Aliso Viejo
Barratt American Inc., Carlsbad
Orange County Association of Realtors, Laguna Hills
Public Law Center, Santa Ana
Urban Housing Group, El Segundo
Orange County Grand Jury, Santa Ana
Meta Housing Corp., Los Angeles
Payne Development, San Juan Capistrano
Simpson Housing Solutions, Long Beach
OC Community Services, Santa Ana
AMCAL Homes, Agoura Hills

Workshop Presentation Boards


The City of Dana Point

What is a Housing Element?

A mandated chapter of the General Plan. The General Plan guides preservation and future growth in Dana Point regarding:

- land use
- parks and recreation
- environmental hazards
- circulation
- natural resources
- cultural resources
- open space
- infrastructure and public services
- housing

Housing elements have specific and detailed statutory requirements set forth by the California Government Code:

- Consistent with other state and federal statutes and planning mandates
- Must be updated approximately every 5 years
- Identify adequate sites, land use regulations, and development standards to facilitate housing for all income levels
- Address the construction, rehabilitation, and conservation of housing as needed to meet the production goals of the Regional Housing Needs Assessment (RHNA)

What are Dana Point's Housing Goals?

- Provide a variety of residential developments and adequate supply of housing to meet the existing and future needs of City residents.
- Assist in the provision of housing affordable to lower income households.
- Provide for a regulatory system free of governmental constraints to the maintenance, preservation, improvement and development of housing.
- Conserve and improve the existing stock of affordable housing.
- Ensure and promote housing opportunities for all population groups.
- Preserve the existing and future supply of affordable housing that is financially assisted by the City, County, State, or federal governments.



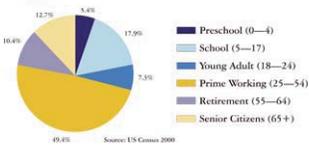

The City of Dana Point
HOUSING CHARACTERISTICS

Where is Dana Point Today?

- City consists of 4,134 acres, of which 1,993 fall within the coastal zone
- Number of residents (2005): 36,765
- Number of units (2005): 15,740
- At buildout, Dana Point is expected to have 40,000 residents
- Variety of housing sizes
- Rising home prices
- Median housing price for all home sales in 2000: \$381,400 (US Census)
- Median housing price for new home sales since 2005: \$1,000,000+ (DataQuick)

Resident Age

In 2000, the majority of the population (51%) fell within the "prime working" population subgroup, which also correlates to the "preschool" and "school" subgroups, representing another 23% of the population.



Source: US Census 2000

Household Income

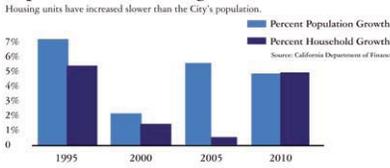
The majority of lower-income households are renter households, indicating a need for affordable rental opportunities.

Income Group	Definition of Income Groups	Renter	Owner	Percent of Total Households
Very Low	Below 50% of AMI; up to \$43,300	1,085	782	14%
Low	51% to 80% of AMI; up to \$69,300	632	413	8%
Moderate	81% to 120% of AMI; up to \$94,400	482	391	6%
Above Moderate	Above 120% of AMI; above \$94,400	3,584	7,995	72%

Source: CHAS 2000

Population and Housing Growth Trends

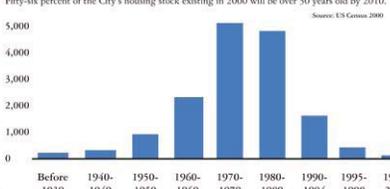
Housing units have increased slower than the City's population.



Source: California Department of Finance

Age of Housing Stock

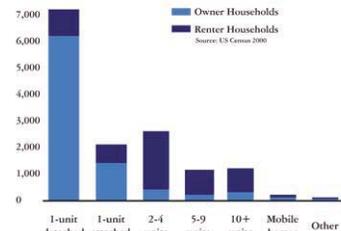
Fifty-six percent of the City's housing stock existing in 2000 will be over 30 years old by 2010.



Source: US Census 2000

Housing Stock by Type and Tenure

Data from 2000 shows that single-family detached units make up the majority of Dana Point's housing stock.



Source: US Census 2000



The City of Dana Point HOUSING NEEDS

The City's Housing Needs

- High cost of housing causes individuals with fixed incomes, particularly the elderly and lower income families, to spend a disproportionate percentage of their income for housing.
- 38% of all households in Dana Point pay more than 30% of their gross income for housing. Very low income households experience the highest rate of overpayment.
- In response to higher housing prices, lower income households must often settle for smaller, less adequate housing which may result in overcrowding.
- Less than 5% of all households are overcrowded.
- Majority of overcrowded units are occupied by rental households.

What is the Regional Housing Needs Assessment?

A housing planning goal set by the Southern California Association of Governments (SCAG) for the state-determined planning period (2006–2014). The RHNA is intended to:

- Accommodate population and employment growth projected for the planning period.
- Distribute the responsibility of providing housing for all income levels—very low, low, moderate, and above moderate income households—to all jurisdictions.

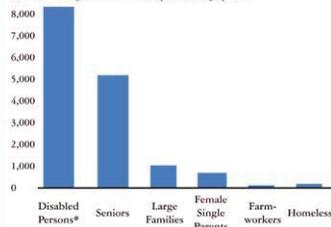
Regional Housing Needs Assessment for Dana Point

	Very Low	Low	Moderate	Above Moderate	Total
1998-2005 RHNA Unmet Need*	85	9	25	0	119
2006-2014 RHNA	15	12	13	28	68
Combined RHNA	100	21	38	28	187

* RHNA that was not accommodated in the previous planning period (January 1, 1998 to December 31, 2005).

Special Needs

Dana Point has residents with a variety of special needs, many of whom require assistance finding affordable and adequate housing options.



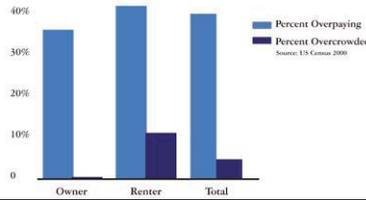
* Number of disabled person reflects the total number of disabilities reported; person with more than one disability are counted more than once.

Affordable Rent and Home Purchase Price

Income Category	Annual Income Limits	Max Affordable Rent Payment	Estimated Max Affordable Purchase Price
One-Person Household			
Very low (50%)	\$30,300	\$758	\$67,000
Low (51-80%)	\$48,500	\$1,213	\$129,700
Moderate (81-120%)	\$66,100	\$1,653	\$226,800
Above Moderate (>120%)	>\$66,100	>\$1,653	>\$226,800
Median	\$55,100		
Two-Person Household			
Very low (50%)	\$34,650	\$866	\$82,600
Low (51-80%)	\$55,450	\$1,386	\$153,300
Moderate (81-120%)	\$75,500	\$1,888	\$264,000
Above Moderate (>120%)	>\$75,500	>\$1,888	>\$264,000
Median	\$63,000		
Four-Person Household			
Very low (50%)	\$43,300	\$1,083	\$112,000
Low (51-80%)	\$69,300	\$1,733	\$200,300
Moderate (81-120%)	\$94,400	\$2,360	\$339,370
Above Moderate (>120%)	>\$94,400	>\$2,360	>\$339,370
Median	\$78,700		

Overpayment and Overcrowding

According to the 2000 Census, 38% of all households in Dana Point experienced overpayment. The overwhelming majority of overcrowded units were occupied by rental households, with the highest rates of overcrowding found in very low income households.



■ Percent Overpaying
■ Percent Overcrowded
Source: US Census 2000

Appendix B

Evaluation of Previous Housing Strategies

Section 65588(a) of the Government Code requires that the City review the currently adopted Housing Element to evaluate:

- “The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.” (Section 65588(a)(1))
- “The effectiveness of the housing element in attainment of the community housing goals and objectives.” (Section 65588(a)(2))
- “The progress of the city ... in implementation of the housing element.” (Section 65583(a)(3))

Appropriateness of Previous Housing Goals, Objectives, and Policies

The previous Housing Element included appropriate goals and policies to encourage affordable housing and meet the requirements of state law. The objectives, however, were often insufficiently specific and did not require actions or commitments from the City. The Housing Element Update includes revised goals, objectives and policies to support and take stronger action toward providing and maintaining quality affordable and market rate housing in Dana Point. Certification of the update is desired not only to meet the intentions of state law, but to also assist the City in implementing programs proposed to meet the housing needs of Dana Point residents.

Effectiveness and Implementation of Housing Programs

Table HB-1 identifies and evaluates all of the housing programs included in the 1998–2005 Housing Element, including their level of achievement and recommendations for future activity.

TABLE HB-1
EVALUATION MATRIX OF 1998–2005 HOUSING ELEMENT PROGRAMS

Program	Intent	Objective	Level of Achievement	Evaluation
Category 1: Identify Adequate Sites for a Variety of Housing Types				
1.1 Land Use Element	Continue to implement the Land Use Element and adopted Specific Plans to accommodate a range of housing types, densities, and affordability.	384 Units	346 total units - 41 low - 61 moderate - 244 above-moderate	Between 1998 and 2005, the City approved a small amount of multifamily development and a larger number of single-family units. The majority of multifamily and affordable development took place in the late 1990s and land zoned for higher density multifamily development is scarce. The City’s land use densities and permitted uses should be revised to accommodate a wider range of housing types and

**TABLE HB-1
EVALUATION MATRIX OF 1998–2005 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
				densities.
1.2 Emergency Shelters/ Transitional Housing	Permit SRO hotels, emergency shelters, and transitional housing under specified land use designations subject to discretionary approval. Permit transitional housing subject to discretionary approval in residential zones and emergency shelters subject to discretionary approval in commercial and industrial zones.	n/a	n/a	This program did not propose to change existing land use policies or zoning. No emergency shelters or transitional housing were constructed in Dana Point between 1998 and 2005, which may indicate a need for a change in regulations and policy. Additional State laws also indicate a need to alter the City's Zoning Code.
1.3 Density Bonus	Inform developers and other interested parties of adopted density bonus provisions.	10 very low and 10 low income units	0 units	The City did not receive interest from developers in providing affordable units through density bonus provisions. Changes in State law occurred in 2004 (SB 1818) that made the density bonus program more attractive, however, this change was too late to see progress within the planning period. The City is pursuing the inclusion of density bonus units more aggressively through the Dana Point Town Center Plan and citywide.
1.4 Second Units	Amend the Zoning Code to reflect changes in State law and encourage the development of second units through a "How-To" seminar on second dwelling units and a flyer on how to apply for a second dwelling unit.	Hold seminar Create flyer 5 very low and 5 low income second units	Seminar was held 3 low income second units	The City approved at least 3 affordable second dwelling units. With the creation of a flyer, the City could expect additional units to be created.
1.5 Committed Assistance Credits	Develop a public/private partnership with a qualified nonprofit organization to acquire and rehabilitate existing rental housing.	20 very low and 12 low income units	none	This program was developed late in the planning period and no progress was made. However, the City should continue to pursue a partnership to preserve at-risk units.

**TABLE HB-1
EVALUATION MATRIX OF 1998–2005 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Category 2: Assist in the Development of Adequate Housing to Meet the Needs of Low and Moderate Income Households				
2.1 Mortgage Revenue Bond Financing	Continue to operate a cooperative agreement with the County of Orange on the Multifamily Revenue Bond Program and Single Family Residential Mortgage Revenue Bond Program.	n/a	Agreement maintained	No projects were funded through either bond programs. The City should continue to maintain an agreement with the County of Orange on available housing assistance programs.
2.2 Coastal Zone Requirements	Continue to implement the requirements of the Coastal Act and collect in-lieu fee payments.	n/a	15 residents	The City collected in-lieu fees and spent \$100,000 on a Housing Assistance Pilot Program in 2005. On September 14, 2005, the City Council approved \$100,000 in affordable housing in-lieu fees to be used to provide assistance to eligible very low, low, and moderate income households. The City established four separate categories of assistance including relocation assistance, rental subsidies, mortgage assistance, and rental deposits assistance. Fifteen Dana Point residents received housing assistance to supplement their income under this program. The City should continue this program with the remaining and future in-lieu fees.
2.3 In-Lieu Fee Program	Re-evaluate the City's current in-lieu fee requirement.	Revise in-lieu fees	See evaluation	The City has continued to study and evaluate its in-lieu fee requirements. Considerable input from the building industry and general public indicates the need for further study.

**TABLE HB-1
EVALUATION MATRIX OF 1998–2005 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
2.4 Housing Initiatives Program	Monitor the results of the Monarch Beach Resort Specific Plan Housing Initiatives Program for very low and low-income households.	Collect in-lieu fees	100 total employees are assisted by the program, of which 20 live in Dana Point	The City partnered with Mary Erickson Community Housing to manage the housing subsidy program for The St. Regis Monarch Beach Resort and Spa in 2002. The program collects approximately \$210,000 in in-lieu fees and allocates between \$50 and \$390 to eligible employees, with an average allocation of \$218 using Section 8 guidelines. The Housing Initiative Program should continue to operate in the next planning period.
2.5 Visitor Serving Housing	Require visitor-serving uses to contribute to provide housing within the City for low-wage employees.			
Category 3: Address and Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing				
3.1 Zoning Ordinance	Process a Zoning Code Amendment to allow manufactured housing in multi-family zones.	Amend Zoning Code	See evaluation	The City amended the Zoning Code to allow manufactured housing in multi-family zones. Additional changes may be required to further facilitate affordable housing and comply with State law.
3.2 Streamlined Approvals	Provide expedited processing to project applicants that will build or rehabilitate affordable housing.	Provide expedited processing	See evaluation	The City offered expedited processing on an informal basis, however, no formalized process was ever created. An official process for streamlining the approval process for affordable projects should be created.
Category 4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing				
4.1 Code Enforcement	Continue to enforce the City's current code enforcement program	Enforce program	See evaluation	The City's code enforcement activities have helped to maintain and improve the neighborhoods. The Code Enforcement Officers have begun to canvas the streets to monitor compliance instead of just responding to complaints.
4.2 Owner Rehabilitation	Continue to apply to the County of Orange for CDBG and HOME Funds.	Assist 20 units	15 units assisted	Dana Point was part of the 2004 CalHome application for first time homebuyer assistance of \$750,000. When this program reopens, the City should participate.

**TABLE HB-1
EVALUATION MATRIX OF 1998–2005 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
4.3 Rental Rehabilitation	Continue to support the implementation of the County of Orange Rental Rehabilitation Program	Assist 32 units	10 units assisted	The City directed and facilitated assistance to 10 units between 2000 and 2005. The City should continue to coordinate with the County on this program and should consider applying to OCHA for CDBG funds to establish a housing rehabilitation program to address aging housing stock.
4.4 Neighborhood Conservation Program	Continue monitoring neighborhood conditions (i.e., structures, public amenities such as sidewalks) and utilize General Funds, CDBG funds, and the Code Enforcement Program to maintain the integrity of these neighborhoods.	n/a	See evaluation	CDBG funding supported the improvements to storm drains and the construction of the Lantern Village Community Park. The City also has also spent funds through the Capital Improvements Program to revitalize infrastructure. In the future, special attention should be maintained on the Lantern Village area.
4.5 Condominium Conversions	Continue to enforce the City's Condominium Conversion Ordinance.	n/a	See evaluation	No condominiums were converted between 1998 and 2005 that generated affordable housing. Future applications for conversions shall be required to comply with the City regulations; however, a specific housing program is no longer necessary.
Category 5: Promote Housing Opportunities for All Persons				
5.1 Equal Housing Opportunity Services	Coordinate with and promote the Orange County Fair Housing Council (OCFHC)	Create a directory for housing assistance.	See evaluation	The City referred interested parties to the OCFHC and created a directory. The directory should be updated annually.

**TABLE HB-1
EVALUATION MATRIX OF 1998–2005 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Category 6: Preserve Lower Income Assisted Housing Developments				
6.1 Housing Conservation	Continue to monitor and preserve the affordability terms of existing and future assisted housing.	159 units	See evaluation	While 11 units were converted to market rate units, the City preserved 84 at-risk lower income units in 1999. The remaining 64 units were not at-risk of conversion. Out of a total 418-unit project (Monarch Coast), 84 units were refinanced by a \$31.8 million bond in 1999 (original bond date of 1985) and restricted for affordable rental housing until January 2015. A total of 42 were restricted for very low income households and 42 were restricted for low income households as guided by HUD fair market rents. The City should continue to monitor and preserve existing assisted housing in Dana Point.
6.2 Housing Affordability Guidelines	Prepare and implement affordability guidelines to allocate funds to affordable developments and to ensure that the housing remains affordable for a reasonable time period.	Prepare and implement affordability guidelines	See evaluation	The City did not prepare citywide guidelines, and instead negotiated with developers on a case-by-case basis. Citywide guidelines are still needed and should be created and implemented.
6.3 Section 8 Housing Certificates and Vouchers	Continue to implement the participation agreement with the Orange County Housing Authority (OCHA).	56 rental units	40-56 units	Assistance levels varied by year. OCHA provided Section 8 rental assistance to approximately 40 of Dana Point between 1998 and 2005. Since then, the number of assisted households has decreased to 31. Assistance should be expanded, provided adequate funding is available.
6.4 Shared Housing	Advertise and promote the availability of the Shared Housing Program operated by the Orange County Senior Services.	20 seniors	0 seniors	Orange County Senior Services no longer operates a homesharing program

Source: City of Dana Point.

