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Executive Summary

Community Profile

From its beginnings as a resort community by the sea, Dana Point has always prided itself on its beach lifestyle, quality neighborhoods, and expansive views. After extensive growth and incorporation, the City now consists of 4,134 acres, of which 1,993 are in the coastal zone. At buildout, nearly 40,000 residents are expected to call Dana Point home and live in just over ~~16,000~~ 16,500 units. The City is nearly built out and is expected to add growth through the development of its few remaining vacant acres and reuse of underutilized lands.

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

DataQuick estimates an existing median home value of \$539,750 in Dana Point, and new homes constructed between 2000 and 2011 were largely sold at prices exceeding \$1 million dollars. For renters, housing is more affordable, although the 2010 Census estimates median gross rent at \$1,783. As a result, affordable housing remains a unique challenge that must be addressed at a citywide level in the context of the General Plan.

Purpose of the Housing Element

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy for the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making and an action program to implement housing goals for the state-designated planning period: January 1, 2014, through September 30, 2021. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family," as well as an expression of the concern of Dana Point residents for the attainment of a suitable living environment for every Dana Point household.

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

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

Regional Housing Needs Assessment

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

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

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

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

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

2014–2021 Growth Needs

The City of Dana Point’s allocation of the region’s housing need for the January 1, 2014, through September 30, 2021, planning period is 327 units divided into income categories: 76 very low, 53 low, 61 moderate, and 137 above moderate income units.

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

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Total</u>
<u>2014–2021 RHNA</u>	<u>76</u>	<u>53</u>	<u>61</u>	<u>137</u>	<u>327</u>
<u>Source: SCAG.</u>					

City’s Response

The City of Dana Point is actively pursuing several avenues to preserve and create affordable housing opportunities and accommodate the 327 units allocated in the RHNA. For new construction needs, the City’s main resources are vacant land and underutilized land. The City has also identified numerous programs to preserve the housing stock and facilitate the construction of additional housing.

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

Vacant and Underutilized Lands

Vacant residential land and underutilized sites in Dana Point offer a variety of development opportunities, ranging from single-family estates with ocean views to Single Room Occupancy efficiencies. The potential buildout of each vacant parcel is calculated based upon existing densities, development standards, and market conditions. Realistic capacity buildouts on vacant land result in the potential for 251 new units (not including second units), of which 157 could serve lower income households. The breakdown by income category is a hypothetical analysis based upon development standards, product types, tenure, market trends, and financial and regulatory incentives.

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

FIGURE HES-1 UNDERUTILIZED SITES



Site 1: Dana Point Town Center



Site 2: Former Dana Point Marina
Mobile Home Estates



Site 3: Capistrano Unified School
District Storage Yard

Quantified Objectives and Implementation Plan

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

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

In total, the City's approved units, remaining vacant lands, and underutilized parcels are of sufficient number, zoning, and size to accommodate the potential growth for all income levels prescribed in the City's ~~combined~~ RHNA. Special programs for housing assistance, rehabilitation, and preservation will help meet the City's existing and future housing needs during the 2014–2021 planning period. A summary of ~~development potential and~~ quantified objectives is provided in Table HES-2.

The City of Dana Point, in adopting the Housing Element, adopts the goals and programs that follow as the framework for implementing its housing policies and strategies during the planning period. A detailed summary table, Table HES-3, is provided in the following pages.

TABLE HES-2
QUANTIFIED OBJECTIVES
CITY OF DANA POINT

	<u>Extremely Low</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Total</u>
<u>New Construction</u>						
<u>Vacant Land</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>0</u>	<u>50</u>	<u>100</u>
<u>Second Units</u>	<u>0</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>Underutilized Land</u>	<u>10</u>	<u>60</u>	<u>22</u>	<u>85</u>	<u>310</u>	<u>487</u>
<u>Total</u>	<u>10</u>	<u>95</u>	<u>47</u>	<u>85</u>	<u>360</u>	<u>597</u>
<u>Assistance/Preservation</u>						
<u>Program 6.2 Conservation of Existing Assisted Housing</u>	<u>0</u>	<u>22</u>	<u>22</u>	<u>0</u>	<u>0</u>	<u>44</u>
<u>Program 6.3 Section 8 Rental Assistance</u>	<u>10</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>
<u>Total</u>	<u>10</u>	<u>42</u>	<u>22</u>	<u>0</u>	<u>0</u>	<u>74</u>
<u>Rehabilitation</u>						
<u>Program 4.1 Owner Rehabilitation</u>	<u>0</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>Program 4.2 Rental Rehabilitation</u>	<u>0</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>Total</u>	<u>0</u>	<u>10</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>20</u>
<u>Source: City of Dana Point.</u>						

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**TABLE HES-3
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category #1: Identify Adequate Sites for a Variety of Housing Types				
1.1 Housing Element Sites Monitoring Continue to monitor residential development proposals to ensure there are adequate sites to accommodate the RHNA throughout the planning period.	Comm. Dev. Dept.	Maintain capacity to meet the RHNA.	2014–2021	General Fund
1.2 Density Bonus Housing Utilize density bonus provisions in the Town Center and citywide.	Comm. Dev. Dept.	10 lower income units (through either market rate or SRO projects).	2014–2021	General Fund
1.3 Second Units Promote the development of second units.	Comm. Dev. Dept.	Approve 1–2 lower income second units annually, for a total of 10 units. Continue to promote second units as an affordable housing option.	2014–2021	General Fund
Program Category #2: Assist in the Development of Affordable Housing				
2.1 Mortgage Credit Certificates A federal income tax program that increases the loan amount offered to a qualifying homebuyer and reduces federal income taxes by 20% of the annual interest paid on the home mortgage.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2014–2021	County of Orange
2.2 Mortgage Assistance Program Provides silent second loans to qualifying very low and low income first-time homebuyers.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2014–2021	County of Orange

**TABLE HES-3
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
2.3 CalHome First-Time Homebuyer Assistance Apply to participate in the county's CalHome application. Qualifying residents of participating cities may apply for silent second loans.	Comm. Dev. Dept.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2014–2021	HOME funds
2.4 Housing Initiatives Program Provide rental subsidies to employees of Dana Point hotel employees.	Comm. Dev. Dept.	Provide assistance to 20 hotel employees (<u>residing</u> in Dana Point) annually.	2014–2021	St. Regis Resort In-Lieu Fees
Program Category #3: Remove Governmental Constraints to the Maintenance, Improvement, and Development of Housing				
3.1 Parking Standards Study Conduct a study to identify the most appropriate reductions in parking standards for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct parking study.	Conduct study in FY 2013–2014; if appropriate, adopt findings by 2015	General Fund
3.2 Development Fee Study Conduct a study for possible development fee reductions for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct fee study.	Conduct study in FY 2013–2014; if appropriate, adopt findings by 2015	General Fund
3.3 Priority Water and Sewer Service Service providers should be aware of the City's housing plans and adopt procedures to expedite service to lower income residential projects.	Comm. Dev. Dept.	Continue to provide adopted Housing Element to SCWD. Assist SCWD in adopting written procedures to provide priority service to lower income residential projects.	Send Housing Element to SCWD within one month of certification.	General Fund

**TABLE HES-3
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
3.4 Energy Conservation Study Identify cost-effective means for Dana Point residents to reduce energy consumption.	Comm. Dev. Dept.	Study measures for energy-savings in home construction, improvement, and utilities and provide findings to the public.	Conduct study in FY 2013/2014.	General Fund
Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing				
4.1 Owner Rehabilitation Apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner-occupied <u>low and</u> moderate income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 4 moderate income households annually, for a total of 20 ownership households.	2014–2021	CDBG and HOME Funds
4.2 Rental Rehabilitation Apply to the County of Orange for funding to provide rehabilitation grants for renter-occupied lower income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 2 lower income households annually, for a total of 10 renter households.	2014–2021	HOME Funds, CDBG
4.3 Neighborhood Conservation Ensure neighborhood quality and integrity.	County of Orange and Comm. Dev. Dept.	Fund neighborhood improvements and monitor neighborhood conditions.	2014–2021	General Fund, Capital Improvements Program (CIP), CDBG Funds
4.4 Condominium Conversions Assist the public and development community in understanding the condominium conversion process.	Comm. Dev. Dept.	Inform residents, property owners, and real estate agents of condominium conversion guidelines through the City’s website.	Update website by 2015.	General Fund

**TABLE HES-3
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category #5: Promote Housing Opportunities for All Persons				
5.1 Fair Housing Services Assist residents and landlords in achieving fair housing.	Fair Housing Council of Orange County	Refer persons in need of housing assistance to the Fair Housing Council of Orange County.	2014–2021	CDBG
5.2 Senior Home Assessments Assist in maintaining the ability of independently living seniors to remain in their homes.	Community Services and Parks	Refer seniors in need of free home assessments to South Coast Senior Services.	2014–2021	General Fund
<u>5.3 Housing Resources Assistance</u> <u>Continue to provide a directory of local housing resources and support organizations seeking to provide housing opportunities for special needs groups.</u>	<u>Comm. Dev. Dept.</u>	<u>Periodically update the Dana Point Housing Resources Directory and assist individuals and organizations on an as-needed basis.</u>	<u>2014–2021</u>	<u>General Fund</u>
Program Category #6: Preserve Existing Assisted Housing Developments				
6.1 Affordable Housing Monitoring Ensure that new affordable housing units remain affordable according to the terms established for the particular development.	Comm. Dev. Dept.	Adopt affordability monitoring as a condition of approval for affordable housing projects. Notice tenants and make educational materials available on the City’s website and at City Hall.	As affordable housing projects are approved from 2014–2021.	General Fund
6.2 Conservation of Existing Assisted Housing Ensure that existing affordable housing units remain affordable through negotiating with the current property owners or partnering with a nonprofit organization to purchase and rehabilitate assisted units.	Comm. Dev. Dept.	Monitor the affordability of existing and new assisted units. Identify opportunities to preserve at-risk units and negotiate with owners or develop public/ private partnership with a qualified nonprofit organization to acquire and rehabilitate at-risk housing units. Notify qualified entities when affordable housing projects may convert to market rents.	Negotiate with owners of Monarch Beach-Coast <u>Apartments</u> to preserve 44 units during the planning period.	General Fund, In-Lieu Fees, Private and Nonprofit Development Partners

**TABLE HES-3
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Objective	Time Schedule	Funding Source
6.3 Section 8 Rental Assistance Participate with the Orange County Housing Authority to provide rental assistance to very low income households.	Orange County Housing Authority	Continue to refer extremely low and very low income households to the OC Housing Authority and encourage property owners to participate in the Section 8 program. <u>Assist OC Housing Authority with information distribution when application periods are open.</u>	2014–2021	Section 8 Rental Assistance Fund (HUD) <u>through the Orange County Housing Authority</u>

Introduction

Purpose

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy for the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making and an action program to implement housing goals for the state-designated planning period: January 1, 2014, through September 30, 2021. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family," as well as an expression of the concern that every Dana Point household has a suitable living environment.

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

The Housing Element has been designed to address key housing issues in the City. These issues include the provision of a mix and balance of housing types and costs to meet the needs of all segments of the community while enhancing and preserving the community's character, provision of affordable housing for special needs groups, and the maintenance of the existing affordable housing stock. The Housing Element has also been designed to meet the legislative requirements of state housing laws in Government Code Section 65580–65589.8.

Citizen Participation

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

During 2012 and early 2013, the City heard from representatives of several housing nonprofits, including South Orange County Alliance for Housing Our Community, Jamboree Housing Corporation, St. Joseph Health, the Regional Center of Orange County, the Kennedy Commission and Mary Erickson Community Housing. Input from these local affordable housing groups has furthered the City's understanding of the housing needs and constraints facing Dana Point and other nearby coastal communities. Some of the housing problems raised included the lack of financial resources and community support for affordable housing.

The Housing Element describes a variety of available resources and demonstrates the City's commitment to collaborating with the nonprofit housing community. The City seeks to decrease unnecessary costs of housing development through studying fees and parking requirements in Programs 3.1 and 3.2. The City will also continue to participate in county-administered programs that fund lower and moderate income household home buying assistance, rental subsidies, and home maintenance through Programs 2.1, 2.2,

2.3, 2.4, 4.1, 4.2, and 6.3. The City will promote affordable housing opportunities to the public through second units and the Housing Resources Directory (Programs 1.3 and 5.3).

On January 28, 2013, the City of Dana Point held a housing workshop at a publicly noticed Planning Commission hearing at Dana Point City Hall. The workshop was advertised through the Dana Point Times, The Dana Point News, the City's website, and through direct invitations to local housing advocates, nonprofits, developers, faith-based organizations, schools, the Chamber of Commerce, Senior Services, local major employers, and anyone who asked to be notified of Housing Element events. The workshop provided an opportunity for the City to explain the RHNA, explain why affordable housing is important in Dana Point, and ask for input from the community on existing and future housing needs. While the workshop was designed to elicit input from a variety of residents, there was a special focus on reaching those who are lower income, including seniors, the disabled, families, and individuals in the workforce. The City invited a wide variety of stakeholders to ensure participation from a cross-section of the community.

Opportunities surfaced from the public comments received during the workshop and throughout the course of the housing element update. The first was to increase housing support for special needs groups, especially the developmentally disabled. The second opportunity was the need for readily available affordable rental homes for seniors and families, as well as large families, and low wage workers (Kennedy Commission letter January 28, 2013). These comments were incorporated into the programs of this Housing Element. Program 5.3 addresses support of organizations seeking to provide housing opportunities for special needs groups (e.g., developmentally disabled) through co-application for funding, letters of support, and evaluating the use or reuse of existing housing stock.

Additional input for the Housing Element was provided by a professional study. In 2008 and 2011 Mission Hospital and Saddleback Memorial Hospital sponsored a Community Health Assessment, prepared by Professional Research Consultants, Inc., to study the communities of Dana Point, San Clemente, and San Juan Capistrano. The community health assessment was a systematic, data-driven approach to determining the health status, behaviors, and needs of residents in these three communities. The goals of the assessment were to: improve residents' health status, increase their life spans, and elevate their overall quality of life; reduce the health disparities among residents; and increase accessibility to preventive services for all community residents. Using telephone interviews, 1,001 individuals aged 18 and over were randomly selected to participate in the study. Of these 1,001 participants, 272 were from Dana Point, 418 were from San Clemente, and 311 were from San Juan Capistrano. One of the four priority health and quality of life issues for the region was reported to be "access to affordable homes."

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

The outreach efforts described above resulted in a collection of input from residents, affordable housing advocates, and housing developers. Their contributions shaped the ultimate outcome of the housing goals and strategies for the City of Dana Point.

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

Consistency with State Law

State housing law requires every city and county to prepare and adopt a housing element of the community's general plan. The purpose of this update is to comply with the state housing law for the current planning period of January 1, 2014, to September 30, 2021. Pursuant to state housing law, Dana Point's Housing Element must include four major components:

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

General Plan Consistency

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

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

Organization of the Housing Element

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

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

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

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

Housing Strategy

The Housing Strategy presents the goals, policies, and quantified objectives of the City for the 2014–2021 planning period. This section is based on an evaluation of the City's existing housing conditions, current and future needs, and community input.

Regional Housing Needs Assessment

California's housing element law requires that each city and county develop local housing programs designed to meet its "fair share" of existing and future housing needs for all income groups. This effort is coordinated by the jurisdiction's council of governments when preparing the state-mandated housing element of its general plan. This "fair share" allocation concept is intended to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but for all households who might reasonably be expected to reside within the jurisdiction, particularly lower income households.

The "fair share" allocation process begins with the State Department of Finance's projection of total statewide housing demand, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the state's official regions. The City of Dana Point is in the six-county Southern California region, which includes Orange, Los Angeles, Riverside, San Bernardino, Ventura, and Imperial counties. The agency responsible for assigning fair share targets to each jurisdiction in this region is the Southern California Association of Governments (SCAG). In this Regional Housing

Needs Assessment (RHNA) cycle, SCAG delegated the responsibility for disaggregating housing needs for Orange County jurisdictions to the Orange County Council of Governments (OCCOG).

A local jurisdiction's "fair share" of regional housing need is estimated in terms of four factors:

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

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

2014–2021 Growth Needs

The City of Dana Point's "fair share" of the region's housing need for the January 1, 2014, through September 30, 2021, planning period is 327 units: 76 very low, 53 low, 61 moderate, and 137 above moderate income units.

Policy and Implementation Plan

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

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

The City of Dana Point, in adopting the Housing Element, adopts the goals that follow as the framework for implementing its housing policies and programs during the planning period. A summary table, Table HI-1, is provided first, followed by goals, policies, quantified objectives, and program descriptions.

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TABLE HI-1
CITY OF DANA POINT HOUSING PROGRAM SUMMARY

Program	Responsible Agency	Objective	Time Schedule	Funding Source
Program Category #1: Identify Adequate Sites for a Variety of Housing Types				
<u>1.1</u> <u>Housing Element Sites Monitoring</u> Continue to monitor residential development proposals to ensure there are adequate sites to accommodate the RHNA throughout the planning period.	<u>Comm. Dev. Department</u>	<u>Maintain capacity to meet the RHNA.</u>	<u>2014–2021</u>	<u>General Fund</u>
<u>1.24</u> Density Bonus Housing Utilize density bonus provisions in the Town Center and citywide.	Comm. Dev. Dept.	10 lower income units (through either market rate or SRO projects).	<u>2014–2021</u>	General Fund
<u>1.35</u> Second Units Promote the development of second units.	Comm. Dev. Dept.	Approve 1–2 lower income second units annually, for a total of 10 units. Continue to promote second units as an affordable housing option.	<u>2014–2021</u>	General Fund
Program Category #2: Assist in the Development of Affordable Housing				
<u>2.12</u> Mortgage Credit Certificates A federal income tax program that increases the loan amount offered to a qualifying homebuyer and reduces federal income taxes by 20% of the annual interest paid on the home mortgage.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	<u>2014–2021</u> , annually	County of Orange
<u>2.23</u> Mortgage Assistance Program Provides silent second loans to qualifying very low and low income first-time homebuyers.	County of Orange	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	<u>2014–2021</u> , annually	County of Orange

TABLE HI-1
CITY OF DANA POINT HOUSING PROGRAM SUMMARY

Program	Responsible Agency	Objective	Time Schedule	Funding Source
2.34 CalHome First-Time Homebuyer Assistance Apply to participate in the County's CalHome application. Qualifying residents of participating cities may apply for silent second loans.	Comm. Dev. Dept.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	2014-2021	HOME funds
2.45 Housing Initiatives Program Provide rental subsidies to employees of Dana Point hotel employees.	Comm. Dev. Dept.	Provide assistance to 20 hotel employees (residing in Dana Point) annually.	2014-2021	St. Regis Resort In-Lieu Fees
Program Category #3: Remove Governmental Constraints to the Maintenance, Improvement, and Development of Housing				
3.12 Parking Standards Study Conduct a study to identify the most appropriate reductions in parking standards for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct parking study.	Conduct study in FY 2013/2014; if appropriate, adopt findings by 2015 by December 2010; adopt findings (if appropriate) in 2011	General Fund
3.23 Development Fee Study Conduct a study for possible development fee reductions for affordable and special needs housing projects.	Comm. Dev. Dept.	Conduct fee study.	Conduct study by December 2010 in FY 2013/2014; if appropriate, revise fees by 2011 2015	General Fund
3.34 Priority Water and Sewer Service Service providers should be aware of the City's housing plans and adopt procedures to expedite service to lower income residential projects.	Comm. Dev. Dept.	Continue to p Provide adopted Housing Element to SCWD. Assist SCWD in adopting written procedures to provide priority service to lower income residential projects.	Send Housing Element to SCWD within one month of certification. Assist SCWD by December 2009	General Fund

TABLE HI-1
CITY OF DANA POINT HOUSING PROGRAM SUMMARY

Program	Responsible Agency	Objective	Time Schedule	Funding Source
3.45 Energy Conservation Study Identify cost-effective means for Dana Point residents to reduce energy consumption.	Comm. Dev. Dept.	Study measures for energy-savings in home construction, improvement, and utilities and provide findings to the public.	Provide findings to the public in 2010. <u>Conduct study in FY 2013/2014.</u>	General Fund
Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing				
4.1 Owner Rehabilitation Apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner-occupied <u>low and</u> moderate income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to 4 <u>lower or</u> moderate income households annually, for a total of 20 ownership households.	<u>2014-2021</u>	CDBG and HOME Funds
4.2 Rental Rehabilitation Apply to the County of Orange for funding to provide rehabilitation grants for renter-occupied lower income households.	County of Orange and Comm. Dev. Dept.	Provide assistance to <u>42</u> lower income households annually, for a total of 40 <u>20</u> renter households.	<u>2014-2021</u>	HOME funds, CDBG
4.3 Neighborhood Conservation Ensure neighborhood quality and integrity.	County of Orange and Comm. Dev. Dept.	Fund neighborhood improvements and monitor neighborhood conditions.	<u>2014-2021</u>	General Fund, Capital Improvements Program (CIP), CDBG Funds
4.4 Condominium Conversions Assist the public and development community in understanding the condominium conversion process.	Comm. Dev. Dept.	Inform residents, property owners, and real estate agents of condominium conversion guidelines through the City's website.	<u>Update website by 2015.</u>	General Fund
Program Category #5: Promote Housing Opportunities for All Persons				
5.1 Fair Housing Services Assist residents and landlords in achieving fair housing.	Fair Housing Council of Orange County	<u>Continue to r</u> Refer persons in need of housing assistance to the Fair Housing Council of Orange County.	<u>2014-2021</u>	CDBG <u>General Fund</u>

TABLE HI-1
CITY OF DANA POINT HOUSING PROGRAM SUMMARY

Program	Responsible Agency	Objective	Time Schedule	Funding Source
§.2 Senior Home Assessments Assist in maintaining the ability of independently living seniors to remain in their homes.	Community Services and Parks	<u>Continue to refer seniors in need of free home assessments to South Coast Senior Services.</u>	<u>2014–2021</u>	General Fund
<u>§.3 Housing Resources Assistance</u> <u>Continue to provide a directory of local housing resources and support organizations seeking to provide housing opportunities for special needs groups.</u>	<u>Comm. Dev. Dept.</u>	<u>Periodically update the Dana Point Housing Resources Directory and assist individuals and organizations on an as-needed basis.</u>	<u>2014–2021</u>	<u>General Fund</u>
Program Category #6: Preserve Existing Assisted Housing Developments				
¶.1 Affordable Housing Monitoring Ensure that new affordable housing units remain affordable according to the terms established for the particular development.	Comm. Dev. Dept.	Adopt affordability monitoring as a condition of approval for affordable housing projects. Notice tenants and make educational materials available <u>on the City's website and</u> at City Hall.	<u>As affordable housing projects are approved from 2014–2021</u>	General Fund

TABLE HI-1
CITY OF DANA POINT HOUSING PROGRAM SUMMARY

Program	Responsible Agency	Objective	Time Schedule	Funding Source
<p>6.2 Conservation of Existing Assisted Housing</p> <p>Ensure that existing affordable housing units remain affordable through negotiating with the current property owners or partnering with a nonprofit organization to purchase and rehabilitate assisted units.</p>	<p>Comm. Dev. Dept.</p>	<p>Monitor the affordability of existing and new assisted units. Identify opportunities to preserve 84 at-risk units and negotiate with owners or develop public/ private partnership with a qualified nonprofit organization to acquire and rehabilitate at-risk housing units.</p> <p><u>Notify qualified entities when affordable housing projects may convert to market rents. Assist OC Housing Authority with information distribution when application periods are open.</u></p>	<p>Negotiate with owners or of <u>Monarch Coast Apartments to preserve 44 units during the planning period. identify partner by December 2009</u></p>	<p>General Fund, In-Lieu Fees, Private and Nonprofit Development Partners</p>
<p>6.3 Section 8 Rental Assistance</p> <p>Participate with the Orange County Housing Authority to provide rental assistance to very low income households.</p>	<p>Orange County Housing Authority</p>	<p><u>Continue to refer Assist at least 31 extremely low and very low income units-households to the OC Housing Authority and encourage property owners to participate in the Section 8 program.</u></p>	<p><u>2014-2021</u></p>	<p>Section 8 Rental Assistance Fund (HUD)</p>

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

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

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

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

GOAL 1:

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

Policies

- 1.1 ~~Actively pursue opportunities to~~ Encourage affordable housing construction beyond levels identified by the RHNA.
- 1.2 Provide a variety of housing opportunities for all income levels of the City through land uses and densities.
- 1.3 Coordinate new residential development with the provision of infrastructure and public services.
- 1.4 Locate higher density residential development close to public transportation.

Programs

- 1.1 ~~Housing Element Sites Monitoring Affordable Housing Development Program~~

Maintain an inventory of vacant and underutilized lands suitable for residential development to ensure adequate capacity to meet the RHNA during the planning period.

Objective: Maintain capacity to meet the RHNA.

Timeframe: 2014–2021

1.24 Density Bonus Housing

Continue to comply with state density bonus housing laws by maintaining the City's Density Bonus Ordinance. Future housing projects will be encouraged to provide affordable housing in accordance with the Density Bonus Ordinance.

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

Timeframe: 2014–2021

1.35 Second Units

The City is aggressively seeking to encourage single-family homeowners to construct second units. ~~In December of 2007 the~~ The City published a second unit information sheet that defines a second unit, provides an outline of development requirements, and explains the permitting process. By disseminating this information the City is increasing the potential for affordable housing on lots zoned for single-family residential development, which would otherwise be unlikely locations for affordable housing. It is projected that by 2014-2021 approximately 10 second units could be developed. In accordance with the City’s Second Dwelling Unit Ordinance, these units will target lower to moderate income households and remain affordable for the life of the project. This objective is based in part on past development trends and on increased efforts of the City to promote and encourage the development of second units.

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

Timeframe: 2014–2021

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

The City’s existing needs include 2,3493,120 renter households that are cost burdened, expending more than 30% of their income toward housing. The City’s new construction need includes ~~100-76~~ very low income, ~~21-53~~ low income, and ~~38-61~~ moderate income housing units, which can be met by supported by developing vacant and underutilized land.

GOAL 2:

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

Policies

- 2.1 Support innovative public, private, and nonprofit efforts in the development and financing of affordable housing, particularly for lower income households, the elderly, large families, the physically impaired, and single-parent households.
- 2.2 Support the participation of federal, state or local programs aimed at providing housing opportunities for lower er and moderate income households.
- 2.3 Require that housing constructed for lower er and moderate income households is not concentrated in any single portion of the City.

- 2.4 Implement requirements for providing affordable housing for employees of hotel and resort developments.
- 2.5 Provide for mixed commercial/residential land uses to create additional housing opportunities.

2.1 Mortgage Credit Certificates

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

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

Timeframe: 2014–2021, annually

2.2 Mortgage Assistance Program

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

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

Timeframe: 2014–2021, annually.

2.3 CalHome First-Time Homebuyer Assistance

The state allowed the County of Orange to apply for funds for those cities participating in their CDBG program that provided a letter of interest. First-time homebuyers who qualify and wish to purchase a home in Dana Point can apply for those silent second loans).

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

Timeframe: 2014–2021

2.4 Housing Initiative Program

The City partnered with Mary Erickson Community Housing to manage the housing subsidy program for The St. Regis Monarch Beach Resort and Spa in 2002. As a condition of building the hotel, the City mandated the housing subsidy program, which benefited ~~116-69~~ employees of the hotel in ~~2007-2012~~. In 2007, the amount of money to be spent on housing subsidies was ~~\$278,767~~~~\$235,090~~ (annual in-lieu fees paid by the hotel) ~~with a carryover from 2006 of \$40,410 for a total of \$275,500~~. The program allocates

between \$50 and \$390 to eligible employees, with an average allocation of ~~\$251~~^{\$218} using Section 8 guidelines.

Life skills programs are also held quarterly, with two meetings per speaker (one in English with a Mandarin translator and one in Spanish). Topics covered include income tax awareness, banking options, Habitat for Humanity preparing for home ownership programs, credit counseling and money management, as well as legal aid question and answer sessions and the program’s annual certification process.

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

Timeframe: 2014–2021

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

State housing law requires the inclusion of program actions to:

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

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

GOAL 3:

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

Policies

- 3.1 Encourage incentives to assist in the development of affordable housing.
- 3.2 Evaluate housing cost increases resulting from any new City requirements.
- 3.3 Implement the provisions of the City's zoning ordinance that permit the development of single room occupancy units, second units, transitional, supportive, and emergency housing in specified zones.

Programs

3.1 Parking Standards Study

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

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

Timeframe: Conduct study in fiscal year 2013–2014; depending on findings, the City will adopt new standards in 2015

3.2 Development Fee Study

The City will periodically conduct a study to ensure that development fees are reasonable and identify possible reductions for affordable and special needs housing projects.

Objective: Conduct a fee study.

Timeframe: Conduct study every four years; depending on findings, the City will revise fees during the planning period.

3.3 Priority Water and Sewer Services

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

Objective: Route the adopted Housing Element to the South Coast Water District (SCWD) and coordinate with the SCWD on future housing projects and changes to the Housing Element.

Timeframe: Forward the adopted Housing Element upon within one month of adoption certification

3.4 Energy Conservation Study

Consider and evaluate the most cost-effective measures for energy savings and indoor air quality improvements in new construction and rehabilitation projects. By educating the public and providing resources for utility programs and home improvement programs the City will encourage home upgrades and construction methods that reduce energy reliance, water waste, and air pollutants.

~~Information gathered during this study is expected to influence policy development for the City's General Plan update efforts in 2010 and 2011.~~

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

Timeframe: Conduct study in fiscal year 2013–2014.

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

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

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

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

GOAL 4:

Conserve and improve the existing stock of affordable housing.

Policies

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

Programs

4.1 Owner Rehabilitation

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

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

- Providing reduced interest rates
- Expanding loan eligibility

~~June 2009~~ June 2013

- Matching funds from banks
- Expedited loan processing

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

Timeframe: [2014–2021](#)

4.2 Rental Rehabilitation

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

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

Timeframe: [2014–2021](#)

4.3 Neighborhood Conservation

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

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

Timeframe: [2014–2021](#)

4.4 Condominium Conversions

The City zoning code has requirements for condominium conversions. During the [2014–2021](#) planning period the City will continue to implement the zoning code regulations governing the conversion of apartments to condominiums.

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

Timeframe: [Update website by 2015](#)

Program Category #5: Promote Housing Opportunities for All Persons

The City's housing program must include actions to:

~~June 2009~~ June 2013

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

GOAL 5:

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

Policies

5.1 Enforce fair housing laws prohibiting discrimination.

5.2 Utilize local organizations that provide fair housing services to the Dana Point area.

5.3 Provide a safe and supportive administrative environment to facilitate housing for all special needs groups.

~~5.1~~5.4 Encourage support services for the elderly through the provision of housing services related to in-home care, meal programs, and counseling.

Programs

5.1 Fair Housing Services

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

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

Timeframe: 2014–2021

5.2 Senior Home Assessments

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

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

Timeframe: 2014–2021

5.3 Housing Resources Assistance

The City of Dana Point publishes a directory of housing resources to help residents determine which organizations and other resources are appropriate to meet their needs.

Additionally, the City will support organizations seeking to provide housing opportunities for special needs groups (e.g., developmentally disabled) through co-application for funding, letters of support, and evaluating the use or reuse of existing housing stock.

Objective: Periodically update the Dana Point Housing Resources Directory and assist individuals and organizations on an as-needed basis.

Timeframe: 2014–2021

Program Category #6: Preserve Existing Assisted Housing Developments

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

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

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

In addition, this program category describes other actions of the City to preserve the affordability of the existing housing supply.

GOAL 6:

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

Policies

- 6.1 Monitor and protect the supply of affordable housing.
- 6.2 Facilitate the purchase by existing tenants of rental units converted to condominium ownership where conversions are considered appropriate.
- 6.3 Conserve affordable housing opportunities in the City through implementation of state requirements for replacement of lower and moderate income housing.
- 6.4 Ensure the long-term affordability of future affordable housing developments.

Programs

6.1 Affordable Housing Monitoring

The Community Development Department annually monitors deed-restricted units through existing databases. The City will include affordable housing monitoring as a condition of approval for projects with an affordable housing component. Monitoring may include identifying the location, size, type, and sales price of affordable units as well as other means of furthering the City's understanding of their affordable housing stock. The City will continue its program of annual monitoring of income-restricted rental

housing units. The City will provide ongoing preservation technical assistance and educational materials to affected tenants and the community at large on the need to preserve the existing affordable housing stock through brochures at City Hall.

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

Timing: As affordable housing projects are approved during the planning period.

6.2 Conservation of Existing Assisted Housing

The Community Development Department will continue to monitor the affordability terms of existing assisted housing and notify qualified entities when affordable units are at risk of converting to market rents. The City will work with existing owners and qualified entities to ensure long-term affordability to lower income households. A brief description of a potential partnership program is given below:

- The existing building will contain units at risk of converting to market rate by 2024.
- The City and nonprofit organization will jointly estimate the acquisition and rehabilitation costs associated with different building sites in the City.
- The City and nonprofit organization will leverage their financial resources with those that the County of Orange is obligated to allocate to community based nonprofit housing corporations.

Objective: Monitor at-risk projects on an annual basis, in coordination with other public and private entities. Identify funding resources and development partners to preserve 44 at risk units.

Timing: 2014–2021

6.3 Section 8 Rental Assistance

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

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

Timeframe: 2014–2021

Community Profile

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

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

Population Trends and Characteristics

Population Growth

The City of Dana Point is one of 34 cities in Orange County. As indicated in Table H-1, the county’s population rapidly grew from 2.4 million in 1990 to 2.8 million in 2000, an increase of 18%. By 2010 the county population grew to 3 million, a 6% increase from the 2000 population. Growth in the City of Dana Point has been significantly slower than the county, due largely to the built out nature of the City. Between 1990 and 2000 Dana Point’s population increased by 9%, or 3,214 persons. In 2010 the population decreased by 1,500 people to 33,351, down 4.3% from 2000.

**TABLE H-1
POPULATION GROWTH FROM 1990 TO 2012
COUNTY OF ORANGE AND CITY OF DANA POINT**

Year	Orange County		Dana Point	
	Population	% Increase	Population	% Increase
1990	2,410,556	-----	31,896	-----
1995	2,590,100	7.4%	34,100	6.9%
2000	2,846,289	9.9%	34,851	2.2%
2005	3,103,377	9.0%	36,765	5.5%
2010	3,291,628 3,010,232	6.1 (3.0)%	38,482 33,351	4.7 (9.3)%
2012	3,055,792	1.5%	33,667	0.9%

Sources: 1990, ~~and~~ 2000, ~~and~~ 2010 Census; 1995, ~~and~~ 2005, ~~and~~ 2012 DOF.

Age Composition

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

Between 2000 and 2010, the median age increased from 39.8 to 44.8. This indicates that residents are able to age in place.

In 2010, the largest percentage of the population (42%) fell within the “prime working” population subgroup, which also correlates to the “preschool” and “school” subgroups, representing another 20% of the population. In general, families create demand for homeownership opportunities and rental opportunities with two or more bedrooms.

Race and Ethnicity

The City of Dana Point remains primarily white with no change in the non-white population between 2000 and 2010. According to the 2010 Census, 86% of the City’s population is white. It should be noted that persons of Hispanic origin are included within the various ethnic categories and may be of any race. The 2010 Census estimates that 17% of the City’s population is Hispanic or Latino. Figure H-2 displays the breakdown of Dana Point residents by race and ethnicity.

Employment Industries in the City

According to the U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) there were 8,624 jobs within the City of Dana Point in 2010. Approximately half of the jobs within the City are in the “accommodation and food services” and “retail trade” sectors (35% and 15%, respectively). Jobs in the service sectors are the largest employers due to popular recreational activities, hotels, and resort facilities in the City. Jobs in these sectors are expected to increase slightly following the anticipated construction of a hotel and various commercial uses in the Headlands and Town Center planning areas. Although both projects incorporate residential uses, job creation could create additional demand for affordable housing.

TABLE H-2
JOBS BY INDUSTRY 2010
CITY OF DANA POINT

Industry	Number	Percent
Agriculture, Forestry, Fishing and Hunting	4	0.0%
Mining, Quarrying, and Oil and Gas Extraction	15	0.2%
Utilities	11	0.1%
Construction	399	4.6%
Manufacturing	127	1.5%
Wholesale Trade	248	2.9%
Retail Trade	1,290	15.0%
Transportation and Warehousing	77	0.9%
Information	101	1.2%
Finance and Insurance	163	1.9%
Real Estate and Rental and Leasing	193	2.2%
Professional, Scientific, and Technical Services	576	6.7%
Management of Companies and Enterprises	9	0.1%
Admin & Support, Waste Mgmt / Remediation	472	5.5%
Educational Services	457	5.3%
Health Care and Social Assistance	840	9.7%
Arts, Entertainment, and Recreation	197	2.3%
Accommodation and Food Services	2,980	34.6%
Other Services (excluding Public Administration)	332	3.80%
Public Administration	133	1.5%
Total	8,624	100%

Source: 2010 Census, Longitudinal Employer-Household Dynamics

Employment of Residents

Residents of Dana Point work in an array of industries. As show in Table H-3, Educational Services, Retail, Professional, Scientific, and Technical Services as well as Health Care and Social Assistance are some of the most popular. The “accommodation and food services” and “retail trade” sectors employ about 20% of residents, which means that at least 30% of the workers in these industries commute to the City. Providing housing for these workers is an opportunity for the City.

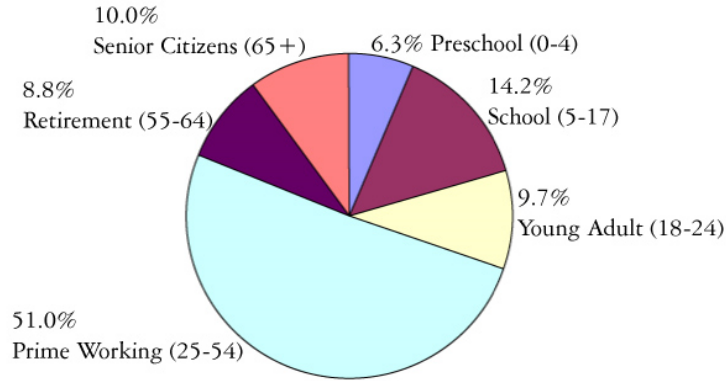
**TABLE H-3
CIVILIAN EMPLOYMENT OF DANA POINT RESIDENTS BY INDUSTRY 2010
CITY OF DANA POINT**

Industry	Number	Percent
Agriculture, Forestry, Fishing and Hunting	77	0.6%
Mining, Quarrying, and Oil and Gas Extraction	15	0.1%
Utilities	129	1.0%
Construction	535	4.3%
Manufacturing	946	7.6%
Wholesale Trade	752	6.0%
Retail Trade	1,334	10.7%
Transportation and Warehousing	252	2.0%
Information	330	2.7%
Finance and Insurance	660	5.3%
Real Estate and Rental and Leasing	315	2.5%
Professional, Scientific, and Technical Services	1,255	10.1%
Management of Companies and Enterprises	181	1.5%
Admin & Support, Waste Mgmt / Remediation	707	5.7%
Educational Services	1,159	9.3%
Health Care and Social Assistance	1,310	10.5%
Arts, Entertainment, and Recreation	269	2.2%
Accommodation and Food Services	1,281	10.3%
Other Services (excluding Public Administration)	426	3.4%
Public Administration	498	4.0%
Total	12,431	100%

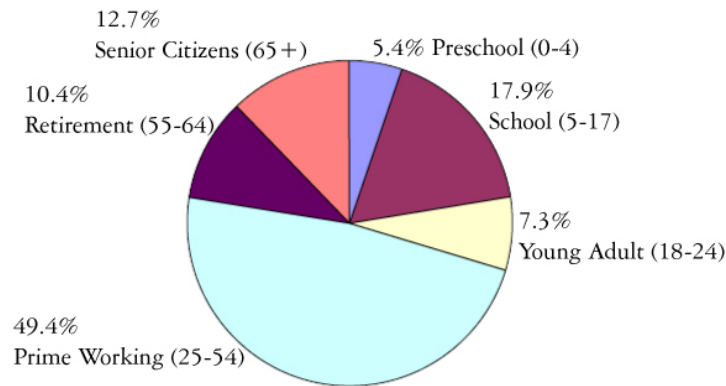
Source: 2010 Census, Longitudinal Employer-Household Dynamics

FIGURE H-1 AGE COMPOSITION IN DANA POINT

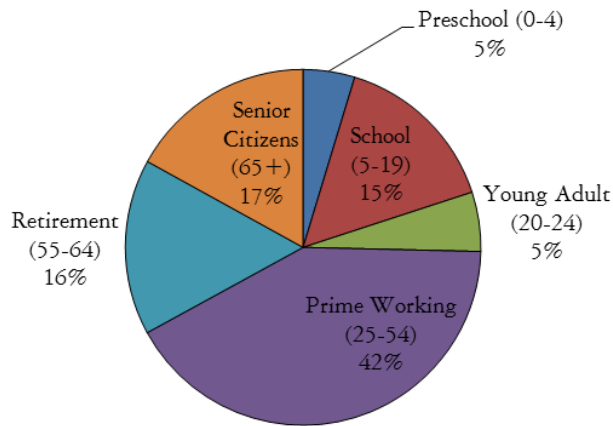
1990



2000



2010

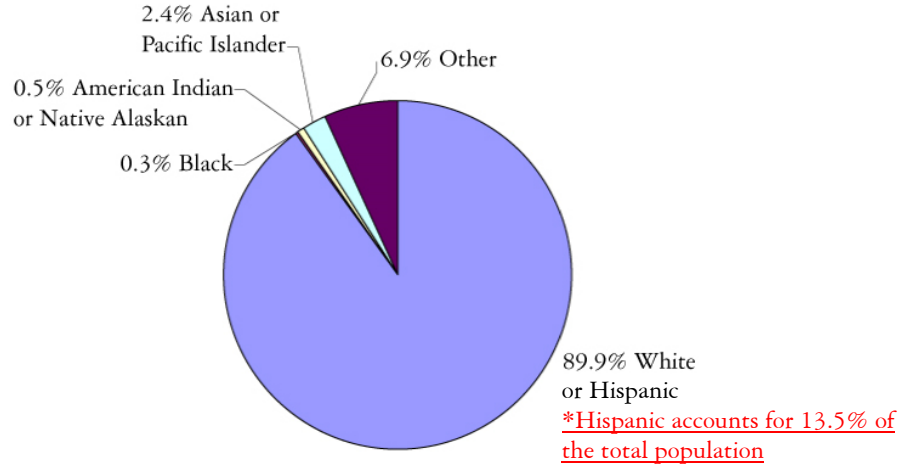


Note: 2010 Census adjusted the age bracket for the school age population from 5-17 to 5-19

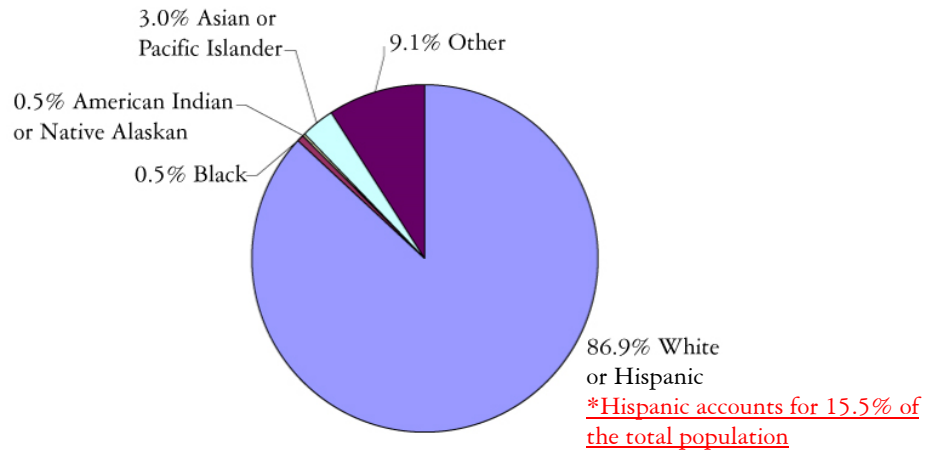
Sources: 1990, 2000, and 2010 Censuses.

FIGURE H-2 RACIAL AND ETHNIC COMPOSITION IN DANA POINT

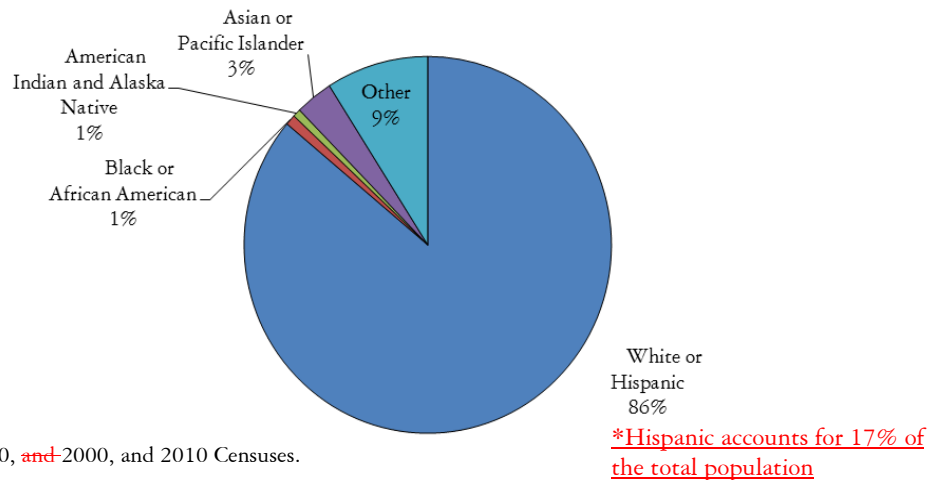
1990



2000



2010



Sources: 1990, and 2000, and 2010 Censuses.

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Household Characteristics

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

Household Growth Trends

In 2010 14,708 households (occupied residences) resided in Dana Point, with approximately 64% (9,402) owner occupied and the remaining 37% (5,419) renter occupied. The City added 1,263 housing units between 1990 and 2010, growing to an estimated 15,924 units in 2010. Housing units have increased slowly, averaging only 24 units per year since 2000. Household size in 2000 was 2.4 persons; with the decrease in population it fell to 2.3 in 2010.

The majority of housing units added between 1990, 2000, and 2010 were single-family detached; historically ~~It~~ the most commonly added attached housing unit type was in developments of five or more units, which includes apartments and condominiums. Apartments are renter occupied and can be considered more affordable for lower income residents. Condominiums, however, are owner occupied and are generally highly priced in a beach community such as Dana Point. Condominiums that are made available for rent are sometimes used as seasonal or recreational housing units.

Household Type

As shown in Table H-6 for 2010, the City’s households comprise primarily three types: married couples with no children (32%), people living alone (28%), and married couples with children under 18 years (16%). The majority of households in the City are occupied by married-couple families without young children. This category is likely to include couples in the “young adult” and “prime working” population subgroups, as well as retired couples and senior couples. Retired and senior couples may be primarily residing in large homes they once occupied with their children, whereas young couples are more likely to occupy apartments and other small rental units. However, young childless couples may also create a demand for homeownership opportunities as they desire investment opportunities and consider having children.

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

TABLE H-4
HOUSING GROWTH TRENDS 1990–2010
CITY OF DANA POINT

<u>Year</u>	<u>Estimated Dwelling Units</u>	<u>Cumulative Increase</u>	<u>Percentage Increase</u>
<u>1990</u>	<u>14,666</u>	<u>-----</u>	<u>-----</u>
<u>1995</u>	<u>15,464</u>	<u>789</u>	<u>5.4%</u>
<u>2000</u>	<u>15,682</u>	<u>218</u>	<u>1.4%</u>
<u>2005</u>	<u>15,740</u>	<u>58</u>	<u>0.4%</u>
<u>2010</u>	<u>16,49515,924</u>	<u>755184</u>	<u>4.81.2%</u>

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

TABLE H-5
HOUSING STOCK COMPOSITION IN 1990, 2000, AND 2010
CITY OF DANA POINT

Unit Type	1990		2000		2007 2010	
	Units	Percent	Units	Percent	Units	Percent
1 unit, detached	6,834	47%	7,678	49%	7,933 8,011	50% 50%
1 unit, attached	2,244	15%	2,266	15%	2,271 2,463	14% 15%
2 to 4 units	2,755	19%	2,796	18%	2,821 2,730	18% 17%
5+ units	2,435	17%	2,573	16%	2,622 2,485	17% 16%
Mobile homes	314	2%	314	2%	169 235	1% 1%
Other	84	1%	0	0%	0 0	0% 0%
Total	14,666	100%	15,627	100%	15,81615,924	100%100%

Source: Census 1990, 2000, and 2010.;

TABLE H-6
HOUSEHOLD TYPE IN 2000 AND 2010
CITY OF DANA POINT

<u>Year</u>	Married Household		Male-Headed Household		Female-Headed Household		Non-Family Household		All Households
	with children under 18 years	no children under 18 years	with children under 18 years	no children under 18 years	with children under 18 years	no children under 18 years	Not Living Alone	Living Alone	
<u>2000</u>	2,804	4,628	297	284	686	587	1,415	3,755	14,456
	19%	32%	2%	2%	5%	4%	10%	26%	100%
<u>2010</u>	<u>2,331</u>	<u>4,571</u>	<u>280</u>	<u>365</u>	<u>560</u>	<u>672</u>	<u>1,391</u>	<u>4,012</u>	<u>14,182</u>
	<u>16%</u>	<u>32%</u>	<u>2%</u>	<u>3%</u>	<u>4%</u>	<u>5%</u>	<u>10%</u>	<u>28%</u>	<u>100%</u>

Source: 2000 and 2010 Census.

Note: Occupied housing units are referred to as households. The total number of households is not representative of the total number of housing units.

Tenure

The 2011 American Community Survey indicates that just under 60% of the City's housing units are owner occupied. Most of the owner households are single-family detached and single-family attached housing units, as reported in Table H-7. There was an 80% increase in renter occupied single-family detached housing units between 2000 and 2010. Multifamily units saw a decline in owner occupancy indicating that more owners are renting out their condominium units, most likely due to a tough housing market and a down economy. Renter households reside primarily in multifamily structures of two to four units. While the large number of renters in duplex to fourplex structures can indicate a need for first-time homebuyer assistance, rental housing is also a valuable resource for many singles and young couples seeking to live in Dana Point.

**TABLE H-7
HOUSING STOCK BY TYPE AND TENURE IN 2000 AND 2011
CITY OF DANA POINT**

Type of Unit	2000 Owner		2000 Renter		2000 Total		2011 Owner		2011 Renter		2011 Total	
	Units	%	Units	%	Units	%	Units	%	Units	%	Units	%
1, detached	6,295	88%	867	12%	7,162	50%	5,795	79%	1,555	21%	7,350	51%
1, attached	1,419	70%	604	30%	2,023	14%	1,402	67%	682	33%	2,084	15%
2 to 4 units	484	19%	2,135	82%	2,619	18%	456	19%	1,967	81%	2,423	17%
5 to 9 units	200	18%	932	82%	1,132	8%	269	25%	811	75%	1,080	8%
10 units +	244	21%	926	79%	1,170	8%	139	12%	990	88%	1,128	8%
Mobile homes and Other	207+86	70%	80+90	30%	266+297	2%	90	39%	141	61%	231	2%
Total	8,849	61%	5,554	39%	14,403	100%	8,150	57%	6,147	43%	14,297	100%

Source: Census 2000 and 2009–2011 American Community Survey Estimates B25033.

Vacancy Rates

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

Excluding seasonal, recreational, and occasional-use homes, the 2010 Census indicated a vacancy rate of 7.0% for rental units and 2.0% for ownership units for the City of Dana Point. A vacancy rate within this range is considered enough to ensure the continued upkeep of rental and ownership properties without

escalating housing costs. This high vacancy rate is most likely due to an oversupply of housing units relative to a slightly declining population and second homes typical of beach communities.

Housing Conditions

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

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

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

According to the 2009–2011 ACS, there were 28 owner units and 152 renter units without complete kitchen facilities. There were 120 renter units without complete plumbing facilities, of which 8 were inhabited by households considered overcrowded (more than one occupant per room). Households in Dana Point use a variety of heating sources: 78% use utility gas, 17% use electricity, 3% do not use a fuel source, and 0.5% use an alternative fuel. These figures indicate that only a small proportion of units in the City reflect substandard infrastructure and utility conditions.

Age of Housing Stock

The proportion of the housing stock that is older than 30 years can also indicate the extent of minor and major rehabilitation needs. The majority of the City's housing supply was constructed prior to incorporation in 1989. Table H-8 indicates that as of 2010, an estimated 60% of the City's housing stock was over 30 years old. Approximately 30% of owners and 20% of renters occupy the City's older housing stock.

**TABLE H-8
AGE OF HOUSING STOCK IN 2010 BY YEAR BUILT
CITY OF DANA POINT**

Year Built	2010 Units	2010 %
1939 or Earlier	<u>245</u>	<u>2%</u>
1940 to 1949	<u>100</u>	<u>1%</u>
1950 to 1959	<u>758</u>	<u>5%</u>
1960 to 1969	<u>2,611</u>	<u>16%</u>
1970 to 1979	<u>4,164</u>	<u>26%</u>
1980 to 1989	<u>5,558</u>	<u>35%</u>
1990 to 1994 <u>1999</u>	<u>1,973</u>	<u>12%</u>
<u>2000 to 19982004</u>	<u>393</u>	<u>2%</u>
<u>2005 or later</u>	<u>122</u>	<u>1%</u>
Total	<u>15,924</u>	<u>100%</u>

Source: Census ~~2000~~2010.

Code enforcement data from 2007 estimated that 3,000 housing units ~~remain~~were in need of minor, moderate, or substantial rehabilitation. As of 2012, it is estimated that this figure remains accurate, or has been slightly reduced as economic recovery has led to improved investment and maintenance of properties throughout the City. Of the housing units that continue to need minor, moderate, or substantial rehabilitation, about one-half are in the Lantern Village neighborhood and in the form of small, multifamily structures. In 2007 the City created an additional Code Enforcement Officer position to specifically serve Lantern Village, bringing Code Enforcement Division staff to three full-time employees. Code Enforcement cases indicate the need for housing rehabilitation programs.

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

Household Income

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

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

According to SCAG estimates, approximately 36% of Dana Point households have incomes of less than 80% of the County median income. The majority of lower-income households are renter households, indicating a need for affordable rental opportunities.

**TABLE H-9
HOUSEHOLD INCOME DISTRIBUTION
CITY OF DANA POINT**

Income Level	Total Households	% Distribution
Extremely Low (0–30%)	1,697	11.5%
Very Low (30–50%)	1,389	9.4%
Low (50–80%)	2,610	17.7%
Moderate (80– 95 120%)	2,503	17.0%
Above Moderate (95 120%+)	6,510	44.3%
Total	14,708	100%

Source: SCAG RHNA ~~1999~~2011.

Housing Inventory and Market Conditions

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

Housing Costs and Affordability

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

State housing policy defines housing affordability as housing costs equaling no more than 30% of a household’s annual income (although the equity and tax benefits of homeownership may permit a higher percentage of income [e.g., 35%] to be used for moderate income housing costs). Table H-10 identifies the maximum affordable rents and purchase prices by income category for a one-person, two-person, and four-person household based on 2012 state income limits.

The cost of homeownership assumes a 30-year mortgage with a 10% down payment and allocations for annual real estate taxes, insurance, and utilities. Note that the various local, state and federal housing programs may require different calculations of maximum affordable rent or purchase prices.

**TABLE H-10
AFFORDABLE RENT AND HOME PURCHASE PRICE
CITY OF DANA POINT**

One-Person Household			
Income Category	Annual Income Limits ¹	Maximum Affordable Rent Payment ²	Estimated Maximum Affordable Purchase Price ³
Extremely Low (30%)	\$17,910	\$448	\$32,309
Very Low (31%–50%)	\$29,850	\$746	\$83,134
Low (51–80%)	\$47,760	\$1,194	\$159,372
Moderate (81–120%)	\$71,640	\$2,090	\$311,848
Above Moderate (> 120%)	> \$71,640	> \$2,090	> \$311,848
Median	\$59,700	n/a	n/a
Two-Person Household			
Income Category	Annual Income ¹	Maximum Affordable Rent Payment ²	Estimated Maximum Affordable Purchase Price ³
Extremely Low (30%)	\$20,475	\$512	\$43,227
Very Low (31%–50%)	\$34,125	\$853	\$101,331
Low (51–80%)	\$54,600	\$1,365	\$188,488
Moderate (81–120%)	\$81,900	\$2,389	\$362,801
Above Moderate (> 120%)	> \$81,900	> \$2,389	> \$362,801
Median	\$68,250	n/a	n/a
Four-Person Household			
Income Category	Annual Income ¹	Maximum Affordable Rent Payment ²	Estimated Maximum Affordable Purchase Price ³
Extremely Low (30%)	\$25,590	\$640	\$65,000
Very Low (31%–50%)	\$42,650	\$1,066	\$137,620
Low (51–80%)	\$68,240	\$1,706	\$246,549
Moderate (81–120%)	\$102,360	\$2,986	\$464,409
Above Moderate (> 120%)	> \$102,360	> \$2,986	> \$464,409
Median	\$85,300	n/a	n/a

Source: The Planning Center | DC&E, 2012.

¹ Annual income limits based on California State income limits for 2012.

² Calculated as 30% of income divided by 12 months; assumes set-asides for utilities.

³ Includes 10% down payment provided by the owner and assumes set-asides for utilities, real estate taxes, and homeowners insurance. Assumes 30% of income for extremely low, very low, and low income households; 35% for moderate and above moderate income households.

Affordability of Ownership Units

Existing and new home prices in Dana Point are slowly rising as the community recovers from the recession of the mid-2000s. Although home prices in Orange County’s coastal communities generally were not as severely impacted as those in inland communities, foreclosures and short sales significantly increased, which weakened the local housing market. According to DataQuick, the median home sales price in Dana Point was \$539,750 in 2011 and \$561,750 in 2012.

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Based on this data, buying a new home in the City of Dana Point is an unlikely option for lower and moderate income households without substantial financial assistance. The existing stock of resale units will provide some homeownership opportunities for lower income households, particularly for smaller units in older areas of the community and in condominium projects.

Affordability of Rental Units

The 2009–2011 ACS reports the median gross rent of all rental units in the City at \$1,783. While rental prices have increased more slowly than sale prices, relatively few rental properties have been recently constructed in Dana Point. In December 2012, the average apartment rent was \$1,466 for a one bedroom, \$1,689 for a two bedroom, and \$2,722 for a 3 bedroom condo or single-family home (Trulia.com).

A comparison of market prices with the rental affordability limits presented in Table H-10 indicates that the 2012 rental market could serve the moderate and above moderate income households. Rental units require less land and can be built at higher densities than many ownership products. Additionally, rental units do not require the same level of amenities as is expected in ownership developments. The construction of additional rental units represents a key step in providing affordable housing opportunities for current and future moderate income households. For lower income households, two rental assistance programs are available. Through the City’s participation with the Orange County Housing Authority (OCHA) and the Section 8 program, 33 Dana Point households received assistance as of October 2012. Additionally, the Housing Initiative Program operated by Mary Erickson Community Housing in collaboration with the St. Regis Monarch Beach Resort and Spa provides rental assistance to hotel employees. In 2012, approximately 69 employees received assistance, 16 of whom found affordable housing in Dana Point.

Perceived Housing Affordability and Neighborhood Home Conditions

The 2008 and 2011 Community Health Assessment conducted by Mission Hospital of over 1,000 South Orange County residents, including 272 in Dana Point, investigated the perceived availability of affordable housing. Of the Dana Point residents surveyed, 75.2% rated the availability of affordable housing in their community as “fair” or “poor” (the full range of ratings included excellent, very good, good, fair, or poor). This was in line with the average response from all individuals surveyed (75.3%). In Dana Point 63.6% of high or highest need adult respondents rated the availability of affordable housing as “fair” or “poor” while 78.4% of average or lower need respondents rated the availability of affordable housing as “fair” or “poor.”

Based on the same rating options, 5.2% of Dana Point residents surveyed considered the condition of their neighborhood homes to be “fair” or “poor.” This is less than the 9.7% overall response from all individuals surveyed in the Community Health Assessment. Respondents from the high or highest need areas of Dana Point were virtually the only Dana Point residents to rate the condition of their neighborhood homes as “fair” or “poor.”

Housing Needs

The following analysis of current City housing conditions presents housing needs and concerns relative to various segments of the population. Several factors will influence the degree of demand or need for new

housing and housing assistance in Dana Point in coming years. The three major categories of existing need considered in this element include:

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

Overpayment

Overpayment is generally defined as a renter household spending more than 30 percent or an owner household spending more than 35 percent of gross monthly household income on rent or a mortgage. Eventually this high cost of housing causes individuals with fixed incomes, particularly the elderly and lower income families, to spend a disproportionate percentage of their income for housing. This may cause a series of related financial problems, which may result in a deterioration of housing stock because maintenance must be sacrificed for more immediate expenses such as food, clothing, health care, and utilities. It may also result in the selection of inappropriately sized units that do not suit the space or amenity needs of the household. SCAG estimates that there are 1,686 renter and 1,293 homeowner households moderately overpaying and 1,434 renter and 2,014 homeowner households severely overpaying. Based on 2011 ACS data, 56% of renters overpay and 43% of homeowners contribute more than 30 percent of their income for housing. Additionally, about 80 percent of lower income renters and roughly 60 percent of lower income owners allocate more than 30 percent of their income for housing costs. The ACS acknowledges error rates of 25 to 50 percent (based on sampling methodology), so these figures may be exaggerated. Nevertheless, it is safe to assume that a majority of lower income households currently pay more than 30 percent of their income in housing costs.

The Mission Hospital 2011 Community Benefit Report studied the number of households that worked extra in order to make housing payments throughout the past year. Of the survey respondents from Dana Point, San Clemente, and San Juan Capistrano, 17% indicated that they or a member of their household worked an extra job or extra hours in order to afford a housing or rental payment. As might be expected, adults with the highest needs were more likely to indicate working extra in the past year in order to make a housing payment than those with average or fewer needs.

TABLE H-11
OVERPAYMENT BY TENURE
CITY OF DANA POINT

<u>Tenure</u>	<u>Moderate Overpayment (30% to 49% Renter, 35% to 49% Owner)</u>		<u>Severe Overpayment (>50%)</u>		<u>Overpaying Households</u>	
	<u>Number of Households</u>	<u>% of Total</u>	<u>Number of Households</u>	<u>% of Total</u>	<u>Number of Households</u>	<u>% of Total</u>
<u>Renter</u>	<u>1,686</u>	<u>31%</u>	<u>1,434</u>	<u>27%</u>	<u>3,120</u>	<u>58%</u>
<u>Owner</u>	<u>1,293</u>	<u>29%</u>	<u>2,014</u>	<u>21%</u>	<u>3,307</u>	<u>35%</u>
<u>Total</u>	<u>2,979</u>	<u>20%</u>	<u>3,448</u>	<u>23%</u>	<u>6,427</u>	<u>43%</u>

Source: SCAG 2014–2021 RHNA Methodology, 2011 (using 2006–2009 ACS).

Overcrowding

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

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

According to a SCAG estimate, there are 268 overcrowded households in Dana Point, representing less than 2% of all households. The overwhelming majority of overcrowded households were renters, but overcrowding is not prevalent in the City.

TABLE H-12
OVERCROWDEDHOUSEHOLDS 2010
CITY OF DANA POINT

<u>Overcrowded Owner Households</u>		<u>Overcrowded Renter Households</u>		<u>All Overcrowded Households</u>	
<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
<u>21</u>	<u>8%</u>	<u>247</u>	<u>92%</u>	<u>268</u>	<u>2%*</u>

Source: 2011 SCAG RHNA Methodology. *SCAG data estimated 16,854 total households.

Special Needs Groups

Certain population groups are considered to have special housing needs. These groups include disabled persons, the elderly, large households, farm workers, female householders, extremely low income households, and homeless persons and persons in need of emergency shelter. In many cases, the needs of these population groups are met in housing specifically designed for them.

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

Disabled Persons

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

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

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

The State department of Developmental Services provides community-based services to developmentally disabled persons through contracted regional centers. The Regional Center Orange County (RCOC) is charged by the State of California with the care of people with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments. RCOC has served 124 people in Dana Point with a developmental disability. Table H-13 provides a breakdown by age and zip code of those helped through ROCO programs.

TABLE H-13
DEVELOPMENTALLY DISABLED RESIDENTS BY AGE
CITY OF DANA POINT

<u>Zip Code</u>	<u>0-14</u>	<u>15-22</u>	<u>23-54</u>	<u>55-65</u>	<u>65+</u>
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~~June 2009~~ June 2013

<u>Area</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Total</u>
<u>92624</u>	<u>12</u>	<u>3</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>33</u>
<u>92629</u>	<u>46</u>	<u>14</u>	<u>28</u>	<u>2</u>	<u>1</u>	<u>91</u>
<u>Total</u>	<u>58</u>	<u>17</u>	<u>46</u>	<u>2</u>	<u>1</u>	<u>124</u>

Source: Regional Center Orange County, 2012.

According to the 2009–2011 American Community Survey approximately 2,550 residents in Dana Point have a disability: 149 children, 1,099 adults, and 1,299 elderly. The ACS collects data on people with a disability in six categories. They include difficulty with hearing, vision, a cognitive impairment, ambulatory ability, self-care, and independent living. Approximately 5% of adults (age 18–64) in the City are affected by a disability. The greatest challenges for disabled adults are cognitive impairment and independent living. About 24% of elderly residents (age 65 and over) are impacted by a disability. They have the greatest difficulty with ambulatory ability and living independently.

Elderly Population and Households

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

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

As of 2010, there were an estimated 7,170 persons who were 62 or older residing in Dana Point. The ratio of females to males in this age group is 1.2 (3,858 females, 3,312 males). Table H-14 reports on the age of householder by tenure distribution for the City. There are an estimated 3,652 senior households in the 65 to 75 years and 75+ age groups. The majority of Dana Point’s senior households are in the 65–74 year bracket—1,980 of the 3,652 households—and approximately 13% out of all householders are 75 years or older. Of the total senior households older than 65 years, 85% are owners and 15% are renters.

TABLE H-14
ELDERLY HOUSEHOLDERS BY TENURE IN 2000–2010
CITY OF DANA POINT

Age of Householder	<u>2000</u>					<u>2010</u>				
	<u>Owner</u>	<u>%</u>	<u>Renter</u>	<u>%</u>	<u>Total</u>	<u>Owner</u>	<u>%</u>	<u>Renter</u>	<u>%</u>	<u>Total</u>
65 to 74 years	1,414	54%	156	46%	1,570	<u>1,712</u>	<u>55%</u>	<u>268</u>	<u>48%</u>	<u>1,980</u>
75 years +	1,225	46%	184	54%	1,409	<u>1,379</u>	<u>45%</u>	<u>293</u>	<u>52%</u>	<u>1,672</u>
Total	2,639	100%	340	100%	2,979	<u>3,091</u>	<u>100%</u>	<u>561</u>	<u>100%</u>	<u>3,652</u>

Source: Census 2000 and American Community Survey 2009–2011.

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

According to Table H-15, 70% of all seniors 65+ years live in families. Approximately 27% of Dana Point seniors live in nonfamily households; of those 98% live alone. An estimated 21% of all seniors in this age group are women living alone. Seniors who live alone may greatly benefit from the free home assessment and social activities organized by the Dana Point Senior Center. Activities include a group lunch each weekday as well as special luncheons, twilight dinners and day-long outings each month.

TABLE H-15
HOUSEHOLD STATUS FOR PERSONS OVER
THE AGE OF 65 IN 2010
CITY OF DANA POINT

Household Status	Number	Percent
In Family Households		
Male householder	1,430,471	32.6%
Female householder	264,664	6.1%
Spouse	1,177,573	26.8%
Parent	89	2%
Other Relative	22,798	5.2%
Nonrelatives	833	0.1%
Nonfamily Households		
Male householder, living alone	216,352	5.6%
Male householder, not living alone	850	0.2%
Female householder, living alone	767,149	17.2%
Female householder, not living alone	3316	0.3%
Nonrelatives	119,200	30.4%
In group quarters	124,133	3.2%
Total	4,442,598	100%

Source: ~~Census 2000~~ American Community Survey 2009–2011.

Some elderly persons need supportive housing assistance if they are disabled and/or frail. According to the data in Table H-16, there are an estimated 2,998 seniors (age 65+) with disabilities out of a total of 5,512 seniors (24%). Disabled seniors may need assisted living facilities or basic support services in order to maintain independence. For seniors ages 60 and over whose limited mobility impairs shopping and cooking, the Dana Point Senior Center will deliver three meals each weekday for a donation of five dollars per day. Transportation is also a critical concern for many seniors, particularly those who are disabled. The

Orange County Transportation Authority operates the nonemergency South County Senior Transportation Program to provide South County residents aged 60 years and over with affordable and safe weekday transportation. Since January 2007 the cost of each trip has been two dollars.

An estimated 2% of the seniors 65 + years in nonfamily households live in group quarters. Group quarters include state-licensed residential care facilities for six or fewer persons. These facilities are permitted by right in any residential zone within Dana Point. In 2012, the California Department of Social Services Community Care Licensing Services reported six small residential care facilities with a collective capacity to house 33 persons in Dana Point. The City also has two large residential care facilities with the ability to serve 164 persons. The nearby cities of San Clemente, Laguna Niguel, and San Juan Capistrano also provide additional means for seniors to remain in the area. The combined cities offer 74 residential care facilities, providing over 1,000 beds in South Orange County.

TABLE H-16
LIMITATIONS OF THE SENIOR (65+) POPULATION IN 2010
CITY OF DANA POINT

<u>Status</u>	<u>Total</u>	<u>Percent of Seniors</u>
<u>Hearing Difficulty</u>	<u>649</u>	<u>12%</u>
<u>Vision Difficulty</u>	<u>218</u>	<u>4%</u>
<u>Cognitive Difficulty</u>	<u>292</u>	<u>5%</u>
<u>Ambulatory Difficulty</u>	<u>792</u>	<u>14%</u>
<u>Self-Care Difficulty</u>	<u>352</u>	<u>6%</u>
<u>Independent Living Difficulty</u>	<u>695</u>	<u>13%</u>
<u>Total Senior Disabled</u>	<u>2,998</u>	<u>24%</u>
<u>Percent of Total Population¹</u>		<u>4%</u>

1. Total senior population over 65 is 5,512.
Source: American Community Survey 2009–2011.

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

Large Households

In 2010, Dana Point had an estimated 14,182 total households, of which 1,004 were defined as large households—five or more persons. These large households accounted for 7% of the City's total households, as indicated by the data in Table H-17. Approximately 6% (522) of the City’s owner households and 8% (482) of the City’s renter households are large households. Large households need more space at affordable housing costs. In 2010 about 51% of all large family households resided in owner occupied housing.

TABLE H-17
HOUSEHOLDS BY HOUSEHOLD SIZE AND TENURE IN 2010
CITY OF DANA POINT

Household Size	Owner		Renter		Total	
	Number	%	Number	%	Number	%
1 person	<u>2,066</u>	<u>25%</u>	<u>1,946</u>	<u>33%</u>	<u>4,012</u>	<u>2628%</u>
2 persons	<u>3,605</u>	<u>43%</u>	<u>1,947</u>	<u>33%</u>	<u>5,552</u>	<u>4439%</u>
3 persons	<u>1,204</u>	<u>14%</u>	<u>903</u>	<u>15%</u>	<u>2,107</u>	<u>4415%</u>
4 persons	<u>917</u>	<u>11%</u>	<u>590</u>	<u>10%</u>	<u>1,507</u>	<u>4211%</u>
5 persons	<u>357</u>	<u>4%</u>	<u>269</u>	<u>5%</u>	<u>626</u>	4%
6 persons	<u>113</u>	<u>1.5%</u>	<u>120</u>	<u>2%</u>	<u>233</u>	2%
7 persons	<u>52</u>	<u>.05%</u>	<u>93</u>	<u>2%</u>	<u>145</u>	1%
Total	<u>8,314</u>	<u>59%</u>	<u>5,868</u>	<u>41%</u>	<u>14,182</u>	100%

Source: Census ~~2000~~2010.

Farm Workers

Low wages and the seasonal nature of many agriculture jobs create special needs for farm workers. According to the 2000 Census-U.S. Census Bureau Longitudinal Employer-Household Dynamics, there are an estimated 53-77 Dana Point residents employed in the “agriculture, forestry, fishing, and hunting” sector, many of which are fishermen likely due to the Dana Point Harbor and easily accessible ocean. The need for housing generated by farm workers is estimated to be nominal and can be adequately addressed by the City's affordability programs, particularly in the expansion of opportunities for Single Resident Occupancy hotels in the Town Center and CF zone.

Single-Parent Householders

According to the 2010 Census, 6% of householders in the City are single parents with children under 18 years of age. Of those single-parent householders, 67% are female and 33% are male. Female-headed households are considered a special needs group because of reported lower incomes than their male counterparts. There are approximately 2,342 female-headed households in Dana Point. Of these, 1,232 are female-headed households without a husband and 560 have children. These single-income households may have a need for lower and moderate income rental and homeownership opportunities.

Extremely Low Income Households

Extremely low income households are defined as those earning no more than 30% of the area median income. According to the Southern California Association of Governments, approximately 1,540 households in Dana Point were categorized as extremely low income households in the 2011 RHNA Methodology. Many of these extremely low income households are likely seniors, who are no longer working and are living on a fixed income.

The future housing need for extremely low income households can be estimated (per state law) at one-half of the City's very low income housing allocation. The City's very low income housing allocation for the 2014–2021 planning period is 76 units (see Table HI-1). Accordingly, the City's projected need for extremely low income households is approximately 38 units.

Such households could be on the verge of becoming homeless. An extremely low income household of four would earn less than \$28,900 per year and would be able to spend only \$722 per month in rent before overpaying for housing. A two-person household earning less than \$23,150 would only be able to spend \$579 per month in rent before overpaying for housing.

This population can be most effectively served by Section 8 Housing Certificates and Vouchers and through the construction of second units, small apartments, single room occupancy units, and could benefit from low-cost senior housing. The Dana Point Town Center Plan, as described in the Residential Land Resources section of the Housing Element, conditionally permits high density housing, including SROs, and could accommodate approximately 10 extremely low or very low income units. Additionally, the City updated its Community Facilities zone to conditionally permit SRO projects during the last planning period.

Homeless and Those in Need of Transitional or Emergency Shelter

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

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

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

- **Outreach/Needs Assessment:** a Continuum of Care begins with a point of entry in which the needs of a homeless individual or family are assessed. In most communities, the intake and assessment component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system should include a strong outreach component.
- **Emergency Shelter:** The County's 2011 Homeless Census & Survey identifies a countywide unmet need for almost 4,272 emergency shelter beds.
- **Transitional Housing:** Transitional housing provides rehabilitative services such as substance abuse treatment, short-term mental health services, and independent living skill classes. Appropriate case management should be accessed to ensure that persons receive necessary services. According to the county's 2010 Ten-Year Plan to End Homelessness there is an existing countywide unmet need for 5,724 beds in transitional housing facilities.
- **Permanent Supportive Housing:** Once a needs assessment is completed, the person/family may be referred to permanent housing or to transitional housing where supportive services are provided to

prepare them for independent living. For example, a homeless person with a substance abuse problem may be referred to a transitional rehabilitation program before being assisted with permanent housing. Some individuals, particularly persons with chronic disabilities, may require ongoing supportive services once they move into permanent housing.

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

The County's 2011 Homeless Census & Survey provided the following estimates of persons and families that compose homeless subpopulations. These estimates are summarized below:

- It is estimated that on any given day there are 1,651 chronically homeless persons in Orange County.
- 17% of the homeless population cited alcohol/drug use as the primary reason for their homelessness. Furthermore, 33% reported that they were currently using alcohol and/or other drugs. It is estimated that 20% of the homeless population suffers from a serious mental illness. As with the homeless substance abusers, this subpopulation often requires proactive outreach programs in order to be assessed and served.
- Of the homeless surveyed in Orange County, 57% indicated that they had a disabling condition. These conditions included a physical or developmental disability, mental illness, post-traumatic stress disorder, chronic health problem or substance abuse, HIV/AIDS, tuberculosis, or hepatitis C.
- It is difficult to estimate the number of victims of domestic violence in the County since many cases go unreported.

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

The transient nature of the homeless population makes obtaining a firm count difficult. Dana Point Police Services division of the Orange County Sheriff's Department estimated the year-round population of Dana Point between 60 and 80 individuals, increasing to approximately 100 during summer months. Year-round homeless residing in vehicles or motorhomes are estimated between 20 and 25, increasing to 40 to 50 during summer months. An estimated 8% of the City's transient homeless population is couples and the rest are individuals. There are no known transient homeless families in Dana Point. Dana Point's transient homeless and extremely low income residents could benefit from construction of single room occupancy, second units, emergency shelters, transitional housing, and permanent supportive housing facilities.

The City's Zoning Code allows emergency shelters of any size in all zones, subject to a conditional use permit (CUP). In conjunction with emergency shelters, the Zoning Code allows supportive services such as food, counseling, and access to other social services. In establishing conditions for all uses requiring a CUP,

the City seeks to ensure the health and safety of the use and surrounding uses. The factors that are usually considered include parking, noise, and operational features of the use. Emergency shelters of up to 20 beds are permitted by right in the Community Facilities (CF) zone. There are 62.1 acres of CF, 5 of which are vacant. Emergency shelters for a maximum of 10 beds are permitted by right as an accessory use in places of worship or up to 20 beds with a CUP.

There are several options for providing emergency shelters in Dana Point, ranging from new construction to small modifications to existing facilities. Places of worship often have volunteer committees that serve the homeless and provide supportive services for people in transition to self-sufficiency. Such places of worship may be well positioned to provide emergency shelter. The Zoning Code allows emergency shelters providing up to 10 beds as accessory uses to places of worship without a conditional use permit or other discretionary permit. There are approximately 11 places of worship in Dana Point. By allowing new emergency shelters in the CF zone, conversion of existing buildings in the CF zone to shelters, and accessory shelters in places of worship, the City has the potential to accommodate 100 or more emergency shelter beds.

Transitional housing and supportive housing are permitted as a residential use in Dana Point. They are only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. Facilities of this nature offer an interim home for homeless individual and families as they transition into permanent and maintainable housing.

Homeless persons in the City of Dana Point and its environs are served by a variety of South Orange County organizations. Table H-18 identifies the organizations and homeless shelters and facilities in or close to Dana Point.

- **Toby's House:** Toby's House is a nonprofit organization with two transitional housing facilities in Dana Point that serve homeless, pregnant women and their children under age five. Toby's House provides expectant mothers with shelter, prenatal care, life skills courses, and access to child care so they may work, go to school, or complete a job training program.
- **Laura's House:** A state-approved domestic violence agency serving South Orange County battered women and children. Laura's House provides housing, counseling, and legal services.
- **Mental Health Association of Orange County-Outreach Services:** This nonprofit organization uses CDBG funds to provide mobile outreach services for emotionally disabled homeless. Services may include assistance for temporary shelter, outreach, and referral for transitional programs.
- **Salvation Army/Family Services/South Orange County:** The Salvation Army food, utility assistance, transportation, clothing, and household item distribution center serving South County communities is in San Clemente, approximately five miles from the city center of Dana Point.
- **Friendship Shelter:** Located in Laguna Beach and serving south Orange County, the facility provides shelter and a program to assist single men and women get back on their feet.
- **Community Services Program (CSP):** This nonprofit organization provides emergency shelter and counseling to youth and their families in south Orange County.
- **Ecumenical (Episcopal) Service Alliance (ESA)/Anchor House:** Located in San Clemente, this facility provides transitional housing for up to three months for women with children.

- **San Clemente Community Service Center:** The Center offers food bags, including brown bag lunch during office hours. These services are provided when funds are available—rent, mortgage and utility assistance; transportation (bus tickets); transitional housing; info/referral; and counseling.
- **South County Outreach:** This nonprofit organization provides condominium housing for homeless families in South Orange County. Facilities are located in Lake Forest, Laguna Niguel, and Mission Viejo. Services include groceries, cleaning supplies, career coaching, computer training, legal counseling, consumer credit counseling, and psychological counseling.
- **Gilchrist House: Owned and operated by Family Assistance Ministries (FAM), this organization provides a transitional shelter for single women and women with children under the age of one in San Clemente. FAM also provides a food pantry, rental and utility assistance, workforce development, and free nurse visits at churches throughout South Orange County.**
- **The Teen Project: Located in Lake Forest, this group provides transitional housing for emancipated foster youth ages 18 to 24.**

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

**TABLE H-18
ORANGE COUNTY HOMELESS SHELTERS**

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

**TABLE H-18
ORANGE COUNTY HOMELESS SHELTERS**

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

**TABLE H-18
ORANGE COUNTY HOMELESS SHELTERS**

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

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Governmental Constraints and Resources

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

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

- Land use controls (land use element and zoning)
- Building codes and their enforcement
- Site improvements
- Local processing and permit procedures
- Fees and other exactions

Land Use Controls

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

General Plan Land Use Element

State law requires each city to have a general plan that establishes policy guidelines for future development. The land use element identifies the location, distribution, and density of land uses throughout the City. The land use element describes five residential land uses and one mixed, commercial and residential land use, ranging in density from 3.5 to 30 dwelling units per acre for the residential designations and 10 dwelling units per acre for the mixed-use designation. The Dana Point Town Center Plan incorporates development standards and allows for a mix of commercial and residential uses at densities reaching over 30 units per acre. The Community Facilities land use designation allows housing between 14 and 30 units per acre. Less than 16% of the City's land area or approximately 10% of dwelling units are within the lowest density General Plan designation of Residential 0-3.5.

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

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

TABLE H-19
GENERAL PLAN RESIDENTIAL LAND USE CATEGORIES
CITY OF DANA POINT

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

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

Zoning Code

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

The City’s Zoning Code regulates community development by establishing allowable uses and development standards for numerous residential, mixed use, and other zones. Additionally, a Planned Residential Development (PRD) overlay zone ensures that new development can be built with similar, more flexible standards (such as setbacks and minimum lot size) as those of development existing at the time of incorporation. Residential uses are permitted in the City’s mixed-use zones, and specific residential uses—including Single Room Occupancy units and residential care facilities—are conditionally permitted in commercial and industrial/business zones.

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

A summary description of each zone permitting residential uses is given in Table H-20. The summary description identifies the principal housing types permitted in each zone. Table H-21 indicates the specific

housing types that are allowed in some form in each residential zone. The Zoning Code provides for a variety of housing types to accommodate a range of owner and rental housing opportunities, including housing for special needs groups. Table H-22 lists the minimum acceptable standard for development within the City's residential districts necessary to assure quality development and attractive local residential areas without hindering the production of affordable housing. The City's development standards are not considered a constraint to affordable housing.

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**TABLE H-20
ZONING FOR A VARIETY OF HOUSING TYPES
CITY OF DANA POINT**

General Plan Designation	Zoning District	Maximum Density ¹	Housing Types
Very Low Density Residential			
Residential 0–3.5	Residential Single Family 2 (RSF 2)	2	Detached Single Family
	Residential Single Family 3 (RSF 3)	3	Detached Single Family
Low Density Residential			
Residential 0–3.5 & Residential 3.5–7	Residential Single Family 4 (RSF 4)	4	Detached/Attached Single Family
	Residential Single Family 7 (RSF 7)	7	Detached/Attached Single Family
	Residential Multiple Family (RMF 7)	7	Multifamily
Medium Density Residential			
Residential 7–14	Residential Single Family 12 (RSF 12)	12	Detached Single Family
	Residential Beach Road 12 (RBR 12)	12	Detached Single Family
	Residential Duplex 14 (RD 14)	14	Duplexes
	Residential Multiple Family 14 (RMF 14)	14	Multifamily
High Density Residential			
Residential 14–22	Residential Beach Road Duplex 18 (RBRD 18)	18	Duplexes
	Residential Single Family 22 (RSF 22)	22	Detached Single Family
	Residential Multiple Family 22 (RMF 22)	22	Multifamily
Residential 22–30	Residential Multiple Family 30 (RMF 30)	30	Multifamily
Mixed-Use			
Commercial/Residential	Commercial/Residential (C/R)	10	Mixed-Use Residential
Professional/Administrative	Professional/Residential (P/R)	10	Mixed-Use Residential
<u>Town Center</u>	<u>Town Center (TC)</u>	<u>2.5:1 FAR</u>	<u>Mixed-Use Residential, SRO</u>
Commercial, Industrial, and Community Facilities			
Community Commercial	Community Commercial/Pedestrian (CC/P)	0.6:1 FAR	Care Facility, Emergency Shelter, SRO
	Community Commercial/Vehicular (CC/V)	0.5:1 FAR	Care Facility, Emergency Shelter, SRO
Visitor / Recreation Commercial	Visitor/Recreation Commercial (V/RC)	0.5:1 FAR	Care Facility, Emergency Shelter, SRO
Industrial / Business Park	Industrial/Business (I/B)	0.5:1 FAR	Communal Housing, SRO
Community Facilities	Community Facilities (CF)	<u>30 + 0:1 FAR</u>	<u>Multifamily, Senior/Communal</u>

Source: Dana Point Municipal Code.

¹ Maximum dwellings per net acre of land without a density bonus. Residential projects in nonresidential districts shall comply with the Floor Area Ratio (FAR) of the zoning district.

**TABLE H-21
PERMITTED RESIDENTIAL USES BY ZONING DISTRICT
CITY OF DANA POINT**

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

Source: Dana Point Municipal Code, Chapter 9.09.

Notes:

A = Accessory Use, permitted by right if accessory to a dwelling unit or a residential development

A¹ = Accessory Use, permitted as part of a mixed-use project

P = Permitted Use, permitted by right

P¹ = Permitted Use, permitted by right to replace an existing single-family unit and subject to the standards of the RSF 7 district or as part of a mixed-use project

P* = Permitted Use subject to special use standards in Chapter 9.07 of the Dana Point Municipal Code

C = Conditional Use, allowed subject to the approval of a conditional use permit

C* = Conditional Use subject to special use standards in Chapter 9.07 of the Dana Point Municipal Code

TABLE H-22
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT

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

**TABLE H-22
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT**

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

TABLE H-22
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT

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

**TABLE H-22
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT**

Development Standards (1)	Residential Zoning Districts			
	RMF 14	RMF 22	RMF 30	<u>CF (Residential Projects)</u>
(a) Minimum Lot Size: (2)	7,500 sf	4,800 sf	4,800 sf	<u>4,800 sf</u>
(b) Minimum Lot Width - (2)				
Standard Lot	45 ft	45 ft	45 ft	<u>45 ft</u>
Cul-De-Sac Lot (at front setback line)	25 ft	25 ft	25 ft	<u>25 ft</u>
Flag Lot (for access extension)	25 ft	25 ft	25 ft	<u>25 ft</u>
(c) Minimum Lot Depth (2)	100 ft	90 ft	90 ft	<u>90 ft</u>
(d) Maximum Lot Coverage	60%	60%	60%	<u>60%</u>
(e) Minimum Land Area Per Unit (3)	2,600 sf	1,591 sf	1,167 sf	N/A
(f) Maximum Height (4)	28 ft/ 2 stories	28 ft/2 stories	28 ft/2 stories	<u>30-35 ft/3 stories</u>
(g) Minimum Front Yard Setback - (5)				
From Ultimate Public Street ROW line	20 ft	20 ft	20 ft	<u>20 ft</u>
Flag Lot (from connection with access extension)	15 ft	15 ft	15 ft	<u>15 ft</u>
(h) Minimum Side Yard Setback - (5)				
Interior Side	5 ft	10 ft	15 ft	<u>10 ft</u>
Exterior Side	10 ft	10 ft	15 ft	<u>10 ft</u>
Flag Lot (6)	15 ft	10 ft	15 ft	<u>10 ft</u>
(i) Minimum Rear Yard Setback - (5)				
Standard Lot	15 ft	20 ft	20 ft	<u>20 ft</u>
Flag Lot and Cul-de-Sac Lot	15 ft	N/A	N/A	
Adjacent to Alley or Street (from ROW line)	10 ft	15 ft	15 ft	<u>15 ft</u>
(j) Minimum Open Space(Private and Common)				
Private	200 sf/du	200 sf/du	100 sf/du	<u>200 sf/du</u>
Common	30% net ac	25% net ac	20% net ac	<u>25% ac</u>
(k) Minimum Landscape Coverage	25%	20%	15%	<u>20%</u>
(l) Minimum Building Separation (between primary and accessory buildings on the same lot)	10 ft	10 ft	10 ft	<u>10 ft</u>

**TABLE H-22
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS
CITY OF DANA POINT**

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

The land use and development regulations for the Town Center District are contained in the Dana Point Town Center Plan, which can be found on the City’s website. In general, the development standards are more flexible than the standards required in other zoning districts.

Parking Requirements

Parking requirements in the City of Dana Point are similar to those imposed by other cities in Orange County. Parking facilities are required to be located on the same lot and reduce the amount of available lot area for housing. Parking requirements generally relate to the housing type and number of bedrooms or units. Some uses, however, require fewer parking spaces, such as granny flats, second units, and senior housing facilities. To facilitate the production of affordable housing, the City maintains reduced parking standards for these uses. The City also permits shared parking between adjoining residential and commercial uses.

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

**TABLE H-23
MINIMUM NUMBER OF REQUIRED PARKING STALLS BY USE
CITY OF DANA POINT**

Use	Required Number of Stalls		
Single-Family			
Single-family, detached: Up to <u>5</u> bedrooms	2 covered stalls <u>in a garage</u>		
Over 4-6 bedrooms <u>and more</u>	2 covered stalls <u>in a garage</u> + 1 covered stall for every 2 bedrooms over 4 bedrooms		
Single-family, detached on shallow or narrow lots (less than 50 feet wide and 100 feet deep)	2 assigned and covered stalls within a garage per dwelling; or 2 assigned and covered stalls within a garage (setback 5 to 9 feet) per dwelling. The garage must be equipped with a garage door opener and a roll-up garage door.		
Single-family, attached	2 assigned and covered parking stalls within a garage or parking structure, plus 0.3 visitor stall unassigned per dwelling unit.		
Mobile Home Park	1 covered and assigned stall, plus 0.5 visitor stall unassigned per dwelling unit.		
Second Unit	1 covered (nontandem)		
Multifamily			
Multifamily units (including timeshares):	Stalls per Unit:		
	Covered ⁽¹⁾	Uncovered ⁽¹⁾	Visitor
1 bedroom or less	1.0	0.5	0.2
2 bedroom	1.0	1.0	0.2
3 bedrooms	2.0	0.5	0.2
More than 3 bedrooms	2.0	0.5 ⁽²⁾	0.2
	1. Covered stalls shall be assigned; uncovered stalls shall not be assigned. 2. Plus 0.5 uncovered stall per additional bedroom in excess of 3.		
Duplex	4-car garage (with min 40'x20' interior floor space) and 1 stall per duplex		
Duplex on lot less than 50' wide	Two (2) covered and assigned parking stalls within a garage per dwelling unit; or Two (2) covered and assigned parking stalls within a garage for one (1) dwelling unit; and one (1) covered and assigned parking stall within a garage and one (1) uncovered tandem stall for the second dwelling unit, subject to the approval of a minor CUP by the Planning Commission.		
Age-Restricted or Special Needs Housing			
Single or Multiple Family	Same as single-family and multiple family listed above		
Convalescent Hospital	1 stall for every 4 beds plus parking for onsite employee housing		
Granny Flat	1 covered (nontandem)		
Senior Citizen Housing Complex	1 covered and assigned stall, plus 0.5 guest stall per dwelling unit, plus 1 stall for the resident manager		
Senior Congregate	1.25 stalls per unit (may be reduced to 0.67 stall per unit subject to CUP to reflect presence of special transportation services/other unique characteristics)		
Source: Dana Point Municipal Code.			

Density Bonus

The City's Zoning Code regulations on density bonuses is consistent with Government Code Section 65915–65918, which require jurisdictions to grant a density bonus of 20% above the maximum permitted density if a development provides at least 5% of the units at rates that are affordable to very low income households or 10% of the units at rates that are affordable to low income households. If 10% of units are affordable to moderate income households, then the project is eligible to receive a 5% density bonus.

Second Dwelling Unit Requirements

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

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

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

One second dwelling unit was constructed in 2011 and was, per the City's Zoning Code, restricted to low and moderate income households. Through reviews of the permit applications and recorded covenants, these units are restricted to low income occupants. An additional second unit application is currently under review and is also expected to serve a low income occupant.

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

Single Room Occupancy

The City of Dana Point conditionally permits the development of SRO projects in multifamily residential, mixed-use, and commercial districts, including the Town Center area. The Zoning Code requires rates for the rental of units in an SRO project to be restricted so that 50% of the units in the project are affordable to persons of very low income and 30% of the units are affordable to persons of low income. Twenty percent of the units may be unrestricted.

Each unit within an SRO project shall be furnished with a bed, chair, table, and telephone. The minimum size of each one-person unit is 150 square feet. A two-person unit must be at least 250 square feet. Each SRO project must provide full or partial kitchens, bathrooms, and laundry facilities. Such facilities may be enclosed within each unit or provided in a common area. Laundry facilities may be deleted if the project is within 1,000 feet of an existing laundromat.

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

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

Housing for Disabled Persons

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

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

The City has adopted the ~~2007-2010 Uniform California~~ Building Standards Code and the most recent California Amendments. This code includes provisions of the Americans with Disabilities Act. To further address the needs of disabled residents, the City has added ADA coordination responsibilities to the role of the Certified Building Official. The City of Dana Point seeks to provide people with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing. Additionally, the City's Building Department helps residents with the retrofitting of their homes. Preliminary onsite inspection can be requested by homeowners seeking advice on Building Code requirements when modifying their home.

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

There are no maximum concentration requirements in the Zoning Code for residential care facilities or other facilities that serve the disabled. There is also no definition of family, and therefore no City restrictions on the number of nonrelated persons allowed per housing unit. The City permits a wide variety of uses to assist and care for the disabled. Uses such as community care facilities, convalescent facilities, and residential care facilities for the elderly are permitted in any residential district with a CUP. These uses are also permitted with a CUP in any Commercial/Residential or Professional/Residential district. These uses act as unique commercial uses and have special requirements for employee parking, visitor parking, and service access for delivery vehicles (e.g., for delivery of food and medical equipment).

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

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

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

Coastal Zone

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

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

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

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

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

Table H-~~23-24~~ describes the units constructed and demolished in the coastal zone and within three miles of the coastal zone from 1998 through 2012. The units were tabulated from available building permit record annual summaries provided to the State Department of Finance, and were constructed and demolished in both the coastal zone and within 3 miles of the coastal zone.

**TABLE H-24
UNITS IN THE COASTAL ZONE AND WITHIN THREE MILES OF THE
COASTAL ZONE 1989–~~2007~~2012
CITY OF DANA POINT**

Year	New Units	Demolished Units	Net Unit Increase
1989	120	3	117
1990	300	2	298
1991	39	3	36
1992	33	34	1
1993	80	2	78
1994	121	1	120
1995 ¹	38	0	38
1996 ²	23	0	23
1997	45	4	41
1998	184	5	179
1999	150	5	145
2000	54	0	54
2001	N/A	N/A	N/A
2002	57	1	56
2003	41	12	19
2004	41	0	41
2005	40	0	40
2006	40	3	37
2007	4	4	0
<u>2008</u>	<u>27</u>	<u>14</u>	<u>13</u>
<u>2009</u>	<u>31</u>	<u>3</u>	<u>28</u>
<u>2010</u>	<u>21</u>	<u>2</u>	<u>12</u>
<u>2011</u>	<u>12</u>	<u>7</u>	<u>5</u>
<u>2012</u>	<u>16</u>	<u>5</u>	<u>11</u>

Source: Monthly Reports 1989–1997, Annual Dept. of Finance Reports 1998–~~2007~~2012.

1: Monthly Reports for May through December 1995 are missing.

2: Monthly Reports for January through April 1996 are missing.

According to City records, there are approximately 111 deed-restricted affordable units within three miles of the coastal zone in Dana Point. The multifamily projects below are described in detail in the “Preservation of At-Risk Units” section.

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

According to City records, no affordable units in the City of Dana Point have been demolished. The only identified demolition of development of 3 or more units occurred in 1992 when 32 market rate units at the Monarch Coast Apartments were demolished following a landslide. These market rate units are slated

to be replaced, with increased affordability requirements on the existing affordable units as a condition of their approval. To date, no affordable units have required replacement in the coastal zone.

Building Codes and Code Enforcement

Building and safety codes adopted by the City are considered necessary to protect public health, safety, and welfare. However, these codes have the potential to increase the cost of housing construction and maintenance. The City has adopted the 2010 California Uniform Building Standards Code along with amendments specific to Dana Point. Other development codes enforced by the City include the most recent editions of the California Housing, Electrical, Fire, Plumbing, Mechanical, and Administrative Codes.

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

Site Improvements

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

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

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

transportation fees; transportation corridor fees; and connections to capital facilities such as water and sewer.

Local Processing and Permit Procedures

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

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

Ministerial Review

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

Discretionary Review

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

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

Similarly, there are two levels of conditional use permits for new residential development. A minor CUP is typically triggered by projects needing a shared parking program or minor deviations from development standards that may have adverse impacts. A minor CUP is approved by the Director of Community Development through an administrative hearing. A major CUP applies to certain residential uses that may have adverse impacts on existing residential areas, as listed in Section 9.09.020 of the Zoning Code. For example, a congregate care facility has special parking needs that may impact a surrounding residential neighborhood. Typical findings of approval for residential projects requiring a minor or major conditional

use permit include consistency with the General Plan; that the nature, condition, and development of adjacent uses; has been considered and the proposed use will not adversely affect adjacent uses, and that the proposed site is adequately sized to accommodate the necessary space for parking, landscaping, and other development features. Typical conditions of approval require the applicant to follow through with the project as proposed or face nullification of the conditional use permit. For example, relocation; substantial alteration; or addition to any use, structure, feature, or material not approved will nullify the conditional use permit.

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

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

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

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

Coastal development permit requirements can increase the cost and processing time for housing projects. This requirement is beyond the City's control and is required by the California Coastal Act. Dana Point is modifying the City-guided development processes (as detailed below) to minimize the permitting and processing procedures as a constraint.

Development Fees

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

Most cities collect fees on a cumulative basis (i.e., multiple fees for each entitlement sought for any given project), but Dana Point charges only the single highest fees for entitlements that are processed concurrently. For example, if a project requires a General Plan Amendment, Zone Change, and Tentative Tract Map, rather than charging all three fees, only the highest fee for the General Plan amendment would be charged. This provides for lower overall fees to the developer. The City’s fees for a variety of applications are described in Table H-25.

**TABLE H-25
PLANNING APPLICATION FEES
CITY OF DANA POINT**

Type of Application	Fee
Zone Change	Hourly rate
Tentative Tract Map	\$3,401
Tentative Parcel Map	\$1,760
Variance	\$844
Minor Site Development Permit	\$392
Major Site Development Permit	\$2,943
Minor Conditional Use Permit	\$392
Major Conditional Use Permit	\$2,355
Planning Site Plan Review	Hourly rate, maximum of \$196
Building Site Plan Review	Hourly rate, maximum of \$196
<u>Coastal Development Permit</u>	<u>\$1,633</u>

Source: Community Development Department ~~2008-2012~~.

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

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

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

Table H-26 displays development fees for three types of residential projects in Dana Point: a single-family house, a 20-unit condominium project, and a 50-unit apartment project. Dana Point last updated its fee structure in 1998, which has kept costs lower for recent development. The City periodically conducts fee studies to ensure fees are appropriate. The studies may result in adjustments to the fees; however, the City

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

**TABLE H-26
RESIDENTIAL DEVELOPMENT FEES**

Fees ¹	Single-Family Housing Project ²	Condominium 20-Unit Project ³	Apartment 50-Unit Project ⁴
City Fees			
Planning Fees (hourly)	\$98.00	\$784.00	\$784.00
Engineering Fees	\$3,563.00	\$4,563.00	\$4,563.00
Building Fees	\$4,132.60	\$41,771.51	\$52,827.91
Park In-Lieu (Quimby) ⁵	\$6,800.00	\$85,000.00	\$199,750.00
Transportation Fees	\$615.55	\$8,207.36	\$13,849.92
Housing In-Lieu Fee ⁶	\$540.00	\$10,800.00	\$27,000.00
General Government	\$28.58	\$381.12	\$643.14
Fire Protection	\$51.11	\$511.14	\$813.18
Art in Public Places	\$0	\$37,096.50	\$47,572.50
Other Governmental Agencies			
School Fees (CUSD)	\$9,980.00 <u>\$7,128</u>	\$149,700.00	\$249,500.00
Water/Sewer Fees (SCWD)	\$5,896.00	\$4,298.00	\$4,298.00
San Joaquin Transportation Corridor ⁷	\$4,185.00 <u>\$4,651</u>	\$2,438.00 <u>\$2,709</u>	\$2,438.00 <u>\$2,709</u>
TOTAL	--	\$345,550.63	\$604,039.65
Per Market Rate Unit	\$35,889.84	\$17,277.53	\$12,080.79

Source: City of Dana Point, 2012.

1. Projects may require site-specific environmental assessments, not included in above totals.
2. Single-family home assumed at 2,000 square feet with 400 square foot garage in RSF7 zone.
3. Condominium unit assumed at 1,500 square feet, 400 square feet garage in RMF14 zone.
4. Apartment unit assumed at 1,000 square feet with 200 square foot carport in RMF22 zone.
5. Park fees range from \$1,997 to \$6,800 per unit, depending on density park zone. Fees based on highest rate park zone.
6. Housing In-Lieu fees for units within Coastal Zone, Amount may vary within City.
7. San Joaquin Transportation Corridor fees vary based on zone and increase July 1 every year by 2.667%.

Non-Governmental Constraints and Resources

A local housing element incorporates an analysis of potential and actual non-governmental constraints including: environmental, infrastructure, residential land resources, land prices, construction costs, and financing.

Environmental Constraints

The City has identified areas affected by environmental hazards where land development should be carefully controlled. Local geologic conditions vary throughout the City and can even differ from lot to lot,

creating the need to study each development proposal individually. The following environmental constraints may impact future housing development in the City.

Coastal Erosion

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

Blufftop Erosion

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

Seismic Hazards

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

Watercourse Flooding

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

Coastal Flooding

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

Infrastructure Constraints

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

Water and Wastewater

The City of Dana Point is served by two water and sanitary districts of the South Orange County Wastewater Authority (SOCWA): the Moulton Niguel and South Coast Water Districts. The vast majority of the water distribution lines in these districts is under 30 years old and reported to be in good to excellent condition. Two joint powers agencies, the Aliso Water Management Agency and SOCWA, provide sewage treatment to the wastewater districts that serve Dana Point. [The City shares the Housing Element with SOCWA and South Coast Water District.](#) The condition of the sewer lines in these districts is generally very good, with the exception of some lines in Capistrano Beach, many of which are currently being repaired, upgraded, or replaced. The South Coast Water District is currently in the process of evaluating the condition of its lines and developing a prioritized plan for repairs and replacement.

Energy Conservation

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

Additionally, there are more opportunities for conserving energy in new and existing homes. The construction of energy efficient buildings does not necessarily lower the purchase price of housing, but should reduce monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can reduce in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits; retrofit to dual components or piggyback the use of evaporative coolers with air conditioning systems; installation or retrofitting of more efficient appliances and mechanical or solar energy systems; and building design and orientation.

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

The City has facilitated more efficient land use patterns by approving the more intense, mixed-use Dana Point Town Center Plan. Higher density and mixed-use developments can demand less energy than lower density projects by encouraging walking, a decrease use of automobiles, and smaller housing units that are more efficient to operate.

Residential Land Resources

An important component of the Housing Element is the identification of remaining sites and future housing opportunities in the 2014–2021 planning period. There is no “carryover” RHNA from the 2006–2014 planning period. Opportunities for new residential development are located on vacant or underutilized land that is designated for or may be approved for residential use.

Vacant Residential Land

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

To more accurately calculate potential unit yields, only vacant parcels meeting the minimum lot size requirement for their respective zoning designation, without the need for lot consolidation, were considered to be developable. Fifty-eight vacant parcels on 20.6 acres outside of the City’s specific planning areas were identified as having residential development potential during the planning period. A GIS analysis of the existing housing stock indicates that most single-family and multifamily residential development has occurred at or very near the highest allowable densities. Additionally, recent development applications indicate that single and multifamily residential development is continuing to occur near maximum densities.

Assuming future development continues to account for land use controls and site improvement requirements in similar fashion, the vacant acreage could realistically accommodate approximately 251 units composed of approximately 94 single-family units and 157 multifamily units. This total does not include the assumed development potential for 10 second units on single-family sites during the planning period. Tables H-27 through H-29 display the breakdown of vacant potential by zone, parcel, and income category. Figures H-3 through H-7 show the location of each vacant parcel. According to the General Plan Environmental Impact Report, adequate infrastructure exists to support this potential development. Furthermore, no environmental constraints have been identified on the sites that are considered as having infill residential development potential.

Vacant Land in Traditional Residential Zones

Based on analysis of recent new home sales figures provided by DataQuick, the majority of market rate units will be affordable only to above moderate income households. Several multifamily zones, including RD 14, RMF 14, and a single-family zone, RSF 22, have very small minimum lot sizes and high densities. Smaller lot sizes and higher densities can result in the development of several smaller, more affordable units. However, the vacant land inventory conservatively estimates that small parcels in these zones will yield above moderate income units. The City estimates that, based on past performance and increased efforts of the City to promote second units, an additional 10 units could be constructed as second units affordable to lower income households on nearly any of the 51 vacant sites zoned for single-family residential development (second units must remain affordable to lower and moderate income households per City of Dana Point Municipal Code Section 9.07.210 (b)(5)). These second units could also be constructed on a large number of the City’s existing single-family lots. With 10 second units, the City’s vacant residential properties have the potential to accommodate 104 new units.

Vacant Land in Multiple Use Zones

To accommodate additional higher density multifamily and affordable housing development opportunities, the City's zoning code and development standards allow multifamily housing (rental or ownership) ranging from 14 to 30 dwelling units per acre in the Community Facilities (CF) zone. The Vacant Land Inventory identified two vacant CF sites—one is 0.93 acres and the other is 5.3 acres. Both sites are under the same ownership, and the City has been in contact with the property owner. Assuming attached or multifamily housing at a density of 25 units per acre, approximately 23 units could be constructed on the 0.93-acre site, and 134 units could be constructed on the 5.3-acre site. Per state law and if desired by the developer, projects on these sites could seek approval for a density bonus of up to 35%, increasing the density and potential for affordable rental housing. To provide a more conservative estimate, however, the land inventory does not count any density bonus units in the City's overall potential.

The City's vacant land could provide approximately 251 units of new housing, of which 157 units could be made affordable to lower income households. Even greater development potential could be achieved in the event of a density bonus.

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

Zoning Designation (Maximum Density)	Minimum Lot Size	Sum of Vacant Acres	Assumed Density ¹	Potential Unit Yield
Vacant Land in Traditional Residential Zones				
RSF 3 (3 du/ac)	12,000	1.3	3	3
RSF 4 (4 du/ac)	8,700	6.7 3.3	4	24 13
RSF 7 (7 du/ac)	5,000	11.0 6.9	6	77 48
RSF 12 (12 du/ac)	3,000	1.1 0.6	8	3 4
RSF 22 (22 du/ac)	2,000	0.5 0.2	18	6 4
RD 14 (14 du/ac)	5,000	2.0 1.1	10	14 11
RMF 14 (14 du/ac)	7,500	1.3 0.9	10	11 10
Second Units ²	--	--	--	10
Vacant Land in Multiple Use Zones				
CF (14–30 du/ac)	5,000	0.9 6.3	25	23 157
Total Potential	--	25.3 20.6	--	175 238

Source: The Planning Center | DC&E, 2013.

1. The assumed densities were derived from a GIS analysis of existing and pending development.

2. Second units could be constructed on any of the ~~72~~51 sites zoned for single-family residential development.

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

Zoning Category	Lower Income	Moderate Income	Above Moderate Income	Total Potential Unit Yield
Residential Zoning	0	340	10894	14294
Second Units	10	0	0	10
Nonresidential Zoning ¹	23157	0	0	23157
Total Potential¹	33167	340	10894	175238

Source: The Planning Center | DC&E, 2013.

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

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

Unique Reference	Zoning Designation	General Plan Land Use	Acres	Assumed Density ¹	Potential Unit Yield
Multiple Use Sites					
40	CF	Community Facilities	0.93	25	23
28	CF	Community Facilities	5.36	25	134
Residential Sites					
27	RSF 22	Res. 14-22	0.06	18	1
25	RSF 22	Res. 14-22	0.07	18	1
26	RSF 22	Res. 14-22	0.10	18	2
34	RD 14	Res. 7-14	0.12	10	1
35	RD 14	Res. 7-14	0.12	10	1
31	RD 14	Res. 7-14	0.13	10	1
32	RD 14	Res. 7-14	0.15	10	2
42	RD 14	Res. 7-14	0.16	10	2
33	RD 14	Res. 7-14	0.19	10	2
30	RD 14	Res. 7-14	0.23	10	2
18	RMF 14	Res. 7-14	0.13	10	1
19	RMF 14	Res. 7-14	0.15	10	1
21	RMF 14	Res. 7-14	0.19	10	2
20	RMF 14	Res. 7-14	0.20	10	2
12	RMF 14	Res. 7-14	0.28	10	3
38	RSF 12	Res. 7-14	0.12	8	1
41	RSF 12	Res. 7-14	0.14	8	1
37	RSF 12	Res. 7-14	0.15	8	1
39	RSF 12	Res. 7-14	0.16	8	1
46	RSF 7	Res. 3.5-7	0.12	7	1
17	RSF 7	Res. 3.5-7	0.13	7	1
49	RSF 7	Res. 3.5-7	0.13	7	1

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

Unique Reference	Zoning Designation	General Plan Land Use	Acres	Assumed Density ¹	Potential Unit Yield
22	RSF 7	Res. 3.5-7	0.14	7	1
14	RSF 7	Res. 3.5-7	0.14	7	1
15	RSF 7	Res. 3.5-7	0.14	7	1
51	RSF 7	Res. 3.5-7	0.14	7	1
52	RSF 7	Res. 3.5-7	0.14	7	1
53	RSF 7	Res. 3.5-7	0.14	7	1
47	RSF 7	Res. 3.5-7	0.14	7	1
45	RSF 7	Res. 3.5-7	0.16	7	1
24	RSF 7	Res. 3.5-7	0.16	7	1
13	RSF 7	Res. 3.5-7	0.17	7	1
16	RSF 7	Res. 3.5-7	0.18	7	1
48	RSF 7	Res. 3.5-7	0.18	7	1
50	RSF 7	Res. 3.5-7	0.19	7	1
44	RSF 7	Res. 3.5-7	0.19	7	1
43	RSF 7	Res. 3.5-7	0.20	7	1
23	RSF 7	Res. 3.5-7	0.26	7	2
36	RSF 7	Res. 3.5-7	0.28	7	2
55	RSF 7	Res. 3.5-7	0.57	7	4
58	RSF 7	Res. 3.5-7	1.01	7	7
29	RSF 7	Res. 3.5-7	1.99	7	14
10	RSF 4	Res. 3.5-7	0.21	4	1
9	RSF 4	Res. 3.5-7	0.23	4	1
5	RSF 4	Res. 3.5-7	0.23	4	1
8	RSF 4	Res. 3.5-7	0.23	4	1
1	RSF 4	Res. 3.5-7	0.23	4	1
6	RSF 4	Res. 3.5-7	0.24	4	1
7	RSF 4	Res. 3.5-7	0.25	4	1
4	RSF 4	Res. 3.5-7	0.31	4	1
3	RSF 4	Res. 3.5-7	0.41	4	2
2	RSF 4	Res. 3.5-7	0.46	4	2
56	RSF 3	Res. 0-3.5	0.39	3	1
57	RSF 3	Res. 0-3.5	0.40	3	1
54	RSF 3	Res. 0-3.5	0.50	3	1
Subtotal	--	--	--	--	251
Second Units ²					10
Total	--	--	--	--	261

Source: The Planning Center | DC&E, 2013.

1. The assumed densities were derived from a GIS analysis of existing and pending development.
2. Second units could be constructed on any site zoned for single-family residential development.

FIGURE H-3 VACANT RESIDENTIAL LAND (OVERVIEW)



FIGURE H-4 VACANT RESIDENTIAL LAND (DETAIL 1)

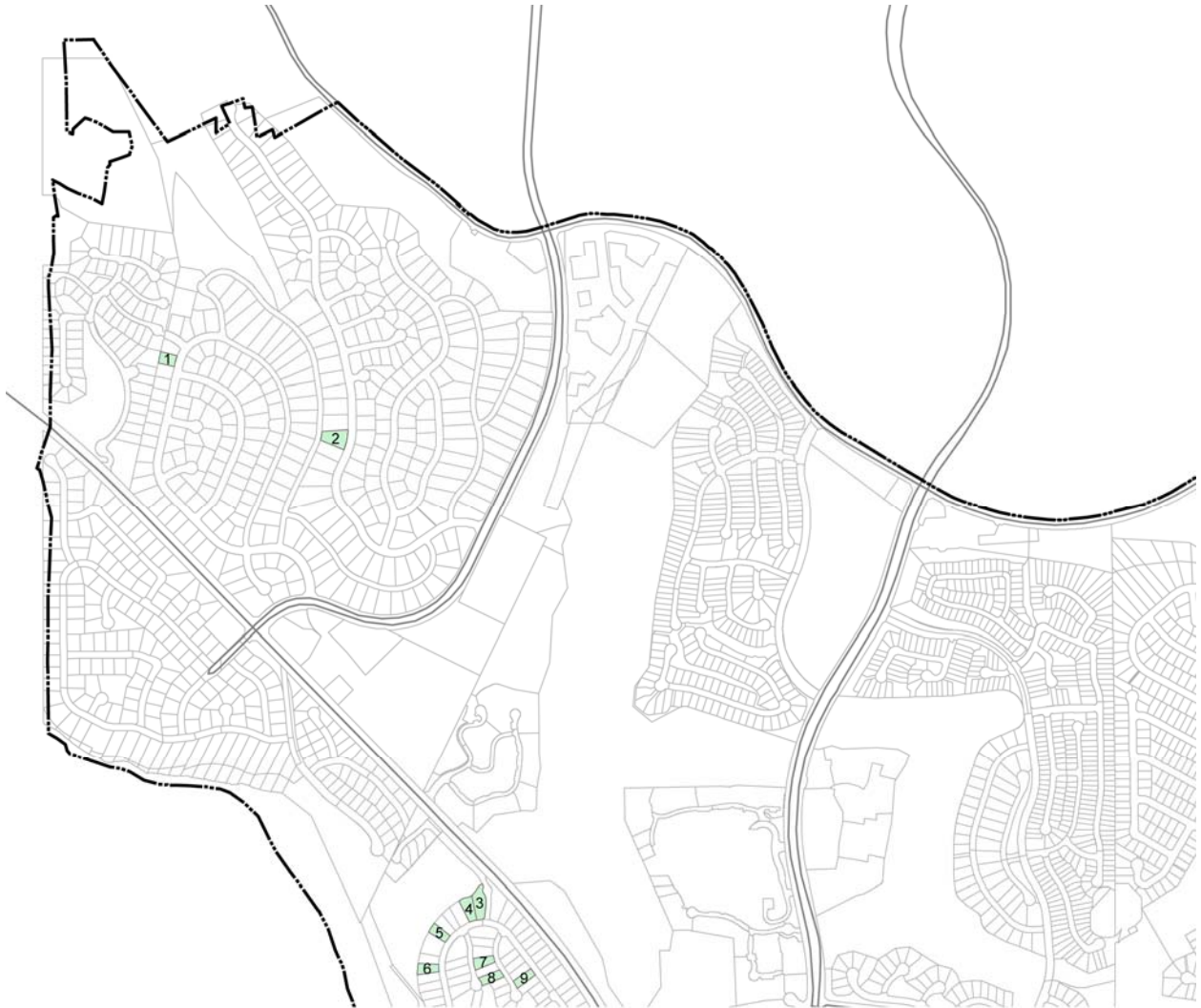


FIGURE H-5 VACANT RESIDENTIAL LAND (DETAIL 2)



FIGURE H-6 VACANT RESIDENTIAL LAND (DETAIL 3)

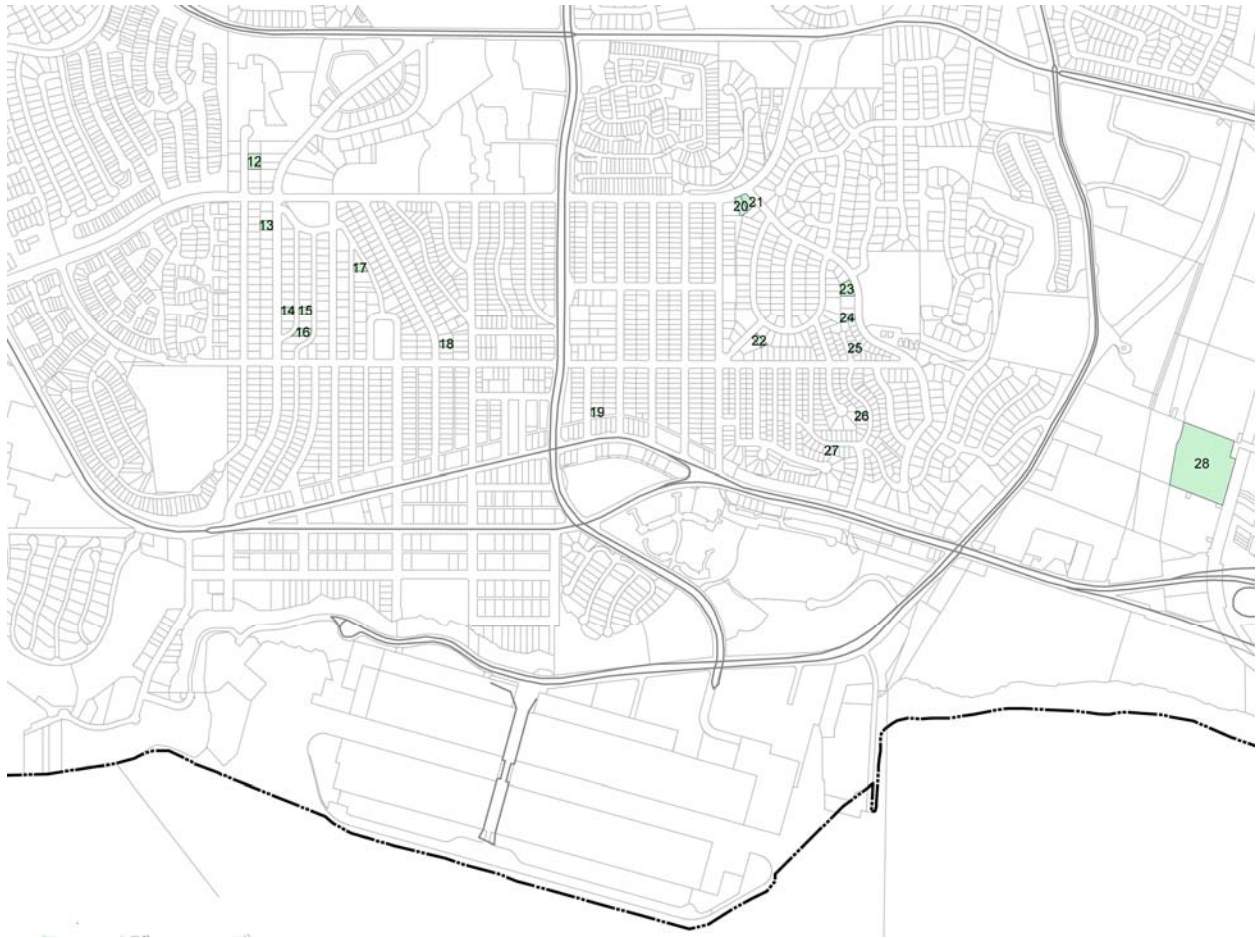


FIGURE H-7 VACANT RESIDENTIAL LAND (DETAIL 4)



Underutilized Land

The limited supply of developable vacant land and desirability of this coastal community requires Dana Point to look for housing opportunities in existing underutilized parcels. The City is dedicated to encouraging additional housing opportunities and has identified three underutilized areas appropriate for residential development. Underutilized parcels are developed or utilized at less than full potential. According to state law, underutilized sites may address a portion of the regional housing need if the element describes the additional realistic development potential. Table H-30 shows these underutilized sites have the potential to collectively provide 487 units.

Recent Underutilized Land Development Trends and Market Conditions

As previously mentioned, Dana Point’s high land costs and lack of vacant land necessitate the reuse or redevelopment of underutilized sites. The City has consistently approved residential development at the highest allowable densities, allowing it to maximize development opportunities. Dana Point generated a master plan for the Town Center, the central commercial area of the City, to introduce high density housing opportunities in a mixed-use setting. The City’s limited supply of vacant land make reuse and new development of underutilized parcels a favorable option for the development community. The City has discussed affordable housing opportunities in underutilized areas of Dana Point with several developers. Table H-30 summarizes the potential yield of the underutilized sites. To be conservative, it is not reflective of units possible through density bonus provisions.

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

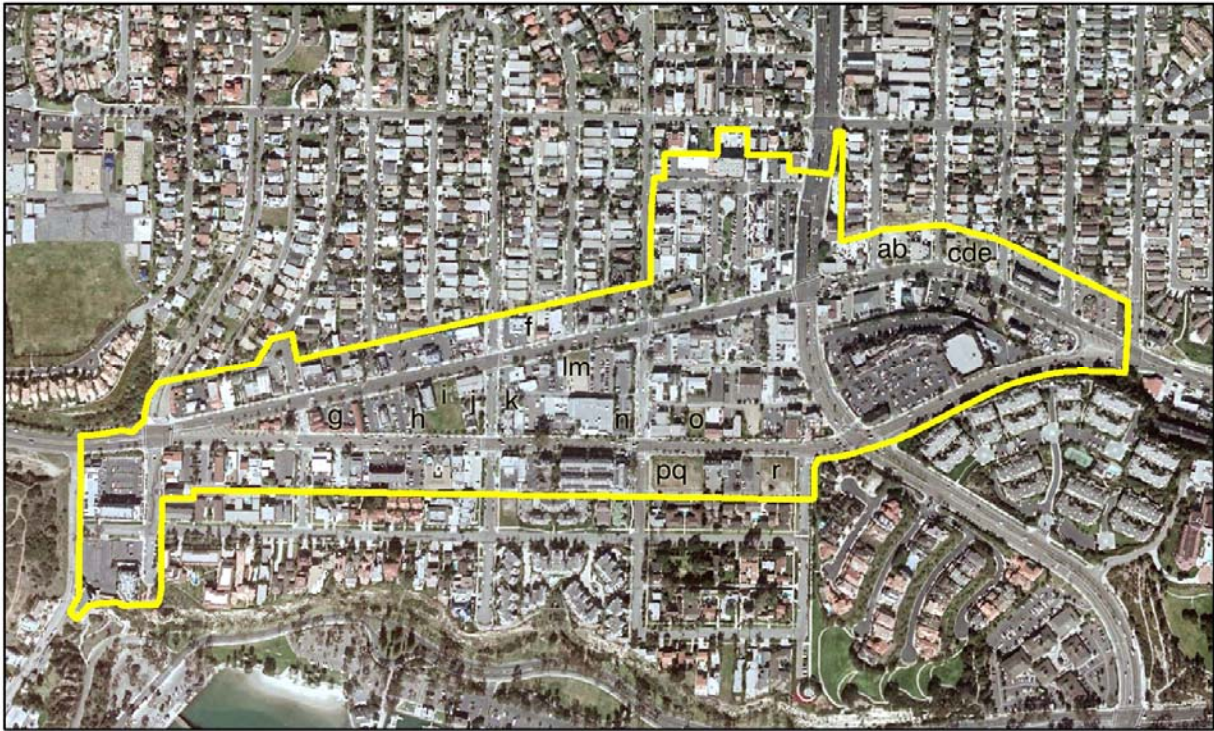
Site	General Plan Land Use	Zoning Designation	Size (Gross Acres)	Assumed Density	Income Level ¹			Potential Total Unit Yield
					Lower	Moderate	Above Moderate	
1: Town Center ²	Town Center Plan	Specific Plan	73.0	30	10	0	128	138
2: Former Marina Mobile Home Estates ³	Commercial/ Residential	RMF 22	8.9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

Source: The Planning Center | ~~DC&E, 2012, -2008-~~

1. The breakdown by income category is a hypothetical analysis of potential based on development standards, product types, tenure, market trends, and financial and regulatory incentives, and submitted applications. While the City seeks to facilitate and maximize the affordable housing constructed in the city, this housing element illustrates development potential and City targets, but does not constitute a requirement or regulation mandating the construction of affordable housing on a specific site.
2. The Town Center is expected to provide 138 new units within the planning period, a conservative estimate derived from preliminary proposals from property owners. This development potential includes selected underutilized and vacant land in the Town Center area. Densities are extremely variable in the Town Center and residential units are to be developed in a mixed-use format. Residential densities could exceed 30 units per acre, based on prototypes’ densities achieved in the Town Center Plan Development Analysis and Recommended Planning Concepts document and preliminary proposals from property owners.
3. The assumed density for the Former Marina Mobile Home Estates is based on a submitted application and Mitigated Negative Declaration. The project description states that 22 units will be affordable to lower income households.

Underutilized Site 1 (Town Center)

**FIGURE H-8
UNDERUTILIZED SITE 1**



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

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

Proposed Uses: The Town Center Plan amended the zoning ordinance to establish land uses and densities to provide a mix of land uses and additional housing opportunities. The Fiscal Impact Analysis prepared for the Town Center noted significant underutilized retail and residential potential, making the area an ideal location for mixed-use and dense residential development. The analysis set forth two buildout projections. The moderate model describes a 10-year construction period providing 232 new housing units, 150 of which are new multifamily housing units expected to be constructed during the 2014–2021 planning period. Land acquisition and lot consolidation is already occurring in this area for future mixed-

use projects. Three of the sites, 1j, 1k, and 1n, are the result of lot consolidation. Other lot consolidations are currently being discussed with the City. A conservative estimate of the development potential for underutilized site 1 (Town Center planning area) during the planning period is provided in Table H-31, below. The Town Center Plan permits mixed-use development (residential to be located on the second story or above) and conditionally permits residential care facilities for the elderly, senior housing, and SRO units throughout the entire Plan area. Although the vacant and underutilized sites in the Town Center could facilitate housing at a variety of affordability levels, including extremely low income SRO units, a conservative estimate of only 10 lower income units is assumed.

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

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

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

Source: City of Dana Point, 2012.

1. Sites 1j, 1k, and 1n were created following lot consolidation.

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

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

Source: City of Dana Point, 2012.

These vacant and underutilized sites, totaling 4.6 acres, range in size from 0.11 to 0.69 acres without additional lot consolidation. A conservative estimate of 30 units per acre results in the development potential for 138 new residential units. Assuming higher densities of 40 units per acre, the vacant sites could accommodate 184 new units. If developed alone each site could support small projects such as apartments or townhomes that are ideal for infill sites.

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

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

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

While the City could consider the entire Town Center an underutilized area, the Housing Element only identifies 4.6 acres as readily available to accommodate mixed-use development during the planning period. Over the past couple of years, the City has entertained an increasing number of discussions with developers about residential projects in the Town Center.

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

**FIGURE H-9
UNDERUTILIZED SITE 2**



Existing Uses: Located at 34202 Del Obispo Street immediately north of Pacific Coast Highway (PCH), the 8.7-acre, 90-unit Dana Point Marina Mobile Home Estates was closed by choice of the property owner in 2005, and the coaches have been removed. The property is currently zoned for ~~Coastal Recreation Residential/commercial 18 (RC18)~~. The SOCWA wastewater treatment facility is directly north of the site, the San Juan Creek is directly east, commercial uses are west and south of the site across Del Obispo Street and PCH, and Doheny State Beach is south of the property, across PCH. The surrounding uses are not considered to be a significant constraint to the development of the site. The property's proximity to the beach provides a desirable amenity and would facilitate the construction of housing.

Proposed Uses: The property owner has ~~applied~~ received approval for a General Plan Amendment and Zone Change for a residential/commercial mixed-use project, with a proposed density of 22 units per acre. The City Council and Costal Commission approved the General Plan amendment and zone change. A Mitigated Negative Declaration (MND) was prepared for the project. The MND assumed a project size of 214 units, including 22 units set aside for lower income households. Given the project size and density,

density bonus incentives, and inclusionary housing requirements in the Coastal Zone, it is reasonable to assume that a portion of the total units could be affordable to moderate income households.

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

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

Underutilized Site 3 (Capistrano Unified School District)

**FIGURE H-10
UNDERUTILIZED SITE 3**



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

prepared and the site is developable during the planning period. Existing connections to City water, sewer, and other dry utilities are on site, and these can support the additional residences proposed. The existing zoning designation is Community Facilities, which permits multifamily residential uses of 30 dwelling units an acre without a CUP.

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

Proposed Uses: The site may be particularly suitable for higher density multifamily senior housing. As stated in the Age Composition and Special Needs sections of the Housing Element, the City has significant retired population. These senior residents are typically more likely to experience overpayment and be subject to a fixed income, indicating a potential need for additional senior housing in Dana Point. The site's size and location also make it a good candidate for family housing. The site may provide opportunities for workforce housing for employees of local agencies such as CUSD.

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

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

Development Incentives and Requirements: Future development of the property is likely to occur through a public and private partnership. The City may consider a variety of affordable housing incentives such as reductions in lot size, width, depth, and setbacks, and increases in maximum lot coverage and floor area ratio. Additional incentives for affordable housing provided by various state and county programs and density bonus provisions may increase the number of affordable units as well as the number of total possible units.

Summary of Housing Development Potential

Because Dana Point is a highly desirable coastal community, the market for housing is expected to quickly return as the economy improves given the lack of available land. Dana Point's current development pattern generally builds to the maximum density permitted by zoning. The City intends to continue making the highest and best use of residential land and understands that this vision includes housing for

all segments of the community. With this in mind, the City increased multifamily and affordable housing potential by permitting multifamily housing in the CF zone and reducing regulatory barriers to mixed-income and affordable housing in multifamily zones.

Vacant residential land and underutilized sites in Dana Point offer a variety of development opportunities, ranging from single-family homes with ocean views to apartments and SRO efficiencies. The potential buildout of each vacant parcel is calculated based on existing densities, development standards, and market conditions. Realistic capacity buildouts on vacant land outside of the Town Center area result in the potential for 251 new units, of which 157 could serve lower income households. The breakdown by income category is a hypothetical analysis based on expected densities and product types.

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

**TABLE H-33
SUMMARY OF RESIDENTIAL DEVELOPMENT POTENTIAL 2014-2021
CITY OF DANA POINT**

Development Category	Lower (0–80%)	Moderate (81–120%)	Above Moderate (>120%)	Total
RHNA	<u>129</u>	<u>61</u>	<u>137</u>	<u>327</u>
Vacant Land	157	0	94	<u>251</u>
Underutilized Land	92	85	310	487
Second Units	10	0	0	10
Total Potential	249	85	404	<u>778</u>
<u>RHNA</u> (Deficiency)/Surplus	+120	+24	+267	+ <u>451</u>

Source: SCAG, City of Dana Point, ~~2009~~2012.

Price of Land

Typically, land costs increase as land availability decreases. With a very limited amount of available land the cost of land is a major constraint to housing production in Dana Point. In addition, the desirability of this coastal community, with ocean views and other local amenities, drives prices up. The most recent transactions for vacant, residentially zoned land within the City range from approximately \$8 to \$275 per square foot. The cost per square foot for vacant residential sites without a coastal view ranged from \$8 to \$79 (Zillow.com).

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

Cost of Construction

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

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

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

Financing

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

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. First-time homebuyers are the group impacted the most by financing requirements. Lower initial rates are available with graduated payment mortgages, adjustable rate mortgages, and buy-down mortgages. However, variable interest rate mortgages on affordable homes may increase to the point of interest rates exceeding the cost of living adjustments, which is a constraint on the affordability.

Mortgage interest rates for new home purchases ranged from 3–7% for a fixed-rate, 30-year loan between 2008 and 2012, with an average rate of approximately 4% in 2012. The recent foreclosure crisis has generated more conservative lending standards, and down payment requirements have increased.

Flexible loan programs, such as those for first-time homebuyers, still offer flexible down payment requirements between 5% and 20%. Such programs provide a method to bridge the gap between a required down payment and potential homeowner's available funds. The Federal Housing Administration (FHA) offers loan programs for first time home buyers including low down payments, around 3.5%, low closing costs, and easy credit qualifying.

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

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

Preservation of At-Risk Units

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

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



Domingo/Doheny Park Road Apartments

Assisted Units

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

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

Monarch Coast Apartments: Out of 418 units, the Monarch Coast Apartments provides 84 one- and two-bedroom units for lower income households. Half of these are restricted for very low income households and half are restricted for low income households as guided by HUD fair market rents. These units were financed by a \$31.8 million bond in 1999 and are restricted for affordable rental housing until January 2015.

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

In addition, the agreement provides that William Lyon Company will prepare a dispersal map showing where the affordable units will be located, which will be subject to City approval. This will enable the City to ensure that the affordable units are dispersed evenly and appropriately throughout the project. The other 44 income-restricted units will be able to convert to market rate units starting January 1, 2015. The City is in talks with Monarch Coast to preserve the affordability of the remaining 44 units throughout the planning period.

Preservation Options

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

Replace Rent Subsidies

The first preservation option is to replace the reduced-rent units in return for extending affordability covenants. The City would negotiate with the owner to extend affordability. The financial cost equals the difference between the fair market rent of a unit and the maximum rent tenants could pay each month. Table H-34 calculates the affordable housing subsidy that would be required to preserve the at-risk units.

A short term solution to affordable housing stock limitation is the Section 8 voucher program that provides rent subsidies to extremely low and very low income households with a housing cost burden or who are at risk of becoming homeless or being displaced. Voucher recipients rent housing from private landlords and pay a portion of their income toward rent (usually up to 30% of their income). The County Housing Authority subsidizes the difference in monthly payments to the owner.

Monarch Coast Apartments

The City can assume that the 44 at-risk units will be divided in the same proportion (and occupied by the same household size) as the current units. As shown in Table H-34, the City would need to provide approximately \$157,080 in annual financial assistance, translating into \$8.64 million over 55 years (a common affordability covenant time period).

Build New Units

The cost of constructing new units depends on whether the developer needs to purchase land and whether their initial contribution can be leveraged with other funding sources. Constructing all 44 units in one project would be the most efficient and cost-effective use of land. As shown in Table H-35, the construction of 44 one- and two-bedroom units is estimated to cost at least \$7.4 million. This new project would also have to be maintained and monitored, adding additional operating costs that could not be covered by the subsidized rent for many years.

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

Income Category	Bedroom Count ¹	Maximum Affordable Rent ²	Fair Market Rent ²	Number of Units	Monthly Affordability Gap	Annual Affordability Gap
Monarch Coast Apartments						
Very Low	1	<u>\$853</u>	<u>\$1,384</u>	11	<u>-\$5,841</u>	<u>-\$70,092</u>
Very Low	2	<u>\$1,066</u>	<u>\$1,652</u>	11	<u>-\$6,446</u>	<u>-\$77,352</u>
Low	1	<u>\$1,365</u>	<u>\$1,384</u>	11	<u>-\$209</u>	<u>-\$2,508</u>
Low	2	<u>\$1,706</u>	<u>\$1,652</u>	11	<u>-\$594</u>	<u>-\$7,128</u>
Total				44	<u>-\$13,090</u>	<u>-\$157,080</u>

Source: HUD and The Planning Center|DC&E, 2012.

1. Assumes a household size of two persons for one-bedroom units and four persons for two-bedroom units.

2. Per HUD established fair market rents.

**TABLE H-35
ESTIMATED REPLACEMENT COST
CITY OF DANA POINT**

Unit Size	Cost per Square Foot	Cost per Unit	Number of Units	Total Cost
<u>1 bedroom, 725 s.f.</u>	<u>\$200</u>	<u>\$145,000</u>	<u>22</u>	<u>\$3,190,000</u>
<u>2 bedroom, 950 s.f.</u>	<u>\$200</u>	<u>\$190,000</u>	<u>22</u>	<u>\$4,180,000</u>
Total			44	<u>\$7,370,000</u>

Source: RSMMeans, 2012.

Facilitate Transfer of Units

The City of Dana Point is in frequent contact with the affordable housing community and has positive relationships with many nonprofit affordable housing organizations. The City could facilitate the transfer of the units to a nonprofit housing corporation that could purchase the project, rehabilitate it, and extend the affordability controls.

There are numerous potential resources to help fund acquisition and rehabilitation. One potential resource is Community Development Block Grants (CDBG). These funds are awarded to participating urbanized communities including Dana Point. Funding is awarded on a competitive basis to each participating city. Activities eligible for CDBG funding include acquisition, rehabilitation, economic development, and

public services. The County of Orange was awarded \$3,635,618 in CDBG funds for Fiscal Year 2011–2012.

HOME is a county-administered flexible grant program that takes into account local market conditions, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist rental housing or home ownership through acquisition, construction, reconstruction, and/or rehabilitation of affordable housing. The County of Orange allocates funds to its participating cities on a competitive basis. In Fiscal Year 2011–2012, the County of Orange received a total of \$1,522,687 in HOME funds.

Under the federal Section 202 program, nonprofit organizations and consumer cooperatives can receive no-interest capital advances from HUD for the construction of very low income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811 program funds, which can be used to develop group homes, independent living facilities, and intermediate care facilities. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.

Low Income Housing Tax Credits (LIHTC) is a federally funded, state-administered financial program to preserve and create new affordable housing. A nonprofit housing corporation could purchase the at-risk project, rehabilitate it using tax credit financing, and extend the affordability covenant. The California Tax Credit Allocation Committee oversees the application and allocation process for all LIHTC projects. Applicants compete for the funds, which are prioritized based on location, affordability terms, housing needs, and project amenities.

The California Housing Finance Agency (CalHFA) has multifamily programs that provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for lower and moderate income households. One of the programs is the Preservation Acquisition Finance Program, which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

Qualifying Entities

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

- Civic Center Barrio Housing Corporation
- Housing Corporation of America
- Jamboree Housing Corporation
- Mercy Housing
- NeighborWorks Orange County (formerly Neighborhood Housing Services of Orange County, Inc.)

- Nexus for Affordable Housing
- Orange Housing Development Corporation
- Shelter for the Homeless

Appendix A

Evaluation of Previous Housing Strategies

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

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

Appropriateness of Previous Housing Goals, Objectives, and Policies

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

Table HB-1 identifies and evaluates all of the housing programs in the 2006–2014 Housing Element, including their level of achievement and recommendations for future activity.

**TABLE HA-1
EVALUATION MATRIX OF ~~2006-2014~~ HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Category 1: Identify Adequate Sites for a Variety of Housing Types				
1.1 Affordable Housing Development Program	Identify development opportunity sites for the remaining new construction need, as well as sources of funding for land acquisition for the purpose of partnering with a private or nonprofit organization to develop affordable housing.	Identify sites for the future development of 100 very low income, 21 low income, 38 moderate income, and 28 above moderate income units.	Met with CUSD Director of Facilities Planning Cary Brockman in January 2010 and April 2012. No current plans for property. Developers have been referred to CUSD for discussion as housing site.	The City amended the CF zone to allow multifamily housing by right. The CUSD site is in the CF zone and is a senior and multifamily housing opportunity site. The City will continue to refer interested developers to CUSD. No program is necessary in the 2014–2021 planning period.
1.2 Expand Zoning for Multifamily Housing	Facilitate affordable housing by amending the Zoning Code to permit multifamily housing in the CF zone.	n/a	Ordinance #10-06 adopted May 24, 2010	The Zoning Code was amended to permit multifamily housing by right in the CF zone. No program necessary in the 2014–2021 planning period.
1.3 Expand Zoning for Emergency Shelters and Transitional Housing	Permit transitional and permanent supportive housing as any other residential use. Permit emergency shelters by right in the CF zone and as an accessory use to place of worship. Collaborate with community organizations during the creation of appropriate development and management standards.	n/a	Ordinance #10-06 adopted May 24, 2010	Emergency shelters serving up to 20 persons nightly are permitted in the CF zone and conditionally permitted in all residential zones. Shelters serving up to 10 persons are permitted as an accessory use to religious facilities. Transitional and permanent supportive housing are permitted in all zones allowing residential uses and are not subject to any restrictions not imposed on similar dwellings. No program necessary in the 2014–2021 planning period.

TABLE HA-1
EVALUATION MATRIX OF 2006-2014 HOUSING ELEMENT PROGRAMS

Program	Intent	Objective	Level of Achievement	Evaluation
1.4 Density Bonus Housing	Inform developers and other interested parties of adopted density bonus provisions.	10 lower income units	The City did not receive any applications for a density bonus.	The downturn in the housing market affected interest in developing housing. The City will continue to maintain the Density Bonus Ordinance throughout the planning period.
1.4 Second Units	Amend the Zoning Code to reflect changes in State law and encourage the development of second units through a "How-To" seminar on second dwelling units and a flyer on how to apply for a second dwelling unit.	Hold seminar Create flyer 5 very low and 5 low income second units	Instead of a seminar the City discussed second dwelling units as a part of the Planning Commission Public Hearing on the Annual Housing Report. 3 low income second units	The City approved at least 3 affordable second dwelling units. With the creation of a flyer, the City could expect additional units to be created.
1.5 Committed Assistance Credits	Develop a public/private partnership with a qualified nonprofit organization to acquire and rehabilitate existing rental housing.	20 very low and 12 low income units	None, had several conversations with non-profit affordable housing developers but have no current partnerships/projects.	The City should continue to pursue a partnership to preserve at-risk units.
Category 2: Assist in the Development of Adequate Housing to Meet the Needs of Low and Moderate Income Households				
2.1 Mortgage Revenue Bond Financing	Continue to operate a cooperative agreement with the County of Orange on the Multifamily Revenue Bond Program and Single Family Residential Mortgage Revenue Bond Program.	n/a	Agreement maintained	No projects were funded through either bond programs. The City should continue to maintain an agreement with the County of Orange on available housing assistance programs.

TABLE HA-1
EVALUATION MATRIX OF 2006-2014 HOUSING ELEMENT PROGRAMS

Program	Intent	Objective	Level of Achievement	Evaluation
2.2 Coastal Zone Requirements	Continue to implement the requirements of the Coastal Act and collect in-lieu fee payments.	n/a	15 residents	<p>The City collected in-lieu fees and spent \$100,000 on a Housing Assistance Pilot Program in 2005. On September 14, 2005, the City Council approved \$100,000 in affordable housing in-lieu fees to be used to provide assistance to eligible very low, low, and moderate income households.</p> <p>The City established four separate categories of assistance, including relocation assistance, rental subsidies, mortgage assistance, and rental deposits assistance.</p> <p>Fifteen Dana Point residents received housing assistance to supplement their income under this program. The City should continue this program with the remaining and future in-lieu fees.</p>
2.3 In-Lieu Fee Program	Re-evaluate the City's current in-lieu fee requirement.	Revise in-lieu fees	See evaluation	<p>The City has continued to study and evaluate its in-lieu fee requirements. Considerable input from the building industry and general public indicates the need for further study.</p>

TABLE HA-1
EVALUATION MATRIX OF 2006–2014 HOUSING ELEMENT PROGRAMS

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

**TABLE HA-1
EVALUATION MATRIX OF 2006-2014 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
4.2 Owner Rehabilitation	Continue to apply to the County of Orange for CDBG and HOME Funds.	Assist 20 units	15 units assisted	Dana Point was part of the 2004 CalHome application for first time homebuyer assistance of \$750,000. When this program reopens, the City should participate.
4.3 Rental Rehabilitation	Continue to support the implementation of the County of Orange Rental Rehabilitation Program	Assist 32 units	10 units assisted	<p>The City directed and facilitated assistance to 10 units between 2000 and 2005. The City continues to refer home owners to the County of Orange. The City should continue to coordinate with the county on this program and should consider applying to OCHA for CDBG funds to establish a housing rehabilitation program to address aging housing stock.</p> <p>The City applied to the county of Orange for CDBG funds in 2008, but was not successful in the competitive process.</p>
4.4 Neighborhood Conservation Program	Continue monitoring neighborhood conditions (i.e., structures, public amenities such as sidewalks) and utilize General Funds, CDBG funds, and the Code Enforcement Program to maintain the integrity of these neighborhoods.	n/a	Drainage and park improvements in a lower income neighborhood	<p>CDBG funding supported the improvements to storm drains and the construction of the Lantern Village Community Park. The City has also spent funds through the Capital Improvements Program to revitalize infrastructure. In the future, continued attention should be maintained on the Lantern Village area.</p> <p>The City applied to the county of Orange for CDBG funds in 2008, but was not successful in the competitive process.</p>

TABLE HA-1
EVALUATION MATRIX OF 2006-2014 HOUSING ELEMENT PROGRAMS

Program	Intent	Objective	Level of Achievement	Evaluation
4.5 Condominium Conversions	Continue to enforce the City's Condominium Conversion Ordinance.	n/a	n/a	No condominiums were converted between 1998 and 2012 that generated affordable housing. Future applications for conversions shall be required to comply with the City regulations; however, a specific housing program is no longer necessary.

**TABLE HA-1
EVALUATION MATRIX OF 2006-2014 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Category 5: Promote Housing Opportunities for All Persons				
5.1 Equal Housing Opportunity Services	Coordinate with and promote the Orange County Fair Housing Council (OCFHC)	Create a directory for housing assistance.	See evaluation	The City referred interested parties to the OCFHC and created a directory. The directory should be updated annually.
Category 6: Preserve Lower Income Assisted Housing Developments				
6.1 Housing Conservation	Continue to monitor and preserve the affordability terms of existing and future assisted housing.	159 units	See evaluation	<p>Although 11 units were converted to market rate units, the City preserved 84 at-risk lower income units in 1999. The remaining 64 units were not at risk of conversion.</p> <p>Out of a 418-unit project (Monarch Coast), 84 units were refinanced by a \$31.8 million bond in 1999 (original bond date of 1985) and restricted for affordable rental housing until January 2015. A total of 42 were restricted for very low income households and 42 were restricted for low income households as guided by HUD fair market rents.</p> <p>The City should continue to monitor and preserve existing assisted housing in Dana Point.</p>
6.2 Housing Affordability Guidelines	Prepare and implement affordability guidelines to allocate funds to affordable developments and to ensure that the housing remains affordable for a reasonable time period.	Prepare and implement affordability guidelines	See evaluation	The City did not prepare citywide guidelines, and instead negotiated with developers on a case-by-case basis. Citywide guidelines are still needed and should be created and implemented.

TABLE HA-1
EVALUATION MATRIX OF ~~2006-2014~~ HOUSING ELEMENT PROGRAMS

Program	Intent	Objective	Level of Achievement	Evaluation
6.3 Section 8 Housing Certificates and Vouchers	Continue to implement the participation agreement with the Orange County Housing Authority (OCHA).	56 rental units	40-56 units	The City has assisted residents seeking rental properties through direct communication with property owners and OCHA for updated listings. Assistance levels varied by year. OCHA provided Section 8 rental assistance to approximately 40 of Dana Point households between 1998 and 2005. Since then, the number of assisted households has decreased to 31. Assistance should be expanded, provided adequate funding is available.
6.4 Shared Housing	Advertise and promote the availability of the Shared Housing Program operated by the Orange County Senior Services.	20 seniors	0 seniors	Orange County Senior Services no longer operates a homesharing program

Source: City of Dana Point.