

CITY of AVALON 2030 GENERAL PLAN/LOCAL COASTAL PLAN *Final*



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City of Avalon
Avalon Community Improvement Agency

June 2013

CITY of AVALON

2030 GENERAL PLAN / LOCAL COASTAL PLAN

V. HOUSING ELEMENT

The Housing Element represents an awareness of the need to assure that housing is provided for all economic segments of the community. The Element also satisfies the legal requirements that housing policy be a part of the General Plan. The Housing Element is concerned with specifically identifying ways in which the housing needs of existing and future resident residents can be met.

This Housing Element covers the Fifth Revision Cycle – October 15, 2013 through October 15, 2021. The Housing Element identifies goals, policies, and programs that focus on:

- Conserving and improving existing affordable housing;
- Providing adequate housing sites;
- Assisting in the development of affordable housing;
- Removing governmental and other constraints to housing development; and
- Promoting equal housing opportunities.

A goal is a general direction-setter. It is an ideal future end. A policy is a specific statement that guides decision-making. It indicates a commitment of the local legislative body to a particular course of action.

An important goal of this element is to ensure that the City of Avalon continues to grow and develop as a clean and safe town where residents have access to adequate, dignified, and affordable housing without overcrowding, where population density is in balance with resources, and where land use planning, zoning, and building code enforcement carry out this expressed vision.

Public Participation

The City held a series of public workshops and meetings as part of the General Plan update process, including the Housing Element updates for the 2008-2013 and 2013-2021 planning periods. The first of these public meetings occurred on December 7, 2010 during a Special Joint Meeting of the City Council and Planning Commission, followed by a Community Workshop on December 8, 2010. In addition to announcing the meetings in City newsletter, website, and public notices, special invitations were also sent to a list of agencies and organizations that serve the low and moderate income households and those with special needs, community stakeholders, and housing professionals. These include:



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- Catalina Chamber of Commerce
- Fair Housing Foundation
- Catalina Island Real Estate
- Catalina Realtors
- Catalina Bible Church
- Avalon Community Church
- Santa Catalina Island Company (the Company)

Five members of the public attended the Community Workshop. Comments made during these public meetings centered primarily on the need for more affordable housing and the desire to establish mixed use opportunities in the City's commercial centers. Residents also stated a need to improve overcrowding conditions. The housing programs contained in this Housing Element specifically address housing opportunities in mixed use areas, affordable housing through new construction and rehabilitation, and alleviation of overcrowding through the provision of affordable housing.

On September 20, 2011, the City conducted a public hearing before the City Council to review the Draft Housing Element specifically for the 2008-2013 planning period and on August 1, 2012, the City Council and Planning Commission conducted a joint workshop to receive input on the Draft Housing Element that covers both 2008-2013 and 2013-2021 planning periods, and authorized staff to submit the Draft Element for HCD review.

Public Hearings for Adoption

The City of Avalon conducted additional public hearings before the Planning Commission and City Council to adopt the Housing Element for the 2008-2013 and 2013-2021 planning periods. These meetings were publicly noticed and agencies on the City's outreach list were notified.

Relationship to Other General Plan Elements

According to State planning law, the Housing Element must be consistent with the other General Plan elements. While each of the elements is independent, the elements are also interrelated to a degree. Certain goals and policies of each element may also address issues that are primary subjects of other elements. This integration of issues throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals.

The 2013-2021 Housing Element was developed in conjunction with the other Elements of the General Plan as part of a comprehensive update, and is consistent with the policies and proposals set forth in the Plan. As an element of the General Plan, the Housing Element has been reviewed and modified if necessary to ensure continued consistency among the various elements. Specifically, new State law requires that the Safety and Conservation Elements include an analysis and policies regarding flood hazard and management information upon



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revisions to the Housing Element. The City has ensured that updates to these Elements achieve internal consistency with the Housing Element.

V.A CONSERVATION OF THE EXISTING SUPPLY OF HOUSING

Conserving and improving the housing stock is an important goal for the City of Avalon. The City supports neighborhood preservation and improvement through housing rehabilitation and improvement programs, and code enforcement.

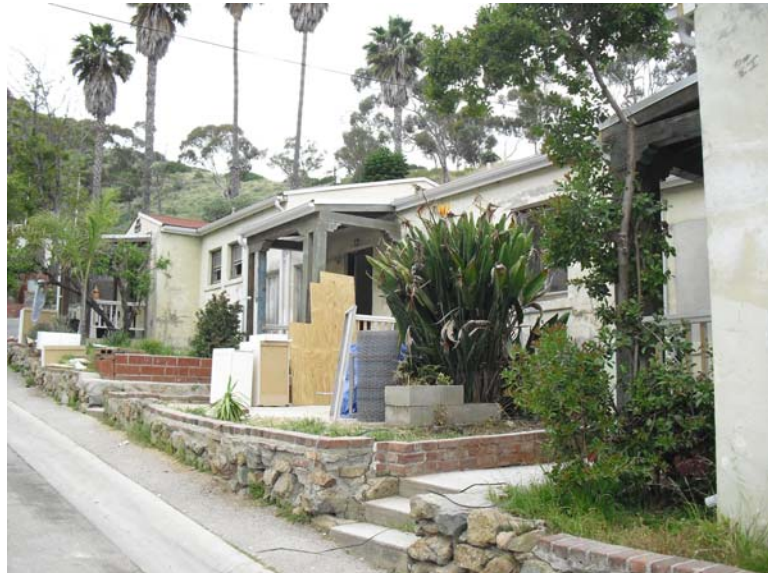
Goal

Maintain and enhance the quality of residential neighborhoods.

Policies

V-1 Advocate the rehabilitation of substandard residential properties by homeowners and landlords.

V-2 Continue to utilize the City's code enforcement program to bring substandard units into compliance with City codes and to improve overall housing quality and conditions.



V-3 Discourage the demolition or conversion of existing year-round housing units and encourage the provision of replacement affordable housing when demolition or conversion results in the reduction of the City's affordable housing inventory.

V-4 Advocate the rehabilitation of substandard residential properties by homeowners and landlords.

V-5 Implement monitoring program for existing affordable housing and funding sources.

Programs

1. Housing Rehabilitation Program: The Avalon Housing Authority reinstated the Housing Rehabilitation Loan program in 2011. The program provides rehabilitation assistance to



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low and moderate income households up to \$40,000 (but not less than \$5,000) for code corrections, lead-based paint abatement, asbestos removal, accessibility improvements, and energy conservation improvements. Since reinstatement of the program, the City has assisted two low and moderate income households.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Disseminate information via City website and newsletter to homeowners regarding rehabilitation standards and the Housing Rehabilitation Program.	Ongoing	Ongoing
Provide housing rehabilitation assistance to lower and moderate income households, including extremely low income households.	Assist six households annually starting in 2011 (reinstatement of program).	Assist six households annually.
Pursue additional funding from State and federal programs.	Annually review Notice of Funding Availability (NOFA) from State HCD and HUD for funding opportunities.	Annually review Notice of Funding Availability (NOFA) from State HCD and HUD for funding opportunities.

Responsible Agency: Planning and Building Department

Funding Sources: Redevelopment Housing Set-Aside funds (balance as available)

- Code Enforcement:** The Planning and Building Department handles the enforcement of the City's zoning regulations and building and housing codes. Complaints received are investigated for possible violations and compliance is handled first by direct person to person visit or by telephone to discuss the violations and obtain voluntary compliance. The Building Department also works with other City departments and outside State and County agencies.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Investigate possible code violations.	Ongoing	Ongoing
Disseminate information on housing rehabilitation assistance available to address code violations and other housing issues.	Ongoing	Ongoing

Responsible Agency: Planning and Building Department

Funding Sources: General funds



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- 3. Preservation of At-Risk Units:** Pursuant to the Housing Element law, the at-risk housing analysis covers a ten-year period from the start date of the Housing Element cycle. Since the Housing Element Technical Appendix covers two Housing Element cycles (2008-2013 and 2013-2021), the at-risk housing analysis must extend ten years from 2013 (i.e., through 2023). Of the City’s 127 affordable units, only one project, the Tremont Street Apartments, with 50 very low and low income units, is at-risk due to an expiring Section 8 contract. The Section 8 contract for the project is due to expire in August of 2016. The project includes 10 one-bedroom units, 37 two-bedroom units, and 15 three-bedroom units.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Monitor status of all affordable housing units by maintaining contact with property owners and HUD Multi-Family Housing division.	Annually	Annually
Work with property owners intending to opt out of the affordability covenants to ensure tenants receive adequate notice.	Begin coordination with property owner once a Notice of Intent to opt out of Section 8 is filed one year prior to the opt-out date, as required by California law.	Begin coordination with property owner once a Notice of Intent to opt out of Section 8 is filed one year prior to the opt out date, as required by California law.
Pursue special Section 8 vouchers from HUD, which are reserved for very low income households displaced by the expiration of project-based Section 8 assistance.	Contact HUD for assistance nine months prior to the opt-out date per federal law.	Contact HUD for assistance nine months prior to the opt-out date per federal law.

Responsible Agency: Planning and Building Department; Avalon Housing Authority
Funding Sources: Redevelopment Set-Aside funds (balance as available); Housing Trust Fund; Proposition 1C funds

V.B ASSISTANCE IN THE DEVELOPMENT OF AFFORDABLE HOUSING

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for development of affordable housing units. The Avalon Planning and Building Department actively works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City supports programs that make purchasing a home a realistic option for lower and moderate income households.



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Goal

Provide increased affordable housing opportunities for all residents, and ensure that new development is compatible with the existing character and is adequately served with infrastructure and services.

Policies

V-6 Assist in the development of affordable ownership housing for lower, moderate, and middle income residents.



V-7 Provide favorable home purchasing options to lower, moderate, and middle income households, such as through

interest rate write-downs and down payment assistance.

V-8 Minimize view obstruction resulting from new development activities.

V-9 Ensure that all new development is compatible with existing neighborhood character.

V-10 Encourage broad and private review of residential construction.

V-11 Minimize impacts on environmental resources and design buildings in full recognition of geologic/topologic constraints and other hazards.

V-12 Encourage energy-efficient building methods and promote energy conservation measures.

V-13 Offer housing rehabilitation assistance for lower and moderate income households for home repairs and energy conservation measures.

V-14 Ensure adequate sewer capacity to address projected housing needs.

V-15 Ensure the continued availability of domestic water to address and projected housing needs and public safety requirements.

V-16 Prioritize water allocation for affordable housing for lower and moderate income households as required by State law.

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Programs

4. **First-Time Homebuyers Assistance:** The City’s existing program provides “silent second” mortgage assistance, downpayment and closing cost assistance. The current program is limited to households at 120 percent of AMI or less, with a maximum assistance of \$250,000 per household.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Disseminate information to homeowners on the First-Time Homebuyers Assistance Program via City website and newsletter.	Ongoing	Ongoing
Provide homeownership assistance to lower and moderate income households.	Assist four households annually.	Assist four households annually.
Pursue additional funding sources such as CalHFA (California Housing Finance Agency).	Annually review NOFA from State HCD and HUD for funding opportunities.	Annually review NOFA from State HCD and HUD for funding opportunities.

Responsible Agency: Planning and Building Department
Funding Sources: Housing Trust Fund; CalHFA; Redevelopment Housing Set-Aside funds (balance as available)

5. **Housing Trust Fund:** In 2004, the City Council approved the creation of a Housing Trust Fund reserved for the production of affordable housing. In the past, the Council has shifted a fraction of the Transient Occupancy Tax (TOT) for affordable housing, which is deposited into the Housing Trust Fund.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Identify the appropriate sources of funds (such as inclusionary housing in-lieu fees and Transient Occupancy Tax) to replenish the Housing Trust Fund	Annually	Annually
Identify eligible programs/activities to be funded.	Annually	Annually

Responsible Agency: Planning and Building Department
Funding Sources: Housing Trust Fund

6. **Temporary Summer Housing:** The greatest demand for employees is during the summer season when housing is least available. Setting up seasonal housing may make it possible for employers to hire college students or other singles employees that do not have families and



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can move in and out as required. The City is currently in discussions with the Company regarding the development of seasonal employee housing. This program will benefit lower income employees, including extremely low income employees.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Pursue seasonal employee housing with the Company and other resort, commercial, and retail business owners.	Ongoing	Ongoing

Responsible Agency: Planning and Building Department
Funding Sources: General funds

V.C PROVISION OF ADEQUATE HOUSING SITES

A major element in meeting the housing needs of all segments of the community is the provision of adequate sites for all types, sizes and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates the changing housing needs of residents. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

Goal

Provide for the development of a variety of housing types in Avalon, and attain dignified, safe, and affordable housing opportunities within decent living environment for households of all socioeconomic segments in Avalon.

Policies

- V-17** Plan for residential land uses that accommodate both existing demand and anticipated growth.
- V-18** Provide a variety of residential development opportunities in the City, including year-round housing and seasonal employee housing.



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- V-19** Address the housing needs of lower, moderate, and middle income households, as well as households with special needs.
- V-20** Pursue State and federal funding sources to maintain the supply of affordable housing in Avalon.

Programs

7. Affordable Housing Development: The primary funding source for affordable housing in Avalon was the Redevelopment Housing Set-Aside funds, which will generate no future revenue due to the dissolution of redevelopment agencies in California. The City will pursue additional funding for affordable housing development and acquisition/ rehabilitation. The City will work with the Company and other qualified developers to pursue appropriate funding. City involvement may include:

- Review of pro forma analyses;
- Provision of demographics and other background data for preparation of funding applications;
- Review and comment on draft funding applications;
- Provision of letters of support;
- Assistance in monitoring compliance with funding program regulations; and
- As necessary and financially feasible, provision of local match funds.

The City’s website will be used to promote housing programs and assistance available to residents and property owners.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Issue NOFAs to solicit housing developers with experience in projects receiving State and Federal funding.	As funding is available.	As funding is available.
Provide information on incentives and funding available to facilitate affordable housing development. Prioritize funding allocation to affordable housing projects that include extremely low income units.	Information to be included in NOFA.	Information to be included in NOFA.
Evaluate the opportunity for pursuing affordable housing funds through the State Department of Housing and Community Development (e.g., Proposition 1C funds) and HUD.	Annually review NOFA from State HCD and HUD for funding opportunities.	Annually review NOFA from State HCD and HUD for funding opportunities.



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<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Publicize City programs and assistance available on City website and monthly newsletter.	Update City website and promote programs and assistance available in City newsletter at least twice a year.	Update City website and promote programs and assistance available in City newsletter at least twice a year.

Responsible Agency: Planning and Building Department
Funding Sources: General funds

8. **Inclusionary Housing Program:** The City recently amended the inclusionary housing program to include housing for middle income households and to extend inclusionary housing requirements to all new commercial developments. The amended program also offers a flexibility income distribution for the inclusionary units to be determined at the time of project approval. An in-lieu fee option is also offered. These options allow the program to respond to changing market conditions in a timely manner and therefore enhance project feasibility.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Continue to implement the inclusionary housing ordinance and monitor its implementation.	Ongoing	Ongoing

Responsible Agency: Planning and Building Department
Funding Sources: General funds

9. **General Plan Update:** As part of the Comprehensive General Plan Update, the City redesignated 4.87 acres between Tremont Street and Country Club Drive from Low Density Residential (10 units per acre) to High Density Residential (at 40 units per acre). With the increase in density, the City anticipates accommodating 156 units on site.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Redesignation of 4.87 acres between Tremont Street and Country Club Drive from LD-R to HD-R	Adopt General Plan by mid-2013, with Zoning Code amendment to follow in 2014.	Update the Zoning Code to implement the General Plan in 2014/2015.

Responsible Agency: Planning and Building Department
Funding Sources: General funds



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10. Adequate Sites Monitoring Program: The City of Avalon General Plan provides for a range of residential land use designations, such as single-family residential, multi-family residential, manufactured homes, condominiums, and mixed-use housing. The General Plan identifies adequate sites to accommodate the City’s Regional Housing Needs Allocation (RHNA) for both Housing Element cycles. Most of the community’s remaining sites available for development are owned by the Company. The City will work cooperatively with the Company to monitor the sites inventory and its obligation toward accommodating the RHNA.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Provide adequate sites for the City’s Regional Housing Needs Allocation (RHNA)	Provide adequate sites for remaining RHNA of 122 units: <ul style="list-style-type: none"> • 37 extremely low/very low income units; • 20 low income units; • 1 moderate income units; and • 64 above moderate income units. 	Provide adequate sites for RHNA of 80 units: <ul style="list-style-type: none"> • 20 extremely low/very low income units; • 12 low income units; • 14 moderate income units; and • 34 above moderate income units.
Update a vacant and underutilized land inventory.	Annually	Annually
Make the land inventory available to interested developers.	Ongoing	Ongoing
Monitor and guide the development of remaining vacant sites to ensure adequate land is reserved for addressing the housing needs of the community.	Annually	Annually

Responsible Agency: Planning and Building Department; Santa Catalina Island Company
Funding Sources: General funds

11. Density Bonus Program: Current state law requires jurisdictions to provide density bonuses and development incentives to all developers who propose to construct affordable housing on a sliding scale, where the amount of density bonus and number of incentives/regulatory concessions vary according to the amount of affordable housing units provided. The existing Avalon density bonus provisions are not consistent with the State density bonus law in that no incentives/concessions are included.



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<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Amend the Zoning Ordinance to be consistent with State Density Bonus law and to list specific incentives and regulatory concessions that will be offered by the City.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.
Market density bonus program to developers by providing information on density bonus, incentives, and regulatory concessions available to facilitate affordable housing development.	Ongoing	Ongoing

Responsible Agency: Planning and Building Department
Funding Sources: General funds

V.D REMOVAL OF GOVERNMENTAL CONSTRAINTS

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

Goal

Ensure that government actions, policies, and regulations do not adversely impact the provision of year-round affordable and market-rate housing, and seasonal employee housing.

Policies

V-21 Encourage the use of density bonuses and provide other regulatory concessions to facilitate affordable housing development.

V-22 Expedite project review of residential developments with an affordable housing component.



V-23 Continue to review and modify as necessary and appropriate City policies and regulations to facilitate housing development.



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Programs

12. Extremely Low Income and Special Needs Housing: Extremely low income households and households with special needs have limited housing options in Avalon. Housing types appropriate for these groups include: emergency shelters, transitional housing, supportive housing, and single-room occupancy (SRO) units. The City of Avalon Zoning Ordinance does not specifically address the provision of such housing types. Pursuant to State law, the City will amend the Zoning Ordinance to address these housing options.

Objectives	2008-2013	2013-2021
<i>Emergency Shelters:</i> The City will amend its Zoning Ordinance to permit homeless shelters by right, without discretionary review, within the Commercial and Special Commercial zones.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.
<i>Residential Care Facilities:</i> The City will amend its Zoning Ordinance to permit small residential care facilities serving six or fewer persons (including adult and senior residential facilities, as well as small family homes) in all residential zones. Large residential care facilities serving more than six persons will be conditionally permitted in the HD/flats, C, and SC zones.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.
<i>Transitional/Supportive Housing:</i> The City will amend its Zoning Ordinance to address the provision of transitional/supportive housing. Pursuant to State law, transitional/supportive housing meeting the State Health and Safety Code definitions (Section 50801(i) and Section 50675.14(a)(B)(2), respectively) should be considered regular housing and be permitted as a residential use and subject to the same permitting processes and requirements as other similar housing in the same zones.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.
<i>Single Room Occupancy Units (SROs):</i> The City will amend its Zoning Ordinance to facilitate the provision of SROs, consistent with AB 2634 enacted in 2007. SROs will be permitted with a Conditional Use Permit (CUP) in the HD/flats-R-CH zone.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.
<i>Second Units:</i> The City will amend the Zoning Ordinance to address the provision of second units pursuant to State law.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.



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<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Monitor the implementation of the Zoning Ordinance regarding the provisions for special needs housing to ensure the effectiveness and appropriateness of City regulations.	Ongoing	Ongoing
Pursue State and federal funding for housing for persons with special needs and families with lower incomes, especially for those with extremely low incomes.	Annually review NOFA from State HCD and HUD for funding opportunities.	Annually review NOFA from State HCD and HUD for funding opportunities.

Responsible Agency: Planning and Building Department
Funding Sources: General funds

13. Clarify Parking Requirement: The City requires one standard parking space per residential unit. However, the City’s Zoning Ordinance is unclear regarding the size of a standard parking space. Historically, the City interpreted the requirement as one conventional parking space (eight feet by 17 feet) space and permitted the substitution with an autoette space (six feet by ten feet) via the approval of a variance. However, because the number of allowable conventional automobiles in the City is limited and the waiting list to bring an additional conventional automobile onto the island is at least ten years long, the City’s policy has changed. The current City Council policy is to require one autoette parking space per unit in the downtown area. The City will amend the Zoning Ordinance to clarify its parking standards. Specifically, the City will establish the autoette as the minimum parking requirement citywide, thereby removing the need to process a variance.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Amend the Zoning Ordinance to clarify the parking requirements.	Within one year of Housing Element adoption.	Update the Zoning Code by June 2014.

Responsible Agency: Planning and Building Department
Funding Sources: General funds

V.E PROVISION OF EQUAL HOUSING OPPORTUNITIES

To meet the housing needs of all segments of the community, the Housing Plan includes a program to promote housing opportunities for all persons. The City works with the Housing Rights Center and Fair Housing Foundation, which provides fair housing and tenant/landlord services for Avalon residents.

Goal

Promote equal opportunity for all residents to reside in housing of their choice.



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Policy

V-24 Promote fair housing practices in the sale or rental of housing with regard to race, color, national origin, ancestry, religion, disability, sex, age, marital status, familial status, source of income, and sexual orientation.

Programs

14. Fair Housing: The City enforces the State and Federal Fair Housing laws within its jurisdiction. As a participating jurisdiction of the Los Angeles County CDBG program, the City is served by the Housing Rights Center and Fair Housing Foundation.

<i>Objectives</i>	<i>2008-2013</i>	<i>2013-2021</i>
Provide fair housing information via City website and public counters.	Ongoing	Ongoing
Ensure multi-lingual materials from the fair housing service providers are available to residents.	Ongoing	Ongoing

Responsible Agency: Planning and Building Department

Funding Sources: General funds

15. Reasonable Accommodation: The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. While fair housing laws intend that all people have equal access to housing, the law also recognizes that people with disabilities may need extra tools to achieve equality. Reasonable accommodation is one of the tools intended to further housing opportunities for people with disabilities. Reasonable accommodation provides a means of requesting from the local government flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements because it is necessary to achieve equal access to housing. Cities and counties are required to consider requests for accommodations related to housing for people with disabilities and provide the accommodation when it is determined to be “reasonable” based on fair housing laws and the case law interpreting the statutes.

The City currently has no established reasonable accommodation process in place. The City is densely built out and because of its topography, extensive accessibility improvements to existing individual homes are difficult to accomplish, if not impossible. Such requests are rare and are typically handled on a case-by-case basis.



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Objectives	2008-2013	2013-2021
Amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests.	Within one year of Housing Element adoption	Update the Zoning Code by June 2014.

Responsible Agency: Planning and Building Department

Funding Sources: General funds

Table V-1 Summary of Quantified Objectives (2008-2013)				
Income Level	New Construction*	Rehabilitation**	Conservation***	Homebuyer Assistance
Extremely Low	16	6	25	0
Very Low	21	6	25	0
Low	22	6	0	6
Moderate	25	0	0	6
Above Moderate	64	0	0	0
Total	148	18	50	12

* Reflects Avalon' 2006-2013 RHNA

** Residential Rehabilitation Program (since reinstatement of program in 2011)

*** Preservation of low income at-risk housing (Tremont)

Table V-2 Summary of Quantified Objectives (2013-2021)				
Income Level	New Construction*	Rehabilitation**	Conservation***	Homebuyer Assistance
Extremely Low	9	16	25	
Very Low	11	16	25	
Low	12	16		16
Moderate	14			16
Above Moderate	34			
Total	80	48	50	32

* Reflects Avalon' 2014-2021 RHNA

** Residential Rehabilitation Program

*** Preservation of low income at-risk housing (Tremont)



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C.1 DATA SOURCES

In preparing the Housing Element, various sources of information are consulted, including the following:

- 2006-10 American Community Survey by the Census Bureau¹
- 2010 Census by the Census Bureau
- Population and demographic data updated by the State Department of Finance
- Housing market information, such as home sales and rents, from Dataquick and Realtytrac, among other sources
- Lending patterns from the Home Mortgage Disclosure Act (HMDA) database
- Labor statistics from California Employment Development Department

C.2 COMMUNITY CONTEXT

The City of Avalon is a unique, tourist-oriented community located on the island of Santa Catalina, 22 miles southwest of the Los Angeles and Long Beach Harbors. Santa Catalina Island is 76 square miles in area, with approximately 88 percent of the land comprised of a conservancy area maintained in its natural state in perpetuity. Incorporated in 1913, the community of Avalon has a unique and colorful history. While the tiny island had been inhabited for nearly 7,000 years by original Native Americans, it was not until the 1800s that large-scale development of Avalon occurred.



*View of Avalon late 1800s.
Source: History of California - Helen Elliott Bandini.
1908.*

Changing hands a number of times during the late 1800s and early 1900s, the Island has belonged to the Wrigley family since 1919. Early settlers on Catalina Island raised sheep and cattle in the mid-1800s. This introduced a ranching industry that continued in some form until the mid-1950s.² Mining and the occasional use of the island by the U.S. government during wartime had also colored its history. Most importantly for its future, in the late 1880s, owner

¹ The American Community Survey (ACS) is conducted on a very sample of the population. As such, the data tend to have large margins of errors, especially for the more detailed levels of questions and small geographic units. Therefore, this Housing Element may not present all ACS data available when the margins are errors appear to be unreasonable.

² Catalina Island, All You Need To Know. Joe Belanger



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George Shatto embarked on a campaign to turn Catalina Island into a tourist destination, planning and building the town of Avalon as the focal point of the island and hub of this activity.

Successive owners continued to nurture his idea, constructing hotels, golf courses, and new tourist attractions and encouraging hunting, fishing, and other outdoor pursuits. In 1975, Santa Catalina Island Conservancy, a non-profit operating foundation, ownership to approximately 42,139 acres of Catalina, 88 percent of the Island's 76 square miles. Today, Avalon remains Catalina Island's principal tourist attraction.

The City's primary economic base is built upon the tourist industry. Lodging, restaurants, retails, and other tourist activities/services employ a large number of employees. Traditionally, retail and service employees earn low wages, and many of them cannot afford decent homes in the City. Given the high costs of housing, even moderate- and middle-income workers such as teachers, hotel/restaurant managers, and city and other civic employees have difficulty affording in the City. Many employers face the challenge of attracting and retaining management level workers.

C.3 HOUSING NEEDS ASSESSMENT

Understanding the characteristics of a population is vital in the process of planning for the future needs of a community. Population characteristics affect the type and amount of housing need in a community. Issues such as population growth, race/ethnicity, age, and employment trends are factors that combine to influence the type of housing needed and the ability to afford housing. The following section describes and analyzes the various population characteristics and trends that affect housing need.

Population Characteristics

Population Growth

For much of Avalon's history, the community's population was relatively stable, fluctuating between 1,500 to 2,000 residents from 1930 to 1980 (Figure C-1). Then during the 1980s as the City's tourism industry began to grow, the population of Avalon grew significantly. From 1980 to 1990, the Avalon population increased by 44 percent, gaining almost 900 new residents. The robust population growth during this period can be partially attributed to visitors from cruise ships. Cruise ships started visiting Avalon in the late 1980s, adding to the total visitor population and spreading out the need for year-round employees.

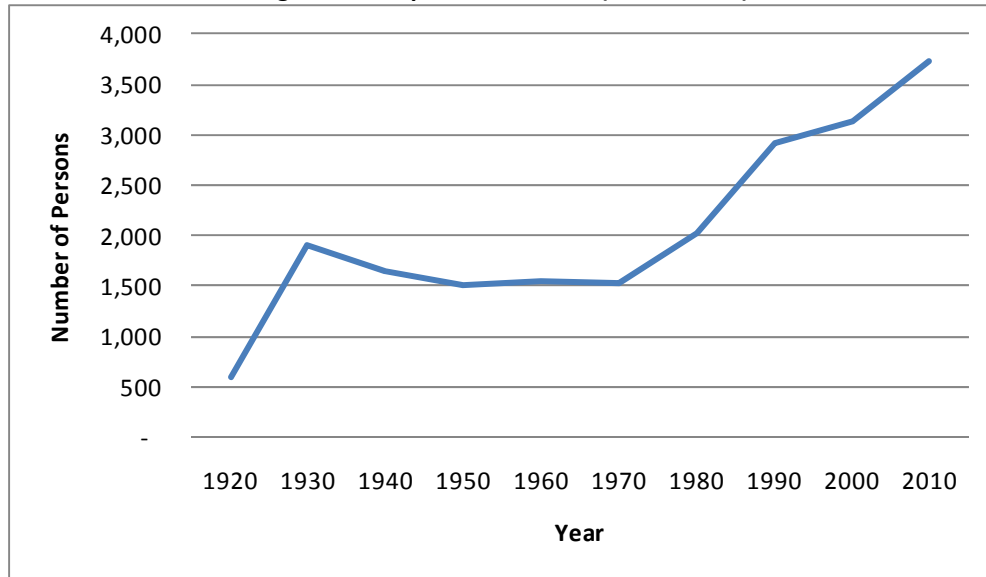
During the 1990s, Avalon experienced a steady but more modest rate of growth. According to the Census, Avalon had a permanent population of 3,127 in 2000. The 2010 Census documents that the Avalon population at 3,728 residents. This represents a 19-percent increase over the past ten years. However, this population increase was attributable primarily to the annexation of Pebbly Beach that occurred after the 2000 Census, not due to actual growth in the City population. According to the Census, Pebbly Beach (Census Tract 5991) had a population of 671 persons in 2000. Therefore, the 601-person increase in population between 2000 and 2010 was



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primarily due to the annexation of Pebbly Beach. In fact, the overall population in the same geographic boundaries that now comprise Avalon actually decreased during the last ten years. Back in 2000, Pebbly Beach (CT 5991) and City of Avalon (CT 5990) had a combined population of 3,798, lower than the current population for the expanded City boundaries. Table C-1 shows the population change between 1990 and 2010 for Avalon and nearby cities.

Figure C-1: Population Growth (1920 – 2010)



Source: Bureau of the Census, 1990, 2000, and 2010

Table C-1: Population Trends in Nearby Communities (1990 – 2010)

Jurisdiction	Population			Percent Change	
	1990	2000	2010	1990-2000	2000-2010
Dana Point	31,896	35,110	33,351	+10.1%	-5.0%
Laguna Beach	23,170	23,727	22,723	+2.4%	-4.2%
Seal Beach	25,098	24,157	24,168	-3.7%	+0.0%
San Juan Capistrano	26,183	33,826	34,593	+29.2%	+2.3%
Manhattan Beach	32,063	33,852	35,135	+5.6%	+3.8%
Avalon	2,918	3,127	3,728	+7.2%	+19.2%

Source: Bureau of the Census, 1990, 2000, and 2010.

Age Characteristics

A community’s age characteristics can help identify its housing needs. Traditionally, younger adults (18-34) tend to prefer low to moderate cost, smaller units. Persons between 35 and 54 years of age usually reside in higher priced, larger units since they typically have higher incomes and a larger household size. Seniors generally require smaller sized, single-story units that are easier to upkeep and are close to services and shopping. Also, seniors may have fixed or limited incomes, which means that they need low to moderate cost housing.



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Table C-2: Age Characteristics and Trends: 1990 - 2010

Age Groups		1990		2000		2010		Percent Change	
		Persons	Percent	Persons	Percent	Persons	Percent	1990-2000	2000-2010
Preschool	0-4 years	273	9.4%	246	7.9%	258	6.9%	-9.9%	+4.9%
School Age	5-14 years	351	12.0%	559	17.9%	524	14.1%	+59.3%	-6.3%
	15-19 years	194	6.6%	210	6.7%	279	7.5%	+8.2%	+32.9%
Young Adults	20-24 years	230	7.9%	175	5.6%	215	5.8%	-23.9%	+22.9%
Adults	25-44 years	1054	36.1%	945	30.2%	953	25.6%	-10.3%	+0.8%
	45-64 years	474	16.2%	677	21.7%	1,093	29.3%	+42.8%	+61.4%
Seniors	65+ years	342	11.7%	315	10.1%	406	10.9%	-7.9%	+28.9%
Total Population		2,918	100.0%	3,127	100.0%	3,728	100.0%	+7.2%	+19.2%
Median Age		35.2		33.7		37.7		-4.3%	+11.9%

Source: Bureau of the Census, 1990, 2000, and 2010.

Between the 2000 and 2010 Census, the population characteristics show significant changes largely to the annexation of Pebbly Beach, where there were fewer families with children. As of 2010, school aged youth (5-19 years of age) represented a smaller proportion (21.6 percent) of the population compared to the 2000 population (24.6 percent). Specifically, younger children (5-14 years) experienced a decline in population. This is probably attributable to the almost stagnant growth (0.8 percent) of the adult population in family-raising age (25-44 years). In comparison, mature adults and those reaching retirement age, as well as the senior population, experienced significant increases. These factors contributed to a rise in median age in Avalon from 33.7 in 2000 to 37.7 in 2010.

These Census demographic trends are further affirmed by the student enrollment data. Avalon is served by the Avalon (K-12) School, which is part of the Long Beach Unified School District. According to historical school enrollment data, student enrollment climbed steeply through much of the 1990s, from 469 students in 1990/91 to 730 students in 1998/99. However, student enrollment over the past ten years has actually declined substantially. From school years 2002/03 to 2010/11, the total number of students enrolled in kindergarten through 12th grade at the Avalon School declined by nearly 20 percent from 753 to 609 students.

These population trends point to the need for affordable and appropriate housing opportunities for young families and seniors. Several implementing actions presented in the Housing Plan aim at expanding affordable housing opportunities particularly for young families and seniors. These actions include: First Time Homebuyer Assistance; Inclusionary Housing Program; and Housing Trust Fund.

Race and Ethnicity

The racial and ethnic composition of a population may affect housing needs because of cultural practices associated with different racial/ethnic groups. Cultural influences of races may reflect



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preference for a specific type of housing. Research has shown that some cultures (e.g., Hispanic and Asian) tend to maintain extended families within a single household. This tendency can lead to overcrowding or an increased demand for larger housing units.

Avalon, like many communities throughout California, has experienced changes in the racial and ethnic composition of its population. According to the Census, the proportion of White residents continues to decline in Avalon. As of the 2010 Census, Hispanic persons now comprise the largest racial/ethnic group in the community (Table C-3).

Table C-3: Race and Ethnicity: 1990 - 2010

Race/ Ethnicity	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
White	1,709	58.6%	1,578	50.5%	1,532	41.1%
Black	5	0.2%	12	0.4%	10	0.3%
Asian	24	0.8%	26	0.8%	44	1.2%
Hispanic	1,168	40.0%	1,437	45.9%	2,079	55.8%
Other	12	0.4%	22	0.7%	20	0.5%
Two or More	n/a	n/a	52	1.7%	43	1.2%
Total	2,918	100.0%	3,127	100.0%	3,728	100.0%

*Note: Percentages may not equal 100 percent due to rounding.
Source: Bureau of the Census, 1990, 2000, and 2010.*

Table C-4 shows that Avalon’s racial/ethnic makeup differs from nearby beach cities and the County of Los Angeles. Avalon has over 55 percent Hispanic/Latino population, compared to the County’s 48 percent. In contrast, the proportion of White residents in Avalon (41 percent) is significantly higher than in the County (28 percent). Other beach cities such as Dana Point, Laguna Beach, Seal Beach and Manhattan Beach have significantly smaller Hispanic/Latino populations (all less than 20 percent).



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Table C-4: Regional Comparison of Race and Ethnicity (2010)

Race/Ethnicity	Avalon	Dana Point	Laguna Beach	Seal Beach	San Juan Capistrano	Manhattan Beach	Los Angeles County
Total Population	3,728	33,351	22,723	24,168	34,593	35,135	9,818,605
Percent Hispanic/Latino	55.8%	17.0%	7.3%	9.6%	38.7%	6.9%	47.7%
Percent Non-Hispanic Race/Ethnicities							
White	41.1%	76.4%	85.7%	76.9%	55.8%	79.3%	27.8%
Black	0.3%	0.8%	0.7%	1.1%	0.4%	0.8%	8.3%
Native American	0.2%	0.3%	0.1%	0.2%	0.5%	0.1%	0.2%
Asian	1.2%	3.1%	3.5%	9.4%	2.8%	8.5%	13.5%
Native Hawaiian	0.3%	0.1%	0.1%	0.2%	0.1%	0.1%	0.2%
Some Other Race	0.1%	0.2%	0.2%	0.3%	0.1%	0.2%	0.3%
Two or More Races	1.2%	2.2%	2.4%	2.4%	1.6%	3.9%	2.0%

Source: Bureau of the Census, 2010.

Economic Characteristics

Avalon’s unique island location and its tourist-based economy create special relationships between employment characteristics, income levels, and housing needs. The tourism industry generates a large number of service sector jobs that offer low wages. Since daily commuting is not feasible for many employees, most residents who work in Avalon must also live in the community. However, housing prices Avalon are influenced by the fact that this is a highly desirable resort town with a small housing stock and virtually no room for expansion. The very people who help keep this town a prosperous tourist attraction are not able to afford decent homes here. Recruiting and retaining employees is a critical concern.

Educational Attainment

Educational attainment is closely linked to an individual’s ability to earn a living. As shown in Table C-5, a higher proportion of Avalon residents have completed high school and attended college when compared to residents countywide and statewide. However, Los Angeles County residents and California residents demonstrate higher college and advanced degree achievement than the residents of Avalon.

Table C-5: Comparison of Educational Attainment (2006 - 2010)

Jurisdiction	No High School	High School Diploma/GED	Some College	BA or Above	Total
Avalon	24.40%	30.90%	23.50%	21.30%	100%
Los Angeles County	24.10%	21.30%	25.60%	28.90%	100%
California	19.30%	21.50%	29.20%	30.00%	100%

Source: Bureau of the Census, 2006-2010 American Community Survey (ACS).



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Employment Profile

An assessment of the needs of the community must take into consideration the type of employment held by residents. Incomes associated with different jobs and the number of workers in a household determines the type and size of housing a household can afford. In some cases, the types of jobs themselves can affect housing needs and demand (such as in communities with military installations, college campuses and seasonal agriculture). Employment growth typically leads to strong housing demand, while the reverse is true when employment contracts.

According to the Census, there were 2,188 employed residents in Avalon between 2006 and 2010 with an unemployment rate of 3.9 percent. Service-related occupations are by far the leading industry within Avalon, employing approximately one-third of the workforce in that five-year period. Other major occupations for residents include sales and office jobs (30 percent), and management/ professional occupations (23 percent) (Table C-6). According to the State Employment Development Department, the unemployment rate in Avalon as of March 2012 was 5.6 percent, less than half of the countywide rate of 11.9 percent.

Table C-6: Employment by Occupation (2006 - 2010)

Occupation	Percent of Employed Persons
Management/ Professional	22.8%
Service	33.3%
Sales/Office	30.3%
Natural Resources/Construction/Extraction/Maintenance	7.9%
Production/Transportation/Material Moving	5.8%
Total	100.0%

Source: Bureau of the Census, 2006-2010 American Community Survey (ACS).

In many cases, occupations held by residents determine their income and their corresponding ability to afford housing. A more detailed breakdown of employment by industry is provided in Table C-7. The majority of jobs in Avalon are within the arts, entertainment, accommodation, and food service industries (32 percent), followed by retail trade (19 percent). These types of service-tourism related jobs include many types of occupations such as restaurant servers, retail clerks, and hotel front desk and cleaning staff. These types of jobs typically pay low wages, are often only part-time, and provide few benefits. Many of these lower-wage jobs are held by Hispanic individuals and young adults.



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Table C-7: Employment by Industry (2006 - 2010)

Industry	Percent of Employed Persons
Agriculture, fishing and mining	1.7%
Construction	5.7%
Manufacturing	0.3%
Wholesale Trade	1.1%
Retail Trade	19.1%
Transportation and Utilities	7.0%
Information	2.1%
Finance, Insurance, and Real Estate	8.7%
Professional, Scientific, and Management	4.6%
Educational, Health and Social Services	7.4%
Arts, Entertainment, Accommodation, and Food Services	32.4%
Other Services	4.5%
Public Administration	5.3%
Total	100.0%

Source: Bureau of the Census, 2006-2010 American Community Survey (ACS).

Table C-8 displays mean annual wage data for occupations compiled by the California Employment Development Department (EDD) for the Los Angeles Metropolitan Statistical Area. Table C-8 shows that the food preparation and serving, health care support, production, and social services occupations offer lower wages. Approximately 13 percent of Avalon residents work at government jobs, and educational, health and social services occupations. Depending on the years of experience and specialty, these types of jobs typically pay higher wages. According to EDD, the average salary in Los Angeles County in 2011 for these fields ranged from \$51,351 to \$69,898. Jobs in finance, real estate, and management comprise approximately 13 percent of the employment in Avalon. These are typically high paying jobs. Average annual salaries for these fields range from \$74,133 to \$131,809 in 2011.



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Table C-8: Average Yearly Salary by Occupation - Los Angeles County (2011)

Occupations	Average Salary
Legal	\$131,809
Management	\$122,665
Architecture and Engineering	\$90,170
Healthcare Practitioners and Technical	\$82,184
Computer and Mathematical	\$82,005
Arts, Design, Entertainment, Sports and Media	\$75,670
Business and Financial Operations	\$74,133
Life, Physical and Social Science	\$69,898
Education, Training and Library	\$59,608
Protective Service	\$52,006
Community and Social Service	\$51,351
Construction and Extraction	\$51,160
Installation, Maintenance and Repair	\$47,310
Sales	\$38,837
Office and Administrative Support	\$37,195
Transportation and Material Moving	\$33,128
Production	\$31,539
Healthcare Support	\$28,947
Building, Grounds Cleaning, and Maintenance	\$27,520
Personal Care and Service	\$26,961
Farming, Fishing and Forestry	\$24,145
Food Preparation and Serving Related	\$21,800
All Occupations	\$50,844

Source: State Employment Development Department, 2011.

Visitors to Avalon

Visitors to Catalina Island have a tremendous impact on Avalon’s economy. Avalon’s tax revenue is closely tied with the tourist industry. City tax revenue is funded through four main sources: Transient Occupancy Tax (TOT) Revenue, Sales Tax Revenue, Admission Tax Revenue, and Wharfage Fees for cross-channel carriers and manifest cruise ship passengers.

- **Transient Occupancy Tax:** Avalon charges a 12 percent transient rental tax for hotel room rentals and for vacation homes and condominium units that are rented to visitors on a daily, weekly, or monthly basis for a period of less than 30 days. The City requires that any single-family unit or condominium unit must first receive a Conditional Use Permit (CUP) before being used as a transient rental. The tenants of the transient rental must pay the Transient Occupancy Tax.



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- **Wharfage Fees:** A wharfage fee per passenger is charged for cross-channel passengers and for manifest cruise ship passengers.
- **Admission Tax Revenue:** This fee is charged for event activities (not impacted by sales tax) such as boat tours, movie tickets, golf cart rentals, and bus tours. The admission tax revenue is four percent on land and seven percent for water activities in the harbor.
- **Sales Tax:** The City charges sales tax consistent with tax rate in Los Angeles County.

Avalon offers a number of hotels, bed and breakfasts, and vacation rental properties for visitors. Hotel occupancy varies tremendously by season but due to the economy, the number of visitors to Avalon has decreased in the last two years. Nevertheless, as hotel occupancy increases during peak season, the number of seasonal workers also increases. Temporary housing for seasonal workers is difficult to find and often expensive. Many seasonal workers crowd into small units to make ends meet.

Household Characteristics

The Census defines a "household" as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing living quarters. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Furthermore, the Census classifies households by type according to the gender of the householder and the presence of relatives. Household characteristics such as size, type, income and tenure reveal important information about the housing needs of a community. Different household sizes, types and income levels often prefer different housing options. This section details the various household characteristics affecting housing needs in Avalon.

Household Type

Reflecting the increase in population, the number of households in Avalon also increased between 2000 and 2010. While the population increased 19 percent, the number of households increased 27 percent (Table C-9), resulting in a decrease in average household size. The number of family households also increased significantly (23.9 percent) during the last ten years, with, the majority of the increase came from married couples with no children or other families (such as single-parent households or relatives living together). Non-family households (e.g., single-households and households with unrelated persons living together) increased by 32.6 percent.



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Table C-9: Changes in Household Type (1990 - 2010)

Household by Type	1990		2000		2010		Percent Increase	
	Households	Percent	Households	Percent	Households	Percent	1990-2000	2000-2010
Total Households	1,210	100.0%	1,158	100.0%	1,473	100.0%	-4.2%	+27.2%
Family Households	683	56.4%	719	62.1%	891	60.5%	+5.3%	+23.9%
Married w/ Children	246	20.3%	295	25.5%	280	19.7%	+19.9%	-1.7%
Married No Children	254	21.0%	214	18.5%	351	23.8%	-15.7%	+64.0%
Other Families	183	15.1%	210	18.1%	250	17.0%	+14.8%	+19.0%
Non-Family Households	527	43.6%	439	37.9%	582	39.5%	-16.7%	+32.6%
Other Singles	418	34.5%	362	31.3%	461	31.3%	-13.4%	+27.3%
Elderly Living Alone	125	10.3%	119	10.3%	125	8.5%	-4.8%	+5.0%
Other Non-Families	109	9.0%	77	6.6%	121	8.2%	-29.4%	+57.1%
Average Household Size	2.67		2.65		2.53		-0.7%	-4.5%
Average Family Size	3.11		3.38		3.25		+8.7%	-3.8%

Source: Bureau of the Census, 1990, 2000, and 2010.

Household Size

Household size identifies sources of population growth and household overcrowding. A community’s average household size will increase over time if there is a trend towards larger families. In a community where the population is aging, the average household size may decline.

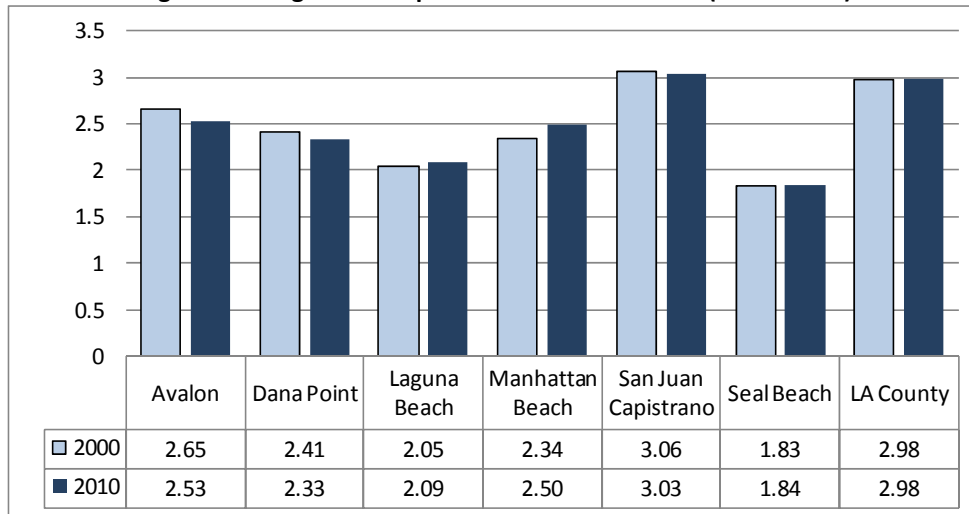
Household size can also vary by tenure (whether a household rents or owns their home). In 2010, renter-households in Avalon had a much larger household size at 2.68 persons compared to the average household size of 2.09 persons for owner-occupied units. Considering that rental units are often smaller than owner-occupied housing, this indicates that many renter-households may be experiencing overcrowded living conditions. Overcrowding among lower-pay and temporary workers continues to be a concern. The Inclusionary Housing and Temporary Summer Housing programs attempt to address the housing needs of retail and service workers.

Figure C-2 illustrates how the average household size in Avalon compares to average household sizes in nearby communities. Household sizes decreased in Avalon, Dana Point, and San Juan Capistrano but increased in some other beach communities, according to the Census Bureau. The City of Avalon’s household size was smaller than the County’s as a whole, but higher than most of the nearby beachside communities.



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Figure C-2: Regional Comparison of Household Size (2000 - 2010)



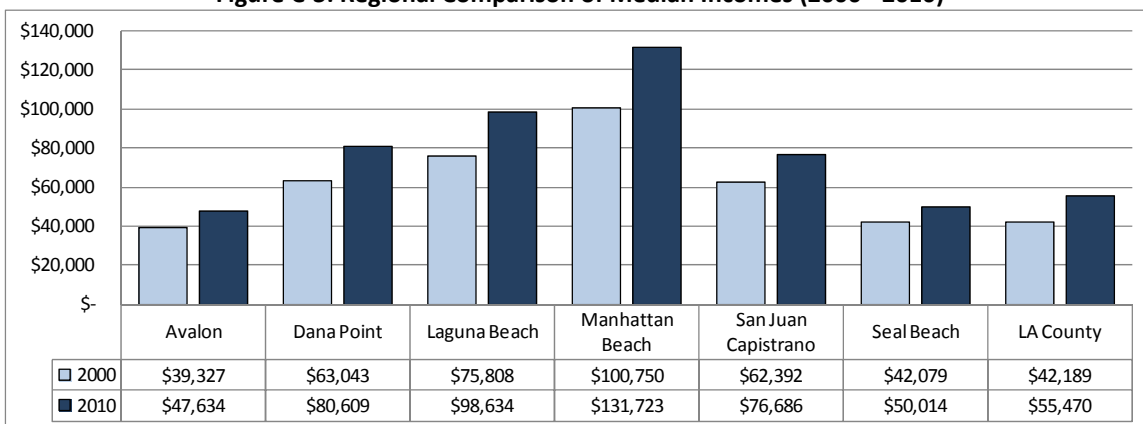
Sources: Bureau of the Census, 2000 and 2010

Household Income

Household income indicates the wealth of a community and therefore is directly connected to the ability to afford housing. Median household income compared to neighboring communities provides a way to measure income in Avalon against other cities.

Between 2006 and 2010, households in Los Angeles County had a median income of \$55,470. However, households in the City of Avalon had a median income of \$42,189. While the median income in the City rose substantially by 21 percent from 2000 to 2010, the median income in Avalon remains significantly lower than the median income of nearby beachside communities, except for Seal Beach (Figure C-3).

Figure C-3: Regional Comparison of Median Incomes (2000 - 2010)



Source: Bureau of the Census, 2000 Census and 2006-2010 American Community Survey (ACS)



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The income earned by a household relates directly to the household's ability to acquire adequate housing. While upper income households have more discretionary income to spend on housing, lower and moderate income households are more limited in the range of housing that they can afford. Typically, as the income of households decreases, the incidence of cost burden and overcrowding increases. For planning and funding purposes, the California State Department of Housing and Community Development (HCD) has developed the following income categories based on the Area Median Income (AMI) of a metropolitan area (such as Los Angeles County):

- **Extremely Low Income Households** earn up to 30 percent of AMI;
- **Very Low Income Households** earn between 31 and 50 percent of the AMI;
- **Low Income Households** earn between 51 percent and 80 percent of the AMI;
- **Moderate Income Households** earn between 81 percent and 120 percent of the AMI; and
- **Above Moderate/Upper Income Households** earn over 120 percent of the AMI.

Combined, the extremely low, very low, and low Income groups are referred to as lower income. Federal programs provide assistance only to households in the lower income category (up to 80 percent AMI).

Median household income provides only partial insight into a community's income profile. A more detailed breakdown of households by income category can provide more information about the proportion of households in Avalon whose limited incomes may lead them to have a higher incidence of housing problems such as overpayment (paying more than 30 percent of income on housing) or overcrowding (having more than one person per room).

According to the 2006-2010 ACS, approximately 20 percent of the households earned less than \$25,000, while approximately 32 percent of City households earned incomes between \$25,000 and \$49,999 (Table C-10). Approximately 28 percent of Avalon households earned incomes between \$50,000 and \$99,999 and 20 percent reported \$100,000 or more in income. By comparison, the County had greater proportions of households in the higher income categories, explaining the lower median household income reported for Avalon when compared to Los Angeles County.

Often household income varies by household type. As shown in Table C-11, the median household income in Avalon varied considerably depending on whether a household owns or rents their home. The median household income for owner-occupied households was \$87,313 while the median income for renter-households was \$40,604. About 44 percent of the renter-households earned less than \$35,000 per year compared to 17 percent of owner-households. In contrast, almost 44 percent of owner-households earned \$100,000 or more compared to less than ten percent of renter-households.



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Table C-10: Household Income Distribution (2006 - 2010)

Household Income	Avalon		LA County	
Less than \$15,000	177	13.4%	385,811	12.0%
\$15,000 to \$24,999	82	6.2%	338,792	10.5%
\$25,000 to \$34,999	210	16.0%	314,841	9.8%
\$35,000 to \$49,999	215	16.3%	422,011	13.1%
\$50,000 to \$74,999	162	12.3%	567,038	17.6%
\$75,000 to \$99,999	209	15.9%	386,173	12.0%
\$100,000 or more	260	19.8%	803,223	24.9%
Total	1315	100.0%	3,217,889	100.0%
Median Household Income	\$47,634		\$55,470	

Source: Bureau of the Census, 2006-2010 American Community Survey (ACS)

Table C-11: Household Income by Tenure (2006 - 2010)

Income	Percent of Households
Owner-Occupied	
Less than \$10,000	0.0%
\$10,000 to \$19,999	8.1%
\$20,000 to \$34,999	9.1%
\$35,000 to \$49,999	5.0%
\$50,000 to \$74,999	14.1%
\$75,000 to \$99,999	20.2%
\$100,000 or more	43.6%
City Median Income – All Owners	\$87,313
Renter-Occupied	
Less than \$10,000	2.1%
\$10,000 to \$19,999	21.6%
\$20,000 to \$34,999	20.0%
\$35,000 to \$49,999	21.2%
\$50,000 to \$74,999	11.5%
\$75,000 to \$99,999	14.1%
\$100,000 or more	9.5%
City Median Income – All Renters	\$40,604
City Median Income – All Households	\$47,634

Source: Bureau of the Census, 2006-2010 American Community Survey (ACS)



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The U.S. Department of Housing and Urban Development (HUD) uses Census data to develop special tabulations by HUD income group and household type.³ This data set is known as the Comprehensive Housing Affordability Strategy (CHAS). While CHAS data has been updated for most communities using American Community Survey data, this update is not yet available for small communities such as Avalon as of the writing of this report (April 2012).

Using CHAS based on 2000 Census, income data by household type (e.g. elderly, small family, large family) are presented in Table C-12. According to CHAS data, about eight percent of the City’s total households in 2000 qualified as extremely low income (0-30 percent AMI), approximately 11 percent as very low income (31-50 percent AMI), and almost 22 percent as low income (51-80 percent AMI). Countywide about 40 percent of total households were lower income (extremely low, very low, and low incomes), which is roughly equal to the proportion of lower income households in the City of Avalon.

Table C-12: Income Profile by Household Type (2000)

Household Type	Extremely Low (0-30% AMI)		Very Low (31-50% AMI)		Low (51-80% AMI)		Moderate/Upper (81%+ AMI)		Total Households		LA County
	#	%	#	%	#	%	#	%	#	%	
Elderly	24	2.0%	42	3.5%	58	4.8%	154	12.7%	278	23.0%	544,558
Small Families	28	2.3%	58	4.8%	97	8.0%	304	25.2%	487	40.3%	1,307,855
Large Families	12	1.0%	12	1.0%	44	3.6%	100	8.3%	168	13.9%	575,443
Others	32	2.6%	22	1.8%	61	5.0%	160	13.2%	275	22.8%	705,219
Avalon Total	96	7.9%	134	11.1%	260	21.5%	718	59.4%	1,208	100.0%	
LA County	412,789	13.2%	353,762	11.3%	487,235	15.6%	1,879,289	60.0%	3,133,075	100.0%	

Source: Comprehensive Housing Affordability Strategy (CHAS), 2004. No update is available for Avalon as of April 2012.
Note: Indicates percent of total households in the City.

Table C-13 compares income levels by household type. Although senior residents accounted for just 10 percent of the City’s population in 2000, senior households comprise nearly one-quarter of all households in the community. This indicates that many Avalon seniors live alone. As shown in Table C-13, elderly households were much more likely to be lower income than any other household type. Approximately 46 percent of all elderly households were lower income (earned less than 80 percent AMI) and about one quarter of all elderly households earned less than 50 percent of the AMI.

In particular, elderly renter-households had the highest proportion of lower income households. Among all elderly renter-households, approximately 66 percent were lower income (Table C-14). In contrast, just 30 percent of elderly owner-households were lower income. With limited incomes and living alone, seniors are vulnerable to rent increases. Many seniors who enjoy independent living may not be able to afford the rents anymore and be priced out of the Avalon if affordable options are not available to them.

³ CHAS data was developed by the Census Bureau for HUD using 2000 Census data. CHAS data at the county level was updated using American Community Survey (ACS) data but updates are not available for individual cities.



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Table C-13: Household Income Profile by Household Type (2000)

Households	Percent of Total Households	Percent of Household Type			
		Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Moderate/Upper Income(81%+)
Elderly	23.1%	10.2%	15.1%	20.3%	54.4%
Small Families	40.5%	5.7%	11.8%	20.6%	61.9%
Large Families	13.8%	7.2%	7.2%	26.4%	59.3%
Others	22.6%	11.6%	8.0%	22.2%	58.2%
Total	100%	8.3%	11.1%	21.7%	58.9%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2004.
Note: Indicates percentage by household type.

Table C-14: Tenure by Income by Household Type (2000)

Household Type	Extremely Low Income (0-30%)		Very Low Income (31-50%)		Low Income (51-80%)		Moderate/ Upper Income (81%+)	
	#	%	#	%	#	%	#	%
Renter- Occupied								
Elderly (62 and over)	12	10.9%	26	23.6%	35	31.8%	37	33.6%
Small Families	28	7.3%	58	15.1%	89	23.2%	208	54.3%
Large Families	12	8.7%	12	8.7%	40	29.0%	74	53.6%
Others	24	10.0%	22	9.2%	61	25.4%	133	55.4%
Total Renters	76	8.7%	118	13.5%	225	25.8%	452	51.9%
Owner-Occupied								
Elderly (62 and over)	12	7.1%	16	9.5%	23	13.7%	117	69.6%
Small Families	0	0.0%	0	0.0%	8	7.7%	96	92.3%
Large Families	0	0.0%	0	0.0%	4	13.3%	26	86.7%
Others	8	22.9%	0	0.0%	0	0.0%	27	77.1%
Total Owners	20	5.9%	16	4.7%	35	10.4%	266	78.9%
All Households	96	7.9%	134	11.1%	260	21.5%	718	59.4%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2004.
Note: Due to rounding, percentages may not total 100 percent.

Housing Problems

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Avalon. Detailed CHAS data based on the 2000 Census is displayed in Table C-15. Housing problems considered by CHAS include:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (housing units with more than one person per room);



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- Housing cost burden, including utilities, exceeding 30 percent of gross income; or
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income.

The types of problems vary according to household income, type, and tenure. Some highlights include:

- In general, renter-households had a higher level of housing problems (56 percent) compared to owner-households (34 percent).
- Large renter-families had the highest level of housing problems regardless of income level (83 percent).
- Extremely low income (92 percent) and very low income households (88 percent) had the highest incidence of housing problems.

Table C-15: Housing Assistance Needs of Lower Income Households (2000)

Household by Type, Income, and Housing Problem	Renters				Owners			Total Households
	Elderly	Small Families	Large Families	Total Renters	Elderly	Large Families	Total Owners	
Extremely Low Income (0-30% AMI)	12	28	12	76	12	0	20	96
% with any housing problem	66.7%	100.0%	100.0%	94.7%	100.0%	n/a	80.0%	91.7%
% with cost burden >30%	66.7%	85.7%	66.7%	84.2%	100.0%	n/a	80.0%	83.3%
% with cost burden > 50%	66.7%	85.7%	66.7%	78.9%	66.7%	n/a	60.0%	75.0%
Very Low Income (31-50% AMI)	26	58	12	118	16	0	16	134
% with any housing problem	84.6%	93.1%	100.0%	89.8%	75.0%	n/a	75.0%	88.1%
% with cost burden >30%	84.6%	86.2%	66.7%	83.1%	75.0%	n/a	75.0%	82.1%
% with cost burden >50%	38.5%	37.9%	0.0%	33.9%	50.0%	n/a	50.0%	35.8%
Low Income (51-80% AMI)	35	89	40	225	23	4	35	260
% with any housing problem	77.1%	84.3%	80.0%	78.2%	34.8%	100.0%	45.7%	73.8%
% with cost burden >30%	77.1%	44.9%	30.0%	52.0%	34.8%	100.0%	45.7%	51.2%
% with cost burden > 50%	22.9%	11.2%	0.0%	14.2%	17.4%	0.0%	22.9%	15.4%
Total Households	110	383	138	871	168	30	337	1,208
% with any housing problem	55.5%	50.9%	83.3%	56.0%	29.8%	53.3%	33.5%	49.8%

Note: Data presented in this table are based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% total due to the need to extrapolate sample data out to total households. Interpretations of these data should focus on the proportion of households in need of assistance rather than on precise numbers. Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2004.

Cost Burden (Overpayment)

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross household income on housing. A household is considered experiencing a *severe* cost burden if it spends more than 50 percent of its gross income on housing. A household that spends more than it can afford for housing has less money available for other necessities such as food and clothing and emergency expenditures. Extremely low



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income households with a housing cost burden are more likely to be at risk of becoming homeless than other households. Problems of overpayment occur when housing costs rise faster than incomes or when households are forced to pay more than they can afford for housing of adequate size, condition, and amenities to meet their needs. The prevalence of overpayment varies significantly by income, tenure, household type, and household size.

Table C-15 displays the percentage of cost burden by type of household. As shown in this table, among all households in the City, extremely low income households had the highest incidence of housing cost burden (83 percent) compared to other households. Approximately 75 percent of all extremely low income households experienced a severe cost burden (spending more than 50 percent of their income on housing).

Among all very low income households, owner-households experienced a higher degree of severe housing cost burden than renter-households. Approximately half of all owner-households spent more than 50 percent of their income toward housing costs compared to one-third of renter-households. Among all households, approximately 51 percent of low income households experienced a cost burden, inclusive of the 15 percent that had a severe housing cost burden. Among all low income households, elderly renter-households and large owner-households experienced the highest degree of cost burden.

According to the ACS data, between 2006 and 2010, 70 percent of owner-occupied households in Avalon spent more than 30 percent of their household income on housing. By contrast, a lower percentage of renter-households (55 percent) overpaid for housing.

Overcrowding

Overcrowding is typically defined as a housing unit occupied by more than one person per room. A severely overcrowded household is defined as one with more than 1.5 persons per room. Overcrowding typically occurs when there are not enough adequately sized units within a community, when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate, or when families reside in smaller units than they need to devote income to other necessities, such as food and health care. Overcrowding tends to accelerate the deterioration of housing. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to enhancing quality of life.

In 2000, 216 housing units, or 18 percent of all occupied units in Avalon were considered overcrowded, with 69 percent of these considered severely overcrowded. Overcrowding conditions appeared to have worsened, according to the 2006-2010 ACS. Overall, between 2006 and 2010, 20 percent of the occupied units in Avalon were considered overcrowded. However, the rate of severe overcrowding decreased to 52 percent of all overcrowded households.

As reflected in Table C-16, overcrowding rates vary considerably by tenure. While four percent of owner-occupied households experienced overcrowded living conditions between 2006 and 2010, more than one-quarter of all renter-households were overcrowded. Approximately 14



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percent of renter-households were severely overcrowded compared to three percent of owner-households. Overcrowding is a significant issue for renter-households in Avalon. The 2010 Census reports a higher average household size for renter-households (2.68 persons) than for owner-households (2.09 persons). Of further concern, since housing demand in Avalon fluctuates significantly by season, overcrowding during the summer months may be considerably higher than indicated in Table C-16. During this peak tourist time, many seasonal works have greater difficulty finding adequate and affordable housing. As a consequence many will ‘double-up’ on sharing a rental unit or room, exasperating overcrowded living conditions.

Table C-16: Persons per Room in Occupied Housing Units (2000-2010)

Tenure/Persons per Room	2000		2006-2010	
	Households	Percent	Households	Percent
Owner-Occupied				
Total Overcrowded (>1.0 person/room)	12	3.8%	16	4.1%
Moderately Overcrowded (1.01-1.5 person/room)	9	2.8%	5	1.3%
Severely Overcrowded (>1.5 persons/room)	3	0.9%	11	2.8%
Renter-Occupied				
Total Overcrowded (>1.0 person/room)	204	24.0%	248	27.0%
Moderately Overcrowded (1.01-1.5 person/room)	57	6.7%	122	13.3%
Severely Overcrowded (>1.5 persons/room)	147	17.3%	126	13.7%

Source: Bureau of the Census, 2000 Census and 2006-2010 American Community Survey (ACS)

The 2008-2013 Housing Element includes two implementing actions that address the housing needs of retail- and service-sector employees, as well as seasonal employees – the Inclusionary Housing and Temporary Employee Housing programs are particularly targeted toward assisting the lower income employees.

Special Needs Populations

Certain groups have greater difficulty finding good quality, affordable housing due to special needs and/or circumstances. Special circumstances may be related to one’s employment and income, family characteristics, disability, and household characteristics, among other factors. Consequently, some residents in Avalon may experience a higher prevalence of housing overpayment, overcrowding, or other housing problems. “Special needs” groups include the following: seniors, persons with disabilities, homeless, single-parent households, and large households (Table C-17).



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Table C-17: Special Needs Groups (2010)

Special Needs Group	Number of Persons or Households	Number of Owners	%	Number of Renters	%	% of Total Households or Persons
Households with Members Age 65+	317	--	--	--	--	21.5%
Senior-Headed Households	271	155	57.2%	116	42.8%	18.4%
Senior Living Alone	125	64	51.2%	61	48.8%	8.5%
Persons with Disabilities ¹	408	--	--	--	--	13.0%
Large Households	182	14	7.7%	168	92.3%	12.4%
Female-Headed Households	457	106	23.2%	351	76.8%	31.0%
Single-Parent Households with Children	158	--	--	--	--	10.7%
Female-Headed Households with Children	103	--	--	--	--	7.0%
In Poverty ¹	327	--	--	--	--	28.2%

*Note 1: The 2010 Census does not contain updates to these groups; 2000 Census data used here.
Source: Bureau of the Census, 2000 and 2010.*

The following section provides a detailed discussion of the housing needs facing each particular group as well as programs and services available to address their housing needs.

Seniors

Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs. Specifically, people aged 65 years and older often have four main concerns:

- **Housing:** Many seniors live alone and may have difficulty maintaining their homes.
- **Income:** People aged 65 and over are usually retired and living on a limited income.
- **Health care:** Seniors are more likely to have high health care costs.
- **Transportation:** Many of the elderly rely on public transportation; especially those with disabilities.

According to the 2000 Census, approximately 19 percent of Avalon households were headed by elderly persons aged 65 years and older. Of the 221 elderly households, 54 percent (119 households) lived alone. The majority (57 percent) of senior-headed households owned their own home while 43 percent were renter-households.

The proportion of senior-headed households was reported at 18.4 percent in the 2010 Census. Of the senior-headed households, 125 (46 percent) were living alone. As in 2000 Census, 57 percent of the senior-headed households were homeowners and 43 percent were renters in 2010.



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Meeting the needs of Avalon seniors that wish to remain in the community is a continuing concern. Many seniors are living on fixed incomes and do not have adequate funds to maintain their homes or continue to afford their rent. As discussed in previous sections, elderly households had a much higher percentage of lower income households than any other household type. Aside from overpayment problems faced by seniors due to their relatively fixed incomes, many seniors are faced with various disabilities. No disability data is available from the 2010 Census; approximately 43 percent of Avalon seniors had a disability in 2000.

Senior homeowners, particularly elderly women, may require assistance in performing regular home maintenance or repair activities due to physical limitations or disabilities. These in-home needs and other senior needs can be met through a range of services, including congregate care, rent subsidies, shared housing programs, and housing rehabilitation assistance. For the frail or disabled elderly, housing with architectural design features that accommodate disabilities can ensure continued independent living. Those with a mobility or self-care limitation may require transportation alternatives or shared housing options.

Persons with Disabilities

The Americans with Disabilities Act defines a disabled person as having a physical or mental impairment that substantially limits one or more major life activities. In Avalon and elsewhere, persons with disabilities have a wide range of different housing needs, which vary depending on the type and severity of the disability as well as personal preference and lifestyle. Physical, mental, and/or developmental disabilities may prevent a person from working, restrict one's mobility, or make it difficult to care for oneself. "Barrier-free design" housing, accessibility modifications, proximity to services and transit, and group living opportunities represent some of the types of considerations and accommodations that are important in serving this group. Also, some residents suffer from disabilities that require living in a supportive or institutional setting.

The 2000 Census defines six types of disabilities: sensory, physical, mental, self-care, go-outside-home, and employment. The Census defines sensory and physical disabilities as "long-lasting conditions." Mental, self-care, go-outside-home, and employment disabilities are defined as conditions lasting six months or more that makes it difficult to perform certain activities. A more detailed description of each disability is provided below:

- **Sensory disability:** Refers to blindness, deafness, or severe vision or hearing impairment.
- **Physical disability:** Refers to a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.
- **Mental disability:** Refers to a mental condition lasting more than six months that impairs learning, remembering, or concentrating.
- **Self-care disability:** Refers to a condition that restricts ability to dress, bathe, or get around inside the home.



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- **Go-outside-home:** Refers to a condition that restricts ability to go outside the home alone to shop or visit a doctor’s office.
- **Employment disability:** Refers to a condition that restricts ability to work at a job or business.

According to the 2000 Census, 408 persons in Avalon had a disability, comprising approximately 13 percent of the population. Table C-18 displays the tally of disabled persons by age. The proportion of individuals with disabilities increases with age. Approximately four percent of children aged 5 to 15 had a disability, compared to 13 percent of adults aged 16 to 64 and 43 percent of seniors aged 65 and older.

Table C-18: Disabled Persons by Age (2000)

Age	Male	Female	Total
5-15	13	14	27
16 to 64	136	115	251
65+	53	77	130
Total	202	206	408

Source: Bureau of the Census, 2000.

Perhaps the most important factor in regard to planning for housing for persons with disabilities is that there are a wide range of different disabilities, and different people with the same ‘disability’ may have different levels of functioning which affect their housing needs and choices. People with disabilities include parents who are raising families, teenagers who are members of large families, seniors living with their spouses or children, and young people who desire to live on their own, as only a few examples.

The Census tallied the number of disabilities by type for residents with one or more disabilities. Among the disabilities tallied, 14 percent were sensory disabilities, 28 percent were physical disabilities, 13 percent were mental disabilities, five percent were self-care disabilities, 16 percent were disabilities that limited the ability to go outside the home, and 24 percent were employment disabilities (Table C-19). Mental disabilities accounted for 72 percent of disabilities tallied among five to 15 year olds, while 42 percent of disabilities tallied for 16 to 64 year olds limited their ability to work. Physical disabilities and disabilities that restrict the ability to go outside the home alone accounted for 59 percent of disabilities tallied among Tracy’s senior population.



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Table C-19: Disabilities Tallied by Age and Type (2000)

Type of Disability	# of Disabilities Tallied			
	5 to 15	16 to 64	65+	Total
Sensory disability	5	35	49	89
Physical disability	5	77	91	173
Mental disability	17	42	21	80
Self-care disability	2	15	14	31
Go-outside-home disability ¹	--	67	31	98
Employment disability ²	--	152	--	152
Total	29	388	206	623

Notes:

1. Tallied only for persons 16 years and over.
 2. Tallied only for persons 16 years to 64 years.
- Source: Bureau of the Census, 2000.

New State law (SB 812) passed in November 2010 also requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: self-care; receptive and expressive language; learning; mobility; self-direction; capacity for independent living; or economic self-sufficiency; and
- Reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not provide separate reporting on developmental disabilities. According to the Harbor Regional Center that provides services for persons with developmental disabilities, the Center serves nine Avalon residents who are developmentally disabled. Of these, four are adults and five are minors living with their families. Overall, housing needs from this group are not extensive.

Large Households

Large households are defined as those consisting of five or more members. These households comprise a special need group because of the often limited supply of adequately sized and affordable housing units in a community. To save for other basic necessities such as food, clothing and medical care, it is common for lower income large households to reside in smaller units, which frequently results in overcrowding. In 2000, approximately 154 households had



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five or more members, comprising 13 percent of all households. Of these households, 87 percent were renters and 13 percent were owner-occupied households. In 2010, the number of large households increased to 184 but represented only 12.4 percent of all households in the City. Among these 184 households, eight percent were owner-households and 92 percent were renter-households.

Large family households face difficulty finding affordable, adequately sized housing. In Avalon, 40 percent of large households earned lower incomes based on the 2000 Census. Specifically, approximately 26 percent of large households were low income compared to the citywide average of 22 percent, and almost 30 percent of the large family renter-households were low income compared to 13 percent of large family owner-households.

Single-Parent Households

Single-parent families, particularly female-headed families with children, often require special consideration and assistance because of their greater need for affordable housing and accessible day care, health care, and other supportive services. Female-headed families with children are considered a vulnerable group because they must balance the needs of their children with work responsibilities, often while earning limited incomes.

In 2000, an estimated 141 single-parent households with children under 18 lived in Avalon, representing 12 percent of all households in the community. Specifically, 109 were female-headed family households with children under 18 (nine percent of all households) and 32 were male-headed households with children (three percent of all households). In 2010, the number of single-parent households with children increased to 158, but its proportional share of all households decreased to 10.7 percent. Specifically, 103 were female-headed households with children.

Female-headed families have a higher incidence of poverty when compared to all households. The 2010 Census data does not contain income data. In 2000, among all female-headed households with children, 21 percent were living below the poverty level. In contrast, only five percent of two-parent families with children were living below the poverty level.

Residents Living in Poverty

Families, particularly female-headed families, are disproportionately affected by poverty. The 2010 Census data does not contain income data. In 2000, ten percent of the City's total residents (327 persons) were living in poverty. Approximately 21 percent of female-headed families with children, however, had incomes below the poverty level.

Homeless

According to the U.S. Department of Housing and Urban Development (HUD), a person is considered homeless if he/she is not imprisoned and:

- Lacks a fixed, regular, and adequate nighttime residence;



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- The primary nighttime residence is a publicly or privately operated shelter designed for temporary living arrangements;
- The primary residence is an institution that provides a temporary residence for individuals that should otherwise be institutionalized; or
- The primary residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation.

An accurate count and description of the homeless population is difficult because of the transient nature of the population, and because many individuals are not visibly homeless but move around in temporary living conditions such as staying with friends. The number of homeless persons on Catalina Island increases during the summer months.

The majority of homeless are not located within Avalon but camp out in the hills outside the City. It has been estimated that at peak season there are over 50 individuals camping out at any one time. One of the major factors of homelessness during the summer months is the limited amount of summer rentals for seasonal workers. This is due to the lack of seasonal housing and the fact that many owners rent out their homes for the summer to mainland visitors that can pay a high rental rate than seasonal workers.

The type of homeless individuals has changed over the years. Historically homeless persons that camp outside were young college-age adults that worked on the Island over the summer. Increasingly, the Island's homeless population includes families with children. There are many sanitary and safety issues associated with the homeless camps. Periodically, the Sheriff's Department, in conjunction with the property owner, sweeps the camp grounds and asks everyone to leave.

The Catalina Bible Church and the Avalon Community Church provide emergency assistance for those in need. The Catalina Bible Church provides emergency shelter for up to two people for a maximum of two days. In emergency situations, all the churches on the Island allow homeless individuals to sleep on floors. The Catalina Bible Church also operates a Food Ministry, which provides a week of food (20 to 25 lbs) for at a low cost.

The Avalon Community Church provides emergency food as well as emergency housing. The Avalon Community Church typically accommodates up to three persons each night on a couch or pull-out mattress at the Teen Center after the Center is closed for the day.⁴ There is no limit on the length of stay but the homeless individuals must clear out in the morning. At this time, the Church only has capacity to accommodate homeless men. The Church tries to find other arrangements for homeless women. The Church also has also been providing accommodation to a previously homeless person in exchange for custodian services.

⁴ Scott Schmeckpeper, Avalon Community Church. Personnel Communication, July 2011.



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According to a representative of the Avalon Community Church, there are homeless individuals living on semi-derelict boats.⁵ These individuals are a migrant population that move from harbor to harbor along the California coast and stay in Avalon for the summer. Approximately eight boats with homeless individuals (mostly single males) stay in the east side of the harbor every night. Many of these people do not have money for food, only just enough to keep up boat docking fees or fines.

The homeless population in the City consists primarily of temporary workers for the tourist industry. The City's primary strategy for addressing the seasonal homeless needs is to establish temporary summer housing for the seasonal workers. The City is in discussions with the Santa Catalina Island Company (the Company) regarding the development of seasonal employee housing.

Seasonal Workers

Seasonal workers are defined as a special needs group in Avalon due to the community's large tourism industry and unique island location. Most seasonal workers in Avalon fill temporary employment needs for tourism-related service industries such as restaurants, boat/bus tours, retail stores and hotels. These types of jobs are typically lower paying, are often part time, and have few benefits. In addition, the high cost of ferry tickets (approximately \$50 round-trip for commuters in 2011) and lengthy commute time (one hour or more from the Long Beach Harbor) makes living on the Island a necessity for many workers. Due to their income levels and temporary residency requirements, seasonal workers need affordable housing primarily for the summer months (high season). The City is in discussions with the Company regarding the development of seasonal employee housing.

Farm Workers

While State law also identifies farm workers as a special needs group due to the seasonal nature of their work and low wages, no agricultural production occurs in Avalon and therefore the housing needs of this group is not discussed in this Housing Element.

Housing Stock Characteristics

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy rates, housing costs, and affordability are important in determining the housing needs for the community. This section details the housing stock characteristics of Avalon to identify how well the current housing stock meets the needs of current and future residents of the City.

⁵ Scott Schmeckpeper, Avalon Community Church. Personnel Communication, July 2011.



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Housing Growth

Given Avalon’s status as a resort community, housing demand and supply for local residents is impacted by the needs of seasonal workers and out of town residents.



As shown in Table C-20, the City’s housing stock between 2000 and 1990 decreased slightly, by approximately 35 units. This loss of units does not indicate that any housing was demolished. The loss of units occurred primarily due to a reclassification of housing arrangements such as houseboats (detailed later). During the same time period, the number of seasonally occupied housing increased.

Due in part to the annexation of Pebbly Beach, the overall housing stock in Avalon increased 22 percent between 2000 and 2010. In 2000, Pebbly Beach had 168 housing units; therefore, the 413-unit increase in housing stock in Avalon was due partially to boundary adjustments and partially to actual housing growth. New housing in the City includes the Bird Park (24 affordable family units completed in 2002) and Beacon Street (13 affordable senior units completed in 2002) developments.

Table C-20: Regional Comparison of Housing Growth (1990 – 2010)

Jurisdiction	1990	2000	2010	% Change	
				1990 – 2000	2000 – 2010
Avalon	1,888	1,853	2,266	-1.8%	+22.3%
Dana Point	14,666	15,682	15,938	+6.9%	+1.6%
Laguna Beach	12,846	12,965	12,923	+0.9%	-0.3%
Manhattan Beach	14,695	15,034	14,929	+2.3%	-0.7%
San Juan Capistrano	9,612	11,320	11,940	+17.8%	+5.5%
Seal Beach	14,407	14,267	14,558	-1.0%	+2.0%
LA County	3,163,343	3,270,909	3,445,076	+3.4%	+5.3%

Source: Bureau of the Census, 1990, 2000, and 2010

Housing Type

Table C-21 shows the mix of housing units in Avalon from 1990 to 2010. As of the writing of this Housing Element, the 2010 Census has yet not released detailed information on housing units. According to 2010 Department of Finance estimates, 51 percent of the housing stock is comprised of single-family housing units and 48 percent is made up of multi-family units. Among single-family units, approximately half are detached units. Among all multi-family homes, the majority (61 percent) consists of smaller complexes with just two to four units.



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Table C-21: Housing Stock Characteristics (1990 – 2010)

Housing Type	1990		2000		2010
	Number	Percent	Number	Percent	Percent
Single-Family	866	45.9%	967	52.2%	51.2%
Detached	448	23.7%	487	26.3%	26.1%
Attached	418	22.1%	480	25.9%	25.1%
Multi-Family	787	41.7%	877	47.3%	48.3%
2-4 Units	545	28.9%	537	29.0%	29.3%
5 + Units	242	12.8%	340	18.3%	19.0%
Mobile Homes and Other	235	12.4%	9	0.5%	0.5%
Total Units	1,888	100.0%	1,853	100.0%	100.0%

Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, Population and Housing Estimates, 2010.

The most significant change in Avalon’s housing stock was in the “other” housing category. Housing identified as “other” decreased from 13 percent homes in 1990 to less than one percent in 2010. This was primarily due to the changed definitions by the Census Bureau. For example, in 1990, many unconventional units such as campers, trailers, and houseboats were counted as “other” housing units. As of 2000, many of these units were either dropped as a housing unit or reclassified as mobile homes or multi-family units (in five units+ structures). This reclassification contributed to the increase in the proportion of multi-family structures between 1990 and 2000.

Housing Availability and Tenure

Housing tenure and vacancy rates are important indicators of the supply and cost of housing. Housing tenure refers to whether a unit is owned or rented. As indicated in Table C-22, approximately three-quarters of all households in Avalon in 2010 were renter-households and 26 percent were owner-households. Over the past twenty years, the proportion of renter-households remained rather stable in the community.

Table C-22: Avalon Housing Unit Tenure (1990 – 2010)

Housing Tenure	Owner-Occupied	Renter-Occupied
1990	26%	73%
2000	25%	75%
2010	26%	74%

Source: Bureau of the Census, 1990, 2000, and 2010.

Vacancies can also be an important housing indicator in that the vacancy rate influences the cost of housing and may reflect the match between housing demand and availability. In most communities, vacancy rates of five percent for rental housing and two percent for ownership housing are generally considered healthy and suggest that there is a balance between the demand and supply of housing. Due to Avalon’s unique status as a resort town, the number of



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vacant units is exceptionally high. In 2010, vacant units comprised approximately 35 percent of all housing units with the vast majority of the vacant units (74 percent) used as seasonal, recreational, or occasional use and not available to those who need it year round (Table C-23). In 2010, excluding seasonal, recreational, or occasional housing, the homeowner vacancy rate was 0.8 percent, while the renter vacancy rate was 5.9 percent.

Table C-23: Avalon Housing Unit Occupancy (1990 – 2010)

Year	Occupied			Vacant Units			% Vacant	Total Units
	Owner	Renter	Total Occupied	Seasonal/ Occasional Use	Other Vacant ¹	Total Vacant		
1990	320	890	1,210	576	102	678	56%	1,888
2000	320	838	1,158	642	39	681	37%	1,839
2010	383	1,090	1,473	587	206	793	35%	2,266

Note 1: "Other Vacant" includes units that are rented or sold but not occupied, as well as abandoned or boarded up units.

Source: Bureau of the Census, 1990-2010.

Transient Rentals: Transient rentals are single-family homes, townhomes, and condominiums that are rented to visitors on a daily, weekly, or monthly basis for a period of less than 30 days. Transient rentals provide housing for visitors, supporting the local economy, while providing income for property owners. The number of transient rentals differs from the 2010 Census classification of seasonal/ occasional use housing. The Census includes housing units that are used as second homes and are not rented out.

Currently the City requires that any single-family unit or condominium unit must first receive a Conditional Use Permit (CUP) before being used as a transient rental. Transient rentals cannot be rented for more than 30 consecutive days to the same occupant during the two years preceding the CUP application. While the use and restrictions of transient rentals continues to be debated in the community, generally the restrictions on CUP rentals work to limit the number of housing units rented to outside visitors. As of 2011, there were 364 active transient rentals in Avalon available for visitor lodging. The number of transient rentals in Avalon has increased over the past ten years. In comparison, there were 278 active transient rentals in 2000. The City established a fee structure for the Transient Rental permit, which is collected as a funding source for the Housing Trust Fund.

Housing Age and Condition

Housing age can be an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Table C-24 profiles the age of existing housing units in Avalon. Housing growth in the City significantly declined after the 1980s, reflecting the



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limited land and water available for development. Approximately 11 percent of the housing stock was built during the 1990s and another seven percent was built during the last ten years.

The accepted age standard for a housing unit requiring major rehabilitation is 30 years or older. In 2010, 68 percent of the housing stock in the City was over 30 years old, with approximately 50 percent of the housing stock approaching 60 years or older. Typically, a large proportion of older housing indicates that the majority of the housing in the community may be expected to require rehabilitation or replacement to remain fit for occupancy.

Table C-24: Age of Housing Stock (2010)¹

Year Built	Total No.	% of total
1939 or earlier	921	40.6%
1940-1949	121	5.3%
1950-1959	79	3.5%
1960-1969	140	6.2%
1970-1979	280	12.4%
1980-1989	317	14.0%
1990-2000	251	11.0%
2000-2010	157	6.9%
Total	2,266	100.0%

Note: 2010 Census data on year of construction is not yet available. This table is created based on 2000 Census year of construction data for both Avalon and Pebbly Beach; net increase in overall housing stock in 2010 is assumed to be units constructed between the two censuses. This methodology provides only an estimate as it does not take into consideration of demolition activities during the past ten years.

Source: Bureau of the Census, 2000 and 2010 Census.

Due to the generally higher housing value and higher income of homeowners in Avalon, housing tends to be better maintained than in many other communities with a similar level of older housing stock. However, despite having great equity in their homes, some households (elderly households in particular) have limited incomes and may have difficulty maintaining their homes. Additionally, with the large number of homes occupied on a seasonal basis, some needed property maintenance may be postponed by the owners, especially in light of the current economy condition. It is estimated that about 50 percent of the City’s residential units built in the 1930s need substantial rehabilitation or upgrading. These units do not meet current building codes but are grandfathered in.

In 2004, the City conducted a Survey of Residential Property Owners. A question regarding rehabilitation and repair needs was included as part of the Survey. Of the 398 property owners that responded to the Survey, 81 (20 percent) indicated that their homes had repair needs.



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Among the 81 respondents, repairs to doors and windows, as well as roofing, were identified as the most common needs.

Table C-25: Type of Rehabilitation Needs in Avalon (2004)

Repair or Rehab needs	No. of Responses	% of Respondents
Doors and window	40	49.4%
Roofing	35	43.2%
Electrical system	27	33.3%
Heating/cooling system	27	33.3%
Siding and stucco	26	32.1%
Plumbing system	26	32.1%
Foundation	19	23.5%

Source: Survey of Avalon Residential Property Owners, 2004

The Avalon Fire Department and the Building Department handle code enforcement issues on a reactive basis. The Fire Department seeks the assistance of the City Planning Department when cases are related to planning code compliance. Depending on the type of violation, the Fire Department may direct the complaint to the Building Department Inspector or the Los Angeles County Health Inspector. Most complaints handled by the Building Department are related to illegal building activity such as installing new windows without a permit.

Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of housing cost burden and overcrowding. This section summarizes the cost and affordability of the housing stock to Avalon residents.

Homeownership Market

The California Association of Realtors (CAR) publishes median home sales price data compiled by DataQuick for cities and counties throughout the State. According to DataQuick, 12 homes and 14 condominiums were sold in Avalon in 2009 (Table C-26). The median sale price for a home in Avalon during this period was \$499,000, representing a 17 percent increase from the median sale price in 2004 (\$425,000). For condominiums, the median sale price was \$500,000, which represents a 20 percent increase since 2004 (\$415,000). During 2010, the median price in Avalon increased 12 percent to \$559,000. However, condominium prices decreased, with a median price of \$350,000 or a 30 percent decrease compared to 2009.

Home prices in other beachside communities experienced similar trends – while the single-family home prices have held up and are generally increasing, but condominium prices have seem either only small increases or have actually decreased substantially as in Avalon and Laguna Beach.



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Table C-26: Median Home Sale Price (2009 - 2010)

Jurisdiction	Single Family Homes					Condominiums				
	2009		2010		% Change	2009		2010		% Change
	# Sold	Median Price	# Sold	Median Price		# Sold	Median Price	# Sold	Median Price	
Dana Point	193	\$743,000	216	\$728,000	-2.0%	151	\$434,000	157	\$385,000	-11.3%
Laguna Beach	286	\$1,186,000	322	\$1,218,000	+2.6%	32	\$900,000	37	\$671,000	-25.4%
Seal Beach	115	\$740,000	98	\$750,000	+1.4%	29	\$280,000	34	\$290,000	+3.6%
San Juan Capistrano	263	\$500,000	303	\$515,000	+3.0%	196	\$151,000	185	\$156,000	+3.1%
Manhattan Beach	289	\$1,375,000	329	\$1,500,000	+9.1%	65	\$1,165,000	77	\$1,090,000	-6.4%
Avalon	12	\$499,000	11	\$559,000	+12.0%	14	\$500,000	89	\$350,000	-30.0%

Source: DQNews.com, July 2011.

Avalon is equally impacted by the collapse of the housing market as most communities throughout the nation. In July 2011, there were 12 homes listed in foreclosure sales in Avalon, including six homes being auctioned; four homes that are bank-owned; two homes in pre-foreclosure sales.⁶

Rental Market

According to local residents, City staff, and the Chamber of Commerce, finding rental housing in Avalon is extremely competitive. A very limited number of advertised rental units were available within the community's local newspapers the *Avalon Bay News* and the *Catalina Islander Newspaper*. In May 2011, four classified ads showed the following:

- Three-bedroom home: \$2,000
- Three-bedroom condo: \$4,200
- Two-bedroom condo: \$2,200
- One-bedroom unit (at duplex building): \$1,500

These listings were all for homes or condominiums for rent. Apartments are probably renting at lower prices although there were no listings available for review.

In 2004, the City conducted a Survey of Renters. Included in the survey were questions regarding rental rates for various sizes and types of residential units in Avalon. Of the 122 renter- households responded to the rental rate question, the majority (66 percent) resided in apartments, while approximately one third (27 percent) resided in single-family homes. The remaining six percent rented a bedroom. Rental rates for apartment units ranged from \$177 to \$2,000 with the median rental rate of \$920. Rental rates were significantly higher for homes. Home rentals ranged from \$364 to \$2,300 per month with a median rental price of \$1,125.

⁶ <http://www.realtytrac.com/mapsearch/mapsearch/mapsearch.aspx?address=Avalon>; accessed on July 14, 2011.



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Some respondents were renting a bedroom in a home. Bedroom rentals ranged from \$200 to \$750 with a median price of \$600 per month.

Comparing the 2004 rents with the current listings indicates that rent levels have not decreased despite the economy.

Table C-27: Survey of Renters (2004)

Type of Residence	No. of Respondents	Average	Median	Range
Apartment	81	\$954	\$920	\$177-\$2,000
House	33	\$1,144	\$1,125	\$364-\$2,300
Renting a Bedroom	8	\$570	\$600	\$200-\$750
Overall	122	\$980	\$920	\$177-\$2,300

Source: Housing Survey of Tenants, 2004.

Housing Affordability by Income Level

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household’s eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end.

The maximum affordable home and rental prices for residents of Los Angeles County are shown in Table C-28, which shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to median home prices and market rents to determine what types of housing opportunities a household can afford.



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Table C-28: Housing Affordability Matrix – Los Angeles County (2011)

Household	Annual Income	Affordable Costs		Utilities		Taxes and Insurance	Affordable Rent	Affordable Home Price
		Rental	Ownership	Renters	Owners			
Extremely Low Income (0-30% AMI)								
1-Person	\$17,950	\$449	\$449	\$117	\$124	\$90	\$332	\$48,640
2-Person	\$20,500	\$513	\$513	\$117	\$124	\$103	\$396	\$59,196
3-Person	\$23,050	\$576	\$576	\$145	\$155	\$115	\$431	\$63,336
4-Person	\$25,600	\$640	\$640	\$185	\$198	\$128	\$455	\$64,992
5-Person	\$27,650	\$691	\$691	\$234	\$255	\$138	\$457	\$61,680
Very Low Income (31-50% AMI)								
1-Person	\$29,900	\$748	\$748	\$117	\$124	\$150	\$631	\$98,108
2-Person	\$34,200	\$855	\$855	\$117	\$124	\$171	\$738	\$115,909
3-Person	\$37,450	\$936	\$936	\$145	\$155	\$187	\$791	\$122,946
4-Person	\$42,700	\$1,068	\$1,068	\$185	\$198	\$214	\$883	\$135,779
5-Person	\$46,150	\$1,154	\$1,154	\$234	\$255	\$231	\$920	\$138,262
Low Income (51-80% AMI)								
1-Person	\$47,850	\$1,196	\$1,196	\$117	\$124	\$239	\$1,079	\$172,414
2-Person	\$54,650	\$1,366	\$1,366	\$117	\$124	\$273	\$1,249	\$200,563
3-Person	\$61,500	\$1,538	\$1,538	\$145	\$155	\$308	\$1,393	\$222,503
4-Person	\$68,300	\$1,708	\$1,708	\$185	\$198	\$342	\$1,523	\$241,752
5-Person	\$73,800	\$1,845	\$1,845	\$234	\$255	\$369	\$1,611	\$252,722
Moderate Income (81-120% AMI)								
1-Person	\$53,750	\$1,344	\$1,568	\$117	\$124	\$314	\$1,227	\$233,921
2-Person	\$61,450	\$1,536	\$1,792	\$117	\$124	\$358	\$1,419	\$271,109
3-Person	\$69,100	\$1,728	\$2,015	\$145	\$155	\$403	\$1,583	\$301,638
4-Person	\$76,800	\$1,920	\$2,240	\$185	\$198	\$448	\$1,735	\$329,925
5-Person	\$82,950	\$2,074	\$2,419	\$234	\$255	\$484	\$1,840	\$347,829

Assumptions:

1. HCD income limits, 2011.
2. Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level)
3. HUD utility allowances.
4. 20% of monthly affordable cost for taxes and insurance.
5. 10% down payment.
6. 5% interest rate for a 30-year fixed-rate mortgage loan.
7. Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.

Sources:

1. State Department of Housing and Community Development Income Limits, 2011.
2. Veronica Tam and Associates.



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Extremely Low income Households: Extremely low income households earn 30 percent or less of the County area median income – up to \$17,950 for a one-person household and up to \$27,650 for a five-person household in 2011. Extremely low income households cannot afford market-rate rental or ownership housing in Avalon. However, one-person household may have rental options of renting a bedroom.

Very Low income Households: Very low income households earn between 31 percent and 50 percent of the County area median income – up to \$29,900 for a one-person household and up to \$46,150 for a five-person household in 2011. Housing options in Avalon for very low income households are also very limited. Market rents for apartments and homes and homeownership are generally beyond the reach of these households unless incurring a cost burden and/or living in overcrowded conditions.

Low income Households: Low income households earn between 51 percent and 80 percent of the County’s area median income - up to \$47,850 for a one-person household and up to \$73,800 for a five-person household in 2011. Housing options in Avalon for low income households are still very limited. These households may be able to afford smaller and older rental units and homes. However, overpayment and overcrowding can be an issue.

Moderate income Households: Moderate income households earn between 81 percent and 120 percent of the County’s Area Median Income – up to \$82,950 depending on household size in 2011. This group can afford some moderately sized rental unit and perhaps purchase smaller condominium units.

Affordable Housing

State law requires that the City identify, analyze, and propose programs to preserve existing multi-family rental units which are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions during the next ten years.

This Housing Element covers two planning periods – July 1, 2008 through December 31, 2013 and January 1, 2014 through December 31, 202. Thus, this at-risk housing analysis covers the period from July 1, 2008 through December 31, 2023, from the beginning of the first planning period to ten years from the beginning of the second planning period.

Consistent with State law, this section identifies publicly assisted housing units in Avalon, analyzes their potential to convert to market rate housing uses, and analyzes the cost to preserve or replace those units.

Publicly Assisted Housing

As of 2010, four affordable housing projects are located in Avalon, totaling 127 affordable units for families and seniors. Each housing development is described in detail below.



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Eucalyptus Garden Apartments: Eucalyptus Garden Apartments includes 80 rental units of which 24 are affordable to extremely low income households (0-30 percent AMI), and 16 units for very low income (31-50 percent AMI) households. The remaining 40 units are market-rate apartments. The project includes 32 studios, 32 one-bedroom units, eight two-bedroom units, and eight three-bedroom units. The project was constructed in 1992 with Low Income Housing Tax Credit (LIHTC) funds, Avalon Community Improvement Agency (ACIA) funds, and Rental Housing Construction Program (RHCP) loans. The land was leased at a low rate from the Santa Catalina Island Company (the Company). The project has an affordability restriction of 55 years and is expected to expire in 2047.

New Tremont Apartments: The New Tremont Apartments project consists of 62 units constructed in 1983 with assistance from the California Housing Finance Agency (CalHFA) with a project-based Section 8 Rental Assistance contract. CalHFA also owns the apartment project. The Section 8 contract is due to expire on August 18, 2016. The project includes 10 one-bedroom units, 37 two-bedroom units, and 15 three-bedroom units. Of the 62 apartment units, 50 are affordable to very low and low income households. Approximately 13 units are market-rate units. As of December 2010, the property managers for this community reported a large number of people on the wait list for affordable and market-rate apartments. Due to the limited number of vacancies, this translates into a four- to six-year waiting period, depending on the size of apartment needed.

Bird Park Apartments: Bird Park Apartments was constructed in 2002 and includes 24 two-, three- and four-bedroom units for very low income families. The project was constructed with U.S. Department of Agriculture (USDA) Section 515 funds, LIHTC financing, ACIA assistance, and HOME funds. Bird Park Apartments has an affordability length of 55 years and is due to expire in 2047. While the wait list is not long, there is very little turnover of the units since affordable housing is limited on the Island.



Constructed in 2002 Bird Park apartments includes 24 units for very low income families

Beacon Hill Senior Apartments: Beacon Hill Senior Apartments was constructed in 2002 and includes 13 one-bedroom units for very low income senior households. The project was constructed with a combination of USDA Section 515 funds, LIHTC financing, HOME funds, ACIA funds (land purchase costs), and Federal Home Loan Back (FHLB) funds. Beacon Hills maintains a wait list for the units. However, available vacant units are very rare unless a tenant passes away or must move into a community facility that provides a more comprehensive level of health and supportive services. Affordability length is 55 years to be expired in 2047.

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Preservation and Replacement Options

Of the City’s 125 affordable units, only one project, the Tremont Street Apartments, with 50 very low and low income units, is at-risk of converting to market-rate during the 2008 to 2023 period. To preserve the existing affordable housing stock, the City must either preserve the existing assisted units or facilitate the development of new units. Depending on the circumstances of the at-risk projects, different options may be used to preserve or replace the units. Preservation options typically include: 1) transfer of project to non-profit ownership; 2) provision of rental assistance to tenants using other funding sources; and 3) purchase of affordability covenants. In terms of replacement, the most direct option is the development of new assisted multi-family housing units. These options are described below.

Transfer of Ownership: Transferring ownership of an at-risk project to a non-profit housing provider is generally one of the least costly ways to ensure that the at-risk units remain affordable for the long term. However, Tremont Street Apartments is already owned by a nonprofit agency (CHFA) and therefore, transfer of ownership is not an applicable preservation option.

Rental Assistance: Rental subsidies using other funding sources can be used to maintain affordability of the 50 at-risk affordable units. These rent subsidies could be structured to mirror the federal Section 8 program. Under Section 8, HUD pays the difference between what tenants can pay (defined as 30 percent of household income) and what HUD estimates as the fair market rent (FMR) on the unit. In Los Angeles County, the 2010 FMRs are \$1,137 for a one-bedroom unit, \$1,420 for a two-bedroom unit, and \$1,907 for a three-bedroom unit. The feasibility of this alternative is highly dependent upon the availability of reliable funding sources necessary to make rent subsidies. As indicated in Table C-29, the total cost of subsidizing the rents of all 50 at-risk units is estimated at \$35,687 per month or \$428,244 annually.

Table C-29: Rental Subsidies Required

Unit Size	Total Units	Fair Market Rent	Household Size	Household Annual Income	Affordable Rent	Monthly per Unit Subsidy	Total Monthly Subsidy
Very Low Income (50% AMI)							
1-BR	8	\$1,137	2	\$33,150	\$689	\$448	\$3,584
2-BR	29	\$1,420	3	\$37,300	\$768	\$652	\$18,908
3-BR	13	\$1,907	5	\$44,750	\$892	\$1,015	\$13,195
Total	50						\$35,687

Notes:

1. Tremont Street Apartments has the following affordable units: 8 one-bedroom units, 29 two-bedroom units, and 13 three-bedroom units.
2. Fair Market Rent (FMR) is determined by HUD.
3. Los Angeles County 2010 Area Median Household Income (AMI) limits set by the California Department of Housing and Community Development (HCD).
4. Affordable rent = 30% of household income minus utility allowance.



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Purchase of Affordability Covenant: Another option to preserve the affordability of the at-risk project is to provide an assistance package to the owner to maintain the project as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, providing a lump-sum payment, and/or supplementing the rents to market levels. The feasibility of this option depends on whether the complex is too highly leveraged. By providing lump sum financial assistance or ongoing subsidies in rents or reduced mortgage interest rates to the owner, the City can ensure that some or all of the units remain affordable.

Construction of Replacement Units: The construction of new low income housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e. square footage and number of bedrooms), location, land costs, and type of construction. Assuming an average construction cost of \$250,000 per unit (assuming a 1,000-square-foot unit, including common space, at \$250 per square foot), it would cost approximately \$12,500,000, excluding land costs, to construct 50 new assisted units. Including land costs, the total cost to develop replacement units would be higher.

Cost Comparison: Preservation option for Tremont Street Apartments is limited to extending the ongoing rent subsidies for the assisted units or providing a financial assistance package to leverage the project. These options are generally less costly than the construction of replacement housing in comparison, requires significant financial and land resources.

Resources for Preserving Affordable Units

Available public and non-profit organizations with the capacity to preserve assisted housing developments include the City of Avalon, Santa Catalina Island Company, and various non-profit developers active in Southern California, including Bridge Housing, Jamboree Housing, and TELACU. Financial resources available include Low Income Housing Tax Credit (LIHTC) funds, California Housing Finance Agency (CHFA) assistance, HOME funds, and Federal Home Loan Back (FHLB) funds, and State Proposition 1C funds.

Coastal Housing Requirements

State law stipulates that local jurisdictions may not authorize the conversion or demolition of existing residential dwelling units occupied by low and moderate income households unless provisions for replacement housing are made. While the City of Avalon falls entirely within the coastal zone, demolition activities in the City are not subject to this coastal housing requirement due to the several exceptions offered by State law. Specifically:

- **Limited Remaining Vacant Residential Land:** This requirement does not apply to the demolition or conversion of residential structures within the coastal area of a jurisdiction containing less than 50 acres of vacant, privately owned land available for residential development. The City is a compact and mostly developed town with much of the remaining land owned by the Company for nonresidential uses. (While large



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pieces of land may be identified as potential development sites, due to topology, the effective buildable areas are usually just a fraction of the sites.)

- **Single-Family, Duplex, Triplex Units Exempted:** This requirement does not apply to the demolition or conversion of a residential structure that contains fewer than three units. Given the City's built out character, most housing construction activities have been small infill projects. If demolition was involved, it was primarily the removal of single-family units to make room for the reconstruction of equal or increased number of units. Removal of single-family units is not subject to the coastal housing requirements. Since 1982, only one 11-unit multi-family housing structure was removed. The City purchased the property to make room for additional housing.
- **Construction of Coastal-Dependent Uses Exempted:** The demolition or conversion of residential structures for purposes of providing coastal-dependent uses such as visitor-serving commercial, hotels, recreation facilities, boating or harbor facilities are exempted from the coast housing requirement. The Company is the primary land owner/developer on the island and much of its development is geared toward visitor-serving uses.

In 1996, the City purchased and demolished the deteriorating 22-unit Ida Court apartments. Given the building's condition, the tenants were all low and moderate incomes. The City is not subject to the coastal housing replacement requirement due to limited vacant residential land remaining in the community (see exemptions listed above). However, in 2002, the City assisted in the construction of the 24-unit Bird Park, which offers affordable housing for 24 very low income families. Since 1982, 11 scattered homes have been demolished but these have all been rebuilt. Single-family homes in Avalon are not typically affordable to lower and moderate income households. Demolition of scattered single-family homes is not subject to the replacement requirement.

Furthermore major housing construction activities in the City since 1982 have been affordable housing developments. Combined Eucalyptus Garden Apartments, Tremont Apartments, Beacon Hill Senior Apartments, and Bird Park Apartments offer 127 units affordable to very low and low income households. Overall, the City has a net gain of 116 affordable housing units.



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C.4 HOUSING CONSTRAINTS

Providing dignified and adequate housing to meet the community's housing needs is an important goal of the City of Avalon. Due to the employment opportunities in Avalon, the seasonal nature of some jobs, and associated wages, housing must be affordable to persons earning a range of income levels. This section describes the various market, governmental, and environmental constraints on the development and improvement of housing that meets the needs of all economic segments of the Avalon community.

Market Constraints

Market constraints significantly affect the cost of housing in Avalon, and can pose barriers to housing production and affordability. These include the availability of land for residential development, the demand for housing, financing and lending, construction costs, as well as the fees charged to residential development. The following highlights the primary market factors that affect the production of housing in Avalon.

Economic Factors

Market forces on the economy and the trickle down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. California's housing market peaked in the summer of 2005 when a dramatic increase in the State's housing supply was coupled with low interest rates. The period between 2006 and 2010, however, reflects a time of significant change as the lending market broke down and home prices saw significant decreases. The collapse of the housing market led to a recession that is slow in recovery. Many households face unemployment/under-employment and foreclosures.

Land and Construction Costs

As an island community, land suitable for residential development is relatively scarce. Land ownership plays an important factor in the availability of land for future residential development. Santa Catalina Island Conservancy (SCIC) owns the vast majority of land as a natural preserve. The second major land owner, Santa Catalina Island Company (the Company), owns approximately 11 percent of the Island's total acreage, including more than 80 percent of the developable land in and around Avalon. The Company also owns the majority of commercial properties within Avalon.

In the past, the Company has leased land to private developers to build housing, particularly condominium projects (e.g. Sol Vista, Fairview Terrace, and Hamilton Cove). In recent years, however, the Company has gradually sold the underlying lots to owners of these condominium developments. Single-family residences in Avalon are generally under private ownership.

Much of the vacant land owned by the Company is slated for resort/visitor-serving development and housing for its employees. The Company is subject to the City's inclusionary housing program that requires new hotel/motel/resort development provides new affordable housing



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for at least 50 percent of the number of peak season employees projected to be employed by the development. As such, the Company reserves land under its ownership for employee housing.

Remaining developable land that is not owned by the Company is scarce. Available land in or near the downtown is already developed. The few remaining vacant parcels are situated on hillsides. Because of topographical constraints, significant grading costs, cost of development is substantial. Lack of land represents a constraint to non-Company initiated housing development – housing for non-Company employees. In December 2010, according to available listings on www.realtor.com, vacant land in the City is currently selling for between \$100 and \$300 per square foot.

Housing construction costs are much higher on the Island because building materials must be shipped in. When demolition is involved, the costs escalate because construction debris must also be shipped off the Island. Finally, labor costs are significantly higher on the Island, because work crews must reside on the Island while construction is in process. For publicly-funded projects, labor costs are even higher due to prevailing wage requirements. Information provided by a local developer indicates that the cost of constructing a single-family residential unit is approximately \$250 per square foot. For multiple-family units, construction costs are slightly lower as developers can usually benefit from economies of scale with discounts for materials and diffusion of equipment mobilization costs. Density bonuses for senior and affordable housing can enhance this per-unit cost reduction for multi-family developments. A reduction in amenities and quality of building materials could result in lower costs and sale prices; however, high quality design and sufficient tenant amenities are necessary to maintain minimum health and safety standards.

Availability of Financing

The availability of financing affects a person’s ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements and refinancing, whether financed at market rate or with government assistance.

Table C-30 summarizes the disposition of loan applications submitted to financial institutions in 2009 for home purchase, refinance, and home improvement loans in Avalon. Included is information on loan applications that were approved and originated, approved but not accepted by the applicant, denied, withdrawn by the applicant, or incomplete.



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Table C-30: Disposition of Home Loans (2009)

Loan Type	Total Applicants	Percent Approved	Percent Denied	Percent Other
Government-Backed	1	100.0%	0.0%	0.0%
Conventional	25	60.0%	28.0%	12.0%
Refinance	79	49.4%	36.7%	13.9%
Home Improvement	4	25.0%	50.0%	25.0%
Total	109	51.4%	34.9%	13.8%

*Note: 2009 is the most updated HMDA data available as of the writing of this Housing Element.
Source: Home Mortgage Disclosure Act (HMDA) data, 2009.*

Home Purchase Loans: In 2009, a total of 25 Avalon households applied for conventional loans to purchase homes. The overall loan approval rate was 60 percent and 28 percent of applications were denied. In comparison, 68 percent of conventional home loan applications were approved in the Los Angeles/Long Beach/Glendale Metropolitan Statistical Area (MSA). Only one home purchase application was submitted in Avalon through government-backed loans (e.g. FHA, VA) in 2009; this applicant was approved. To be eligible for such loans, residents must meet the established income standards, maximum home values, and other requirements. For government-backed loans, the approval rate for the Los Angeles MSA was 69 percent.

Refinance Loans: The majority of loan applications submitted by Avalon residents in 2009 were for home refinance loans (79 applications). Nearly one-half (49 percent) of these applications were approved, while 37 percent were denied. In the Los Angeles MSA, 61 percent of the refinancing applications were approved.

Home Improvement Loans: Only four Avalon households applied for a home improvement loan. Half of these applicants (50 percent) were denied and only one application (25 percent) was approved by lenders in 2009. Most home improvement loans are second loans and therefore more difficult to qualify for due to high income-to-debt ratios. In the Los Angeles MSA, home improvement loan applications had a higher approval rate (53 percent) than in the City of Avalon.

To address potential private market lending constraints and expand homeownership and home improvement opportunities, the City of Avalon offers a Residential Rehabilitation Program to lower and moderate income households.

Foreclosures

Nationwide, the housing market peaked between 2000 and 2005. With low interest rates, “creative” financing (e.g., zero down, interest only, adjustable loans), and predatory lending practices (e.g. aggressive marketing, hidden fees, negative amortization), many households purchased homes that were well beyond their financial means. Many were led to believe that refinancing to lower interest rates would always be available option and home prices would continue to rise. Many households were unprepared for the expiration of short-term fixed rates and decline in sales prices. Suddenly faced with significantly inflated mortgage payments, and



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mortgage loans that are larger than the worth of the homes, short sales and foreclosure become the only options available to many households.

Statewide, the number of foreclosures in 2010 has declined substantially from the previous year. During the third quarter of 2010, a total of 16,189 Notices of Default (NODs) were recorded in Los Angeles County, a decrease of over 25 percent from the third quarter of 2009. In December 2010, 15 homes in Avalon were listed as foreclosures. These homes were listed at various stages of foreclosure (from pre-foreclosures to auctions) and ranged in price, with some properties listed as high as \$830,000. In July 2011, there were 12 homes listed in foreclosure sales in Avalon, including six homes being auctioned; four homes that are bank-owned; two homes in pre-foreclosure sales.

Governmental Constraints

Aside from market factors, housing affordability is also affected by factors in the public sector. Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, among other issues may constrain the maintenance, development and improvement of housing. This section discusses potential governmental constraints in Avalon and efforts to address them.

Land Use Controls

The Land Use Element sets forth City policies for guiding local land use development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses. The City is in the process of a comprehensive update to its General Plan.

General Plan Land Use Element: The City is in the process of updating its General Plan. The Land Use Element provides for a range of land use designations that accommodate residential uses. These land use designations are described in Table C-31. The General Plan update renamed the Low/Moderate designation High Density Residential – Community Housing. The Commercial designation is also split between Commercial and Special Commercial.



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Table C-31: General Plan Land Use Designations

Generalized Land Use Category	Density Permitted	Residential Type(s)
LD-R Low Density Residential	10 units/acre	The LD-R designation accommodates single family detached housing units on slopes under thirty degrees (30 ⁰). Conditionally allowed uses include detached dwelling units on slopes thirty degrees and over, clustered or attached dwelling units including, congregate housing projects
MD-R Medium Density Residential	20 units/acre	The MD-R designation accommodates single-family detached housing units and two dwelling units per lot or parcel. Conditionally allowed uses include cluster housing and congregate housing projects, and time-share projects.
HD-R High Density Residential	40 units/acre	The HD-R designation accommodates multi family dwelling units (excluding any congregate housing projects) and single family dwelling units. Conditionally allowed uses include boarding houses with employee housing, congregate housing projects, and time-share projects.
L-M	40 units/acre	Low and Moderate Income Housing
HD-R-CH High Density Residential – Community Housing	40 units/acre	The HD-R-CH designation accommodates only residential development including multi-family dwelling units and single-family dwelling units. The only conditionally allowed uses are residential units with density bonus.
C Commercial	20 units/acre	The C designation accommodates retail and commercial services but structures which contain commercial uses on the ground floor and residential uses above are conditionally permitted.
SC Special Commercial	40 units/acre	The SC designation accommodates small scale residential uses, neighborhood retail and services, as well as structures which contain commercial uses on the ground floor and residential uses above.

Local Coastal Plan: As an island community, the entire City falls within the coastal zone and is required to prepare a Local Coastal Program. As part of the General Plan update, the City is also updating its Local Coast Program (originally adopted and certified by the Coastal Commission in 1981). The LCP consists of the City’s Land Use Element of the General Plan, Zoning Ordinance, Local Coastal Plan, Use of Publicly Owned Land, Affordable Housing, Annual Growth Policy, and Condominium Conversion Regulations. The City intends to obtain certification from the Coastal Commission, allowing the City to issue coastal development permits and bypassing Coastal Commission review of development projects.

Annual Growth Policy: Because the natural resources of Avalon have finite limits, which are not easily defined and may change from time to time (as is the case with water availability), the City limits construction activity in order to minimize significant impacts to the environment. The City established an Annual Growth Policy in 1979 which prohibits the approval of any development applications that propose the creation of additional housing units in November and December of any calendar year. The final two months of the year are reserved for the City Council, in



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conjunction with the Planning Commission, to review the growth permitted in the preceding ten months and review the effects and demands of such development and any additional development on the City's natural resources. After this period of review, the City Council will determine, by resolution, the amount and type of growth the City will permit in the succeeding year, as well as City priorities for growth. Given the limited housing construction in Avalon in recent years and limited capacity for additional housing, this policy has not and is not expected to constrain housing development in the City. The Growth Policy Resolution does not establish a limit on the number of units that can be constructed, but instead identifies the types of projects that will be permitted based on available resources. Recent (2011 and 2012) Growth Policy Resolutions identify the following permitted types of development:

- Projects involving existing commercial and residential structures that are to be repaired, replaced, or remodeled.
- In-fill residential projects that create five or fewer units.
- Residential projects of greater than five units if the project provides the required 20 percent inclusionary housing.
- Infrastructure improvements which are consistent with the City's Capital Improvement Plan.
- Projects that the Planning Commission determines to have no growth inducing effects.

These types are permitted new development generally cover the typical residential development in the City. The key factor is availability of natural resources such as water.

Inclusionary Housing: The City's inclusionary housing program, adopted as Chapter 11 of City's Zoning Ordinance, applies to residential developments with five or more units and commercial development.

- Any new residential development of five or more purchasable units shall make available inclusionary housing units equivalent to 20 percent of the units constructed in any residential housing project for the exclusive year-round use of low, moderate, and middle income families. The mix of income categories will be determined at the time the project is approved.
- Any new residential development of five or more rental units may make available inclusionary housing units equivalent to 20 percent of the units constructed in any residential housing project for the exclusive year-round use of low, moderate, and middle income families, in exchange for a direct financial contribution or other form of assistance. The mix of income categories will be determined at the time the project is approved.
- Any new hotel/motel/resort or new commercial development shall provide affordable rental space for at least 50 percent of the number of peak season employees projected to be employed by the development. All rentals must be for the period of not less than one (1) month.



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The inclusionary housing ordinance allows for the payment of an in-lieu fee when the number of purchasable inclusionary units required is less than five. All units in an apartment development are required to be made available to members of the community for a period of not less than one month. No condominium conversions would be allowed and affordability must be maintained for at least 35 years.

The inclusionary housing ordinance offers flexibility in the income distribution of the inclusionary units based on project feasibility. Furthermore, the majority of the remaining developable land is owned by the Company and slated for resort/visitor-serving uses and employee housing. Therefore, these inclusionary housing requirements have not been the constraining factors to housing development in Avalon.

Density Bonus: State law requires the provision of certain incentives for residential development projects that set aside a certain portion of total units to be affordable to lower and moderate income households. Currently, the City's density bonus ordinance stimulates market-rate and affordable housing as follows:

- **Market-Rate Density Bonus Project:** Under the ordinance, any developer who can build more units on a lot than allowed for under the underlying zoning district while meeting all other development standards may obtain a use permit from the Planning Commission to build such units. Moreover, the units must remain as non-transient rental housing for at least 15 years.
- **Affordable Density Bonus Project:** Any developer who can build more units on a lot than allowed for under the underlying zoning district while meeting all other development standards, may obtain a use permit from the Planning Commission and a water allocation from the City Council to build affordable units for low and moderate income households. The additional density may not exceed the allowed densities by either the greater of 50 percent or one unit per legally established parcel. Moreover, the bonus units must remain as non-transient rental housing for low and moderate income households for at least 15 years.

Current state law requires jurisdictions to provide density bonuses and development incentives (or regulatory concessions) to all developers who propose to construct affordable housing on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. The existing Avalon density bonus provisions are not consistent with the State density bonus law. While the affordability requirements are more flexible under the City ordinance than under State law, the City does not currently make provisions for development incentives or regulatory concessions as required by State law. The Housing Plan of this Housing Element includes a program to amend the City's density bonus provisions to ensure compliance with State law.



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Condominium Conversion: In certain communities, the conversion of apartments to condominiums can be one way to increase homeownership opportunities for families. However, since most condominiums in Avalon are not affordable to low and moderate income households, condominium conversion represents a potential net loss of affordable units. Therefore, Avalon has enacted a condominium conversion ordinance to preserve affordable rental housing.

Condominium conversions require a conditional use permit prior to conversion. Prior to approval, the Planning Commission must make findings that the conversion will not adversely affect the supply of rental housing, especially low and moderate income housing in the City. Relevant factors that the Commission may consider include:

- Citywide vacancy rate and the vacancy rate for low and moderate income units;
- Number of units being removed from the rental market by the proposed conversion;
- Number, quality, and location of alternative housing available to existing tenants;
- Cumulative effect of proposed conversion upon the availability of affordable housing; and
- Effect of the proposed conversion, if any, upon the City's tourist industry.

Should a conversion project be approved, the property owner must set aside 20 percent of the units as affordable to low and moderate income households. Moreover, the property owner must give tenants at least six months notice of termination of tenancy for a conversion, must grant tenants first right of refusal for a specified period, providing proper noticing, and in some cases provide a specified amount of relocation assistance. According to City staff, condominium conversions are rare, especially in light of the current housing market conditions.

Residential Development Standards

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. The City of Avalon's development patterns well precede its formal incorporation in 1913. Originally founded as a tourist community, Avalon's land use patterns have been impacted by prior subdividers, topography, and unique constraints associated with an island community. Its residential areas are characterized by small lots averaging less than 1,500 square feet and occupied by vacation cottages adjacent to area comprised originally of vacation tents. However, as development pressures increased, the City adopted a Zoning Ordinance in 1964.

Development standards specific to each zone district are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. These standards also serve to preserve the character and integrity of existing neighborhoods. Specific residential development standards are summarized in Table C-32. Generally, development standards can limit the number of units that may be constructed on a particular piece of property. These include density, minimum lot and unit sizes, height, and open space requirements. Limiting the number of units that can be constructed will increase



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the per-unit land costs and can, all other factors being equal, result in higher development costs that may impact housing affordability.

Because of historical development patterns in Avalon and present zoning regulations, most of the lots are now substandard in size and are considered nonconforming. Interviews with local developers indicated that in the past, the most difficult standard was the one-space parking standard. The Zoning Ordinance is unclear as to the size requirement for the parking space required. In the past, the City Council had been requiring a standard conventional parking space (eight feet by 17 feet) per unit. But with the approval of a variance, autoette (such as golf carts) parking spaces (six feet by ten feet) could be used as a substitute. In response to comments from developers, the City’s policy has changed to require one autoette space per unit in the downtown area. As part of the City’s Zoning Ordinance amendment to implement the updated General Plan, the City will clarify the parking requirements. Specifically, the City will establish the autoette as the minimum parking requirement citywide, thereby removing the need to process a variance.

Table C-32: Residential Development Standards

Development Standard	Residential Districts				
	LD-R	MD-R	HD-R/SC	HD-R-CH	C
Maximum Density	1-10	20	40	40	20
Maximum building height	For lots with < 14 degrees slope, 28 feet and 2 stories For lots on steep slopes, 32' and 3 stories For lots on steep hillsides - 40' and applicable building codes			28' - 40' depending on lot slope	28' within 350' of high tide line; otherwise 40'
Min. lot area (sq.ft.)	4,400	4,400	2,200	None	2,000
Setbacks	10 all sides	10 all sides	3-5 all sides	10 feet	3' rear & 0' other sides
Maximum Lot Coverage	40% gross area	50% of gross area	80% of gross area	None Specified	None Specified
Maximum Floor Area	1-2 story-80% 3 story-120%	1-2 story-100% 3 story-150%	1-2 story-130% 3 story-180%	None Specified	2 story-160% 3 story-240%
Parking Required	One parking space onsite is required per residential unit, except for residences in the SC, C, and HD-R-CH zones, which are determined by a conditional use permit				

Source: City of Avalon Zoning Ordinance, 2011.



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Provision for a Variety of Housing Types

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, second units, mobile homes, and residential care facilities. Table C-33 below summarizes the various housing types permitted within the City’s zoning districts.

Table C-33: Land Use Designations Allowing Residential Uses

Allowable Residential Uses	Zoning District					
	LD-R	MD-R	HD-R	HD-R-CH	C	SC
Single-Family Detached	P	P	P	--	--	CUP
Single-Family Attached	CUP	CUP	P	--	--	CUP
Two-Family (Duplex)	--	P	--	--	--	--
Second Units	CUP	CUP	CUP	--	--	CUP
Multi-Family – Apartments	--	--	P	P	--	CUP
Mobile Home Parks	--	--	--	P	--	--
Congregate Housing (Condominiums)	CUP	CUP	CUP	--	--	CUP
Mixed Use (2 nd story only)	--	--	--	--	CUP	CUP

Source: City of Avalon Zoning Ordinance, 2011.
P: Principally permitted residential use
CUP: Conditionally permitted residential use

Single-Family Dwellings: A “single-family dwelling” is defined in the Zoning Ordinance as a building designed or used exclusively for occupancy by one family and containing one dwelling unit. Detached single-family dwellings are permitted in the LD-R, MD-R, and HD-R zones and conditionally permitted in the SC zone. Attached single-family dwellings are permitted in the HD zone and conditionally permitted in the LD-R, MD-R, and SC zones.

Secondary Residential Unit: In 2002, the State Legislature amended the Government Code, requiring jurisdictions to allow by right accessory dwelling units in all residential district allowing single-family residences. Communities can provide for appropriate development and design guidelines of the accessory dwelling units, provided local regulations are not more stringent than or infringe upon guidelines set forth in Section 65915 of the Government Code. The Avalon Zoning Ordinance currently allows accessory detached units as a conditionally permitted use in the LD-R, MD-R, and HD-R zones. The density bonus provisions also allow anyone who can add more units to a lot to do so via a conditional use permit. However, local developers indicated that while accessory units are a possibility in Avalon, the generally small lots would make the building of additional units difficult. The Avalon Zoning Ordinance will be amended to address the provision of accessory dwelling units pursuant to State law.

Multiple-Family Housing: According to the State Department of Finance, multiple-family housing makes up approximately 48 percent of the 2010 housing stock in Avalon (Table C-21).



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Multiple-family housing is permitted within the HD-R and HD-R-CH zone districts. Conditional use permits are required for the construction of multiple-family housing in the SC zone district.

Manufactured and Mobile Homes: Manufactured housing and mobile homes can be an affordable housing option for low and moderate income households. According to the National Manufactured Home Construction and Safety Act of 1974, a mobile home built after June 15, 1976 and built on a permanent foundation may be located in any residential zone where a conventional single-family detached dwelling is permitted, subject to the same restrictions on density and to the same property development regulations. In compliance with State law, manufactured housing in Avalon is allowed on lots zoned for single-family residences, subject to the same processes or requirements imposed on a conventional single-family home. Mobile home parks are also allowed in the HD-R-CH zone.

Congregate Housing (Condominiums): “Congregate housing” is defined in the Zoning Ordinance as a residential condominium, community apartment house, or stock cooperative project. Congregate housing is conditionally permitted in the LD-R, MD-R, HD-R, and SC zones.

Mixed-Use Residential: Mixed use projects combine both non-residential and residential uses on the same site. These developments can help reduce the effects of housing cost burden by increasing density and offering opportunities for reduced vehicular trips by walking, bicycling or taking public transportation. In Avalon, mixed-use development (residential above ground floor retail) is currently conditionally permitted in the C (Commercial) zone. As part of the General Plan update, the City has also included residential uses and mixed-use development as conditionally permitted uses in the SC (Special Commercial) zone.

Residential Care Facilities: Residential care facilities licensed or supervised by a Federal, State, or local health/welfare agency provide 24-hour non-medical care of unrelated persons who are handicapped and in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment. Currently, no licensed residential care facilities are located in Avalon.

The Community Care Facilities Act (California Health and Safety Code) and Lanterman Disability Services Act (California Welfare and Institution Code) require that State-licensed residential care facilities serving six or fewer persons (including foster care) be treated as a regular residential use and therefore permitted by right in all residential zones allowing residential uses. These facilities cannot be subject to more stringent development standards, fees, or other standards than the same type of housing single-family homes in the same district.

Although land prices and housing prices will likely preclude the feasibility of building a residential care facility or converting a home to such a facility in Avalon, the City will amend the Zoning Ordinance to permit residential care facilities for six or fewer persons by right where residential uses are permitted. Residential care facilities serving seven or more clients will be conditionally permitted in the HD/flats, C, and SC zones.



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Emergency Shelters: Senate Bill 2, enacted in October 2007, requires local governments to identify one or more zoning categories that allow emergency shelters without discretionary review. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. The identified zone must have sufficient capacity to accommodate at least one year-round shelter.

Currently, the City of Avalon's Zoning Ordinance does not explicitly address emergency shelters. The City will amend its Zoning Ordinance within one year of adoption of the Housing Element to permit homeless shelters by right, without discretionary review, within the Commercial (C) and Special Commercial (SC) zones, consistent with State law. The island is compact and most areas are accessible by foot or bicycle. Overall, close to 27 acres of land in the City are zoned C or SC. These zones are located at the core of the City with easy access to services. Capacity exists in these zones for intensification (such as adding second story to single-story buildings or adding additional buildings on surface parking areas). These zones will be more than able to accommodate at least one emergency shelter.

The Zoning Ordinance amendment will also include specific conditions under which emergency shelters may be permitted. The conditions will relate strictly to operation and maintenance of the facility and will not be more stringent than like uses in the same zone. By providing clarity in the Zoning Ordinance, the City can facilitate the development of such facilities.

Transitional and Supportive Housing: Under Housing Element law, transitional housing is defined as buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months (California Health and Safety Code Section 50675.2). Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation.

Transitional housing is a type of housing used to facilitate the movement of homeless individuals and families to permanent housing. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multiple-family apartments and typically offers case management and support services to return people to independent living (usually between six and 24 months).

Supportive housing links the provision of housing and social services for the homeless, people with disabilities, and a variety of other special needs populations. Under Housing Element law, supportive housing is defined as housing with no limit on length of stay that is occupied by a target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community (California Health and Safety Code 50675.14 (b)).



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The target population for supportive housing includes adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5, commencing with Section 4500, of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people (California Health and Safety Code 53260 (d)).

Currently, the Avalon Zoning Ordinance does not explicitly address transitional or supportive housing. The City will amend the Zoning Ordinance to address the provision of transitional and supportive housing. Transitional and supportive housing meeting the State definitions set forth in Health and Safety Code Sections 50801(i) and 50675.14(a)(B)(2), respectively, would be considered as regular housing and be permitted in zones where regular housing is permitted and in the same manner as similar uses in the same zones.

Single Room Occupancy Units (SROs): SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other and could be equivalent to an efficiency unit. The City will amend the Zoning Ordinance within one year of the adoption of the Housing Element to facilitate the provision of SROs, consistent with AB 2634 (Housing for Extremely Low Income Households) enacted in 2007. SROs will be permitted with a Conditional Use Permit (CUP) in the HD/flats-R-CH zone. Findings will be the same as those required for all land uses requiring a CUP.

Housing for Persons with Disabilities: Both the federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The City conducted an analysis of the zoning ordinance, permitting procedures, development standards, and building codes to identify potential constraints for housing for persons with disabilities. The City's policies and regulations regarding housing for persons with disabilities are described below.

- ***Land Use Controls:*** Under State Lanterman Developmental Disabilities Services Act (aka Lanterman Act), small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential districts. State licensed residential care facilities serving six or fewer clients are not addressed in the Zoning Ordinance. The City will amend its Zoning Ordinance, within one year of adoption of the Housing Element, to permit small residential care facilities serving six or fewer persons (including adult and senior residential facilities, as well as small family homes) in all residential zones. Large residential care facilities serving more than six persons will be conditionally permitted in the HD/flats, C, and SC zones.



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Currently, the Avalon Zoning Ordinance has no provisions for transition, supportive, or SRO housing – housing options that are appropriate for persons with disabilities. The Zoning Ordinance will be amended to address these provisions.

- ***Definition of Family:*** Local governments may restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.⁷ The City of Avalon Zoning Ordinance defines a “family” as “any number of persons living together in a room or rooms comprising a single dwelling unit and related by blood, marriage or adoption, or bearing the generic character of a family unit as a relatively permanent single household, including servants and other live-in employees, who reside therein as though members of the family. Any group of persons not related by blood, marriage or adoption but inhabiting a dwelling unit, shall for the purpose of this chapter be considered to constitute one family if a bona fide single household, including servants and other live-in employees, contained in such group.” This definition is inclusive and therefore does not serve to constrain housing for persons with disabilities.
- ***Building Codes:*** The City adopts the Los Angeles County Code and Uniform Building Code, and amendments thereafter, as the City of Avalon Building Code. The City also adopts the Uniform Housing Code as the City’s Housing Code.

No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multi-family buildings without elevators consisting of three or more rental units or four or more condominium units subject to the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- At least one powder room or bathroom shall be located on the primary entry level served by an accessible route.

⁷ California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a “family” as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and therefore violates rights of privacy under the California Constitution.



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- All rooms or spaces located on the primary entry level shall be served by an accessible route. Rooms and spaces located on the primary entry level and subject to this chapter may include but are not limited to kitchens, powder rooms, bathrooms, living rooms, bedrooms, or hallways.
- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces is required.

The City does not require any additional visitability standards in excess of those required in the building code.

- ***Reasonable Accommodation:*** Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement, lot coverage requirement, or other standard of the Zoning Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The City currently has no established process in place. The City is densely built out and because of its topography, extensive accessibility improvements to existing individual homes are difficult to accomplish, if not impossible. Such requests are rare and are typically handled on a case-by-case basis. The City will amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests.

- ***Permits and Fees:*** As there is no established procedure in place, no specific permits or fees are required for reasonable accommodation requests.

Development and Planning Fees

Residential developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional cost borne by developers contributes to overall increased housing unit cost. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City. The City's permit processing and development impact fee schedule for residential development are displayed in Table C-34.

Planning fees for a typical multi-family project total approximately \$3,000 per unit. For a typical single-family residential project, developers can expect planning fees to total approximately \$2,000 per unit. These fees are minimal compared to the overall development costs in Avalon.



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The City does not charge any development impact fees; however, the Long Beach Unified School District charges between \$3 and \$5 per square foot of development fees. School fees are established by State law and do not constrain housing development in Avalon as they are not unique to Avalon.

Table C-34: Permit Processing Fees

Development Process	Related Fee
Planning and Zoning	
Variance < 25%	\$429
Variance > 25%	\$859
Conditional Use Permit – Condo Conversion	\$1,944
Conditional Use Permit – Density Bonus	\$1,944
Conditional Use Permit – All Others	\$1,296
LCP < 25%	\$429
LCP > 25%	\$820
General Plan Amendment	\$1,621
Zone Change	\$3,240
Site Plan Review (<25% building expansion)	\$859
Site Plan Review (>25% building expansion)	\$1,718
Subdivisions	
Tentative Tract Map	\$1,296
Tentative Parcel Map	\$1,296
Final Tract Map	Cost + 25%
Final Parcel Map	Cost + 25%
Building and Plan Check/Inspections	
Building Permit Issuance Fee	\$27
Valuation \$0 - \$700	\$42
Valuation \$701 - \$25,000	\$63
For each additional \$1,000 or fraction above \$1,000	\$16
Valuation \$25,001 - \$50,000	\$456
For each additional \$1,000 or fraction above \$25,000	\$13
Valuation \$50,001 - \$100,000	\$775
For each additional \$1,000 or fraction above \$50,000	\$9
Valuation \$100,001 - \$250,000	\$1,247
For each additional \$1,000 or fraction above \$100,000	\$6
Valuation \$250,001 - \$500,000	\$1,913
For each additional \$1,000 or fraction above \$250,000	\$6
Valuation \$500,001 and over	\$2,908
For each additional \$1,000 or fraction above \$500,000	\$5
Plan Check Fee	1.5 x County Fee
Miscellaneous Charges for Current Services	
CEQA – Categorical Exemption	\$362
CEQA – Mitigated Negative Declaration (by staff)	\$648
CEQA – Mitigated Negative Declaration	Cost + 20%
CEQA – Mitigation Monitoring	Hourly/Cost + 20%
CEQA – Environmental Impact Report (EIR)	Cost + 20%
Appeal to Planning Commission	\$648
Appeal to City Council	\$648

Source: City of Avalon, 2011.



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On- and Off-Site Improvements

The City of Avalon is densely developed, with approximately 2,300 housing units and numerous businesses (hotels, restaurants, and retails) occupying only two square miles of land. The City's Zoning Ordinance has not established specific off-site improvement requirements. Only limited infill and redevelopment opportunities exist for individual property owners; on- and off-site improvements required would be limited as sidewalks, curbs and gutters, and water/sewer connections are most likely already in place. The major vacant and underutilized sites in the City of Avalon are almost all owned by the Company. In its Development Master Plan, the Company has identified specific on- and off-site requirements for each specific site. The Company will be responsible for making such improvements.

Building Codes and Enforcement

In addition to land use controls, local building codes also affect the cost of housing. The City currently implements the 2010 California Building Codes, which are based on the International Building Codes. The California Building Codes establish standards and requires inspections at various stages of construction to ensure code compliance and minimum health and safety standards. Although these standards may increase housing production costs, these standards are mandated by the State of California and are intended to provide structurally sound, safe, and energy-efficient housing. No local amendments were made to the 2010 Building Codes.

Local Permits and Processing Times

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: completeness of the development application submittal; responsiveness of developers to staff comments and requests for information; and projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendment, or are subject to a public hearing before the Planning Commission or City Council.

Certainty and consistency in permit processing procedures and reasonable processing times is important to ensure that the development review/approval process does not discourage developers of housing or add excessive costs (including carrying costs on property) that would make the project economically infeasible. The City is committed to maintaining comparatively short processing times. The City's development permit requirements are summarized in Table C-35.



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Table C-35: Development Permit Requirements

Type of Permit	Housing Types		
	Single-Family Residence	Condominium Project	Apartments
Site Plan Review	Staff and Planning Commission review for conformance with Zoning Ordinance	Staff and Planning Commission review for conformance with Zoning Ordinance	Staff and Planning Commission review for conformance with Zoning Ordinance
Discretionary Permits	For single-family homes and apartments, CUP required only when project is located in commercial zones. A conditional use permit is required for all condominiums with standard public hearing. If variances are required, Planning Commission reviews and approves typically within one month.		
Coastal Development Permit	The entire City is within the coastal zone. The Planning Commission reviews development plans in public hearing. City has authority to issue Coastal Development Permit and typically can do so in 2 to 3 months. Decisions are appealable to City Council and Coastal Commission.		
Environmental Reviews	Typically, categorically exempt.	Environmental review is more extensive for these types of projects, typically requiring a Mitigated Negative Declaration or EIR, particularly if water is an issue. If project does not require extensive environmental review, project can be approved between one and three months.	
Timeframe	Concurrent Review 1 month	Concurrent review: 2-3 months	Concurrent Review 1-2 months

Source: City of Avalon, 2011.

Site Plan Review: The purpose of a site plan review is to determine and control the physical layout, design or use of a lot or parcel of land, buildings or structures. Site plans are reviewed by City staff for conformance with the Zoning Ordinance and require a hearing before the Planning Commission. The following characteristics are taken into account when considering site plan approval:

- Every use, development of land and application of development standards shall take place in compliance with all applicable provisions of this title.
- Every use, development of land and application of development standards shall be considered on the basis of the suitability of the site for the particular use or development in-tended, and the total development, including the application of prescribed development standards, shall be so arranged as to avoid traffic congestion, insure the protection of public health, safety and general welfare, prevent adverse effects on neighboring property and shall be in general accord with all elements of the General Plan.
- Every use, development of land, application of development standards shall be considered on the basis of suitable and functional development design, but is not intended that such approval be interpreted to require a particular style or type of architecture.



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These considerations are primarily related to site layout issues. City staff works with the application to address City concerns. Any decision made by the Planning Commission can be appealed before the City Council.

Conditional Use Permit: Certain residential uses require the approval of a Conditional Use Permit (CUP). The purpose of the CUP is to ensure that a particular use will not jeopardize, adversely affect, endanger or otherwise constitute a menace to the public health, safety or general welfare, or be materially detrimental to the property of other persons located in the vicinity of such use. Applications for a CUP require a public hearing before the Planning Commission. Residents must be notified of the public hearing at least 10 days prior to the date of the hearing. Approval of a CUP is based on the following findings:

- The proposed conditional use shall conform with and carry out the certified Land Use Plan for the area.
- The nature, condition, and development of adjacent uses, buildings and structures shall be considered and no proposed conditional use shall be permitted where such use will adversely affect or be materially detrimental to said adjacent uses, buildings and structures.
- The site for a proposed conditional use shall be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this chapter or as required as a condition in order to integrate said use with the uses in the neighborhood.
- The site for a proposed conditional use shall be served by highways and streets adequate in width and improved as necessary to carry the kind and quantity of traffic such use would generate.
- The proposed conditional use shall be consistent with and carry out the purpose and intent of the underlying zone.

In recommending the approval of a CUP, the Planning Commission can also impose a variety of conditions that are deemed necessary to protect the public health, safety, and general welfare. Such conditions may include:

- Special yards, open spaces and buffer areas.
- Fences and walls.
- Parking facilities, including vehicular ingress and egress and the surfacing of parking area and driveways to specified standards.
- Street and highway dedications and improvements including sidewalks, curbs and gutters.
- Water supply and fire protection.
- Landscaping and maintenance of ground.



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- Regulation of nuisance factors such as noise, vibrations, smoke, dust, dirt, odors, gases, noxious matter, heat, glare, electromagnetic disturbances and radiation.
- Regulation of operating hours for activities affecting normal neighborhood schedules and functions.
- Regulation of signs, including outdoor advertising.
- A specified validation period limiting the time in which development may begin.
- Provisions for a bond or other surety that the proposed conditional use will be removed on or before a specified date.
- A detailed site plan.
- Such other conditions as will make possible the development of the proposed conditional use in an orderly and efficient manner and in general accord with all elements of the General Plan and the intent and purpose of this chapter.

Conditions for approval primarily relate to consistency with the General Plan and the underlying zoning requirements. These requirements are objective and primarily performance based. Decisions made by the Planning Commission on an application for a CUP can be appealed before the City Council.

Coastal Development Permit: Coastal Development Procedures are established to in-sure that all public and private development in the City of Avalon is consistent with the City's certified Local Coastal Program. Coastal development permits are required for any development on tidelands or submerged lands, or public trust lands which require a permit from the Coastal Commission. The issuance of a coastal development permit requires a public hearing.

Avalon has obtained authority from the Coastal Commission to locally issue Coastal Development Permits for most areas within the City, significantly reducing the time associated with multiple hearings before the Coastal Commission. As a result, residential projects typically can receive all the necessary approvals within three months. However, as part of the General Plan update, the City will be amending its Local Coastal Program and obtain authority for issuing Coastal Development Permits for the annexed Pebbly Beach area.

State Tax Policies and Regulations

Proposition 13: Proposition 13 is a voter initiative that limits increases in property taxes except when there is a transfer of ownership. This initiative may have increased the cost of housing by forcing local governments to pass on more of the costs of housing development to new homeowners.

Federal and State Environmental Protection Regulations: Federal and State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, use permits, etc.). Costs, resulting from fees charged by local government and private consultants needed to complete the environmental analysis and from delays caused by the mandated public review periods, are also added to the cost of housing and passed on to the consumer. However, the presence of these regulations helps preserve the environment and ensure environmental quality for Avalon residents.



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Environmental and Infrastructure Constraints

As a coastal community, Avalon has a variety of environmental and infrastructure issues which affect the feasibility of developing new housing. These include natural features off the community’s landscape as well as the capacity to provide water and wastewater treatment. The following describes the most pertinent constraints to housing development.

Environmental Constraints

As an island community comprised primarily of hilly areas, Avalon is subject to variety of environmental constraints. Geologic hazards such as the potential of flooding, earthquakes, and landslides in the hilly areas warrant attention to sensitive design and construction standards, adding to the costs of construction. Furthermore, approximately 40 percent of the Canyon floor is subject to flooding in the event of a “100-year” storm.

The quality of life offered by Avalon is the primary attraction to many residents. However, the compactness of this tiny community also amplifies the air, water, and noise impacts associated with increased population. An excessive population of vehicles has caused congestion on the City’s narrow streets, and noise and air pollution.

Viewsheds, coastline access, open space, and unique recreational opportunities are among Avalon’s special natural attributes. Development must respect these resources and seek to preserve the environmental quality of this community. Building masses and height limits must ensure that these qualities are preserved and equal access to these amenities is afforded.



Wastewater Treatment

Avalon’s sewer and storm water facilities capacities are temporarily interrelated when initial flows of storm water are diverted to the sewer system and Avalon Wastewater Treatment Facility (AWTF). Treating storm water at AWTF maintains Avalon Harbor water quality during storm events. Low-flow storm water system operations divert 9,600 gallons of initial storm water to AWTF during a storm event. The Low-flow system has up to 230,400 gallons per day of diversion capacity.

The sewer system’s actual engineered capacity and current capacity utilization is not known; however, basic estimates indicate the main 12-inch sewer line at Crescent Avenue and flowing to AWTF maybe approaching capacity. Avalon does not have a sewer master plan. The City has and is making continual repairs and improvements to the sewer system to correspond to the capacity of the AWTF. When opportunities exist, such as the recent upgrade of the Catherine Lift Station, facilities are designed to provide contingent capacity and potentially address anticipated storm water and future development capacity requirements. Remaining capacity of the sewer and storm water systems, absent master plans, are analyzed during the development

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review and approval process to assure new development provides acceptable sewer and storm water solutions.

Water Availability

Water Resources: Water availability is perhaps the most critical issue limiting residential and commercial development. Fresh water for drinking is supplied by Southern California Edison and saltwater is used for sanitary purposes and fire protection. Avalon has a limited alluvial groundwater supply and thus obtains most of its present needs through local reservoirs.

Catalina Island and Avalon have a safe yield allocation of 600 acre-feet per year (af/yr) of fresh water from two sources. The primary source is groundwater that is pumped and stored in reservoirs for distribution. The secondary source is desalinization of saltwater, and is primarily used for water allocations for new development. Groundwater resources are less expensive but are limited to 515 af/yr to maintain the resource. Desalination's current safe yield allocation is 85 af/yr, but can be expanded by an additional 139 af/yr to a total of 224 af/yr if approved for allocation. However, desalination is expensive.

Avalon's current average yearly freshwater demand is 477 af/yr. Avalon and the balance of Catalina Island have a current average yearly freshwater demand of 505 af/yr. The 505 af/yr of current demand is nearly equivalent to the 515 af/yr of annual safe-yield groundwater resources, and 95 af/yr less than current freshwater allocation capacity. The 95 af/yr of excess freshwater allocation is approximately 19 percent of current demand. When full, groundwater storage capacity equals approximately two years of current demand, to cover extended droughts or temporary disruptions to groundwater resources.

In assessing the availability of water for future development, a potential increase of 565 permanent dwellings/rooms and 352 visitor dwellings/rooms was assumed. This level of potential development would result in a significant potential increase in freshwater demand of an estimated 234 - 241 af/yr, or a 39 to 42 percent increase of the current freshwater allocation capacity. If approved as safe-yield allocation capacity, the potential operational capacity of the current desalination facility could supply up to 138 af/yr of additional freshwater. However, there would still be a shortfall of 95-112 af/yr of freshwater demand from potential future development and day-visitor growth that would require creation of new additional freshwater supply to add to the safe-yield allocation capacity.

The significant demand for additional freshwater from desalination could potentially provide improved cost structure for desalination. However, desalination requires energy and current energy costs in Avalon are high, and additional desalination capacity may require additional storage capacity. The feasibility of additional freshwater conservation approaches could be explored such as reclaimed water capacity to provide water suitable for landscaping or groundwater aquifer enhancement, or composting toilets in areas not served by saltwater, etc.

Water Rationing and Impact on Development: Because water is such a limited resource on Catalina Island, the Southern California Edison has fresh water allocation policies which govern



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the issuance of new water permits and water rationing in periods of drought. The Islands Freshwater Rationing Plan provides a four-phase water rationing plan, triggered by usable surface water in the Middle Ranch Reservoir. Rationing commences when the Reservoir has less than 600 acre feet of water supplies. In addition, residential developments requiring more than 10 acre feet annually of water are also required to develop their own fresh water resource plan.

In October 2003, the desalinization plant began operation. This new facility supplies water for sanitary purposes, releasing water capacity for potable use and reducing the potential frequency for the need to evoke the water rationing plan. Given the limited water supply, developers must receive water allocations from the Southern California Edison (SCE) prior to receiving City approval of new development. Recognizing the importance of affordable housing, SCE reserves water supply allocation for low and moderate income housing. In January 2011, SCE lifted Phase 1 water rationing that had been in effect since December 2007. As of February 2011, the Middle Ranch Reservoir was at 1,018 acre feet and the water level was one foot below the spillway.

Table C-36: Catalina Island Water Rationing Plan

Phase	Middle Reservoir Trigger	Water Use Restrictions*	Restrictions on New Development
Phase 1	600 acre feet	Outdoor watering, vehicle washing, sidewalk and driveway washing prohibited for Phase 1-4	Allocations assigned prior to Phase Implementation are honored. However, no new allocations are assigned, unless applicant develops an equivalent fresh water resource.
Phase 2	300 acre feet	Water use limited to 75% of base conservation amount. Housing: 60 gpd/person; 40 gpd/person if using salt water	Allocations assigned prior to Phase Implementation are <i>not</i> honored. No new allocations assigned, unless applicant develops an equivalent fresh water resource.
Phase 3	200 acre feet	Water use limited to 50% of base conservation amount. Housing: 40 gpd/person; 30 gpd/person if using salt water	Allocations assigned prior to Phase Implementation are <i>not</i> honored. No new allocations assigned, unless applicant develops an equivalent fresh water resource.
Phase 4	50 acre feet	Water use limited to 25% of base conservation amount. Housing: 35 gpd/person; 25 gpd/person if using salt water	Allocations assigned prior to Phase Implementation are <i>not</i> honored. No new allocations assigned, unless applicant develops an equivalent fresh water resource.

Source: Southern California Edison, 2011

* General rules listed, although specific expectations and qualifications apply



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C.5 HOUSING RESOURCES

The extent of housing needs in a community often exceeds the resources available. The City of Avalon must pull together limited resources and use them efficiently in order to address the current and projected housing needs of its residents. This section analyses the resources available for the development, rehabilitation, and preservation of housing in Avalon. This analysis includes an evaluation of the availability of land resources for future housing development, the City's ability to satisfy its share of the region's future housing needs, the financial resources available to support housing activities, and the administrative resources available to assist in implementing the City's housing programs and policies.

Future Housing Needs

Future housing need refers to the share of the regional housing need that has been allocated to the City. The State Department of Housing and Community Development (HCD) supplies a regional housing goal number to the Southern California Association of Governments (SCAG). SCAG is then mandated to allocate the housing goal to city and county jurisdictions in the region. In allocating the region's future housing needs to jurisdictions, SCAG is required to take the following factors into consideration pursuant to Section 65584 of the State Government Code:

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;
- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.

The RHNA allocates to each city and county a "fair share" of the region's projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the Southern California region, so that every community provides an opportunity for a mix of housing affordable to all economic segments. The housing allocation targets are not building requirements, but goals for each community to accommodate through appropriate planning policies and land use regulations. Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period and that market forces are not inhibited in addressing the housing needs of all economic segments of a community.

Regional Housing Needs Allocations

This Technical Appendix covers two Housing Element planning periods: 2008-2013 and 2013-2021. For the 2008-2013 Housing Element planning period, the SCAG Regional Council adopted



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its Regional Housing Needs Allocation (RHNA) in July 2007. This RHNA covers an 8.5-year planning period and addresses housing issues that are related to future growth in the region. Avalon’s share of regional future housing needs for 2008-2013 is a total of 148 new units for the January 1, 2006 to December 31, 2013 period. For the 2013-2021 Housing Element, SCAG’s Draft RHNA for Avalon is 80 units for the January 1, 2014 through October 31, 2021. These RHNA allocations are distributed into various income categories, as shown below in Table C-37.

Table C-37: RHNA for 2008-2013 and 2013-2021 Housing Elements

Income Category (% of County AMI)	2008-2013 Housing Element		2013-2021 Housing Element	
	Number of Units	Percent	Number of Units	Percent
Extremely Low (30% or less)	16	10.8%	8	10.0%
Very Low (31 to 50%) ¹	21	14.2%	12	15.0%
Low (51 to 80%)	22	14.9%	12	15.0%
Moderate (81% to 120%)	25	16.9%	14	17.5%
Above Moderate (Over 120%)	64	43.2%	34	42.5%
Total	148	100.0%	80	100.0%

Notes:

- Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low income households (0-30% AMI). In estimating the number of extremely low income households, a jurisdiction can use 50% of the very low income allocation or apportion the very low income figure based on Census data. As shown in Table C-12, extremely low income households constitute 41.7% of the very low income group. Therefore, the City’s RHNA of very low income units can be split between 41.7% extremely low and 58.3% very low income units.*
- Total numbers may not add up due to rounding; however, the number of housing units required at each income level is fixed.*

Source: SCAG, 2008-2013 RHNA (2008) and 2014-2021 RHNA (2011)

Progress toward 2008-2013 RHNA

The 2008-2013 RHNA uses January 1, 2006 as the baseline for growth. Jurisdictions may count toward the RHNA any new units built or issued certificates of occupancy since January 1, 2006. Since January 2006, 26 housing units have been constructed at Bird Park Canyon. Of these 26 units, ten are inclusionary affordable units available for purchase, with two units set aside for low income households and eight units set aside for moderate or middle income households. The remaining 16 units (four one-bedroom units, six two-bedroom units, and six three-bedroom units) were purchased by the Company to be used as employee housing. According to the following rent information provided by the Company, these units are available to employees at moderate income level:

- One-Bedroom: \$1,250 - \$1,300
- Two-Bedroom: \$1,600 - \$1,750
- Three-Bedroom: \$1,800 - \$2,000

As previously shown in Table C-28 (Housing Affordability Matrix), these rent levels are affordable to moderate income households (adjusted for household size based on unit size).



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Furthermore, the employee-tenants are given a \$200 reduction in monthly rent if they use electric instead of gas-powered golf carts.

After taking into account the units already completed, the City has a remaining RHNA of 122 units, including 37 extremely low/very low income units, 20 low income units, 1 moderate income units, and 64 above moderate income units (Table C-38).

Table C-38: Credits toward the 2008-2013 RHNA

	Extremely Low/ Very Low 0-50% AMI	Low 51-80% AMI	Moderate 81-120% AMI	Above Moderate > 120% AMI	Total
Constructed					
Bird Park Inclusionary Housing	0	2	8	0	10
Bird Park Company Employee Housing	0	0	16	0	16
Total	0	2	24	0	26
RHNA	37	22	25	64	148
Remaining 2008-2013 RHNA	37	20	1	64	122

Availability of Sites for Housing

This section describes the sites available for housing and Figure C-4 illustrates the location of the sites identified.

Company-Owned Properties

The Company is the primary land owner in Avalon. As part of this Housing Element update, the Company was consulted regarding development potential in the City. All sites identified below are all considered near-term projects by the Company.

Bird Park Canyon: The Bird Park Canyon site (zoned Low Density Residential) is an approximately 10.8-acre area located west of Avalon Canyon Road. The Canyon is long and narrow with only 10 percent of the site has slopes less than 10 percent (six acres). The Canyon hillsides are generally 30 to 50 percent slope. The original Bird Park facility on this site was extensive but today, only a few structures remain. The Company has plan to put some housing on portions of this site, but the Bird Park gateway buildings, aviary, small cage, and winter house would be retained.



The Company estimates that a total of 114 housing units can be accommodated on this site (including the 24-unit Bird Park Apartments and the recently completed 26 units at Bird Park Canyon). Specifically, in 2002, the Bird Park Apartments, consisting of 24 two-, three- and four-bedroom units for very low income families, was completed. In 2011, 26 additional units have

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been completed at Bird Park Canyon, including 10 inclusionary affordable housing units (two low income and eight moderate/middle income units) and 16 Company employee housing units at moderate income level. Therefore, the remaining Bird Park Canyon site has a capacity for an additional 64 family units, according to the Company's Development Master Plan.

Tremont Street: The Tremont Street area is currently developed with the 62-unit New Tremont Apartments, the 37-unit Old Tremont Apartments, four duplex units, two triplex units, and two four-plex bachelor units. The Company has a plan to put additional low and moderate income employee housing on the currently vacant portions of the site. The Company estimates up to 165 units (96 one-bedroom and 69 two-bedroom units) can be accommodated at 40 units per acre.



Tremont Street Apartments and Tremont Villas

Another piece of property owned by the Company at the Tremont location adjacent to the Tremont Apartments is approximately 4.87 acres and largely undeveloped (located between Tremont Street and Country Club Drive). As part of the General Plan update, this property will be redesignated as High Density Residential at 40 units per acre.

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Area Between Tremont Street and Country Club Drive

Atwater Block (Parker Court): Atwater Block is adjacent to the City core Island Plaza Block. Currently, Atwater Block is developed with a variety of residential units, commercial uses, and surface parking. Specifically, the Company owns the 27-unit Westbrook Apartments for seasonal employees. Westbrook Apartments consists of 26 studio/single-room occupancy units and one two-bedroom unit in single-story structures on four parcels totaling 5,750 square feet. Parker Court is a dirt parking lot of approximately 15,000 square feet behind Westbrook Apartments. One option is to construct housing units above a new parking structure; another option is to relocate parking to other areas of the City. This site will support 20 units plus ten density bonus units based on City policy for a total of 30 units. Therefore a net three units would result on this property.

Country Club Canyon: This approximately 14-acre site is located north and adjacent to County Club Road and is also bordered by East Whittley Avenue, Las Lomas Avenue and Camino Del



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Monte. The site is currently undeveloped. The site is zone Low Density and will support up to 140 units. The City anticipates 50 units to be feasible within the time frames of this Housing Element.

Non-Company Properties

Metropole: This site is located next to the old City Hall. This hilly site of approximately 7400 sq. ft. is currently vacant. The site is designated for Commercial (C) under the existing General Plan and Special Commercial (SC) under the proposed General Plan. Under the C designation, a mixed use development is required to accommodate residential units. However, the proposed SC designation allows for stand-alone residential use. This site can accommodate approximately ten units (with density bonus units) at a maximum density of 40 units per acre.



Metropole Site

E. Whittley: This 5500-square foot site is located on E. Whittley, the nearest cross street is Whittley. The site currently has a four-unit apartment building and a single-family cottage. The site is zoned High Density and will support up to 10 units (a net increase of five units).

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Table C-39: Development Potential on Properties Owned by the Company

Site	APN	Acres	Existing GP/Zoning			Proposed GP/Zoning		
			GP/ Zoning	Maximum Density	Potential Units	GP/ Zoning	Maximum Density	Potential Units
Company Properties								
Bird Park Canyon ¹	7480001026	10.82	LD-R	10 du/ac	64	LD-R	10 du/ac	64
Tremont Street ²	7480002072 7480002075	1.52 0.37	L/M	40 du/ac	165	HD-R-CH	40 du/ac	165
Tremont Street (between Country Club Drive) ³	7480029016	4.87	LD	10 du/ac	39	HDR	40 du/ac	156
Parker Court/Westbrook ⁴	7480017019 7480017020 7480017021 7480017022 7480017025	0.04 0.03 0.03 0.03 0.35	C	40 du/ac	3	C	40 du/ac	3
Country Club Canyon ²	7480001026	14.00	LD	10 du/ac	50	LD	10 du/ac	50
Subtotal		32.06			321			438
Non-Company Properties								
Metropole	7480030025	0.15	C	40 du/ac	10	SC	40 du/ac	10
E. Whittley	7480018008	0.13	HD	40 du/ac	5	HD	40 du/ac	5
Subtotal		0.28			15			15
Total		32.34			336			453

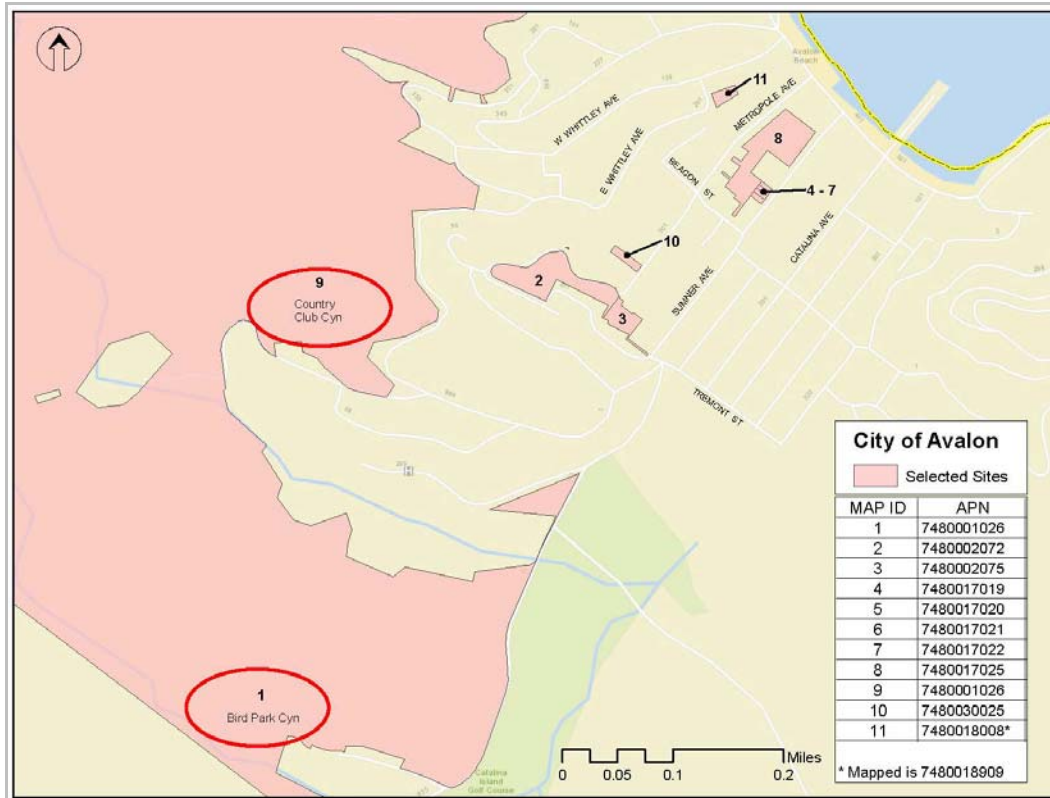
Notes:

1. The Bird Park Canyon parcel is over 300 acres in size but only a small portion of that will be used for housing. The capacity at this parcel is based on the Company's Development Master Plan.
2. Capacities at these properties are based on the Company's Development Master Plan.
3. Capacity estimated based on 80% of maximum allowable density
4. Capacity at Parker Court/Westbrook is based on the Company's Development Master Plan, minus the existing 27 units on site.



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Figure C-4: Selected Sites



Adequacy of Sites for Meeting RHNA's

State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction's share of the regional growth. The City is committed to identifying sites at appropriate densities as required by law. The State, through AB 2348, has established "default" density standards for local jurisdictions. State law assumes that a density standard of 20 units per acre for suburban jurisdictions, such as Avalon, is adequate to facilitate the production of housing affordable to lower income households. However, Avalon is unique in that much of the developable land is owned by the Company. Therefore, in estimating future residential development potential, the Company is consulted and realistic capacity based on the Company's master development plan is included in the Housing Element.

Under the existing and proposed General Plan, Zoning, and the Company Development Master Plan, the City has adequate sites that are designated at appropriate densities to accommodate the remaining 2008-2013 RHNA of 122 units and the new 2014-2021 RHNA of 80 units (Table C-40). The Updated General Plan was adopted in the Summer of 2013, increasing the capacity for residential development.

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Table C-40: Sites Inventory Compared with RHNA

Site	Existing GP/Zoning				Updated GP/Zoning			
	Extremely Low/ Very Low	Low	Moderate	Above Moderate	Extremely Low/ Very Low	Low	Moderate	Above Moderate
Bird Park Canyon	0		0	64	0		0	64
Tremont Street	165		0	0	165		0	0
Tremont Street (between Country Club Drive)	0		0	39	156		0	0
Parker Court/Westbrook ¹	3		0	0	3		0	0
Metropole	10		0	0	10		0	0
E. Whittley	5		0	0	5		0	0
Country Club Canyon	0		50	0	0		50	0
Total	183		50	103	339		50	64
Remaining 2008-2013 RHNA	37	20	1	64	37	20	1	64
Surplus (Shortfall)	126		49	39	282		49	0
2014-2021 RHNA	20	12	14	34	20	12	14	34
Surplus (Shortfall)	151		36	69	307		36	30

Note 1: Represents net capacity

Availability of Wastewater Treatment and Water Supply

The City continues to make improvements to its wastewater treatment facilities and through the development review process, will ensure adequate treatment facilities are available to serve the new development.

Water supply is an ongoing issue in Avalon. Based on a potential increase of 565 permanent dwellings/rooms and 352 visitor dwellings/rooms, the City estimate its water demand would exceed its current capacity by 39 to 42 percent. The City has a remaining RHNA of 122 units for the 2008-2013 planning period and a new RHNA of only 80 units for the 2014-2021 RHNA planning period. These two RHNA allocations are not cumulative. Given the current economic condition, no significant residential development is expected to occur in the near future. As the 2008-2013 RHNA will expire on December 31, 2013, at the most the City is expected to accommodate 80 units through October 31, 2021. This level of residential development represents only 14 percent of the projected growth used to assess water supply and demand issues, and below the City's current capacity. Therefore, adequate water should be available to accommodate the City's RHNA during the two Housing Element cycles.



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Financial Resources

Housing Trust Fund

In 2004, the City Council approved the creation of a Housing Trust Fund reserved for the production of affordable housing. Funding for the Housing Trust Fund comes from a number of sources. Since 2004, the City Council has instituted a five percent Transient Occupancy Tax (TOT) for affordable housing, which was deposited into the Housing Trust Fund. Locally generated funding such as the TOT is not subject to the same State or federal income limits, and therefore may be used more flexibly to address community housing needs. The City also provides an in-lieu fee option for its inclusionary housing program. These fees also get deposited into the Housing Trust Fund.

As of June 30, 2011, however, the Housing Trust Fund has a zero balance. This fund was funded in the past by diverting a portion of the TOT. The fund was not funded in the 2010-2011 or the 2011-2012 budget.

Redevelopment Set-Aside Funds

Pursuant to AB1X26 and a subsequent California Superior Court decision on December 29, 2011, the Avalon Community Improvement Agency (ACIA) was dissolved as of February 1, 2012. The City has access to approximately \$4 million of its housing set-aside funds. The City of Avalon has established the Avalon Housing Authority as the Successor Agency to the former ACIA.

Proposition 1C Funds

Proposition 1C is a \$2.85 billion housing bond passed by California voters in November 2006 as part of the Governor's Strategic Growth Plan to provide housing and infrastructure investment. Programs funded with Proposition 1C funds include: 1) Multi-Family Housing; 2) Supportive Housing; 3) Downpayment Assistance (through CalHFA); 4) CalHome; 5) Building Equity & Growth in Neighborhoods (BEGIN); 6) Self-Help Construction Management; 7) Farmworker Housing; 8) Migrant Farmworker Housing; 9) Emergency Housing Assistance; 10) Transit-Oriented Development Implementation Program; 11) Infill Incentives Grant; 12) Affordable Housing Innovation Fund; and 13) Housing-Related Parks. Today, most of these funds have exhausted. However, some funding remains and the State Department of Housing and Community Development (HCD) periodically releases Notice of Funding Availability (NOFA) to invite applications for funding from local jurisdictions and housing developers/providers.

Housing Choice Voucher Assistance (Section 8)

The Housing Choice Voucher Program (formerly known as Section 8) is a federal program that provides rental assistance to very low income persons in need of affordable housing. The Housing Choice Voucher Program (HCVP) offers a voucher that pays the difference between the payment standard and what a tenant can afford to pay (e.g., 30 percent of their income). The voucher allows a tenant to choose housing that may cost above the payment standard, with the tenant paying the extra cost.



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Administrative Resources

The following agencies and organizations can assist the City of Avalon in implementing the housing programs and activities contained in this Housing Element, including preserving affordable units that are at risk of converting to market-rate housing.

Avalon Planning and Building Department

The Planning and Building Department facilitates the orderly physical and economic development of the City consistent with adopted General Plan policies, including the Housing Element policies. The Department accomplishes this by administering advance planning, current planning, building permitting, and building inspection programs in compliance with local, state, and federal requirements. The Building Division provides reasonable controls for construction and occupancy of buildings and structures throughout the City through the enforcement of all building-related municipal ordinances.

Non-Profit Housing Developers

Due to the high cost of housing development, many communities have found that partnerships with non-profit housing developers are an effective tool for creating affordable housing units. In Avalon, several affordable housing developments have been made possible through close coordination and partnership with non-profit housing developers. Nonprofits active in Southern California include Bridge Housing, Jamboree Housing, and TELACU.

Opportunities for Energy Conservation

Energy-related housing costs can directly impact the affordability of housing. While state building code standards contain mandatory energy efficiency requirements for new development, the City and utility providers are also important resources to encourage and facilitate energy conservation and to help residents minimize energy-related expenses.

City Programs and Initiatives

Title 24 Compliance: The Warren-Alquist Act requires that all new buildings in California meet the energy efficiency standards contained in Title 24, Part 6 of the California Code of Regulations. All new residential construction must comply with the standards in effect on the date a building permit application is made (not when the building permit is issued). The California Energy Commission adopted new standards as mandated by the California Energy and Reliability Act of 2000, which were incorporated into model building codes adopted by each local agency.

Avalon enforces Title 24 as the primary means for ensuring that new residential construction incorporates the latest in energy efficient technologies. Under Title 24, developers can comply with such regulations by either: 1) adopting a prescriptive package whereby each component of the proposed building must meet a prescribed minimum energy requirement; or 2) adopting a performance method which evaluates the building as a whole, rather than individual



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components, to determine whether energy conservation targets are achievable. In addition, both approaches require certain mandatory energy conservation technologies.

Solar Community Initiative: Officially adopted by the City Council in 2003, Catalina's Vision 2020 Plan was created to outline a vision of what the City and its residents hoped their community would look like in the year 2020. This Vision Plan includes an exceptionally ambitious solar community initiative.

Other Initiatives: In addition to the solar initiative, the Vision 2020 Plan also seeks to recycle landfill waste as ethanol, reduce traffic, convert to zero-emission electric vehicles, create an energy efficient desalination plant for the island's water supply to help recycle liquid waste into irrigation water and process solid waste in the sewage system into hydrogen and other fuels using bacterial fuel cells.

Utility Providers Programs

Southern California Edison participates in the California Alternate Rates for Energy (CARE) program, which offers income-qualified customers a discount of 20 percent or more on their monthly electric bill. The Residential Multifamily Energy Efficiency Rebate Program offers property owners and managers incentives on a broad list of energy efficiency improvements in lighting, HVAC, insulation, and window categories. These improvements are to be used to retrofit existing multi-family properties of two or more units. Edison also operates the Energy Management Assistance (EMA) program, which helps income-qualified households conserve energy and reduce their electricity costs. Southern California Edison pays all the costs of purchasing and installing energy-efficient appliances and equipment, which are free to eligible customers. Services include weatherization, energy efficient lighting and cooling, and refrigerator replacement. And, finally, Edison has an Energy Assistance Fund (EAF), also known as the Rate Relief Assistance Program, in place designed to help low-income customers pay their electric bills. A maximum of \$150 is available to income-qualified customers once every 12-month period.

Additionally, the Southern California Gas Company offers various rebate programs for energy-efficient appliances to its customers. The Comprehensive Mobile Home Program provides qualifying mobile home customers with no-cost energy conservation evaluations, installations of low-flow showerheads and faucet aerators, and gas energy efficiency improvements, such as duct test and seal of HVAC systems. The Designed for Comfort program provides energy efficiency design assistance, training, and incentives for housing authorities, owners of multi-family affordable and supportive housing projects (which offer homes to persons with special needs).



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C.6 REVIEW OF PAST ACCOMPLISHMENTS

State law (California Government Code Section 65588(a)) requires each jurisdiction to review its housing element as frequently as appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal;
- The effectiveness of the housing element in attainment of the community’s housing goals and objectives; and
- The progress in implementation of the housing element.

The evaluation provides valuable information on the extent to which programs have been successful in achieving stated objectives and addressing local needs, and to which these programs continue to be relevant to addressing current and future housing needs in Avalon. The evaluation provides the basis for recommending modifications to policies and programs and the establishment of new objectives in the 2008-2013 Housing Element.

This section summarizes the City’s accomplishments in implementing the 2000 Housing Element and housing programs set forth the 2008-2013 planning period. A program-by-program review and a summary of quantifiable accomplishments for each planning period are included in Table C-41 through Table C-44 on the following pages.



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Table C-41: Evaluation of Housing Program Achievements (2000-2008 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
Provision of Adequate Sites			
1	General Plan Land Use Designations and Zoning Ordinance	Allow for higher density residential uses in the Pebbly Beach area as part of the Local Coastal Plan update. Monitor and guide the development of remaining vacant sites to ensure adequate land is reserved for addressing the housing needs of the community.	<p>The City has continued to monitor and guide the development of remaining vacant sites in the City.</p> <p>The 2008-2013 Housing Element is prepared as part of a comprehensive update to the General Plan. The City will ensure adequate sites are available for its RHNA.</p> <p>As part of the General Plan update, the City will update the Local Coastal Program to include Pebbly Beach. However, that area is designated for Public and Infrastructure use under the proposed General Plan.</p>
2	Emergency Shelters and Transitional Housing	Amend the Avalon Zoning Ordinance to permit emergency shelters and transitional facilities in Public and Resort/Recreation zones, subject to the approval of a Conditional Use Permit. The conditions of approval shall not unduly constrain the permitting of such facilities.	The City has not yet amended its Zoning Ordinance to permit emergency shelters and transitional facilities. This program is modified and included in the 2008-2013 Housing Element to comply with SB 2 requirements.
Provision and Preservation of Affordable Housing			
3	First-Time Homebuyers Assistance	<p>Revise First-Time Homebuyer Assistance Program guidelines.</p> <p>Extend homebuyer assistance to middle income households (up to 150 percent MFI) using locally generated funding.</p> <p>Pursue additional funding sources such as CalHFA (California Housing Finance Agency).</p> <p>Allocate funding to support the First-Time Homebuyer Assistance Program.</p>	The City had four families received DPA in the first round of funding late 2010. The City has two moderate families going through the application process in the second round funding in 2011.



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Table C-41: Evaluation of Housing Program Achievements (2000-2008 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
4	Employee Homebuyer Assistance	Work with the Company to extend the Company program to lower and moderate income employees. Develop City program to assist public employees.	The Company purchased 16 newly constructed units at Bird Park for employee housing. While there was not any requirement from the City for affordability, the Company indicate that these units are being rented at moderate income level to its employees. The City has not undertaken any program for public employees.
5	Inclusionary Housing Program	Specify income distribution of inclusionary units based on project size and type. Extend benefits to middle income households (up to 150 percent MFI) for ownership units. Extend inclusionary housing requirement for hotel/motel/resort development to restaurant and retail uses. Develop an in-lieu fee option.	The City amended its Inclusionary Housing Program in October 2007 to: <ul style="list-style-type: none"> Specify that the income distribution of inclusionary units will be determined at the time a project is approved. Extend benefits of the inclusionary housing program to middle income households. Extend the inclusionary housing requirement to all new commercial development, not just hotel/motel/ resort development. Include an in-lieu fee option, for projects where the required inclusionary units total less than five, to be paid to the City for the Housing Trust Fund. The in-lieu fee will be based on a formula that has yet to be developed. The City will continue to implement and monitor the Inclusionary Housing Program. This program is continued in the 2008-2013 Housing Element.
6	Density Bonus Program	Revise City density bonus program to ensure compliance with State law.	The City has not yet revised its density bonus program. This program is continued in the 2008-2013 Housing Element.
7	Housing Trust Fund	Develop guidelines for the long-term funding sources for and potential uses of the Housing Trust Fund.	The City currently institutes the collection of a five percent transient occupancy tax, which is dedicated to the Housing Trust Fund. Housing Trust Fund is discussed in the 2008-2013 Housing Element as a funding source.
8	Transient Rental Fee	Develop a fee for the Transient Rental CUP to contribute to the Housing Trust Fund.	The City currently institutes the collection of a five percent transient occupancy tax, which is dedicated to the Housing Trust Fund. Housing Trust Fund is discussed in the 2008-2013 Housing Element as a funding source.



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Table C-41: Evaluation of Housing Program Achievements (2000-2008 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
9	Temporary Summer Housing	Develop consortium to provide temporary housing for seasonal workers.	City is currently in discussions with the Company regarding development of seasonal housing. Number of units has not been determined. This program is included in the 2008-2013 Housing Element.
10	Housing Rehabilitation Program	Reinstate the Housing Rehabilitation Program. Aggressively pursue funding to support the reinstated program.	<p>The City reinstated the Housing Rehabilitation Program in January 2011. Since reinstatement of the program, the City has assisted two low and moderate income households.</p> <p>The City is funding the program with redevelopment housing funds and has not pursued outside funding sources.</p> <p>The City recognizes the importance of preserving its housing stock. This program is continued in the 2008-2013 Housing Element.</p>
11	State and Federal Affordable Housing Resources	Pursue State funds for new construction or rehabilitation of affordable housing, or assistance to first-time homebuyers.	<p>The City has not pursued outside funding during the last few years due to the economic conditions.</p> <p>The City will continue to pursue affordable housing funding. This program is included in the 2008-2013 Housing Element.</p>
12	Preservation of Affordable Housing At-Risk of Converting to Market-Rate	Monitor affordability covenants on publicly assisted, inclusionary, and density bonus units to ensure compliance with program restrictions; work with property owners to extend affordability controls when covenants are expiring by providing additional incentives.	No affordable housing project was at risk of converting to market rate housing during the prior Housing Element cycle. The City will continue to monitor the status of Tremont Apartments, which has a Section 8 contract that is due to expire in 2013. This program is continued in the 2008-2013 Housing Element.
Removal of Governmental Constraints			
13	Reduce Parking Requirement	Consider amending the Zoning Ordinance to require one golf cart parking space per residential unit instead of full-size parking space.	The Zoning Ordinance is unclear as to the size of parking requirements. The Planning Commission has historically required a parking variance for less than a full size space. The policy has changed to allow an autoette space on the small lots in the downtown area. As part of the City's Zoning Ordinance amendment to implement the updated General Plan, the City will clarify the parking requirements.



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Table C-41: Evaluation of Housing Program Achievements (2000-2008 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
Prevention of Housing Discrimination			
14	Fair Housing	Provide fair housing information via City website and public counters. Ensure multi-lingual materials are available to residents. Periodically publishes fair housing information on City local newspaper.	<p>The City has not yet published fair housing information on its website.</p> <p>Fair housing information, including bi-lingual information, has been made available at the City's public counters.</p> <p>The City will continue to work with the fair housing service providers to further fair housing choice. This program is included in the 2008-2013 Housing Element.</p>
15	Reasonable Accommodation	Establish reasonable accommodation procedures in Zoning Ordinance	The City has not yet established reasonable accommodation procedures. This program is continued in the 2008-2013 Housing Element.

Table C-42: Summary of Accomplishments (July 1, 2000 – June 30, 2008)

		Very Low	Low	Moderate	Above Moderate	Total
Units to be Constructed	Objectives:	37		15	6	58
	Actual:	24-unit Bird Park Apts. 13-unit Beacon Hill Senior Apts.	2 for-sale units at Bird Park	8 for-sale units at Bird Park 16 units of employee housing at Bird Park	6 units at Sumner Street	69
Units to be Rehabilitated	Objectives:	5	5	0	0	10
	Actual:	0		2	0	2
Units to be Conserved (At-Risk Housing)	Objectives:	86	41	0	0	127
	Actual:	86	41	0	0	127



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Table C-43: Evaluation of Housing Program Achievements (2008-2013 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
Maintain and Enhance the Quality of Residential Neighborhoods			
1	Housing Rehabilitation Program	Disseminate information via City website and newsletter to homeowners regarding rehabilitation standards and the Housing Rehabilitation Program.	The City is awaiting decision from the State regarding the amount of housing funds the City can reclaim from bond proceeds. This program remains appropriate for the 2013-2021 Housing Element.
		Provide housing rehabilitation assistance to lower and moderate income households, including extremely low income households.	
		Pursue additional funding from State and federal programs.	
2	Code Enforcement	Investigate possible code violations.	These are ongoing City services; these actions remain appropriate for the 2013-2021 Housing Element,
		Disseminate information on housing rehabilitation assistance available to address code violations and other housing issues.	
3	Preservation of At-Risk Units	Monitor status of all affordable housing units by maintaining contact with property owners and HUD Multi-Family Housing division.	No at-risk units have been converted to market-rate housing. The City will continue to monitor the status of its affordable housing inventory. This program remains appropriate for the 2013-2021 Housing Element.
		Work with property owners intending to opt out of the affordability covenants to ensure tenants receive adequate notice.	
		Pursue special Section 8 vouchers from HUD, which are reserved for very low income households displaced by the expiration of project-based Section 8 assistance.	



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Table C-43: Evaluation of Housing Program Achievements (2008-2013 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
Provide Increased Affordable Housing Opportunities for All Residents			
4	First-Time Homebuyer Assistance	Disseminate information to homeowners on the First-Time Homebuyers Assistance Program via City website and newsletter.	The City is awaiting decision from the State regarding the amount of housing funds the City can reclaim from bond proceeds. This program remains appropriate for the 2013-2021 Housing Element.
		Provide homeownership assistance to lower and moderate income households.	
		Pursue additional funding sources such as CalHFA (California Housing Finance Agency).	
5	Housing Trust Fund	Identify the appropriate sources of funds (such as inclusionary housing in-lieu fees and Transient Occupancy Tax) to replenish the Housing Trust Fund	Given the limited time for implementing this program, no progress can be reported. This is an ongoing program and is carried over to the 2013-2021 Housing Element.
		Identify eligible programs/activities to be funded.	
6	Temporary Summer Housing	Pursue seasonal employee housing with the Company and other resort, commercial, and retail business owners.	The City is currently in discussions with the Company regarding development of seasonal housing. Number of units has not been determined. This program is continued in the 2013-2021 Housing Element.
Provide for the Development of a Variety of Housing Types in Avalon			
7	Affordable Housing Development	Issue NOFAs to solicit housing developers with experience in projects receiving State and Federal funding.	Given the limited time for implementing this program, no progress can be reported. This is an ongoing program and is carried over to the 2013-2021 Housing Element.
		Provide information on incentives and funding available to facilitate affordable housing development. Prioritize funding allocation to affordable housing projects that include extremely low income units.	
		Evaluate the opportunity for pursuing affordable housing funds through the State Department of Housing and Community Development (e.g., Proposition 1C funds) and HUD.	
		Publicize City programs and assistance available on City website and monthly newsletter.	
8	Inclusionary Housing Program	Continue to implement the inclusionary housing ordinance and monitor its implementation.	No new construction has occurred in recent years. This is an ongoing program and is carried over to the 2013-2021 planning period.
9	General Plan Update	Redesignation of 4.87 acres between Tremont Street and Country Club Drive from from LD-R to HD-R	General Plan Update was adopted in the summer of 2013. The City will amend the Zoning Code to implement the new General Plan in 2014/2015.



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Table C-43: Evaluation of Housing Program Achievements (2008-2013 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
10	Adequate Sites Monitoring Program	Provide adequate sites for the City’s Regional Housing Needs Allocation (RHNA)	The City is able to provide adequate sites for its RHNA and through the General Plan update, additional capacity is added to the community. The City will continue to maintain an inventory of sites and work with the Company to ensure the RHNA allocations for this and upcoming Housing Element periods are accommodated. This program is carried over to the 2013-2021 Housing Element.
		Update a vacant and underutilized land inventory.	
		Make the land inventory available to interested developers.	
11	Density Bonus Program	Amend the Zoning Ordinance to be consistent with State Density Bonus law and to list specific incentives and regulatory concessions that will be offered by the City.	Given the limited time for implementing this program, no progress can be reported. The City anticipates amending the Zoning Ordinance to address density bonus provisions by June 2014.
		Market density bonus program to developers by providing information on density bonus, incentives, and regulatory concessions available to facilitate affordable housing development.	
Ensure that Government Actions, Policies, and Regulations Do Not Adversely Impact the Provision of Housing			
12	Extremely Low Income and Special Needs Housing	<i>Emergency Shelters:</i> The City will amend its Zoning Ordinance to permit homeless shelters by right, without discretionary review, within the Commercial and Special Commercial zones.	Given the limited time for implementing this program, no progress can be reported. The City anticipates amending the Zoning Ordinance to address density bonus provisions by June 2014.
		<i>Residential Care Facilities:</i> The City will amend its Zoning Ordinance to permit small residential care facilities serving six or fewer persons (including adult and senior residential facilities, as well as small family homes) in all residential zones. Large residential care facilities serving more than six persons will be conditionally permitted in the HD/flats, C, and SC zones.	
		<i>Transitional/Supportive Housing:</i> The City will amend its Zoning Ordinance to address the provision of transitional/supportive housing. Pursuant to State law, transitional/supportive housing meeting the State Health and Safety Code definitions (Section 50801(i) and Section 50675.14(a)(B)(2), respectively) should be considered regular housing and be permitted as a residential use and subject to the same permitting processes and requirements as other similar housing in the same zones.	



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Table C-43: Evaluation of Housing Program Achievements (2008-2013 Housing Element)

Action #	Program	Actions	Progress and Continued Appropriateness
		<p><i>Single Room Occupancy Units (SROs):</i> The City will amend its Zoning Ordinance to facilitate the provision of SROs, consistent with AB 2634 enacted in 2007. SROs will be permitted with a Conditional Use Permit (CUP) in the HD/flats-R-CH zone.</p> <p><i>Second Units:</i> The City will amend the Zoning Ordinance to address the provision of second units pursuant to State law.</p> <p>Monitor the implementation of the Zoning Ordinance regarding the provisions for special needs housing to ensure the effectiveness and appropriateness of City regulations.</p> <p>Pursue State and federal funding for housing for persons with special needs.</p>	
13	Clarifying Parking Requirement	Amend the Zoning Ordinance to clarify the parking requirements.	Given the limited time for implementing this program, no progress can be reported. The City anticipates amending the Zoning Ordinance to address density bonus provisions by June 2014.
Promote Equal Opportunity for All Residents			
14	Fair Housing	<p>Provide fair housing information via City website and public counters.</p> <p>Ensure multi-lingual materials from the fair housing service providers are available to residents.</p>	These are ongoing City services and are carried over to the 2013-2021 Housing Element.
15	Reasonable Accommodation	Amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests.	Given the limited time for implementing this program, no progress can be reported. The City anticipates amending the Zoning Ordinance to address density bonus provisions by June 2014.



C. HOUSING ELEMENT TECHNICAL APPENDIX

Table C-44: Summary of Accomplishments (July 1, 2008 – November 15, 2012)

		Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
Units to be Constructed	Objectives:	16	21	22	25	64	148
	Actual:	0	0	0	0	0	0
Units to be Rehabilitated	Objectives:	6	6	6	0	0	18
	Actual:	0	0	0	0	0	0
Units to be Conserved (At-Risk Housing)	Objectives:	25	25	0	0	0	50
	Actual:	25	25	0	0	0	0
Homebuyer Assistance	Objectives:	0	0	6	6	0	12
	Actual:	0	0	0	0	0	0



C. HOUSING ELEMENT TECHNICAL APPENDIX

C.7 PUBLIC PARTICIPATION

Agencies Invited

The following agencies were sent special notices of public meetings, inviting their participation to provide input on the Draft Housing Element:

Wayne G. Griffin, President
Catalina Chamber of Commerce
P.O. Box 217
Avalon, CA 90704

Barbara Shull
Fair Housing Foundation
3605 Long Beach Blvd., Suite 302
Long Beach, CA 90807

Catalina Island Real Estate, Inc.
P.O. Box 326
Avalon, CA 90704

Catalina Realtors, Inc.
119 Sumner Ave., Suite A
P.O. Box 2349
Avalon, CA 90704

Pastor Enrique Dominguez
Catalina Bible Church
P.O. Box 1544
Avalon, Ca 90704

Pastor Luis Sanchez
Catalina Bible Church
P.O. Box 1544
Avalon, Ca 90704

Pastor Ronald Eroen
Avalon Community Church
P.O. Box 98
Avalon, CA 90704

Pastor Scott Schmeckpeper
Avalon Community Church
P.O. Box 98



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Avalon, CA 90704

Santa Catalina Island Company
P.O. Box 737
Avalon, CA 90704

Comments Received

Few public comments were received on the Draft Housing Element. On August 1, 2012, three residents spoke on housing related issues:

1. The City's occupancy code should meet fire code to avoid overcrowding conditions.
2. Multi-family housing development should ensure adequate ingress/egress.
3. The City should not seek to reduce residential parking requirements.
4. The City should clarify its policy regarding shipping containers as permanent structures.
5. The City should clarify its policy on tree heights in relation to building heights.

The City clarified that the Housing Element does not propose to reduce the number of parking spaces required. The current Zoning Ordinance does not specify whether conventional versus autoette parking space should be provided. In practice, the City has been approving projects to provide autoette parking space in substitution of conventional parking space. The Housing Element calls for clarification in the Zoning Ordinance. Other issues raised by residents are primarily related to the implementation of zoning /development standards and do not warrant a change to the Draft Housing Element.

