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229-2005

November 2, 2005

Ms. Cathy E. Creswell
Department of Housing and Community Development
1800 Third Street, Suite 430
P.O. Box 952053
Sacramento, CA 94252-2053

RE: General Plan Progress Report

Dear Ms. Creswell:

Enclosed for your reference and information please find the City of Cypress' Annual General Plan Progress Report for calendar year 2004 as requested pursuant to Government Code Section 65400.

If you have questions regarding the attached report or require additional information, you may contact me at (714) 229-6728.

Sincerely,

Steven C. Clarke
Redevelopment Project Manager

Enclosure

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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

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Annual Progress Report on Implementation of the Housing Element In Compliance with Government Code Section 65400

Jurisdiction: City of Cypress
Address: 5275 Orange Avenue, Cypress, CA 90630
Contact: Steven C. Clarke
Title: Redevelopment Project Manager
Phone: (714) 229-6728
Reporting Period: January 1, 2004 through December 31, 2004

The following information is included in the report:

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing units
3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
2. Assess effectiveness of actions and outcomes

C. Progress toward mitigating governmental constraints identified in the housing element

**City of Cypress
Housing Report in Compliance with
Government Code Section 65400
Calendar Year 2004**

A. Progress in meeting Regional Housing Need

1. During the 2004 calendar year, 238 residential units were either newly constructed and released for occupancy or approved for substantial rehabilitation.
2. The units noted above serve a range of income categories and the bond financing secured by the Tara Village apartment complex during the current reporting period includes the provision of long term affordability covenants on all of the complex's 170 units.
3. Of the 238 units produced during the reporting period, 34 were apartment units reserved for very low income families; 141 were apartment or condominium units that serve low income applicants; 3 were attached townhomes affordable to moderate income households; and 60 were attached and detached dwellings serving upper income households. (The attached chart depicts the City's progress toward meeting its housing obligation through the end of the reporting period.)

B. Effectiveness of meeting community's housing goals and objectives

1. Program Implementation

- Home Enhancement Loan Program – Since program inception in 1998, nearly 80 loans totaling \$1,175,000 have been processed to assist income qualified single family home owners with improvements to their homes. The program has served to preserve the City's existing housing supply. To supplement program funding, the City received an award of Community Development Block Grant (CDBG) funds in fiscal year 2004-05.
- Rental Rehabilitation Program – The City has and will continue to negotiate with owners of rental housing developments to explore partnership opportunities to upgrade existing rental developments in exchange for the recordation of long term affordability covenants.
- Code Enforcement – The City continues to proactively pursue code enforcement activity throughout the City to sustain a high degree of residential conformity to maintenance and building standards.

- Clean Up Program – A program to provide neighborhood cleanup events in targeted areas has been approved and implementation of the program in the Cypress Acres neighborhood is anticipated imminently.
- Preservation of Rental Housing – The City continues to undertake consistent monitoring of assisted units to assure that affordability provisions are retained for the longest feasible term.
- Section 8 Rental Assistance – During the reporting period, 135 households within the City received rental assistance through the Section 8 program administered by the Orange County Housing Authority.
- Rental Deposit Guarantee – The City continues to examine the feasibility of pursuing a program to provide financial assistance to local families residing in area motels to cover the initial cost of securing an apartment. Possible program partnership opportunities with a local non-profit have also been explored to assist with program administration.
- Home Equity Loan Program – Since program inception in 1997, nearly 85 loans totaling over \$2,000,000 have been processed to assist income qualified households with the purchase of their first homes. Specifically, the program provides applicants with down payment assistance through the provision of deferred payment second loans.
- Mortgage Credit Certificates – The City continues to participate in the Mortgage Credit Certificate Program to assist income qualified first time homebuyers with home purchases. The program is administered by the County of Orange.
- Affordable Housing Development – The City has negotiated with for-profit and non-profit housing developers to provide units affordable to a wide range of income qualified applicants. During the reporting period, the City assisted in securing multi-family housing revenue bond financing for a 170 unit apartment complex within the City (Tara Village), resulting in the provision of long term affordability covenants to reserve 34 units for very low income families and 136 units for low income households. Negotiations continue to secure additional affordability covenants in other projects.

- Density Bonus – The City continues to actively pursue creative residential development proposals and remains open to examining increased density allowances when project characteristics warrant this option. During the reporting period, a five (5) unit townhome project with a density bonus component received entitlement approval.
 - Land Use Element – The City adopted a General Plan update in 2001 which addressed the provision of adequate areas approved for residential uses to sustain the City’s anticipated housing needs for the foreseeable future.
 - Residential Site Inventory – In conjunction with the General Plan update, a detailed inventory of vacant and underutilized properties was compiled. Several recent incidences of land use reclassification from commercial to residential uses have also been undertaken.
2. The City and Redevelopment Agency have experienced a great deal of success in providing increased residential opportunities for all segments of the City’s population. Recent policy documents that have assisted in this regard have included the adoption of a detailed Comprehensive Affordable Housing Strategy in 2003 and the subsequent implementation of an Inclusionary Housing Policy in response to one of the Housing Strategy’s recommendations. The City has and will continue to actively pursue implementation of all aspects of the Strategy to assure the continued availability of varied housing opportunities for all residents. Additionally, the Redevelopment Agency’s Five Year Implementation Plan, which incorporates extensive housing related policy and implementation direction, was updated during the reporting period.

C. Mitigation of Government Constraints

The City continues to make progress in mitigating unnecessary governmental constraints to housing development in the region. Specific actions include a willingness to partner financially to assure an affordable housing project’s economic viability, fee waivers where appropriate and applicable, and streamlined entitlement and development processing. The City also advocates and embraces fair housing practices through promotion and distribution of educational information to the public. The City also maintains an active partnership with the Fair Housing Council of Orange County to assist with housing disputes and issue resolution.

City of Cypress
Regional Housing Needs Assessment
1998-2005

INCOME CATEGORY	NUMBER OF UNITS	PERCENT OF TOTAL	UNITS AS OF 12/04	REMAINING HOUSING NEED
Very Low (0-50% County median income)	107	18%	34	73
Lower (50-80% County median income)	73	13%	147	+74
Moderate (80- 120% County median income)	121	21%	91	30
Upper (over 120% County median income)	277	48%	245	32
Total	578	100%	279	135