

City of San Clemente

2013-2021 Housing Element

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1. Introduction

1.1 Purpose of the Housing Element

The purpose of the Housing Element is to identify the City's housing needs and outline goals, policies and programs to address them. The Housing Element is an eight-year plan, extending from October 15, 2013 to October 15, 2021. Because this Housing Element was not adopted within 120 days of the statutory October 15, 2013 deadline, pursuant to State law, the City is required to provide a four-year update of the Housing Element by October 15, 2017.

The primary issues addressed in the Housing Element include: 1) the provision of a decent home in a healthy environment for all economic levels of society; 2) housing affordability for special needs populations; 3) assisting in the development of affordable housing; 4) implementation of housing programs; and 5) rehabilitation and preservation of existing affordable housing.

1.2 Overview

State law requires the preparation of a Housing Element as part of a jurisdiction's General Plan (*Government Code* §65302(c)). It is the primary planning guide for local jurisdictions to identify and prioritize the housing needs of the city and determine ways to best meet these needs while balancing community objectives and resources. The 2013 Housing Element consists of five chapters, including: 1) Introduction; 2) Needs Assessment; 3) Resources and Opportunities; 4) Constraints; 5) Housing Action Plan; and the Appendices.

Guidelines adopted by the Department of Housing and Community Development (HCD) are also to be considered in the preparation of the Element (Section 65585). Periodic review of the Element is required to evaluate (1) the appropriateness of its goals, objectives and policies in contributing to the attainment of the state housing goals; (2) its effectiveness in attaining the City's housing goals and objectives; and (3) the progress of its implementation (Section 65588).

1.3 Public Participation

Public participation is an important component of the planning process in San Clemente, and this update to the Housing Element has provided residents and other interested parties numerous opportunities for review and comment.

1.3.1 Housing Needs Survey

As part of the Housing Element update, the City conducted an online survey to solicit input on housing needs and housing programs. To publicize the survey, the City announced its availability on:

- City website
- City Facebook page

The survey was made available online in English and Spanish from August 2015 through the end of

November 2015. A total of 143 surveys were collected electronically. The survey was made available to tenants and homeowners that reside in the City, as well as non-residents and non-resident landlords. The majority of survey respondents (about 61 percent) identified as homeowners in the City of San Clemente. The survey respondents answered questions regarding housing and community needs in San Clemente. The following responses are the top responses provided (in order of number of responses):

The top three housing challenges in the City, as identified by survey respondents were:

- High housing cost (78 percent)
- Neighborhood Physical Condition (57 percent)
- Supply of new housing to rent (54 percent)

When asked to select the top three groups in the community with the greatest need for housing and related services, respondents prioritized:

- Young adults (86 percent)
- Seniors (78 percent)
- Persons with disabilities (64 percent)

Survey participants were also prompted to evaluate whether there existed an adequate supply of specific housing types within the City. The majority of respondents suggested the City had *enough*:

- Townhomes and condominiums (72 percent)
- Single family homes (68 percent), and
- Rental apartments (54 percent)

The majority of respondents also reported there was *not* an adequate supply of:

- Housing for the homeless (72 percent),
- Housing for persons with disabilities (69 percent), or
- Senior housing (61 percent).

Respondents agreed that the top three types of housing programs and activities that the City should concentrate on over the next eight years included:

- Affordable housing development (40 percent)
- Code enforcement (40 percent)
- Housing for seniors (39 percent)

The online survey also presented respondents with lists of housing-related challenges and opportunities that San Clemente residents and stakeholders had identified in the previous Housing Element (2008-2013) workshops. Respondents suggested that the top items that posed the greatest challenges in the City were:

- Affordability of housing (75 percent)
- Increased traffic and neighborhood parking impacts (65 percent)
- Housing for the elderly (43 percent)

They also considered that the top opportunities for the City were:

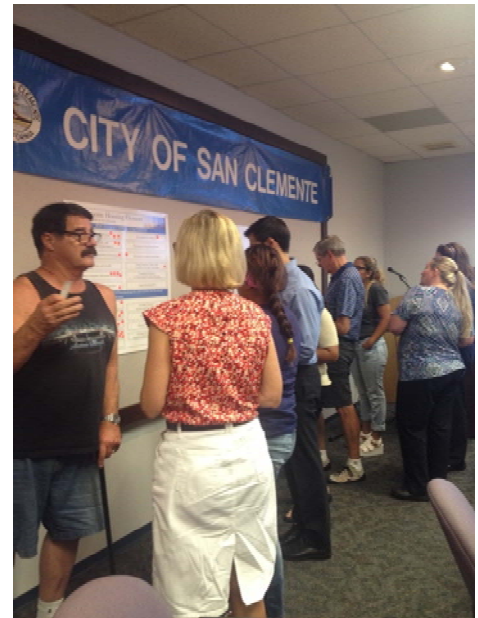
- An improving economy (64 percent)
- Redeveloping and creating special places (45 percent)
- Availability of different modes of transportation (45 percent)

1.3.2 Community Workshops

As part of this Housing Element update, the City conducted two Community Workshops, at the locations and days indicated, to solicit input on housing needs and priority for programs and services:

Community Workshop #1:
 Wednesday, September 23, 2015
 Community Development Department Offices
 910 Calle Negocio #100
 San Clemente, CA 92673

Community Workshop #2:
 Thursday, September 24, 2015
 City of San Clemente Community Center
 100 N. Calle Seville
 San Clemente, CA 92672

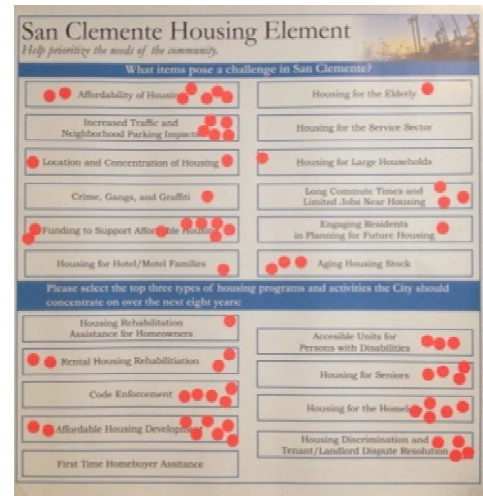


A. Interactive Activities

The community workshops incorporated two interactive activities. The first activity asked residents to respond to two questions taken directly from the available online survey. Each resident received colored markers to place on categories to answer the questions:

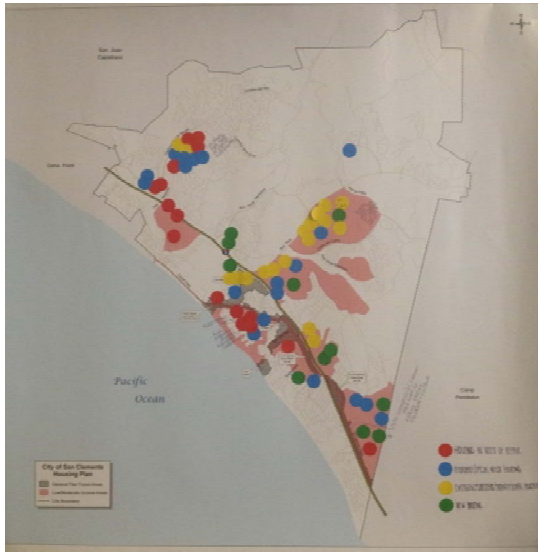
“What items pose a challenge in San Clemente?” The top four challenges reported included:

- Funding for affordable housing
- Affordability of housing
- Increased traffic and neighborhood parking impacts
- Engaging residents in planning for future housing



“Please select the top three types of housing programs and activities the City should concentrate on over the next eight years.” The top three types of programs and activities that were recommended for the City included:

- Housing for the homeless
- Affordable housing development
- Code enforcement



In the second activity conducted, residents were presented with a map of the City of San Clemente. Each participant was provided a set of markers color-designated to a housing issue or opportunity, including:

- Housing in Need of Repair
- Affordable/Special Needs Housing
- Emergency Shelters/Transitional Housing
- New Housing

Activity participants were asked to identify areas on the map where resources for specific housing types would be best allocated throughout the City. Generally, participants indicated issues with housing conditions in the low and moderate income areas along the 5 Freeway and specifically adjacent to the neighborhoods and General Plan Focus Areas

of North Beach and North El Camino Real. They also identified a need for affordable/special needs housing in similar areas and in the northern part of the City near Camino de Los Mares. Activity results also suggested that emergency shelters/transitional housing be located in a very specific central part of the City, just within the borders of Avenida Pico, Avenida la Pata and Calle del Cerro. Meeting participants also suggested that New Housing in the City be located in the southern edge of the City and scattered in northern areas of San Clemente (see Appendix A for final activity results).

1.3.3 Study Sessions

Prior to submitting the Draft Housing Element to the State Department of Housing and Community Development for the mandatory review, the City conducted study sessions before the Planning Commission and City Council:

Planning Commission Study Session

Wednesday, December 16, 2015

Council Chambers, 7:00 PM

City Council Study Session

Tuesday, February 2, 2016, 6:00 PM

2. Needs Assessment

This section analyzes demographic and housing characteristics that influence the demand for and availability of housing. The analyses form a foundation for establishing programs and policies that seek to address identified housing needs.

2.1 Population Trends and Characteristics

Housing needs are influenced by population and employment trends. This section provides a summary of the changes to the population size, age, and racial/ethnic composition of the City of San Clemente.

2.1.1 Historical, Existing, and Forecast Growth

The City of San Clemente is one of 34 cities within Orange County. According to the U.S. Census, Orange County’s population was 3,010,232 in 2010. Orange County is located between the counties of Los Angeles and San Diego. Population growth in Orange County during the previous decade (six percent) has slowed considerably since the 1990s (18 percent). Table 1 presents counties in Southern California and their respective population trends.

Table 1: Regional Population Trends (1990-2015)

County	1990	2000	2010	2015	% Change		
					1990-2000	2000-2010	2010-2015
Orange County	2,410,668	2,846,289	3,010,232	3,147,655	18.1%	5.8%	4.8%
Los Angeles County	8,863,164	9,519,338	9,818,605	10,136,559	7.4%	3.1%	3.3%
San Diego County	2,498,016	2,813,833	3,095,313	3,227,496	12.6%	10.0%	4.7%

Sources:

1. U.S. Census, 1990-2010.
2. State Department of Finance Population and Housing Estimates, 2015

According to the U.S. Census and State Department of Finance (DOF), between 1980 and 2010 the City of San Clemente experienced population growth rates that were consistently higher than that countywide (Table 2). However, population growth in the City has leveled off since 2010, reporting an increase of only three percent between 2010 and 2015, below the countywide average. As indicated in Figure 1, the Southern California Association of Governments (SCAG) forecasts a further leveling off of the population growth over the next 20 years with an estimated San Clemente population of approximately 68,300 in 2035.

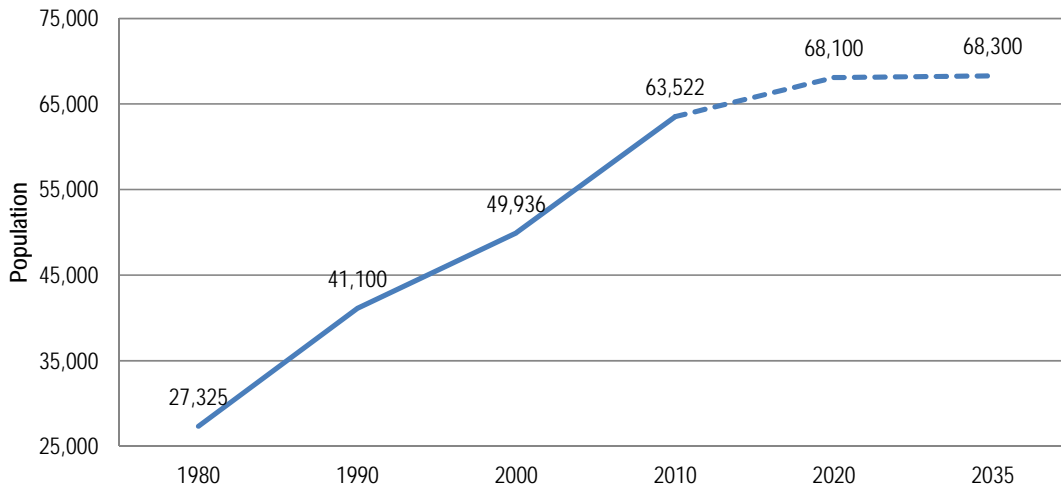
Table 2: Population Growth (1980-2015)

Year	San Clemente		Orange County	
	Population	% Change	Population	% Change
1980	27,325	--	1,932,921	--
1990	41,100	50.4%	2,410,556	24.7%
2000	49,936	21.5%	2,846,289	18.1%
2010	63,522	27.2%	3,010,232	5.8%
2015	65,399	3.0%	3,147,655	4.8%

Sources:

1. State Department of Finance, 1850-2010 Historical US Census Populations of Counties and Incorporated Cities/Towns in California.
2. State Department of Finance, Population and Housing Estimates, 2015

Figure 1: City of San Clemente Population Growth Forecast (1990-2035)



Sources:

1. California Department of Finance, 1850-2010 Historical US Census Populations of Counties and Incorporated Cities/Towns in California.
2. SCAG 2012-2035 RTP Growth Forecast

2.1.2 Age Composition

While the “prime working” population, residents between the ages of 25-54 years, remains the largest age group in the City, the population in San Clemente is aging. According to the Census, between 2000 and 2010, the percentage of residents over age 45 increased while residents between the ages of 25 and 44 decreased. The median age in the City was 39.7 years in 2010, an increase from the median age of 38 years recorded in 2000. In 2010, the proportion of seniors (65 years and over) in San Clemente was greater than in the County, and the median age of the City’s population exceeded the County’s by almost four years.

Table 3: Age Distribution (2000-2010)

Age Group	2000		2010	
	San Clemente	Orange County	San Clemente	Orange County
0 - 4 Years	6.3%	7.5%	6.5%	6.0%
5 - 17 Years	17.7%	19.5%	17.9%	23.0%
18 - 24 Years	6.6%	9.3%	7.9%	9.5%
25 - 44 Years	32.2%	33.4%	25.9%	26.6%
45 - 54 Years	15.2%	12.7%	16.1%	13.9%
55 - 64 Years	8.8%	7.8%	12.5%	10.1%
65+	13.2%	9.8%	13.2%	10.9%
Total	100%	100%	100%	100%
Median Age	38.0	33.3	39.7	36.2

Source: Bureau of the Census, 2000 and 2010

2.1.3 Race and Ethnicity

San Clemente residents are predominantly White. As of 2010, 76 percent of San Clemente’s residents were Non-Hispanic White (Table 4). The City’s demographics have remained fairly stable since 2000. By comparison, Orange County’s population is significantly more diverse than San Clemente’s. The proportion of Hispanic residents countywide is approximately double that of the City’s and the percentage of Asian residents in Orange County is more than four times greater than in San Clemente.

Table 4: Racial and Ethnic Composition (2000-2010)

Ethnic Group	2000				2010			
	San Clemente		Orange County		San Clemente		Orange County	
Non-Hispanic White	39,155	78.4%	1,458,978	51.3%	48,254	76.0%	1,328,499	44.1%
Black/African American	320	0.6%	42,639	1.5%	349	0.5%	44,000	1.5%
Hispanic or Latino	7,933	15.9%	875,579	30.8%	10,702	16.8%	1,012,973	33.7%
Am. Ind./Alaska Native	167	0.3%	8,414	0.3%	193	0.3%	6,216	0.2%
Asian/Pacific Islander	1,355	2.7%	391,896	13.8%	2,347	3.7%	540,834	18.0%
Other	58	0.1%	4,525	0.2%	89	0.1%	5,593	0.2%
Two or more races	948	1.9%	64,258	2.3%	1,588	2.5%	72,117	2.4%
Total Population	49,936	100.0%	2,846,289	100.0%	63,522	100.0%	3,010,232	100.0%

Source: Bureau of the Census, 2000 and 2010.

2.2 Employment Trends

Housing needs are influenced by employment trends. Significant employment opportunities within the City can lead to growth in demand for housing in proximity to jobs. The quality and/or pay of available employment can determine the need for various housing types and prices.

As shown in Table 5, in 2009-2013, the two industries with the largest number of employed San Clemente residents were Professional, Scientific, Management, Administrative, and Waste Management Services (17.1

percent) and Educational, Health and Social Services (16.8 percent). Other industries generally represented similar shares of employed residents.

Table 6 shows the San Clemente labor force, which only slightly increased from 30,700 in 2010 to 31,700 in 2014. According to the California Employment Development Department (EDD), the unemployment rate in San Clemente as of September 2015 was 3.9 percent, lower than the County’s unemployment rate of 4.7 percent, and showed significant improvement over the past few years when the recession severely impacted the economic conditions in the region. According to EDD, statewide, job gains in nonfarm-related payroll have been consistently increasing in 2014 and 2015.

Table 5: Employment by Industry¹ (2009-2013)

Industry	San Clemente		Orange County	
	Employees	%	Employees	%
Agriculture, Forestry, Fishing and Hunting, and Mining	15	0.1%	7,109	0.5%
Construction	2,554	8.7%	82,375	5.7%
Manufacturing	2,489	8.4%	192,247	13.2%
Wholesale Trade	1,310	4.4%	54,750	3.8%
Retail Trade	2,715	9.2%	161,639	11.1%
Transportation and Warehousing, and Utilities	962	3.3%	48,276	3.3%
Information	708	2.4%	31,051	2.1%
Finance, Insurance, Real Estate, and Rental and Leasing	2,754	9.3%	125,783	8.7%
Professional, Scientific, Management, Administrative, and Waste Management Services	5,044	17.1%	204,216	14.0%
Educational, Health and Social Services	4,967	16.8%	272,912	18.8%
Arts, Entertainment, Recreation, Accommodation and Food Services	2,785	9.4%	150,265	10.3%
Other Services (except Public Administration)	1,541	5.2%	79,976	5.5%
Public Administration	1,674	5.7%	43,352	3.0%
Total	29,518	100%	1,453,951	100%

Note: Data indicates the occupations held by San Clemente/Orange County residents; the location of the related workplace is not indicated by this data.

Source: 2009-2013 ACS DP03

Table 6: Labor Force Trends (2000-2015)

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	30,700	28,200	2,500	8.1%
2011	30,900	28,600	2,300	7.5%
2012	31,300	29,300	2,000	6.5%
2013	31,400	29,700	1,700	5.4%
2014	31,700	30,200	1,400	4.5%

Source: State of California Employment Development Department (EDD), 2015.

2.3 Household Characteristics

This section describes San Clemente household characteristics. The Census Bureau defines a household as all persons living in a single housing unit, whether or not they are related. One person living alone is considered a household, as is a group of unrelated people living in a single housing unit.

2.3.1 Household Formation and Composition

In 2010, the Census reported 23,906 households in San Clemente, a 23-percent increase from 2000 (see Table 7). In comparison, total households in Orange County increased by just about six percent during the same period. However, since 2010, household growth in San Clemente slowed significantly, reflecting a statewide trend.

Table 7: Total Households (1990-2015)

County	1990	2000	2010	2015	% Change		
					1990-2000	2000-2010	2010-2015
San Clemente	16,701	19,395	23,906	23,954	16.1%	23.3%	0.2%
Orange County	827,066	935,287	992,781	996,002	13.1%	6.1%	0.3%
California	10,399,700	11,502,870	12,577,498	12,640,165	10.6%	9.3%	0.5%

Sources:

1. U.S. Census, 1990-2010.
2. State Department of Finance Population and Housing Estimates, 2015

Approximately 64 percent of the City's households in 2010 were owner-occupied households, representing a slight increase from 2000. As shown in Table 8 and Table 9, households of two persons made up the largest segments of both owner- and renter-occupied households in San Clemente between 2000 and 2010. Renter-households with three to four persons had the greatest relative increase.

Table 8: Household Size Distribution (2000)

Household Size	Total Households ¹	% of Total	Renter-Households	% of Total ²	Owner-Households	% of Total ²
1 Person	4,523	23.3%	2,344	12.1%	2,179	11.2%
2 Persons	7,421	38.3%	2,389	12.3%	5,032	26.0%
3-4 Persons	5,621	29.0%	1,759	9.1%	3,862	19.9%
5+ Persons	1,826	9.4%	788	4.0%	1,038	5.3%
Total	19,391	100%	7,280	37.6%	12,111	62.4%

Notes:

1. Represents Total Households
2. Percent of Total Households

Source: U.S. Census 2000 SF3 H17

Table 9: Household Size Distribution (2010)

Household Size	Total Households ¹	% of Total	Renter-Households	% of Total ²	Owner-Households	% of Total ²
1 Person	5,184	21.7%	2,567	10.7%	2,617	10.9%
2 Persons	8,580	35.9%	2,639	11.0%	5,941	24.9%
3-4 Persons	7,674	32.1%	2,412	10.1%	5,262	22.0%
5+ Persons	2,468	10.3%	979	4.1%	1,489	6.2%
Total	23,906	100.0%	8,597	36.0%	15,309	64.0%

Notes:

1. Represents Total Households

2. Percent of Total Households

Source: U.S. Census 2010 SF1 QT-H2

The majority of households in San Clemente were family households (70 percent), a slightly lower proportion than the County as a whole. The Census defines family household as “two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.” About 32 percent of all households in the City were families with children. More than 25 percent of households had at least one elderly member (65+ years), and eight percent of all households were made up of an elderly person living alone. In 2010, the average household size in San Clemente was 2.65 persons per household, higher than in 2000 (2.56), but lower than the Orange County average of 2.99 persons per household. Consistent with the increase in overall average household size since 2000, the average household size for owner-occupied units and renter-occupied increased slightly (Table 10).

Table 10: Household Characteristics (2010)

Household Type	City of San Clemente	Orange County
Household Growth		
Households (2010)	23,906	992,781
Households (2000)	19,395	935,287
% Change 2000-2010	23.3%	6.1%
Household Type		
Families	70.1%	71.4%
Families with Children	32.4%	33.8%
Married Families With Children	25.9%	26.1%
Male Headed Families with Children	2.2%	2.3%
Female Headed Families with Children	4.3%	5.4%
Non Family Households	29.9%	28.6%
Senior Living Alone	8.2%	8.0%
Households with elderly (65+ years) members	25.1%	25.4%
Household Size		
Average Household Size	2.65	2.99
Average Household Size - Owners	2.69	2.98
Average Household Size - Renters	2.57	3.00
Large Households (5+)	10.3%	17.0%
Large Households - Owners	6.2%	9.4%
Large Households - Renters	4.1%	7.7%

Source: Bureau of the Census, 2000 and 2010

2.3.2 Tenure

Tenure preferences are primarily related to household income, composition, and age of the householder. Communities need to have an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying incomes, family sizes, composition, life styles, etc. Approximately 64 percent of San Clemente’s households were owner-households and 36 percent of the households were renter-households in 2010. As shown in Table 11, the percentage of owner-occupied households in San Clemente was higher than in Orange County and California.

Table 11: Occupied Units by Tenure (2010)

	Owner-Occupied		Renter- Occupied		Total	
	Number	% ¹	Number	%	Number	%
San Clemente	15,309	64.1%	8,597	35.9%	23,906	100%
Orange County	588,313	59.3%	404,468	40.7%	992,781	100%
California	7,035,371	55.9%	5,542,127	44.1%	12,577,498	100%

Source: U.S. Census 2010 SF1 H16

2.3.3 Household Income

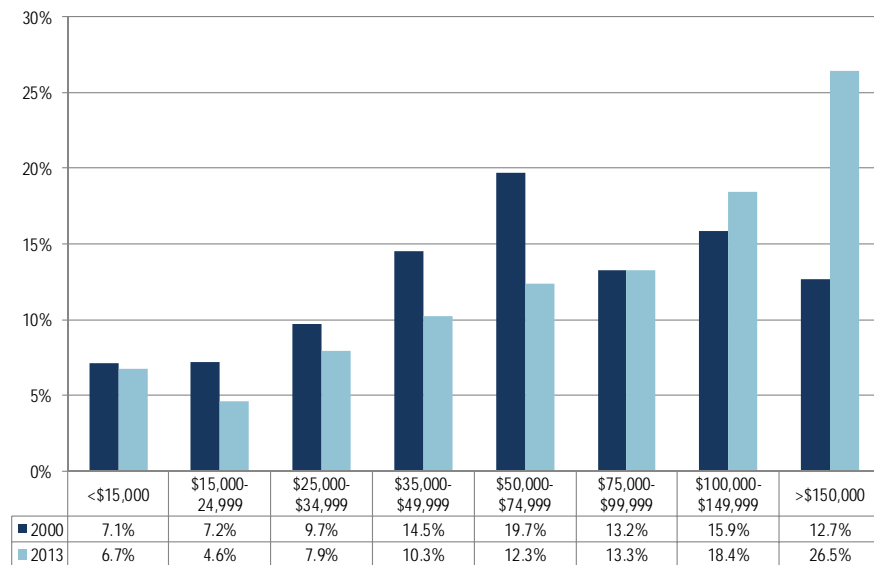
As indicated in Table 13, according to the 2009-2013 American Community Survey (ACS), the median household income for the City of San Clemente was \$90,071. In 2013, about a fifth (19.2 percent) of the households earned less than \$35,000 and almost 45 percent of the households earned more than \$100,000 (Figure 2 and Table 12). In 2013, the median income for owner-occupied households was nearly double that of renter-occupied households.

Table 12: Household Income by Tenure (2009-2013)¹

	Owner-Households		Renter-Households		Total Households	
	Number	% ¹	Number	% ¹	Number	% ¹
Less than \$5,000	172	1.1%	245	2.9%	417	2.1%
\$5,000 to \$9,999	215	1.4%	231	2.8%	446	2.5%
\$10,000 to \$14,999	205	1.3%	562	6.8%	767	5.4%
\$15,000 to \$19,999	385	2.4%	216	2.6%	601	6.3%
\$20,000 to \$24,999	217	1.4%	302	3.6%	519	6.6%
\$25,000 to \$34,999	867	5.5%	1,044	12.6%	1,911	11.6%
\$35,000 to \$49,999	1,123	7.1%	1,356	16.3%	2,479	16.2%
\$50,000 to \$74,999	1,602	10.1%	1,383	16.6%	2,985	19.3%
\$75,000 to \$99,999	1,982	12.5%	1,225	14.7%	3,207	13.0%
\$100,000 to \$149,000	3,535	22.3%	920	11.1%	4,455	11.4%
\$150,000 or more	5,566	35.1%	831	10.0%	6,397	5.7%
Total	15,869	100%	8,315	100%	24,184	100%

Note 1: Percentages may not equal 100% due to rounding
Source: ACS, 2009-2013 B25118

Figure 2: Household Income



Source: U.S. Census, 2000; American Community Survey, 2009-2013 B19001

Furthermore, the City’s median income in 2013 was 19 percent higher than the County median income of \$75,422. Table 13 shows median household income in the City, Orange County, and State of California in 2000 and 2013.

According to 2000 Census data and 2013 ACS data, in absolute terms, the median income in the City has risen since 2000 (Table 13). When inflation is not factored in, the City and County posted significant median household income gains compared with 2000. However, adjusting the 2000 income for inflation to 2013 income numbers shows that renter-occupied households in the City and the County overall saw an actual decrease in median income, reflecting a trend nationwide. The decrease in median income may be attributed to the economic downturn that started in 2007 and has just recently started to level off.

Table 13: Median Household Income

Jurisdiction	2000 Median Household Income		2013 Median Household Income (C)	% Change (B to C)
	Unadjusted 2000 (A)	Inflation Adjusted to 2013 (B)		
City of San Clemente	\$63,099	\$85,362	\$90,071	5.5%
Owner-Occupied Households	\$82,936	\$112,198	\$112,569	0.3%
Renter-Occupied Households	\$43,285	\$58,557	\$53,712	-8.3%
Orange County	\$58,500	\$79,140	\$75,422	-4.7%
State of California	\$47,288	\$63,973	\$61,094	-4.5%

Source: Bureau of the Census, 2000; ACS, 2009-2013; U.S. Department of Labor, Bureau of Labor Statistics

For the purposes of the Housing Element, the State Department of Housing and Community Development (HCD) has established five income groups based on Area Median Income (AMI):¹

- Extremely Low Income: up to 30 percent of AMI
- Very Low Income: 31-50 percent of AMI
- Low Income: 51-80 percent of AMI
- Moderate Income: 81- 120 percent AMI
- Above Moderate Income: >120 percent AMI

Pursuant to state and federal regulations, the Area Median Income refers to the median income for the Metropolitan Statistical Area. For the City of San Clemente, this area refers to Orange County. County Median Income as published by HCD must be used to establish income groups for the purpose of the Housing Element.

The U.S. Department of Housing and Urban Development (HUD) periodically receives "custom tabulations" of Census data from the Census Bureau that are largely not available through standard Census products. The most recent estimates are derived from the 2008-2012 ACS. This dataset, known as the "CHAS" data

¹ State income definitions are different than federal income definitions. For federal housing programs, eligibility is established for households with incomes up to only 80 percent of the AMI. These households, under the federal definition, are considered moderate income. For housing plans that are required by federal regulations, such as the Consolidated Plan and Analysis of Impediments to Fair Housing Choice, the federal income definitions are used.

(Comprehensive Housing Affordability Strategy), demonstrates the extent of housing problems and housing needs, particularly for lower-income households. According to the CHAS data (Table 14), extremely low and low income households each comprised slightly less than 11 percent of all households in the City. Another 16 percent were within the low income (80 percent AMI) category. The majority of the City's households (62.6 percent) were within the moderate/above moderate income category (greater than 80 percent AMI). The proportion of moderate/above moderate income households in the City was higher than that for the County as a whole (62.6 percent in the City versus 46.9 percent in the County).

Table 14: Distribution by Income Group

Jurisdiction	Total Households	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Moderate/ Above Moderate Income (80%+)
City of San Clemente	24,060	10.6%	10.8%	16.0%	62.6%
Orange County	990,275	14.4 %	16.4%	22.3%	46.9%

Note: Data presented in this table is based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% count due to the need to extrapolate sample data out to total households. Interpretations of this data should focus on the proportion of households in need of assistance rather than on precise numbers. Furthermore, because HUD programs do not cover households with incomes above 80 percent of the County Area Median Income (AMI), CHAS data does not provide any breakdown of income groups above 80 percent AMI. Sources: HUD Comprehensive Housing Affordability Strategy (CHAS) Data, 2008-2012

2.4 Housing Inventory and Market Conditions

2.4.1 Housing Growth

Between 2000 and 2010, housing growth in San Clemente far outpaced the County and surrounding jurisdictions. By 2010, the City had approximately 25,966 units, a 26-percent increase from 2000. However, housing growth in the City has slowed significantly since 2010. According to the State Department of Finance, the housing stock in San Clemente was estimated at 26,116 units as of January 1, 2015, representing a less than one percent increase from 2010 (Table 15).

Table 15: Housing Unit Growth

City/County	# of Units 2000	# of Units 2010	% Change 2000-2010	# Units 2015	% Change 2010-2015
Dana Point	15,682	15,938	1.6%	15,972	0.2%
Laguna Niguel	23,885	25,312	6.0%	25,456	0.6%
Mission Viejo	32,985	34,228	3.8%	34,619	1.1%
San Clemente	20,653	25,966	25.7%	26,116	0.6%
San Juan Capistrano	11,320	11,940	5.5%	12,215	2.3%
Orange County	969,484	1,048,907	8.2%	1,069,450	2.0%

Note: Department of Finance estimates are corrected for demolition; therefore housing growth in this table presents net increases in the housing stock.

Sources: Census Bureau 2000 and 2010 Census; State Department of Finance, Housing Estimates, May 2015.

2.4.2 Unit Type and Size

A. Composition of Housing Stock

The composition of the City’s housing stock remained stable between 2010 and 2015—which is to be expected given the limited growth of housing in San Clemente during this time. The State Department of Finance (DOF), which records building permit data submitted by local jurisdictions, estimates that single-family detached units (57 percent) and multi-family units (31 percent) were the largest housing types in San Clemente (Table 16). From 2000 to 2015, the number of units for all housing types increased slightly, except for single-family attached units—though this small decrease was likely due to different ways of categorizing attached units between the Census and DOF. Countywide, 51 percent of housing units were single-family detached units and multi-family units represented about 34 percent of the housing stock in 2015. Owner-occupied housing units were predominately single-family detached units (82 percent), while the majority of renter-occupied units were multi-family units (Table 17).

Between 2009 and 2013, the majority of renter-occupied units were two- and three-bedroom units (Table 18). Studio and one-bedroom units (30 percent) were also plentiful in the rental market. San Clemente’s larger housing units (three or more bedrooms) were primarily ownership housing units.

Table 16: Housing Inventory by Unit Type (2000-2015)

Housing Type	2000	% of Total	2010*	% of Total	2015	% of Total
San Clemente						
Single family, detached	10,886	52.7%	14,708	56.6%	14,861	56.9%
Single family, attached	2,384	11.5%	2,637	10.2%	2,603	10.0%
Multi-family	6,980	33.8%	7,948	30.6%	8,051	30.8%
Mobile homes and Other (Boats, RV, etc.)	403	2.0%	673	2.6%	601	2.3%
Total Housing Units	20,653	52.7%	25,966	56.6%	26,116	56.9%
Orange County						
Single family, detached	489,657	50.5%	532,087	50.7%	541,800	50.7%
Single family, attached	124,702	12.9%	127,769	12.2%	128,785	12.0%
Multi-family	322,675	33.3%	353,751	33.7%	365,330	34.2%
Mobile homes and Other (Boats, RV, etc.)	32,450	3.3%	35,300	3.4%	33,535	3.1%
Total Housing Units	969,484	100.0%	1,048,907	100.0%	1,069,450	100.0%

Source: U.S. Census, (2000-2010); ACS, (2006-2010); and State Department of Finance, Housing Estimates, (2015).

* No Census data collected on housing type in 2010. Data displayed for 2010 are estimates based on the ACS and are not exact.

Table 17: Unit Type by Tenure (2009-2013)

	Owner-Occupied		Renter- Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
Single family, detached	13,031	82.2%	1,957	23.5%	14,988	62.0%
Single family, attached	1,711	10.8%	829	10.0%	2,540	10.5%
Multi-family (2-4 units)	401	2.5%	2,840	34.2%	3,241	13.4%
Multi-family (5+ units)	499	3.1%	2,618	31.5%	3,117	12.9%
Mobile Homes	227	1.4%	59	0.7%	286	1.2%
Other (Boats, RV, etc.)	0	0.0%	12	0.1%	12	0.0%
Total	15,869	100.0%	8,315	100.0%	24,184	100.0%

Source: ACS, (2009-2013).

Table 18: Unit Size by Tenure (2009-2013)

	Owner-Occupied		Renter- Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
Studio	0	0.0%	471	5.7%	471	1.9%
1 bedroom	158	1.0%	2,060	24.8%	2,218	9.2%
2 bedrooms	2,797	17.6%	3,586	43.1%	6,383	26.4%
3 bedrooms	6,110	38.5%	1,604	19.3%	7,714	31.9%
4 bedrooms	4,965	31.3%	520	6.3%	5,485	22.7%
5 or more bedrooms	1,839	11.6%	74	0.8%	1,913	7.9%
Total	15,869	100.0%	8,315	100.0%	24,184	100.0%

Source: U.S. Census Bureau, ACS, (2009-2013).

In 2008, California passed Senate Bill (SB) 375, an effort to reduce greenhouse gas emissions (GHGs) by redesigning the state’s urban growth patterns. The legislation specifically directs the State’s metropolitan planning organizations (MPOs) to devise strategies to reduce vehicle miles traveled by better matching future housing development with public transit opportunities. The future of the housing market in California will be affected by this bill as well as a number of other demographic trends, such as the aging of the State’s population and a decrease in the proportion of households with children. According to a report by the Urban Land Institute entitled “The New California Dream”, these factors will likely lead to a rise in housing demand for smaller lots, multi-family units, and other land use configurations consistent with transit-oriented compact development. San Clemente is experiencing a similar trend in terms of an aging population, indicating the need for smaller units and housing options that minimize ongoing maintenance. However, the City continues to have a significant proportion of households with children, unlike many communities that are experiencing a decline in families with children. Therefore, there is a continued demand for larger units to accommodate families with children. Overall, the City should look to diversify its housing stock to accommodate the changing needs of the community. However, with limited vacant and underutilized properties in the City, the composition of the housing stock is not expected to change drastic change in the near future.

B. Vacancy Rates

A certain number of vacant units are needed to moderate the cost of housing, allow sufficient choice for residents and provide an incentive for unit upkeep and repair. Vacancy rates are generally higher among rental properties, as rental units have greater attrition than owner-occupied units. A healthy vacancy rate — one which permits sufficient choice and mobility among a variety of housing units — is considered to be two to three percent for ownership units and five to six percent for rental units. In 2000, the overall vacancy rate in San Clemente was 6.1 percent (Table 19). While the overall vacancy rate was reported by the 2010 Census at 7.9 percent, the detailed vacancy rate by the Census reported the for-rent vacancy at 5.8 percent and the for-sale vacancy at 1.3 percent. Other units were vacant due to foreclosures, seasonal occupancy, or other reasons. Specifically, according to staff research, an estimated 450 housing units in the City are used as vacation rentals. The increased presence of vacation rentals has the potential to exacerbate the tight rental housing market in the community, reducing affordable housing opportunities for the workforce. Nonetheless, the real vacancy rates for the City were within the industry standard of five to six percent for rental housing and two percent for ownership housing.

Table 19: Occupancy Status (2000-2010)

Occupancy Status	2000		2010	
	Total	%	Total	%
Occupied Housing Units	19,391	93.9%	23,906	92.1%
Vacant Housing Units	1,260	6.1%	2,060	7.9%
For-Sale	--	0.9%	--	1.3%
For-Rent	--	2.5%	--	5.8%
Total Housing Units	20,651	100%	25,966	100%

Source: U.S. Census 2000 SF3, H6 and U.S. Census 2010 SF1 H3

2.4.3 Housing Conditions

A. Age of Housing Stock

The age of a housing unit is often an indicator of housing conditions. In general, housing that is 30 years or older may exhibit a need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs.

The ACS provides data on the age of housing stock by tenure. Approximately 37 percent of owner-occupied units in the City were built before 1980 and specifically, 10 percent were built before 1960. Of the renter-occupied units, 66 percent were built before 1980 and 22 percent were built before 1960. Table 20 provides a summary of the age of the City's housing stock by tenure. Based on the age alone, a significant portion of the housing stock may require rehabilitation works in the upcoming decade.

Table 20: Tenure by Age of Housing Stock (Occupied Units – 2009-2013)

Year Built	Owner-Occupied		Renter- Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
2010 or later	38	0.2%	16	0.2%	54	0.2%
2000 – 2009	4,376	27.6%	797	9.6%	5,173	21.4%
1990 - 1999	1,957	12.3%	413	5.0%	2,370	9.8%
1980 - 1989	3,570	22.5%	1,634	19.7%	5,204	21.5%
1970 - 1979	2,385	15.0%	2,270	27.3%	4,655	19.3%
1960 - 1969	1,904	12.0%	1,389	16.7%	3,293	13.6%
1950 - 1959	1,170	7.4%	1,323	15.9%	2,493	10.3%
1940 - 1949	286	1.8%	145	1.7%	431	1.8%
1939 or earlier	183	1.2%	328	3.9%	511	2.1%
Total	15,869	100%	8,315	100%	24,184	100%

Note: The data are from the ACS and therefore, is based on a sample of units and extrapolated to represent the entire housing stock. This table is intended only to provide a general picture of age and tenure of the housing stock.

Source: ACS, 2009-2013 B25036

B. Housing Conditions

Housing is considered substandard when conditions are found to be below the minimum standard of living conditions defined in Section 1001 of the Uniform Housing Code. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to the threat to health and safety.

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. According to the 2009-2013 ACS, 57 occupied units in San Clemente lacked complete plumbing facilities (Table 21). Specifically 39 of the units were owner-occupied and 18 of the units were renter-occupied. Of all occupied units, 294 lacked complete kitchen facilities. The majority (228) were renter-occupied units. It should be noted that there may be some overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities. However, the Census typically undercounts substandard housing conditions as it is not able to report on other more subtle housing problems, such as inadequate wiring, leaks, or inadequate or lack of heating.

Table 21: Units Lacking Plumbing or Complete Kitchen Facilities (2013)

Units	Owner Occupied	Renter Occupied	Total
Lacking plumbing facilities	39	18	57
Lacking complete kitchen facilities	66	228	294

Source: ACS, 2009-2013 B25049, B25053

C. Code Enforcement Activities

San Clemente’s Code Compliance Services throughout the City are provided solely on a complaint basis. A complaint-based system may result in underreporting of code compliance issues, particularly on the rental housing stock. Often tenants fear retaliation from the landlords and are therefore less willing to report an issue. Language barrier may be another obstacle for reporting code compliance issues. In order to move from a complaint-based to proactive code enforcement program, staffing levels would need to be increased

to address the additional work. The City estimates that less than four percent of the housing stock in San Clemente is in need of rehabilitation or replacement—primarily for lead-based paint hazards.

2.4.4 Housing Costs and Affordability

A. Housing Prices and Rents

Table 22 displays median home prices for San Clemente and neighboring jurisdictions within Orange County. In July 2015, the median sales price for homes in San Clemente was \$825,000, an increase of close to 11 percent from the same month in 2014. The median price was also the highest among neighboring communities. Consistent with price trends in the South Orange County area, the rate of home sale price increases between 2014 and 2015 in San Clemente outpaced the County.

Table 22: Home Prices Median (2014-2015)

Jurisdiction	# Sold	Median Price July 2015	Median Price July 2014	% Change 2014-2015
San Clemente	94	\$825,000	\$745,000	10.7%
Aliso Viejo	103	\$525,000	\$475,000	10.4%
Garden Grove	118	\$472,500	\$435,000	8.6%
San Juan Capistrano	59	\$749,000	\$625,000	19.8%
Dana Point	60	\$775,000	\$720,000	7.6%
Laguna Niguel	118	\$718,000	\$616,000	16.6%
Orange County	3,685	\$615,000	\$584,000	5.3%

Source: DQNews.com, California Home Sale Activity by City, 2015. Accessed September 8, 2015

DQNews data aggregates sales activities for single-family homes and condominiums/townhomes. Data from the California Regional Multiple Listing Service (CRMLS) was also obtained for comparison to the data aggregated by DQNews. According to the CRMLS data, the median price of a single-family home in San Clemente in July 2015 was \$890,000, an increase of four percent from \$855,000 in July 2014. For condominiums and townhomes, the median price was \$510,000 in July 2015, comparable to the \$515,000 reported in July 2014.

Information on current rental rates in the City was obtained through a review of advertisements on Craigslist during July through September 2015. Available rental housing ranged from single room studios to five-bedroom units. The majority of available units in the City were one- and two-bedroom apartment units and single-family homes with four or more bedrooms. Table 23 summarizes average apartment rents by unit size. Overall, 225 units of varying sizes were listed as available for rent in July through September 2015 with an average rent of \$2,672.

Table 23: Average Rent by Unit Size (2015)

Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+ Bedroom
\$1,421	\$1,592	\$2,212	\$3,169	\$4,498

Source: www.craigslist.org, accessed July – September 2015

B. Affordability Gap Analysis

The costs of homeownership and renting can be compared to a household's ability to pay for housing to determine affordability in a community. Housing affordability is defined as paying no more than 30 to 35 percent of the gross household income (depending on tenure and income level) on housing expenses. Table 24 summarizes affordable rents and purchase prices by income category based on the 2015 HCD median income of \$87,200 for Orange County.² General cost assumptions for utilities, taxes, and property insurance are also shown. Affordable purchase price assumes a four-percent interest rate with a 30-year fixed rate mortgage loan and a 10-percent down payment. Given the high costs of homeownership, lower income households are usually confined to rental housing but the affordability problem also persists in the rental market. The situation is exacerbated for large households with lower and moderate incomes given the limited supply of large rental units, and for seniors with their fixed incomes.

² State and federal income limits differ. For the Housing Element, State income limits are used, which are usually higher than the federal levels used in the City's Consolidated Plan and other related documents.

Table 24: Housing Affordability Matrix - Orange County (2015)

Income	Annual Income	Affordable Monthly Housing Costs		Utilities		Taxes and Ins.	Maximum Affordable Price	
		Rent	Sale	Rent	Sale		Rent	Sale
Extremely Low Income (0-30% AMI)								
1-Person	\$20,250	\$506	\$506	\$83	\$99	\$101	\$423	\$122,400
2-Person	\$23,150	\$579	\$579	\$105	\$121	\$116	\$474	\$136,800
3-Person	\$26,050	\$651	\$651	\$125	\$141	\$130	\$526	\$152,000
4-Person	\$28,900	\$723	\$723	\$170	\$186	\$145	\$553	\$156,800
5-Person	\$31,250	\$781	\$781	\$189	\$205	\$156	\$592	\$168,000
Very Low Income (30-50% AMI)								
1-Person	\$33,750	\$844	\$844	\$83	\$99	\$169	\$761	\$230,400
2-Person	\$38,550	\$964	\$964	\$105	\$121	\$193	\$859	\$260,000
3-Person	\$43,350	\$1,084	\$1,084	\$125	\$141	\$217	\$959	\$290,400
4-Person	\$48,150	\$1,204	\$1,204	\$170	\$186	\$241	\$1,034	\$310,800
5-Person	\$52,050	\$1,301	\$1,301	\$189	\$205	\$260	\$1,112	\$334,400
Low Income (50-80%AMI)								
1-Person	\$53,950	\$1,349	\$1,349	\$83	\$99	\$270	\$1,266	\$392,000
2-Person	\$61,650	\$1,541	\$1,541	\$105	\$121	\$308	\$1,436	\$444,800
3-Person	\$69,350	\$1,734	\$1,734	\$125	\$141	\$347	\$1,609	\$498,400
4-Person	\$77,050	\$1,926	\$1,926	\$170	\$186	\$385	\$1,756	\$542,000
5-Person	\$83,250	\$2,081	\$2,081	\$189	\$205	\$416	\$1,892	\$584,000
Median Income (80-100% AMI)								
1-Person	\$61,050	\$1,526	\$1,781	\$83	\$99	\$356	\$1,443	\$530,200
2-Person	\$69,750	\$1,744	\$2,034	\$105	\$121	\$407	\$1,639	\$602,600
3-Person	\$78,500	\$1,963	\$2,290	\$125	\$141	\$458	\$1,838	\$676,267
4-Person	\$87,200	\$2,180	\$2,543	\$170	\$186	\$509	\$2,010	\$739,467
5-Person	\$94,200	\$2,355	\$2,748	\$189	\$205	\$550	\$2,166	\$797,200
Moderate Income (100-120% AMI)								
1-Person	\$73,250	\$1,831	\$2,136	\$83	\$99	\$427	\$1,748	\$644,067
2-Person	\$83,700	\$2,093	\$2,441	\$105	\$121	\$488	\$1,988	\$732,800
3-Person	\$94,200	\$2,355	\$2,748	\$125	\$141	\$550	\$2,230	\$822,800
4-Person	\$104,650	\$2,616	\$3,052	\$170	\$186	\$610	\$2,446	\$902,333
5-Person	\$113,000	\$2,825	\$3,296	\$189	\$205	\$659	\$2,636	\$972,667

Assumptions: 2015 HCD income limits; Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level); HUD utility allowances; 20% of monthly affordable cost for taxes and insurance; 10% down payment; and 4% interest rate for a 30-year fixed-rate mortgage loan. Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.

Sources:

State Department of Housing and Community Development 2015 Income Limits

Orange County Housing Authority Utility Allowances, 2014-2015

Veronica Tam and Associates, 2015

2.5 Housing Needs

This section provides an overview of existing housing needs in San Clemente. It focuses on four categories:

- Housing need resulting from housing cost burden;
- Housing need resulting from overcrowding;
- Housing need resulting from population growth and demolition of the existing housing stock; and,
- Housing needs of special needs groups such as elderly persons, large households, persons with disabilities, female-headed households, homeless persons, and farmworkers.

2.5.1 Housing Cost Burden

Housing cost burden is generally defined as households paying more than 30 percent of their gross income on housing related expenses, including rent or mortgage payments and utilities. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities. High housing costs can cause households to spend a disproportionate percentage of their income on housing. This may result in payment problems, deferred maintenance or overcrowding. This section uses data from the 2008-2012 Comprehensive Housing Affordability Strategy (CHAS) published by HUD. The CHAS provides information related to households with housing problems, including cost burden, overcrowding and/or without complete kitchen facilities and plumbing systems. The most recent estimates were posted by HUD in June 2015 and were derived from the 2008-2012 ACS.

As shown in Table 25, a significant portion of households were experiencing cost burden greater than 30 percent. Among renters, almost 51 percent of households paid more than 30 percent of income towards housing costs. About 29 percent of renters paid more than 50 percent of their income towards housing costs. Cost burden rates were also high among San Clemente homeowners. Almost 46 percent of owner-households paid more than 30 percent of income towards housing costs, and 22 percent paid more than 50 percent of household income towards housing costs. Table 26 provides further details of housing cost burden by income and household type.

Table 25: Housing Cost Burden by Tenure

Household	Cost Burden (30%+)	Severe Cost Burden (50%+)
Lower Income Households (80% AMI)		
Owner-Occupied	73.5%	59.0%
Renter-Occupied	76.6%	49.6%
All Households	75.2%	54.0%
All City Households		
Owner-Occupied	44.5%	21.9%
Renter-Occupied	50.7%	28.8%
All Households	46.7%	24.3%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data, 2008-2012

Table 26: Housing Assistance Needs of Lower Income Households

Household by Type, Income & Housing Problem	Renters				Owners				Total Households
	Elderly	Small Families	Large Families	Total Renters	Elderly	Small Families	Large Families	Total Owners	
Ext. Low Income (0-30% AMI)	320	595	135	1,395	585	265	90	1,160	2,555
with any housing problems	84.4%	87.4%	100.0%	88.5%	77.8%	100.0%	100.0%	83.2%	86.1%
with cost burden > 30%	84.4%	73.1%	103.7%	82.8%	76.9%	94.3%	100.0%	81.5%	82.2%
with cost burden > 50%	81.3%	71.4%	85.2%	78.5%	66.7%	83.0%	100.0%	73.7%	76.3%
Very Low Income (31-50% AMI)	230	640	145	1,465	705	340	20	1,140	2,605
with any housing problems	93.5%	96.1%	93.1%	94.9%	50.4%	92.6%	100.0%	67.1%	82.7%
with cost burden > 30%	93.5%	93.8%	93.1%	93.9%	48.9%	91.2%	100.0%	65.8%	81.6%
with cost burden > 50%	69.6%	68.0%	44.8%	70.6%	29.1%	82.4%	100.0%	49.1%	61.2%
Low Income (51-80% AMI)	250	725	230	1,955	780	645	130	1,875	3,830
with any housing problems	78.0%	67.6%	97.8%	70.6%	50.0%	93.8%	100.0%	73.6%	72.1%
with cost burden > 30%	78.0%	57.9%	47.8%	59.3%	50.0%	94.6%	92.3%	73.3%	66.2%
with cost burden > 50%	32.0%	14.5%	13.0%	13.3%	27.6%	83.7%	46.2%	56.0%	34.2%
Moderate/Above Moderate Income (81% + AMI)	310	1,785	240	3,560	3,160	5,965	1,050	11,510	15,070
with any housing problems	27.4%	21.3%	29.2%	19.1%	31.0%	32.4%	36.2%	34.1%	30.5%
with cost burden > 30%	22.6%	19.3%	10.4%	15.7%	31.0%	32.3%	36.7%	34.0%	29.7%
with cost burden > 50%	0.0%	0.8%	0.0%	0.5%	11.7%	5.5%	4.8%	8.4%	6.5%
Total Households	1,110	3,745	750	8,375	5,230	7,215	1,290	15,685	24,060
with any housing problems	68.9%	53.5%	75.3%	55.9%	41.7%	43.2%	48.1%	44.8%	48.7%
with cost burden > 30%	67.6%	48.1%	54.7%	50.7%	41.4%	42.9%	47.7%	44.5%	46.7%
with cost burden > 50%	45.0%	26.2%	28.0%	28.8%	22.6%	19.0%	17.1%	21.9%	24.3%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2008-2012.

Note: HUD CHAS (Comprehensive Housing Affordability Strategy) data is based on tabulations from the ACS and has a smaller sample size than the Decennial Census. Due to the smaller sample size, the data presented may have significant margins of error, particularly for smaller geographies. The intent of the data is to show general proportions of household need, not exact numbers.

2.5.2 Overcrowding

Some households may not be able to accommodate high cost burdens for housing, but may instead accept smaller housing or reside with other individuals or families in the same home. Household overcrowding is reflective of various living situations: (1) a family lives in a home that is too small; (2) a family chooses to house extended family members; or (3) unrelated individuals or families are doubling up to afford housing. However, cultural differences also contribute to the overcrowded conditions. Some cultures tend to have larger household size than others due to the preference of sharing living quarters with extended family members as a way of preventing homelessness among family members. Overcrowding can strain physical facilities and the delivery of public services, reduce the quality of the physical environment, contribute to a shortage of parking, and accelerate the deterioration of homes.

In general, overcrowding was not an issue in the City. Approximately two percent of all households in San Clemente were overcrowded and another two percent were severely overcrowded. Overcrowding was significantly more prevalent among renter-households than owner-households (Table 27). Countywide, a larger proportion of the households were considered overcrowded.

Table 27: Overcrowding by Tenure (2013)

Jurisdiction	Overcrowded (1.01-1.5 occupants per room)			Severely Overcrowded (1.5+ occupants per room)		
	Renter	Owner	Total	Renter	Owner	Total
San Clemente	3.8%	0.8%	1.8%	4.5%	0.1%	1.6%
Orange County	9.9%	2.9%	5.8%	6.9%	1.1%	3.5%

Source: ACS, 2009-2013

2.5.3 Housing Growth Need (2013-2021)

The State of California determines the future housing needs for the counties that make up the SCAG region. SCAG is responsible for allocating the housing needs to each jurisdiction in its region. A local jurisdiction's share of regional housing needs is the number of additional housing units needed to accommodate the forecasted household growth, to replace expected demolitions and conversion of housing units to non-housing uses, and to achieve an optimum vacancy rate that allows for healthy functioning of the housing market. The allocation is divided into the four income categories: Very Low, Low, Moderate, and Above Moderate. The allocation is further adjusted to avoid an over-concentration of lower income households in any one jurisdiction. Table 28, shows the Regional Housing Needs Allocation for the City of San Clemente as determined by SCAG.

Table 28: Regional Housing Needs Allocation (2013-2021)

	Total Construction Need	Extremely Low Income ¹	Very Low Income	Low Income	Moderate Income	Above-Moderate Income
Number of Housing Units	581	67	67	95	108	244

Note 1: The City's RHNA allocation for very low income units is 134 units; this allocation is evenly split between extremely low and very low income groups. SCAG 5th Cycle RHNA Final Allocation Plan 2013-2021

2.5.4 Special Needs Groups

Certain households, because of their special characteristics and needs, may require special accommodations and may have difficulty finding housing due to special needs. Special needs groups include seniors, persons with disabilities, families with children, single-parent households, large households, homeless persons and persons at-risk of homelessness, farmworkers, and persons with HIV/AIDS.

A. Seniors

Seniors (persons age 65 and above) are gradually becoming a more substantial segment of a community's population. Americans are living longer and having fuller lives than ever before in our history and are expected to continue to do so. Elderly households are vulnerable to housing problems due to limited income, prevalence of physical or mental disabilities, limited mobility, and high health care costs. The elderly, particularly those with disabilities, may face increased difficulty in finding housing accommodations. A senior on a fixed income can face great difficulty finding safe and affordable housing. Subsidized housing and federal housing assistance programs are increasingly challenging to secure and often involve a long waiting list.

According to the 2010 Census, 13.2 percent of all residents in San Clemente were ages 65 and over (Table 3). Approximately 25.1 percent of the City's households had an elderly member (Table 10) and 22.5 percent of households were headed by a senior resident (Table 31), including eight percent of households where seniors were living alone. Between 2009 and 2013, close to six percent of all seniors in San Clemente were living in poverty. Furthermore, the 2009-2013 ACS estimates 12 percent of San Clemente's elderly population had at least one disability and 14 percent had two or more disabilities (Table 29).

Table 29: Elderly with Disabilities Limiting Independent Living, 2000 and 2009-2013

Disability Status	2000		2009-2013 ¹	
	Total ²	% of People 65+	Total ³	% of People 65+
With One Type of Disability	1,272	19.4%	1,022	11.5%
With Two or More Types of Disability	981	14.9%	1,199	13.5%
Total with a Disability	2,253	34.3%	2,221	25.0%

Notes:

1. Estimated data from 2009-2013 ACS for illustrative purposes only

2. ACS 2009-2013, 65+ year olds: 8,884

3. U.S. Census: 65+ year olds: 6,573

Source: U.S. Census 2000 SF3 PCT 26, ACS 2009-2013 C18108

As indicated in Table 30, the 2009-2013 ACS estimates that the median household income for households with a householder age 65 years or older was \$55,357. This figure was close to half of the citywide median household income. According to the 2008-2012 CHAS data presented in Table 26, 68 percent of elderly renter-occupied households and 41 percent of elderly owner-occupied households experience housing cost burden. Furthermore, the majority of the City's elderly headed households were homeowners. Many may need financial assistance in making necessary repairs or accessibility improvements.

Table 30: Median Income for Senior-Headed Households (2000 and 2013)

Householder Age	2000	2013 ^{1,2}
65-74 years	\$55,357	\$63,275
75+ years	\$40,051	

Notes:

1. Estimated data from 2009-2013 ACS for illustrative purposes only.
 2. The ACS reports median income for households with a householder age 65+ years
- Source: U.S. Census 2000 SF3 P56 and 2009-2013 ACS B19049

Table 31: Householders by Tenure and Age

Householder Age	2000				2010			
	Owner-Occupied	%	Renter-Occupied	%	Owner-Occupied	%	Renter-Occupied	%
15-24 years	49	0.4%	628	8.6%	56	0.4%	725	8.4%
25-34 years	853	7.0%	2,154	29.5%	772	5.1%	2,107	24.5%
35-64 years	7,757	64.1%	3,844	52.7%	10,063	65.7%	4,805	55.9%
65-74 years	1,737	14.4%	362	5.0%	2,271	14.8%	448	5.2%
75 plus years	1,705	14.1%	306	4.2%	2,147	14.0%	512	6.0%
Total	12,101	100%	7,294	100%	15,309	100%	8,597	100%

Source: U.S. Census 2000 and 2010 QT-H2

Age Well Inc. is a non-profit organization that provides meal services, housing assistance, in-home services, and adult day health care services to homebound and low income seniors living in San Clemente and South Orange County. The community-based services provided by Age Well Inc. emphasize an integral continuum of care for their aging constituents. Their network of services includes:

- Meals on Wheels and Congregate Meal Programs
- Adult Day Health Care and Alzheimer’s Social Day Care
- Operation and Management of Senior Centers
- Case Management
- Non-Emergency Medical Transportation
- Health & Wellness Programs

The Dorothy Visser Senior Center provides an array of programs and services to meet the needs of senior residents. The center has a fitness room, holds classes and programs, provides special services, and has daily lunches. Senior residents in San Clemente also have options for travel within the City. The San Clemente Senior Mobility Program is available free of charge to transport residents to and from shopping centers, to the downtown area, and to the Senior Center. Group Transportation Services are also available to San Clemente’s resident seniors free of charge to the San Clemente Senior Center for lunch and activities five days a week. Seniors residing in San Clemente are provided door-to-door services from home to the Senior Center. The Grocery Shopper Shuttle also provides shuttle rides, free of charge, to the grocery store and back to their homes three days a week. Senior residents of San Clemente who are interested in participating in any of the above programs, can call the San Clemente Senior Center at (949) 498-3322. The center is located in Downtown San Clemente at 117 Avenida Victoria.

There are 270 rental units in three rental properties in San Clemente that are restricted for those age 55 or 62 and older, with renter qualifications not to exceed anywhere from 50 percent to 80 percent of median income. In addition to the senior housing developments listed below (Table 32), seniors in the City are also served by 21 State-licensed residential care facilities for the elderly and one adult residential facility, with a combined capacity to serve 314 persons.

Table 32: Senior Housing Developments

Name	Address	Units
Cotton's Point Senior Apartments	2358 South El Camino Real, San Clemente, CA 92672	76
The Presidio (formerly Casa de Seniors)	105 Avenida Presidio San Clemente, 92672	72
Vintage Shores Apartments	366 Camino De Estrella San Clemente, California 92672	122

Source: City of San Clemente, 2015

B. Persons with Disabilities

Federal laws define a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.³

The U.S. Census Bureau classifies disabilities into the following categories:

- **Hearing difficulty:** Deaf or having serious difficulty hearing
- **Vision difficulty:** Blind or having serious difficulty seeing, even when wearing glasses
- **Cognitive difficulty:** Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions
- **Ambulatory difficulty:** Having serious difficulty walking or climbing stairs
- **Self-care difficulty:** Having difficulty bathing or dressing
- **Independent living difficulty:** Because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor's office or shopping

According to the 2009-2013 ACS, approximately 7.6 percent of the San Clemente population had one or more disabilities. Of those disabilities tallied between 2009 and 2013 (as shown in Table 33), cognitive, ambulatory, and independent living disabilities were the most prevalent. The elderly population had a significantly larger percentage of all disability types.

³ U.S. Department of Housing and Urban Development. "Disability Rights in Housing." http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/inhousing. Accessed December 23, 2014.

Table 33: Disability Characteristics

Disability by Age and Type	5 to 17 years	18 to 64 years	65 years and over	Total
Total Persons with a Disability	2.7%	6.0%	25.0%	7.6%
Disability Type				
Hearing Difficulty	1.1%	1.7%	13.1%	3.1%
Vision Difficulty	0.4%	0.7%	4.6%	1.1%
Cognitive Difficulty	1.8%	2.1%	6.0%	2.5%
Ambulatory Difficulty	0.0%	2.4%	14.9%	3.5%
Self-Care Difficulty	0.1%	1.0%	6.9%	1.6%
Independent Living Difficulty ¹	--	1.7%	11.1%	2.6%

Note:

1. Talled only for persons 18 years and over

Source: ACS, 2009-2013

The elderly population is expected to grow substantially in the next 20 years. Since seniors have a much higher probability of being disabled, the housing and service needs for persons with disabilities should grow considerably commensurate with senior population growth.

Special housing needs for persons with disabilities fall into two general categories: physical design to address mobility impairments and in-home social, educational, and medical support to address developmental and mental impairments. The California Department of Social Services, Community Care Licensing Division reports that in San Clemente there are 21 State-licensed residential care facilities for the elderly and one adult residential facility. The City allocates CDBG funding to public service agencies that help the frail elderly remain independent in their homes. However, given the City’s housing stock consisting primarily of single-family homes (67 percent) and more than 70 percent of the units were constructed prior to 1990, the availability of accessible units meeting the requirements of the Americans with Disabilities Act would be limited.

Persons with Developmental Disabilities

As defined by State law, “developmental disability” means a severe, chronic disability of an individual who:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 18⁴;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self- sufficiency; and

⁴ The State of California defines developmental disabilities slightly differently than federal law. The main difference is at the manifestation age, where federal definition established that threshold at age 22.

- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. This equates to about 953 persons in the City of San Clemente based on the 2010 Census population.

The Regional Center of Orange County (RCOC) is a community-based, private nonprofit corporation funded by the State of California to serve people with developmental disabilities as required by the Lanterman Developmental Disabilities Services Act (aka Lanterman Act). The Lanterman Act is part of California law that sets out the rights and responsibilities of persons with developmental disabilities. RCOC is one of 21 regional centers throughout California and serves individuals and their families who reside within Orange County. The Regional Center provides diagnosis and assessment of eligibility and helps plan, access, coordinate, and monitor the services and supports that are needed because of a developmental disability. As of September 2015, the Regional Center had about 286 clients living in the City of San Clemente, about 1.5 percent of all clients in Orange County. Among these clients, approximately 83 percent were residing at home with other family members or guardians. Only about seven percent were living independently and another three percent were in community care facilities.

C. Families with Children and Single Parent Households

According to the 2010 Census, approximately 32 percent of all households in San Clemente had children under the age of 18 (Table 10). Single-parent households often require special consideration and assistance as a result of their greater need for affordable housing, as well as accessible day care, health care, and other supportive services. Due to their relatively lower per-capita income and higher living expenses such as day-care, single-parent households have limited opportunities for finding affordable, decent, and safe housing. Of the total female-headed households in the City, close to 51 percent owned their homes and 49 percent rented.

In 2010, approximately 1,548 single-parent households resided within San Clemente, representing six percent of the City's households. In 2010, an estimated 1,031 female-headed, single-parent households with children under age 18 lived in the City, representing approximately four percent of all households in the City. Of particular concern are single-parent households with lower incomes. The 2009-2013 ACS shows that approximately 18 percent (365 households) of the City's female-headed households had incomes below the poverty level. By comparison, about five percent of all households had incomes below the poverty level.

Limited household income constrains the ability of single-parent households to afford adequate housing, childcare, health care, and other necessities. The City of San Clemente offers various programs for families with children. The City of San Clemente Youth Programs provide programs, activities, and classes including school site activities, recreation classes and camps, to drop-in recreation programs. The City of San Clemente's Community Center offers early childhood, youth and teen classes and after-school activities.

Single parent households in San Clemente can also benefit from general programs and services for lower-and moderate-income persons, including the Orange County Housing Authority (OCHA) Housing

Choice Voucher program, the City’s Housing Rehabilitation Loan Program, and various community and social services provided by non-profit organizations in the region.

D. Large Households

Large households are defined as those with five or more members. These households are usually families with two or more children or families with extended family members such as in-laws or grandparents. It can also include multiple families living in one housing unit in order to save on housing costs. Large households are a special needs group because the availability of adequately sized, affordable housing units is often limited. To save for necessities such as food, clothing, and medical care, lower- and moderate-income large households may reside in smaller units, resulting in overcrowding.

As indicated in Table 10, in 2010, 10 percent of all households in San Clemente had five or more members; specifically 9.7 percent of owner-households and 11.4 percent of renter-households in the City were considered to be large households (Table 34). The proportion of large households in San Clemente (10.3 percent) was lower than at the County level (17 percent).

Table 34: Large Households by Tenure (2010)

Number of Persons in Unit	Owner Occupied	Renter Occupied	Total
Five	1,070	483	1,553
Six	287	234	521
Seven or more	132	262	394
Total Large Households	1,489	979	2,469
Total Households	15,309	8,597	23,906
Percent of Total Households	9.7%	11.4%	10.3%

Source: U.S. Census 2010 QT-H2

According to the 2008-2012 CHAS data (Table 26), 54.7 percent of large renter-occupied households and 47.7 percent of large owner-occupied households experienced cost burden. In comparison, 71 percent of the owner-occupied housing and 26 percent of the City’s renter-occupied housing had three or more bedrooms (refer to Table 18). Therefore, large renter-households were more likely to experience overcrowding than large owner-households.

Large households in San Clemente can benefit from general programs and services for lower and moderate income persons, including the Orange County Housing Authority Housing Choice Voucher program, the City’s Housing Rehabilitation Program, and various community and social services provided by non-profit organizations in the region.

E. Homeless Persons

On January 4, 2012, final regulations went into effect to implement changes to the U.S. Department of Housing and Urban Development’s (HUD’s) definition of homelessness contained in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The definition affects who is

eligible for various HUD-funded homeless assistance programs. The new definition includes four broad categories of homelessness:⁵

- People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled up situation, within 14 days and lack resources or support networks to remain in housing.
- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state.
- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.

This definition demonstrates the diversity of people experiencing homelessness. The numerous locations in which people experiencing homelessness can be found complicate efforts to accurately estimate their total population. For example, an individual living with friends on a temporary basis could be experiencing homelessness, but would be unlikely to be identified in a homeless count.

The 2015 Orange County Homeless Count and Survey Report counted 4,452 homeless individuals during their one night point-in-time count.⁶ This represents a five-percent increase from 2013. The point-in-time count identified 2,251 (51 percent) sheltered and 2,201 (49 percent) unsheltered homeless⁷ individuals in the County, indicating an increase in the proportion of unsheltered persons from 2013, when 49 percent of persons were estimated to be unsheltered. The point-in-time count is just a snapshot of how many homeless people are on streets and in emergency and transitional shelters on any given day in Orange County.

Table 35: Homeless Population in Orange County, 2013 and 2015

	Unsheltered	Sheltered	Total
Orange County			
2015	2,201	2,251	4,452
2013	1,678	2,573	4,251

Source: 2013 and 2015 Orange County Homeless Count and Survey Report.

The Orange County Homeless count does not provide specific counts for individual jurisdictions within the County. Based on staff research and analysis conducted when developing the zoning code amendments to comply with SB 2 (Housing for the Homeless), the City estimates its homeless population

⁵ U.S. Department of Housing and Urban Development. “Expanding Opportunities to House Individuals and Families Experiencing Homelessness through the Public Housing (PH) and Housing Choice Voucher (HCV) Programs: Questions and Answers (Q&As).” (September 2013).

⁶ County of Orange/OC Community Services, “2015 Orange County Homeless Count and Survey Report” (2015).

⁷ According to HUD, Continuums of Care (CoCs) should categorize homeless persons as sheltered or unsheltered based on their whereabouts on the night of the point-in-time count. For example, a person sleeping in a temporary shelter on the night of the count should be counted as a sheltered homeless person even if he normally sleeps on the street (unsheltered).

at 65 persons. This estimate is based on estimates by the Sherriff's Department, which is consistent with the rule of thumb estimate at one percent of the population, as well as with the City's quarterly surveys of local service providers since 2013.

Homeless resources available to San Clemente are presented in Table 36. Some of the services described below serve different types of low income populations, not just homeless. The location of some services is not within San Clemente, but nonetheless they serve unhoused people who reside in San Clemente.

Table 36: Homeless Resources

Agency/Program	Description	Location
Emergency Shelter		
Family Assistance Ministries	Provision of emergency services including food, clothing, utility, rent, emergency shelter and women's & children's Gilchrist House.	1030 Calle Negocio San Clemente, CA 92673
Friendship Shelter's Alternative Sleeping Location (ASL)	A year-round emergency shelter with the capacity to serve 45 homeless persons per night. ASL also provides supportive services such as case management.	Laguna Canyon Road in Laguna Beach
Laura's House - Domestic Violence Program	Provision of 24 Hour Crisis Hotline, Individual and Group Counseling, Court mandated Domestic Violence Programs, Legal Services, Emergency Shelter, housing and clothing.	San Clemente (specific location not disclosed for safety purposes)
Community Kitchens		
The St. Michaels Society	Food pantry services available every Thursday only 3:30 - 4:30 pm.	107 W. Marquita San Clemente, 92672
Transitional Housing		
Henderson House	Henderson House in San Clemente provides shared transitional housing, counseling and life skills programs for graduates of Friendship Shelter and other shelter programs.	P.O. Box 4252 Laguna Beach, CA 92652
Gilchrist House	Provides transitional housing for women with or without children. Services to clients include life skills classes, parenting skills classes, support groups, case management, budgeting, debt management, goal setting, resource referrals and six months of aftercare follow-up.	929 Calle Negocio, Suite G, San Clemente, CA 92673

Table 36: Homeless Resources

Agency/Program	Description	Location
Rental and Support Services		
Dayle McIntosh Center for the Disabled	An independent living center which provides services to individuals with any disability. Services available include peer counseling, advocacy, housing assistance, information and referral, equipment loan, employment book, independent living skills training, attendant recruitment and referral, and sensitivity training.	24012 Calle de La Plata #210 Laguna Hills, 92653
RIO Adult Day Health Care Center	Non-profit, licensed, Medi-Cal certified day Health Care Program that treats the health and supportive needs of older adults. Staffed with nurses, social workers, therapists, aids, activities, and administrative personnel.	2021 Calle Frontera San Clemente, CA 92673
St. Clement's-By-The-Sea Episcopal Church	Summer Food Service Program	202 Avenida Aragon San Clemente, CA 92672
CUSD Family Resource Center & Learning Links Program	CUSD Family Resource Center & Learning Links Program for children under 5 years old.	101 Calle Puente San Clemente, CA 92672
South County Outreach	Emergency services including, food, rental assistance, and job search. Transitional apartments are available to qualified applicants.	26776 Vista Terrace Lake Forrest, CA 92630
Camino Health Center San Clemente	Low cost primary and general medical services.	1031 Avenida Pico, Suite 104 San Clemente, CA 92673
Salvation Army Family Services	Provides financial assistance to individuals and families. Based on funding available at each office location, the following assistance may be provided: partial rent payment assistance, partial payment assistance with one type of utility bill, prescription payment assistance, bus passes for appointments, picture IDs, clothing vouchers, and furniture vouchers for move-in purposes.	616 South El Camino Real, Suite B San Clemente, CA 92672

Source: Orange County Partnership, City of San Clemente 2015.

F. Farm Workers

Farm worker households tend to have high rates of poverty, live disproportionately in housing which is in the poorest condition, have very high rates of overcrowding, have low homeownership rates, and are predominately members of minority groups. The 2012 USDA Census of Farmworkers reported 174 farms, employing 3,300 farmworkers in Orange County. Among these farms, four farms reported hiring migrant workers. According to 2011-2013 ACS, there were only 15 agricultural workers living in San Clemente. The City has no agricultural designations in its General Plan or zoning districts in the Zoning Ordinance. While crop or tree farming is conditionally permitted in the RVL zone, no commercial farming activities are located in the City.

2.6 Publicly Assisted Housing

2.6.1 Orange County Housing Authority

The Orange County Housing Authority (OCHA) administers the Housing Choice Voucher Program (HCV) for San Clemente residents. As of October 2015, 126 San Clemente households (27 farmworker households, 19 disabled households and 80 senior households) were receiving Housing Choice Vouchers. For the distribution of Voucher assistance within the City, OCHA has established local preferences such as families transitioning from Shelter + Care, working families, elderly or disabled, and veterans. The HCV waiting list was opened for two weeks in February 2012. During this time, over 50,000 applicants applied for housing assistance. This represented a 270-percent increase over the 18,000 applicants that applied for prior waiting list in November 2005.

OCHA has established a HCV Homeownership option. Under this option, qualified HCV participants may be able to use their housing assistance subsidies for mortgage payments rather than monthly rent. The homeownership option allows first-time homeowners who meet certain qualifications to receive assistance with their monthly homeownership expenses. The high cost of homes in Orange County limits the number of homeownership opportunities. However, if homes and condominiums are priced at affordable levels, it may be possible for a participant in the HCV program to purchase a home.

2.6.2 Affordable Housing Projects

Housing developments utilizing federal, state, and/or local programs, including state and local bond programs, Low-Income Housing Tax Credits (LIHTC), density bonus, or direct assistance programs, are often restricted for use as low income housing and provide another source of affordable housing for a jurisdiction. A number of developments in San Clemente have been identified where some or all of the units are affordable for low to moderate income households. Together these projects provide 492 units of affordable housing.

Table 37: Non-Public Housing Affordable Units

Property Name	Property Address	Funding Source	Unit Size	Total Affordable Units	Total Project Units	Date of Opening	Expiration of Affordability
Escalones Nuevos	150-152 W. Escalones	HOME, City RDA	6 – 2 br	6	6	2002	2025
Mary Erickson Community Housing	143 West Marquita 135 W. Canada	HOME	4 – 2 br 4 – 3 br 1 – 4 br	12	12	2004	2032
The Presidio (Casa de Seniors)	105 Avenida Presidio	Sec 8/ Sec 202	72 – 1 br	72	72	1986	2034
Mary Erickson Community Housing	1042 Calle Del Cerro #201 1050 Calle Del Cerro #604 1052 Calle Del Cerro #712 1064 Calle Del Cerro #1303	HOME, City RDA	4 – 2 br	4	4	2004	2066
Cotton's Point Senior Apartments	2358 South El Camino Real	MHSA, City RDA	61 – 1 br 15 – 2 br	76	76	2014	2069
Las Palmas Apartments	115 Avenida Serra	LIHTC, HCD IIG	19 – 1 br	18	19	2015	2070
Vintage Shores Apartments	366 Camino De Estrella	LIHTC	80 – 1 br 42 – 2 br	120	122	2002	2057
Mendocino at Talega Jamboree Apartments Phase I	123 Calle Amistad	LIHTC	60 – 1 br 64 – 2 br	123	124	2003	2058
Mendocino at Talega Jamboree Apartments Phase II	123 Calle Amistad	LIHTC	31 – 2 br 31 – 3 br	61	62	2003	2058
Total				492	497		

Abbreviations: HOME: HOME Investment Partnerships Program (HUD); CDBG: Community Development Block Grant (HUD); RDA: City Redevelopment Agency; LIHTC: Low Income Housing Tax Credit; HTF: Housing Trust Fund; MHSA; Mental Health Services Act
 Source: City of San Clemente, 2015; Southern California Association of Governments, 2015.

2.6.3 Units at Risk of Converting to Market-Rate Housing

State law requires that the City identify, analyze, and propose programs to preserve existing multi-family rental units which are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions during a ten-year period commencing on the statutory deadline of the Housing Element update. Thus, this at-risk housing analysis covers from October 15, 2013 and October 15, 2023. None of the city's affordable housing units are at-risk of converting to market rate housing in the ten-year planning period.

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3. Housing Constraints

3.1 Governmental Constraints

Governmental constraints are policies, standards, requirements and actions imposed by the government which affect the development and provision of housing. These constraints may include building codes, land use controls, growth management measures, development fees, processing and permit procedures, and site improvement costs. State and federal agencies play a role in the imposition of governmental constraints; however these agencies are beyond the influence of local government and are therefore not addressed in this analysis.

3.1.1 Land Use Element

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The Land Use Element of a General Plan designates the general distribution, location, and extent of uses for land planned for housing, business, industry, open space, and public or community facilities. As it applies to housing, the Land Use Element establishes a range of residential land use categories, specifies densities (typically expressed as dwelling units per acre [du/ac]), and suggests the types of housing appropriate in a community.

A number of factors, governmental and non-governmental, affect the supply and cost of housing in a local housing market. The governmental factor that most directly influences these market conditions is the allowable density range of residentially designated land. In general, higher densities allow developers to take advantage of economies of scale, reduce the per-unit cost of land and improvements, and reduce developments costs associated with new housing construction. Reasonable density standards ensure the opportunity for higher-density residential uses to be developed within a community, increasing the feasibility of producing affordable housing, and offer a variety of housing options that meet the needs of the community. The City has also established minimum required densities in nearly all of its residential zones, which ensures that land zoned for multi-family use, the supply of which is often limited, will be developed as efficiently as possible.

Table 38 summarizes the land use designations within the City that allow residential uses, as well as their permitted densities. The City of San Clemente provides a range of densities for single-family (up to 10 du/ac without density bonus) and multi-family (15-36 du/ac without density bonus) housing development to accommodate a range of housing options.

Table 38: General Plan Residential Land Use Designations

Land use Designation	Corresponding Zoning District	Intention	Permitted Density (du/acre)	
			Minimum	Maximum
Residential Very Low	RVL	Single-family detached homes, typically in an estate setting.	--	1 unit per parcel or 20 acres
Residential Low	RL	Single-family detached homes	4.5	7.0
Residential Medium Low	RML	Single-family detached and attached homes, including clustered homes and townhomes	7.0	10.0
Residential Medium	RM	Single-family detached and attached homes, including clustered homes and townhomes, and multifamily apartments	15.0	24.0
Residential High	RH	Single-family attached homes, including townhomes and condominiums, and multi-family apartments	24.0	36.0
Mixed Use 1	MU 1	A vertical or horizontal mix of Neighborhood Serving (NC) and Community Serving (CC) uses. Attached and multifamily housing is permitted on the second floor or higher.	24.0	36.0
Mixed Use 2	MU 2	A vertical or horizontal mix of Neighborhood Serving (NC), Community Serving (CC), and multifamily housing.	24.0	36.0
Mixed Use 3	MU 3	Applies to Downtown Core. A vertical or horizontal mix of Neighborhood Serving (NC) and Community Serving (CC). Attached and multi-family housing is permitted on the second floor or higher.	24.0	36.0
Mixed Use 3.1	MU 3.1	Applies to Downtown Area outside of Downtown Core. A vertical or horizontal mix of Neighborhood Serving (NC), Community Serving (CC), and multi-family housing.	24.0	36.0
Mixed Use 3.2	MU 3.2	A vertical or horizontal mix of Neighborhood Serving (NC) and attached and multi-family housing.	10.0	24.0
Mixed Use 4	MU 4	A vertical or horizontal mix of Neighborhood Serving (NC) and Community Serving (CC). Attached and multi-family housing is permitted on the second floor or higher.	24.0	36.0
Mixed Use 5	MU 5	Neighborhood Serving (NC) commercial uses and attached and multi-family housing.	24.0	36.0

Sources: City of San Clemente General Plan, 2014 and Municipal Code, 2015.

In addition to the residential land use designations, the San Clemente General Plan designates appropriate areas for mixed-use development which allows for residential developments to be integrated with retail and office uses. The Mixed-Use (MU) land use designation has several modifiers (e.g., MU 1, 2, 3, 3.1, 3.2, 4, and 5) designed to fine-tune maximum densities, floor area ratios and height limits to meet the objectives of specific focus areas identified in the General Plan. Focus areas that allow mixed-use residential development include North Beach/North El Camino Real, Del Mar/T-Zone, Pier Bowl, South El Camino Real (West of Interstate 5), and South El Camino Real (East of Interstate 5).

3.1.2 Zoning Ordinance

The Zoning Ordinance is the primary tool for implementing the General Plan Land Use Element. It is designed to protect and promote public health, safety and welfare, as well as to promote quality design and quality of life. San Clemente's residential zoning districts control both the use and development standards of each residential lot or parcel, thereby influencing the development of housing. The City has established five residential zoning districts (RVL, RL, RML, RM and RH), five mixed use districts (MU 1 – MU 5), and two commercial districts (NC2 and NC3) that allow for residential development.

In addition to the underlying zoning, overlay districts within the City have been identified and bestowed with special development standards and/or permit processing requirements. Overlay districts identified in the San Clemente Zoning Ordinance include: Inland Canyons, Central Business District, Coastal Zone, Architectural, Affordable Housing, Emergency Shelters, Planned Residential, and Special Residential Overlay Districts. Table 39 below lists these areas of special interest and identifies the permits required and the location of the additional regulations, in both the General Plan and the Zoning Ordinance.

Table 39: Overlay Districts

Overlay District	Area Covered	Purpose	Permits Required	Regulations
Inland Canyons	Non-coastal canyons-properties identified with an "IC" on the City Zoning Map.	To preserve important topographical features and/or habitat	None	Zoning Ordinance Section 17.24.060
Central Business District	Areas identified with a "CB" on the City Zoning Map.	To encourage pedestrian uses to be located in pedestrian spaces (on the street level of the project along the sidewalk/street),facilitating pedestrian activity along sidewalks and throughout the area	Uses shall be reviewed for its appropriateness in pedestrian-oriented spaces	Zoning Ordinance Section 17.56.030
Coastal Zone	The area on the ocean side of the Coastal Zone Boundary identified with a "CZ" on the City Zoning Map.	To preserve and protect coastal resources	Coastal Development Permit	Zoning Ordinance Section 17.56.050
Architectural	Properties identified with an "A" on the City Zoning Map.	To signify a visually distinct district characterized by Spanish Colonial Revival architecture and a pedestrian orientation	Cultural Heritage Permit	Zoning Ordinance Section 17.56.020
Planned Residential	Properties identified with a "PRD" on the City Zoning Map.	To provide flexible regulations in order to foster innovation, variety, amenities, and a sensitivity to the natural topography	Site Plan Permit	Zoning Ordinance Section 17.56.040
Special Residential	Single-family neighborhoods (zoned RL) with unique development standards, identified with a numbered overlay on the Zoning Map.	Unique development standards established through the discretionary process for single-family neighborhoods	Tentative Map and/or Conditional Use Permit	Zoning Ordinance Section 17.56.060
Affordable Housing	MU 5.1, NC2 and NC3 zoned properties along El Camino Real	Encourage development of affordable housing along commercial corridor	CUP for 5 or more units (affordable units required)	Zoning Ordinance Section 17.28.035
Emergency Shelters	Public and Civic Center zoned properties, excluding parcels with schools or school facilities. City-owned parcels, in Commercial, Business Park or Industrial zoning districts, and a minimum of 500 feet from residential zoned properties.	To facilitate efforts to address the needs of homeless persons in the City of San Clemente.	None	Zoning Ordinance Section 17.56.100

A. Variety of Housing Opportunity

The San Clemente Zoning Ordinance provides for a range of housing types, including single-family housing, multi-family housing, second dwelling units, manufactured homes, and emergency shelters. Table 40 provides a summary of the City’s Zoning Ordinance as it relates to ensuring a variety of housing opportunities.

Table 40: Permitted Uses

Zoning District	One- Family Dwelling	Multiple Family Dwelling	Second Units	Emergency Shelter	Manufactured Housing
RVL	C	--	P	--	P
RL	P	--	P	--	P
RML	P	P/C ²	--	--	P
RM	P	P/C ²	--	--	P
RH	P	P/C ²	--	--	P
MU ¹	C	P*/C	--	--	--/MC ³
NC2	--	P*	--	--	--
NC3	--	P*	--	--	--
-AH Overlay	--	P	--	--	--
-ES Overlay	--	--	--	P	--

P=Permitted by Right; C= Conditional Use Permit Required; MC= Minor Conditional Use Permit; "--"=Not Permitted; * = Within the Affordable Housing (AH) Overlay only

Notes:

1. Residential uses in the MU3 zone are limited to the floors above street level. However, within the Affordable Housing Overlay, dwellings that are part of an affordable housing project are permitted to be located at the street level.
2. Developments over four units require a CUP.
3. Manufactured housing permitted with approval of a Minor Conditional Use Permit in the MU 5.1 zone.

Source: City of San Clemente Zoning Ordinance, 2015.

(1) Single- and Multi-Family Uses

Single- and multi-family housing types include detached and attached single-family homes, duplexes, townhomes, condominiums, and multi-family rental apartments. Single-family housing units are permitted by right in all of the City’s residential zoning districts, with the exception of the RVL zone where a Conditional Use Permit (CUP) is required for this housing type. Multiple-family housing developments with four or fewer units are permitted in the City’s RML, RM, and RH zones. For projects with five or more units, a CUP is required in the RML, RM, and RH zones. Between 2011 and 2015, building permits for a total of 194 units have been issued, for 24 single-family units and 170 multi-family units. Specifically, multi-family projects with five or more units comprised 17 percent of all units permitted during that period.

To encourage the development of affordable housing, the City has established an Affordable Housing Overlay where affordable multi-family units are permitted by right. Properties within this overlay district are located in the City’s mixed use, NC2, and NC3 zones. Market-rate residential units are also conditionally permitted in the mixed use zones but are limited to the floors above street level. Between 2011 and 2015, 95 affordable housing units have been constructed in the Affordable Housing Overlay.

(2) Second Residential Units

Second residential units are attached or detached dwelling units that provide complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, cooking and sanitation. Second dwelling units may be an alternative source of affordable housing for lower income households and seniors. These units typically rent for less than apartments of comparable size.

California law requires local jurisdictions to adopt ordinances that establish the conditions under which second dwelling units are permitted (Government Code, Section 65852.2). A jurisdiction cannot adopt an ordinance that totally precludes the development of second dwelling units unless the ordinance contains findings acknowledging that allowing second dwelling units may limit housing opportunities of the region and result in adverse impacts on public health, safety, and welfare. An amendment to the State's second unit law in 2003 requires local governments to use a ministerial, rather than discretionary process for approving second dwelling units and allows jurisdictions to count second dwelling units towards meeting their regional housing needs goals. A ministerial process is intended to reduce permit processing time frames and development costs because proposed second dwelling units that are in compliance with local zoning regulations and standards can be approved without a public hearing.

The San Clemente Zoning Ordinance defines second residential units as "an attached or detached residential dwelling unit which provides complete independent living, sleeping, eating, cooking, and sanitation facilities for one or more persons on the same parcel as an existing single-family dwelling." Second residential units are permitted within San Clemente's single-family residential zones, except on lots in that portion of the City that are seaward of Interstate 5. Second units are also subject to the following additional development standards:

- Second unit shall either be attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.
- The total floor area for a proposed, attached second residential unit shall not exceed 30 percent of the existing habitable area of the main dwelling unit.
- The total floor area allowed for a proposed, detached second residential unit shall not exceed 1,200 square feet.
- The second residential dwelling unit shall provide one covered parking space for the unit or one per each bedroom in the unit, whichever results in the greatest number of spaces being required, in addition to spaces required for the primary residence.

(3) Manufactured Housing

State law requires local governments to permit manufactured or mobile homes meeting federal safety and construction standards on a permanent foundation in all single-family residential zoning districts (Section 65852.3 of the California Government Code). In San Clemente, a manufactured/factory built house is permitted in all residential zones.

(4) Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Sections 5115 and 5116) of the California Welfare and Institutions Code declares that mentally and physically disabled persons are entitled to live in normal residential surroundings. The use of property for the care of six or fewer mentally disordered or otherwise handicapped persons is required by law. A State-authorized, certified or authorized family care home, foster home, or group home serving six or fewer persons with disabilities or dependent and neglected children on a 24-hour-a-day basis is considered a residential use to be permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes (commonly referred to as “group” homes) of six or fewer persons with disabilities than are required of the other permitted residential uses in the zone.

The City of San Clemente Zoning Ordinance does not contain specific provisions for residential care facilities for six or fewer persons. However, in practice, the City permits small residential care facilities (for six or fewer persons) by-right in the RL, RM, RMH and RH districts, similar to any single-family use. Congregate care facilities are also conditionally permitted in the RML, RM, and RH districts. In July 2015, the City adopted an Interim Urgency Ordinance that placed a temporary moratorium on the permitting and establishing of sober living homes and large alcohol/drug abuse recovery or treatment facilities in residential zones. This moratorium is set to expire on June 2016. The City will amend the Zoning Ordinance in 2016 to address the provision of residential care facilities.

(5) Emergency Shelters

An emergency shelter is a facility that provides temporary shelter and feeding of indigents or disaster victims, operated by a public or non-profit agency. State law requires jurisdictions to identify adequate sites for housing which will be made available through appropriate zoning and development standards to facilitate and encourage the development of a variety of housing types for all income levels, including emergency shelters and transitional housing (Section 65583(c)(1) of the Government Code). Recent changes in State law (SB 2) require that local jurisdictions make provisions in the Zoning Ordinance to permit emergency shelters by right in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter. Local jurisdictions may, however, establish standards to regulate the development of emergency shelters.

The City established an Emergency Shelter (ES) Overlay in 2014 to permit emergency shelters by-right without discretionary action. The ES Overlay consists of: 1) Public and Civic Center zoned properties; excluding parcels with schools or school facilities; and 2) City-owned parcels in Commercial, Business Park or Industrial zoning districts, and a minimum of 500 feet from residential zoned properties. Overall, there are 45 parcels totaling approximately 75 acres of eligible properties within the ES Overlay which could accommodate emergency shelters by right. Additionally, Emergency shelters, up to 10 beds, are allowed by right as an accessory use to churches and religious institutions throughout the City. There are 21 churches in the City, currently covering approximately 64 acres, which could each accommodate up to ten beds, for a total of 210 additional emergency shelter beds within the City.

In November 2015, the City Council adopted Zoning Ordinance Amendment 15-333 to remove additional governmental restraints on the establishment of emergency shelters within the City. The amended ordinance removed the floor area requirement for emergency shelters, and certain standards for entries and outdoor use areas. As amended, emergency shelters development standards were amended to clarify:

- **Separation.** An Emergency Shelter shall not be established or operated at any location less than 300 feet from another Emergency Shelter providing shelter and other services to homeless persons.
- **Number of Emergency Shelters.** The number and capacity of Emergency Shelters allowed without use permit review shall be limited to that required to meet the shelter needs of the number of estimated homeless persons in the City, as established by current reliable information and approved by the City Council.
- **Emergency Shelter as Accessory Use to Churches and Other Religious Institutions.** Emergency Shelters shall also be allowed, by right, as an accessory use to Churches and Religious Institutions located outside the ES Overlay District.
- **Maximum Number of Beds.** The maximum number of beds per Emergency Shelter facility shall not exceed 20 within the ES Overlay District.
- **On-Site Waiting and Intake Areas.** On-site waiting and client intake areas shall be provided within the Emergency Shelter building. Outdoor waiting areas, if provided, shall be visually screened from the public right-of-way and from adjacent land uses.
- **Parking.** On-site parking shall be supplied at a ratio of not less than one vehicle space per five beds, plus one additional space for the resident manager and each additional staff person. Parking spaces shall be designed to meet City standards. Enclosed, secure bicycle parking shall also be provided on-site at the ratio of not less than one bicycle parking space per 10 beds. These standards were modeled after the standards of other cities with SB 2-compliant emergency shelter ordinances.
- **Site Lighting.** Site lighting shall be provided for safety and security, consistent with City standards and Design Guidelines.
- **Architectural Review.** Emergency Shelters shall comply with the City's Design Guidelines and where applicable, the Rancho San Clemente Specific Plan and West Pico Specific Plan architectural and development standards to ensure shelters are compatible with their surroundings.

(6) Transitional and Supportive Housing

State law (AB 2634 and SB 2) requires local jurisdictions to address the provisions for transitional and supportive housing. Under Housing Element law, transitional housing means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance (California Government Code Section 65582(h)).

Supportive housing means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging

out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (California Government Code Sections 65582(f) and (g)).

Accordingly, State law establishes transitional and supportive housing as a residential use and therefore local governments cannot treat it differently from other similar types of residential uses (e.g., requiring a use permit when other residential uses of similar function do not require a use permit). The San Clemente Zoning Ordinance does not include any provisions for transitional or supportive housing. The City will amend the Zoning Ordinance by the end of 2016 to comply with State requirements for this housing type. In the meantime, the City will continue to permit transitional and supportive housing by right as a residential use.

(7) Single-Room Occupancy (SRO)

Single room occupancy (SRO) facilities are small studio-type units and are permitted by right in all multi-family residential districts (4 or fewer units) or with a conditional use permit (5 or more units). Development standards for these uses are no more restrictive than for other uses allowed in these districts.

(8) Farmworker and Employee Housing

The California Employee Housing Act requires that housing for six or fewer employees be treated as a regular residential use. The Employee Housing Act further defines housing for agricultural workers consisting of 36 beds or 12 units be treated as an agricultural use and permitted where agricultural uses are permitted.

The City of San Clemente Zoning Ordinance does not include any provisions for farmworker or employee housing. The City does not permit agricultural uses in any of its zones and is, therefore, not required to specifically provide for farmworker housing. However, the City is still subject to the employee housing requirements of the Employee Housing Act. The City will amend the Zoning Ordinance by the end of 2016 to include provisions for housing for six or fewer employees.

B. Development Requirements

Table 41 summarizes the City's residential zoning districts and their requirements. The maximum number of units allowed in a multi-family residential development is determined primarily by the minimum lot area required per dwelling unit, the maximum allowable site coverage and the maximum permitted building height. Of these three regulations, the minimum lot area required per dwelling unit is the most important in determining the number of units that can be developed on a site. This regulation accounts for the minimum size of the unit based on bedroom count and the necessary parking and recreational space for each unit.

Residential densities in San Clemente range from one unit per 20 acres in the RVL zone to a maximum of 36 units per net acre in the RH and various MU zones, excluding potential density bonuses. The City's development regulations are similar to those of neighboring jurisdictions and do not adversely impact the cost and supply of housing or the ability to achieve maximum densities.

Table 41: Summary of Residential Zoning Requirements

Zoning District	Minimum Lot Area	Minimum Lot		Maximum Building Height (ft)	Minimum Front Yard (ft)	Minimum Interior Side Yard (ft.)	Minimum Street Side Yard (ft.)	Minimum Rear Yard (ft.)	Lot Coverage		
		Width (ft)	Frontage (ft)								
RVL	20 acres	Varies	Lots on Linear Street: Lot Width	30	Varies	Varies	n/a	n/a	n/a		
RL	6,000 sf	60		25		6 ³	10	10	50%		
RML	6,000 sf ¹	60 ²						10 ⁴			
RM	6,000 sf	60		Lots on Curvilinear Street: 35 feet		45	5	5	5	55%	
RH	n/a					Varies ⁵	0	0	0	0	100%
MU 1-4 ¹	6,000 sf					26-33	10	5	8	5	55%
MU 5.1						37-45	0	0	0	0	50%
NC2		--		--			--	--	--	--	
NC3	--	--		--		--	--	--	--	--	
-AH Overlay	--	--		--		--	--	--	--	--	
-ES Overlay	--	--	--	--	--	--	--	--			

Source: City of San Clemente Zoning Ordinance, 2015

Notes:

1. Minimum Lot Area is 9,000 square feet for duplexes.
2. Minimum Lot Width is 70 feet for duplexes.
3. Or 10 percent of lot width, whichever is smaller.
4. Minimum Rear Yard is 5 feet for duplexes.
5. For lots greater than 12,000 square feet: TOR=45 ft.; PL=37 ft.; and 3 stories. For lots 12,000 square feet or less: TOR=33 ft.; PL=26 ft.; and 2 stories. An exception for 3 stories, 45 ft. to TOR, and 37 ft. to PL may be granted through the CUP process.

C. Parking Requirements

Table 42 summarizes residential parking requirements in San Clemente. Parking requirements do not constrain the development of housing directly. However, parking requirements may reduce the amount of available lot area for residential development. The City determines the required number of parking spaces based on the type and size of the residential unit and has found the required parking spaces to be necessary to accommodate the number of vehicles typically associated with each residence. The City also provides reduced parking requirements for senior housing projects and affordable housing consistent with State Density Bonus law.

Table 42: Residential Parking Requirements

Type of Residential Development	Required Parking Spaces											
Single-Family Dwelling on a Single Lot	Two covered spaces per unit											
Two Dwelling Units on a Single Lot ¹	Two per dwelling unit, one of which must be covered.											
Three or More Dwelling Units on a Single Lot	Greater of the following methods plus guest parking: ²											
	<table border="1"> <thead> <tr> <th>Method 1: Number of BR²</th> <th>Method 2: Net Floor Area²</th> </tr> </thead> <tbody> <tr> <td>0—1 Bedroom: 1.5 spaces</td> <td>To 900 sq. ft.: 1.5 spaces</td> </tr> <tr> <td>2 Bedrooms: 2.0 spaces</td> <td>To 1,800 sq. ft.: 2.0 spaces</td> </tr> <tr> <td>3 Bedrooms: 2.5 spaces</td> <td>To 2,700 sq. ft.: 2.5 spaces</td> </tr> <tr> <td>Over 3 Bedrooms: 3.0 spaces</td> <td>Over 2,700 sq. ft.: 3.0 spaces</td> </tr> </tbody> </table>		Method 1: Number of BR ²	Method 2: Net Floor Area ²	0—1 Bedroom: 1.5 spaces	To 900 sq. ft.: 1.5 spaces	2 Bedrooms: 2.0 spaces	To 1,800 sq. ft.: 2.0 spaces	3 Bedrooms: 2.5 spaces	To 2,700 sq. ft.: 2.5 spaces	Over 3 Bedrooms: 3.0 spaces	Over 2,700 sq. ft.: 3.0 spaces
	Method 1: Number of BR ²	Method 2: Net Floor Area ²										
	0—1 Bedroom: 1.5 spaces	To 900 sq. ft.: 1.5 spaces										
	2 Bedrooms: 2.0 spaces	To 1,800 sq. ft.: 2.0 spaces										
3 Bedrooms: 2.5 spaces	To 2,700 sq. ft.: 2.5 spaces											
Over 3 Bedrooms: 3.0 spaces	Over 2,700 sq. ft.: 3.0 spaces											
<i>Guest Parking:</i> The number of guest parking spaces provided for a project shall be .333 spaces per dwelling unit.												
Second Residential Unit	One covered parking space for the unit or one per each bedroom in the unit, whichever results in the greatest number of spaces being required, in addition to spaces required for the primary residence.											
Senior Housing Project	Two parking spaces shall be provided for manager's units. For each residential dwelling unit within a senior housing project, one covered parking space shall be provided on site. In addition, one guest parking space for each five dwelling units, including the manager's unit, shall be provided on site.											
Emergency Shelters	On-site parking shall be supplied at a ratio of not less than one vehicle space per five beds, plus one additional space for the resident manager and each additional staff person.											

Source: City of San Clemente Zoning Ordinance, (2015).

Notes:

1. Large Two-unit Projects which have a cumulative bedroom count which exceeds seven and/or a project net floor area which exceeds 5,400 square feet shall provide one additional parking space for the project.
2. Fifty percent of the total number of parking spaces required for the dwelling units shall be covered, with no less than one covered assigned parking space being provided for each dwelling unit. For projects with less than five units, if the total number of required parking spaces is a fractional number of .45 or greater, that number shall be rounded up to the next whole number; if the total number of required parking spaces is a fractional number less than .45, that number shall be rounded down to the next whole number. For projects with five or more units, if the total number of required parking spaces is a fractional number, the total number shall be rounded up to the nearest whole number.

D. Density Bonus Ordinance

California Government Code Section 65915 provides that a local government shall grant a density bonus of at least 20 percent (five percent for condominiums) and an additional incentive, or financially equivalent incentive(s), to a developer of a housing development agreeing to provide at least:

- Ten percent of the units for lower income households;
- Five percent of the units for very low income households;
- Ten percent of the condominium units for moderate income households;
- A senior citizen housing development; or
- Qualified donations of land, condominium conversions, and child care facilities.

The density bonus law also applies to senior housing projects and projects which include a child care facility. In addition to the density bonus stated above, the statute includes a sliding scale that requires:

- An additional 2.5 percent density bonus for each additional increase of one percent Very Low income units above the initial five percent threshold;
- A density increase of 1.5 percent for each additional one percent increase in Low income units above the initial 10 percent threshold; and
- A one percent density increase for each one percent increase in Moderate income units above the initial 10 percent threshold.

These bonuses reach a maximum density bonus of 35 percent when a project provides either 11 percent very low income units, 20 percent low income units, or 40 percent moderate income units. In addition to a density bonus, developers may also be eligible for one of the following concessions or incentives:

- Reductions in site development standards and modifications of zoning and architectural design requirements, including reduced setbacks and parking standards;
- Mixed used zoning that will reduce the cost of the housing, if the non-residential uses are compatible with the housing development and other development in the area; and
- Other regulatory incentives or concessions that result in "identifiable, financially sufficient, and actual cost reductions."

Jurisdictions also may not enforce any development standard that would preclude the construction of a project with the density bonus and the incentives or concessions to which the developer is entitled. To ensure compliance with the State density bonus law, jurisdictions must reevaluate their development standards in relation to the maximum achievable densities for multi-family housing.

In accordance with Chapter 4.3 Section 65915 *et. seq.* of the California Government Code, the City of San Clemente adopted a Density Bonus Ordinance and periodically amends this ordinance (most recently in 2011) to comply with updates to State requirements. The recently adopted AB 2222, which took effect in January 2015, is the most recent update to the State's density bonus requirements. The City will update its density bonus ordinance again to comply with these new provisions by the end of 2016.

3.1.3 Building Codes and Enforcement

Building and safety codes are adopted to preserve public health and safety, and ensure the construction of safe and decent housing. These codes and standards also have the potential to increase the cost of housing construction or maintenance.

The City adopted the following construction codes: California Building Code (2013); California Administrative Code (2013); California Energy Code (2013); California Historical Building Code (2013); California Existing

Building Code (2013); and California Referenced Standards Code (2013). The City's Building Codes, local amendments and code enforcement activities are not constraints to the development, maintenance or preservation of housing.

3.1.4 Housing for Persons with Disabilities

A. Land Use Controls

As previously stated, the City of San Clemente Zoning Ordinance does not contain specific provisions for residential care facilities for six or fewer persons. However, in practice, the City permits small residential care facilities (for six or fewer persons) by-right in the RL, RM, RMH and RH districts, similar to any single-family use. Congregate care facilities are also conditionally permitted in the RML, RM, and RH districts.

B. Reasonable Accommodation

Building and development standards may constrain the ability of persons with disabilities to live in housing units that are suited to their needs. The City adopted a formal reasonable accommodation ordinance in 2015.

C. Definition of Family

The City does not have a definition of "family" in its Zoning Ordinance.

D. Building Code

As indicated above, the City of San Clemente has adopted the 2013 California Building Standards Code and routinely adopts updates as they become available. The City has not adopted any special amendments to this Code that would impede housing for persons with disabilities. In fact, the City's building codes require that new residential construction comply with the federal American with Disabilities Act (ADA). ADA provisions include requirements for a minimum percentage of units in new developments to be fully accessible to the physical disabled. The provision of fully accessible units may increase overall project development costs, however, unlike the UBC, enforcement of ADA requirements is not at the discretion of the City, but is mandated under federal law.

Compliance with building codes and the ADA may increase the cost of housing production and can also impact the viability of rehabilitation of older properties required to be brought up to current code standards. However, these regulations provide minimum standards that must be complied with in order to ensure the development of safe and accessible housing. The City encourages and facilitates the construction of supportive housing by allowing such projects by-right in all residential zones. Current building codes require that all ground floor multi-family units be handicapped-accessible, as well as elevator-served buildings.

3.1.5 Planning and Development Fees

Housing construction imposes certain short- and long-term costs upon local government, such as the cost of providing planning services and inspections. As a result, the City of San Clemente relies upon various planning and development fees to recoup costs and ensure that essential services and infrastructure are available when needed. Planning fees for San Clemente are summarized in Table 43. Because of limited resources, the City does not typically offer fee waivers; however, the City Council may approve a waiver,

offer deferred or reduced fees, or supplement fees with funds from the In-lieu Fee Fund, for affordable housing projects.

Table 43: Planning and Building Fees

Application	Processing Fee	Imaging Fee	General Plan Update Fee
General Plan Amendment	Deposit	\$53	28%
Conditional Use Permit	Deposit	\$33	28%
Variance	Deposit	\$33	28%
Site Plan Permit	Deposit	\$33	28%
Tentative Parcel Map (Condominiums)	\$2,089	\$53	--
Tentative Parcel Map (Other Subdivision)	\$2,089	\$53	--
Tentative Tract Map	Deposit	\$53	28%
Zone Change	Deposit	\$26	28%
Building Plan Check	65% of Building Permit Fee	--	--
Energy Plan Check	10% of Building Permit Fee	--	--
Handicap Regulation Plan Check	10% of Building Permit Fee	--	--
Orange County Fire Authority Plan Check ³	\$650 + \$15 City fee	--	--
Planning Division Plan Check	\$100 for new SF	--	--

Source: City of San Clemente, July 1, 2013.

Notes:

1. Applications on Deposit: Initial deposits shall be determined by the City Planner with actual hourly costs consisting of expenditure of City time, materials, and overhead (including City consultants). In addition, a 28% General Plan Update fee will be charge, where applicable, not exceeding \$10,000 per project.
2. Multiple-Entitlement Applications: Fees shall include the highest applicable entitlement fee, plus \$500 for each additional entitlement.
3. Collected for single family homes greater than 3600 sq. ft., or more than 50 feet set back from street, or within a special fire protection area or very high fire severity zone.

Until 1978, property taxes were the primary revenue source for financing the construction of infrastructure and improvements required to support new residential development. The passage of Proposition 13 in 1978 has limited a local jurisdiction’s ability to raise property taxes and significantly lowered the ad valorem tax rate, increasing reliance on other funding sources to provide infrastructure, public improvements, and public services. An alternative funding source widely used among local governments in California is the development impact fee, which is collected for a variety of improvements including water and sewer facilities, parks, and transportation improvements.

To enact an impact fee, State law requires that the local jurisdiction demonstrate the “nexus” between the type of development in question and the impact being mitigated by the proposed fee. Also, the amount of the fee must be roughly proportional to the impact caused by the development. Nevertheless, development impact fees today have become a significant cost factor in housing development.

The City of San Clemente collects development impact fees to offset impact costs associated with traffic, sewers, storm drains, and parks. In addition, the Transportation Corridor Agency collects development impact fees associated with the debt, additional improvements and operation of The Toll Roads.

Table 44 summarizes the development impact fees required by the City and local agencies for residential development. The City assesses all of its impact fees on a per unit basis, regardless of whether the housing unit is part of a single-family or multi-family project. Building division and engineering impact fees total approximately \$29,000 per unit. In addition to these fees, The Transportation Corridor Agency charges a fee per housing unit depending on housing type and project location (Table 44).

Table 44: Development Impact Fees

Application	Fee	
Electrical Permit ¹	\$650	
Plumbing Permit ¹	\$600	
Mechanical Permit ¹	\$475	
Public Facilities Construction Fund	Coastal Zone:	Outside Coastal Zone:
	\$1,944.73	\$3,090.46
Sewer Permit	\$20 per unit	
Park Acquisition and Development	\$400 per unit for "in-fill" development	
Transportation Corridor Agency Fees		
Foothill Transportation Corridor (East of Interstate 5)	Single-Family:	Multi-Family:
	\$5,430 per unit	\$3,171 per unit
San Joaquin Hills Corridor (West of Interstate 5)	Single-Family:	Multi-Family:
	\$4,002 per unit	\$2,336 per unit

Source: City of San Clemente, September 30, 2015.

Note:

1. Actual fee varies. Listed fee is a rough estimate for a 1,500 square foot single-family dwelling.

3.1.6 Local Processing and Permit Procedures

Considerable holding costs are associated with delays in processing development applications and plans. At times, these holding costs are passed through to renters and homeowners in the price/rent of housing, thus affecting the affordability. The City of San Clemente's development review process is designed to accommodate housing development applications of various levels of complexity and requiring different entitlements. Table 45 summarizes the reviewing authority and requirements for the City's most common permit applications.

Table 45: Review Authority for Permits and Entitlements

Application	Final Authority	Design Review Subcommittee Required	Public Hearing Required
Architectural Permit/Cultural Heritage Permit	Planning Commission	✓	✓
Coastal Review In-Concept	City Manager		
Conditional Use Permit	Planning Commission		✓
Development Agreements	City Council		✓
General Plan Amendment	City Council		✓
Minor Conditional Use Permit	Zoning Administrator		✓
Site Plan Permit	Planning Commission	✓	✓
Specific Plan Amendment	City Council		✓
Variance	Planning Commission	✓	✓
Zoning Amendment	City Council		✓

Source: City of San Clemente, 2015.

The City’s development approval process is designed to accommodate, not hinder, development and does not unduly constrain housing. The following discussion describes in greater detail the City’s development review procedures.

A. Residential Permit Processing

Residential developments with four or fewer units do not require a CUP, and typically do not require any other type of discretionary approval. Allowing smaller projects by right encourages the provision of affordable housing on smaller in-fill and underutilized lots within the older areas of the city. Most developments in San Clemente consist of four or fewer units as San Clemente is a mostly built-out city with little vacant residential land available, and typical multi-family projects are small infill developments.

Projects with five or more units require approval of a CUP by the Planning Commission. The discretionary process allows the project to be reviewed for appropriateness, scale, architecture, design, and compatibility with the surrounding area. Per the Permit Streamlining Act, the City of San Clemente has 30 days to determine whether a project application is complete. Once a project is deemed complete, it is scheduled for the City’s internal Development Management Team (consisting of fire, police, public works, engineering, building & safety, landscape, and other staff), which reviews the project and recommends appropriate conditions of approval. A Planning Commission hearing is then scheduled. If the project is approved, an approval letter, including the conditions of approval, is sent to the applicant. The project only proceeds to the City Council if it also requires a legislative act such as a General Plan Amendment or Zone Change. The project approval process is identical for single-family and multiple-family residential projects.

If a housing project does not require a discretionary approval (four or fewer dwelling units requires plan check approval only), the average processing time is three to six weeks. If the project requires a discretionary approval, the process, including legal noticing requirements, project revisions, and the generation of staff reports, typically takes 12 to 16 weeks. If the project requires a legislative act by the City Council such as a General Plan Amendment or Zone Change in conjunction with the discretionary project, an additional five to six weeks is typically required for the public hearing.

Other projects requiring Zoning Amendments or other discretionary actions necessitate a higher level of review, resulting in a longer processing timeline. The City’s processing and permit procedures are consistent

with State Planning and Zoning Law and are not considered to be an unreasonable constraint on the cost or supply of housing.

All residential development is reviewed by City staff for zoning, building and fire code compliance prior to issuance of building permits. In addition, residential projects within an architectural overlay district or within 300 feet of a City Designated Historically Significant Structure will require a Cultural Heritage Permit, regardless of size.

Certain steps of the development process are required by State rather than local laws. The State has defined processing deadlines to limit the amount of time needed for review of required reports and projects. In an effort to provide an efficient permit processing system, the City has implemented the following time and cost saving developmental processes:

- Eliminated the Community Design Commission and combined the duties with the Planning Commission, which includes two architectural, landscape or planning professionals to the extent feasible.
- Located all City divisions involved in the permitting process – Planning, Engineering, Building, Public Works, Economic Development, Business Licenses, and Fire Authority – in one location.
- Appointed a Zoning Administrator to implement discretionary approval for less significant projects.
- Facilitate pre-application meetings to ensure issues are identified early in the process and applications are complete prior to submittal for discretionary review.
- Housing staff assists non-profit agencies to determine feasibility of projects and identify public financing sources.
- Processing fees can be reduced, postponed or supplemented with housing funds for affordable projects meeting City priorities.
- Encourages concurrent processing of applications.

These procedures help to ensure that the development review process meets all legal requirements without causing a significant unwarranted constraint to housing development.

B. Environmental Review

Environmental review is required for all development projects under the California Environmental Quality Act (CEQA). San Clemente has a substantial number of environmental constraints due to its sensitive habitats, coastal location and conservative approach to preserving its unique natural surroundings. Because of these environmental constraints, larger residential projects have required the preparation of Environmental Impact Reports (EIRs). An EIR is required of all developments that have the potential of creating significant impacts that cannot be mitigated, which is highly typical of large projects approved under Specific Plans. At the same time, most residential projects in San Clemente are either Categorically Exempt or require only an Initial Study and Negative Declaration. The Negative Declaration process typically takes two to three weeks to complete. Categorically Exempt developments such as second residential units require a minimal amount of time. As a result, state-mandated environmental review does not pose a significant constraint to housing development.

3.1.7 California Coastal Act

A. Coastal Zone in San Clemente

The Coastal Zone is generally defined as that land and water area which extends inland 1,000 yards from the mean high tide line of the Pacific Ocean and seaward to the State's outer limit of jurisdiction. Within the City, the Coastal Zone comprises 2.79 square miles of the City's 18.45 square miles, making up 15 percent of the total land area. In 1990, 89 percent of the housing units in the City (8,542) were located in the Coastal Zone. By 2000, the number of units increased to 9,148 with an average annual growth of 60 new units a year. Between 1985 and 2005, however, ranch land development east of the Coastal Zone grew at a faster pace. As of 2010, housing east of the Coastal Zone made up approximately 50 percent of the City's housing stock.

The California Coastal Act requires each local government lying wholly or partly within the State-designated Coastal Zone to prepare a Local Coastal Program (LCP). While most of the Coastal Zone is built out, the City anticipates re-use of underutilized sites, as well as regular development of the vacant lots situated in the Coastal Zone. While San Clemente does have a certified Land Use Plan, the City does not currently have a certified Implementation Plan. Therefore, in addition to local approval processes, development proposals within the Coastal Zone must also be approved by the California Coastal Commission. This additional process can add time and cost to a development proposal, and may act as a deterrent to developers of affordable housing.

The Coastal Zone includes the following five census tracts: 421.03, 421.06, 421.07, 421.08, 422.01 and 422.06. According to the 2010 Census, the population of the Coastal Zone was 27,632 persons (44 percent of the total population in the City). A number of the coastal census tracts (421.03, 421.06, 421.07, and 421.08) have also been identified as low and moderate income target areas, according to Department of Housing and Urban Development Community Development Block Grant Program (CDBG) guidelines. About 53 percent of households in the Coastal Zone rent their homes and 47 percent own their homes. By comparison, 64 percent of all housing units in the City were owner-occupied and 36 percent were renter-occupied. The CDBG target area and central portion of the Coastal Zone is the historic core of the City with a mix of single-family and small multi-family properties.

B. Housing Activities in the Coastal Zone

California Government Code §65588(d) requires that the Housing Element update take into account any low or moderate income housing provided or required in the Coastal Zone pursuant to Section 65590 (the Mello Act). State law requires that jurisdictions monitor the following:

- The number of new housing units approved for construction within the Coastal Zone (after January 1, 1982);
- The number of low or moderate income units required to be provided in new developments either within the Coastal Zone or within three miles of the Coastal Zone;
- The number of existing housing units in properties with three or more units occupied by low or moderate income households that have been authorized for demolition or conversion since January 1, 1982; and
- The number of low or moderate income replacement units required within the Coastal Zone or within three miles of the Coastal Zone.

In order to receive a demolition or a conversion permit, the request must comply with the Mello Act. The City examines any Coastal Zone development that entails the demolition or conversion of residential units that are not categorically exempt from the California Environmental Quality Act (CEQA). A property that is determined to be a public nuisance or is an owner-occupied, single-family dwelling, is not examined in accordance with the Mello Act. All other types of projects are evaluated.

Since 1982, 629 housing units have been approved for construction in the Coastal Zone. The majority of the construction activities in the Coastal Zone do not involve the demolition of multi-family units. Eight existing units occupied for very low income households were removed to accommodate the Mary Erickson project. The Mary Erickson project provided six very low income units (with larger size and more bedrooms). Therefore, the City has incurred a replacement requirement of two units. However, the City’s affordable housing activities within three miles of the Coastal Zone have more than replaced the other two units removed.

A total 32 units within the Coastal Zone have been converted to condominiums since 1982. All converted properties were duplexes, with the exception of one fourplex. Duplexes are exempt from the Coastal Zone replacement requirements. The fourplex was vacant and did not house low income households prior to conversion. Therefore, no replacement requirements have been incurred as a result of the condominium conversion activities.

Housing Activities	Number of Units
Number of New Units Approved for Construction in the Coastal Zone since January 1, 1982:	629 units
Total Number of Units Occupied by Low and Moderate Income Households and Authorized to be Demolished or Converted:	8 units
Existing Units Demolished to Accommodate Mary Erickson	8 units
Total Number of Low and Moderate Income units Required to be Replaced within Three Miles of the Coastal Zone	8 units
Total Affordable Housing Activities in within three miles of the Coastal Zone:	314 units
Mary Erickson	6 units
Mendocino Apartments	186 units
Village Shores Senior Apartments	122 units
Lennar-Frontera site	8 units (<i>proposed</i>)
Cotton's Point	76 units
Las Palmas	9 units

C. Alleviating Constraints in the Coastal Zone

The Coastal Zone is subject to many development restrictions due to land use, land cost, and Mello Act compliance. As the number of vacant residential lots has decreased in the Coastal Zone, the City had to consider other options to increase the feasibility of providing low and moderate income housing within the Coastal Zone. The Coastal Act, in general, gives priority to the preservation of existing affordable housing over the production of new housing that may conflict with other coastal resource protection policies. The replacement of low income housing is mandated by the Coastal Act, which requires that any units to be demolished be replaced within three miles of the original site. Currently most of the City's existing low income housing stock consists of apartments within the Coastal Zone. Due to the presence of in-fill lots surrounding the apartments, these areas are attractive sites for new development of apartments and condominiums, whereas conversions and demolitions of apartments are limited.

The City's Condominium Conversion Code decides conversions on an annual basis depending on the vacancy rate. When vacancy rates are above 10 percent, there are no restrictions on conversions. The 2009-2013 ACS recorded the City's overall vacancy rate at 10.7 percent. In 2005, the Condominium Conversion Code was changed to encourage additional conversions (up to 25 units) to stimulate improvements to pre-1981 apartments even when vacancy rates are below 10 percent. Even with this change in the Code, few apartments have been converted since 2000. The limited number of conversions points to the difficulty of converting apartments built before 1980. This is because pre-1980 parking standards required only a one garaged space per unit. Due to the updated parking standard, pre-1980 properties often have to convert two apartments into one. The negative impact of this Code is that fewer properties are upgraded, the streets remain overcrowded, and the prices of converted properties are very high.

D. Programs to Increase Affordable Housing in the Coastal Zone

The City has three programs to assist with the preservation and construction of new affordable units in the Coastal Zone. The Housing Coordinator has worked with Mary Erickson Community Housing to acquire and rehabilitate three properties with 18 units within the Coastal Zone since 2000. CDBG funds have also helped to rehabilitate properties owned by Laura's House, another affordable housing developer. The properties were in poor condition, overcrowded and charged high rents. HOME Investment Partnerships Program (HOME) and former redevelopment agency funds were used to purchase the units and ensure long term affordability. These apartments are now excellent examples of model properties on the block. Low income families pay affordable rent, overcrowding was eliminated, and the properties will preserve affordability in the Coastal Zone.

The second program to encourage new construction was adopted by the City Council in 2006. An Affordable Housing Overlay was established which allows vacant and underutilized commercial sites to be used for housing—a mix of affordable units (51 percent for households earning up to 50 percent of median income) and market rate units. The Affordable Housing Overlay was adopted when housing and land values were at their peak, and it was difficult to find land at a value to develop anything but high priced condominiums and single-family housing in the coastal zone (see Table 49 on land costs later on page 61). While overall prices have dropped since 2006, land values in San Clemente remain very high. For profit developers may build condominiums and sell off the market rate units to the public and the City will offer grants and loans to non-profits to purchase the affordable units. The affordable units will be owned by the non-profit and rented out to qualified households. This policy is intended to reduce land values enough to allow for mixed income housing in the Overlay Zone.

The third program alleviates some of the financial impact of Mello Act compliance. The City will accept an in-lieu fee for projects unable to provide on-site affordable units. The fee is based on the gap between the market rate units and the amount needed to subsidize units at 50 percent of median household income. In the past, the City has used in-lieu funds to assist non-profit developers (such as Mary Erickson Community Housing and Jamboree Housing) with the construction of new affordable units by providing grants to purchase existing apartments in the Coastal Zone or funds to finance the construction of affordable housing within three miles of the Coastal Zone (i.e. Mendocino Apartments in Talega).

E. City of San Clemente Land Use Regulation in the Coastal Zone

The City's Coastal Zone (CZ) follows the land use regulations of the zone in which the property is located in. In addition to those development standards for the base zone, the following standards apply to all applicable projects within the CZ Overlay.

Table 47: Coastal Zone Setback Requirements

	Setback Requirement
Coastal Bluff	25 feet from bluff edge
Coastal Canyon	30 percent of the depth of the lot, not less than 15 feet from coastal sage vegetation or less than 50 feet from riparian vegetation

Source: City of San Clemente, 2015.

The purpose of the coastal standards is to protect coastal resources and reduce hazards to life and property. When there are two or more set-back choices available in the standards below, (e.g., stringline and bluff or canyon edge set-back), the City Planner determines which of the setbacks shall be applied to a development based on the geology, soil, topography, existing vegetation, public views, adjacent development and other site characteristics, subject to the appeals provisions. Unlike with other cities, San Clemente’s Coastal Zone does not reduce the maximum density of units, or modify the development standards of the zone. The only restrictions of the Coastal Zone are for properties located on a coastal bluff or coastal canyon as shown in Table 47. These modified setback requirements limit the size of residential projects in the Coastal Zone when they are next to a bluff or canyon. The value of land and property is substantially higher for properties this close to the coast and affordable housing is not expected next to the bluffs or canyons. New affordable units are anticipated primarily within the Affordable Housing Overlay.

3.1.8 Growth Management Ordinance

A Growth Management Initiative was approved by the voters of San Clemente in 1986 and subsequently adopted by the City Council as Ordinance No. 922, also known as the Growth Management Ordinance. The ordinance limited residential construction to a maximum of 500 units per year and established a competitive allocation process which awards density on the minimization of environmental impacts, the provision of adequate public services and facilities, project amenities and quality design. The Growth Management Ordinance expired on December 31, 2006 and was not extended.

3.1.9 On- and Off-Site Improvements

After the passage of Proposition 13 and its limitation on local governments’ property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installation that are reasonably related to the project. Ultimately, however, the additional costs for residential land development and infrastructure maintenance are borne by the homeowners and their associations. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

A local residential street in San Clemente requires a 56-foot right-of-way, with two 20-foot travel lanes. Road standards vary by roadway designation and are outlined in Table 48. The City’s road standards are typical for cities in Orange County and do not act as a constraint to housing development.

Table 48: Street Design Standards

Roadway Designation	Number of Lanes	Right-of-Way Width	Curb-to-Curb Width
Major Highway	6 lanes	120 feet	100 feet
Secondary Highway	4 lanes	80 feet	64 feet
Collector Street	2 lanes	60 feet	40 feet
Local Street	2 lanes	56 feet	40 feet
Cul-de-Sac Street	2 lanes	56 feet	35 feet

Source: City of San Clemente.

3.1.10 Inclusionary Housing Program

Inclusionary housing describes a local government requirement that a specified percentage of new housing units be reserved for, and affordable to, lower and moderate income households. The goal of inclusionary housing programs is to increase the supply of affordable housing commensurate with new market-rate development in a jurisdiction. This can result in improved regional jobs-housing balances and foster greater economic and racial integration within a community. The policy is most effective in areas experiencing a strong demand for housing.

San Clemente adopted an Inclusionary Housing Program (IHP) in 1980 to expand affordable housing options in San Clemente. San Clemente’s IHP requires developers of six or more units to set aside four percent of the total number of units for households earning 50 percent or less of the median income. This affordable requirement can be provided either on-site, off-site, or through the payment of an in-lieu fee or provision of land. The in-lieu fee option was intended primarily for small to midsize in-fill developments or subdivisions where insufficient land exists to provide both for-sale and rental units. As of October 2015, approximately \$279,000 was available in the in-lieu fund to assist nonprofit agencies with purchasing land or existing housing units for the provision of long term affordable housing. Appendix D includes detailed information on the City’s IHP requirements and how in-lieu fees are calculated.

Overall, the City’s inclusionary housing requirement is reasonable, compared to most communities with similar policies. Typical inclusionary housing requirements range from ten to 15 percent in the State of California. A four-percent requirement does not unduly constrain housing development in the City and small infill projects with fewer than six units are exempt from this requirement.

3.1.11 Affordable Housing Overlay Zone

The San Clemente City Council established the Affordable Housing Overlay Zone along El Camino Real, the main intra-city transportation corridor, in 2006. The Overlay is zoned commercial and the only housing which can be built is senior housing or mixed income housing with 51 to 100 percent of the units affordable to households earning up to 50 percent of area median income. The intent of this Overlay Zone is to facilitate the development of affordable rental and for sale housing in the City’s commercial and mixed use zones. A number of the vacant and underutilized sites identified in Table 54 are located within this Overlay District.

3.2 Environmental and Infrastructure Constraints

3.2.1 Environmental Constraints

Environmental hazards affecting housing units include seismic hazards, flooding, toxic and hazardous waste, fire hazards and noise. The following hazards may impact future development of residential units in the City.

A. Seismic Hazards

There are no known active faults within the City of San Clemente; however, ground shaking resulting from regional seismic activity can have a significant local impact. Additionally, areas of the City where the water table is shallow with loose, unconsolidated sandy soils have the potential for liquefaction during a seismic event. The City's hillsides and coastal and canyon bluffs can be steep and subject to landslides and slope failures. Potential geologic and soil hazards can be increased by inappropriate development, seismic activity and heavy rains.

B. Flooding

Potential water-related hazards in San Clemente include flooding, tsunami, and sea level rise. Flood hazards include coastal inundation, flash flooding down watercourses and channels throughout the community, and sheet flooding across low lying areas adjacent to these watercourses. A tsunami is a series of ocean waves triggered by the displacement of a large volume of water after a submarine disturbance, such as an underwater earthquake or landslide. While there is no record of large or moderate tsunamis in the San Clemente area, the potential for tsunami damage exists, as it does in most coastal California communities. Distant source tsunamis have produced run-up of less than two feet in San Clemente; however global climate changes affecting sea level have been observed over time and if observed patterns continue, a sea level rise should be expected. Sea level rise is a long-range concern and while predictions vary, a significant rise in sea level rise could adversely affect land use, transportation and water quality in low-lying coastal areas. The City Emergency Planning Program has designated tsunami hazard zones and tsunami evacuation routes.

C. Fire

San Clemente residents enjoy access to and views of natural open spaces. Several neighborhoods in San Clemente are adjacent to expansive open space resources, such as the Richard and Donna O'Neill Conservancy to the north and east of City limits, and San Onofre State Beach and Camp Pendleton to the south. These large open space areas at the urban-wildland interface contain vegetation that provides fuel for wildfires which can threaten life and property in San Clemente. Wildfires are of particular concern during Santa Ana wind events, when forceful winds blow dry air from the east to the west. They create extremely dry conditions in which wildfires can easily develop due to natural or human causes. Historically, wildfire is one of the most destructive hazards in San Clemente, affecting homes, businesses, the natural environment, and human lives.

D. Noise

Excessive noise can adversely affect human health and well-being, economic productivity, and property values, especially in areas where sensitive land uses such as senior housing, schools, child care, and hospitals are located. Mobile and stationary noise sources contribute to overall noise levels, and the impacts of both must be analyzed when considering environmental effects of new development. Bisected by Interstate 5, San Clemente's primary noise source is from automobile, truck and motorcycle traffic. Passenger and freight

rail services utilize a rail line that skirts the coastline and are also significant mobile noise sources. The City has successfully used federal tools to reduce train noise near sensitive land uses, and has earned a federal “Quiet Zone” designation at rail crossings by making federally approved safety improvements.

E. Radiological Hazards

The San Onofre Nuclear Generating Station (SONGS) is the only nuclear power plant in Southern California. It is located in San Diego County, approximately three miles south of the City of San Clemente. SONGS is primarily owned by Southern California Edison, which is in charge of its operations and maintenance. In June 2013, Southern California Edison announced that it was going to retire the nuclear power plant, which had not been operational since January 2011. This is a process called decommissioning. The decommissioning process is regulated by the Nuclear Regulatory Commission (NRC). Coordination of policies and procedures for radiological hazards will continue to be relevant to the City.

F. Hazardous Materials

San Clemente’s industrial and manufacturing uses contribute to the City’s prosperity. However, these uses can pose hazards related to the use and storage of toxic materials and the creation of toxic waste as byproducts. The storage, transportation, and disposal of these materials are sensitive processes. Seismic activity, flooding, marine hazards, and fires can result in hazardous materials being released onto land or into the air and water, contaminating the environment and endangering public safety. The transportation of hazardous materials is of particular concern in San Clemente. Hazardous materials are transported through the community due to San Clemente’s location along a busy rail route and along Interstate 5, a major north-south corridor for California.

3.2.2 Infrastructure Constraints

A. Water

The City of San Clemente draws water from several sources, including groundwater from City wells, imported water from the Metropolitan Water District through the City’s wholesaler (Municipal Water District of Orange County), and recycled water. The majority of the community’s potable water supply is imported through purchases from the City’s wholesaler, Municipal Water District of Orange County. Three water districts serve different areas of the City—the City of San Clemente Water Utility serves the majority of the City, the Santa Margarita Water District provides water and wastewater services to the Talega community, and the South Coast Water District provides water services to a small portion of north San Clemente.

B. Wastewater

Wastewater collection and treatment are important components of protecting public and environmental health. The City of San Clemente owns and operates a water treatment plant, located within the City. In 2014, the City completed a major expansion of its recycled water distribution system. With this improvement, recycled water provides a key tool in the community’s strategy for reducing imported water and using water resources efficiently.

3.3 Market Constraints

3.3.1 Land Prices

Land costs have a significant influence on the cost and availability of housing. Land prices are determined by a number of factors, most important of which are land availability and permitted development density. As land becomes less available, the price of land increases. In coastal San Clemente, undeveloped land is very limited. The cost of land in the City has long been a constraint to developing affordable housing. Historically, the price of land has ranged from a low of \$25 per square foot to a high of \$107 per square foot. A selection of land that has sold within the Affordable Housing Overlay is provided in Table 49. Furthermore, a survey of citywide properties listed for sale on Zillow.com was conducted in October 2015. The survey found 23 vacant lots available for sale in San Clemente. These lots ranged in price from \$24 per square foot to \$182 per square foot.

National Core is constructing an affordable housing project consisting of 19 one-bedroom apartments for lower income households. The land was purchased in 2011 at \$800,000 at an average cost of \$42,105 per unit. National Core estimated that with inflation, an equivalent property in 2015 would cost approximately \$1.2 million. Based on National Core's extensive experience in developing affordable housing in the region, the per-unit land costs typically range from \$55,000 to \$90,000.

Table 49: Land Costs

Address (Zone)	Lot Size	Density Allowed (Maximum Capacity)	Purchase Amount	Per Unit Land Cost
107-115 Ave. Serra (MU3)	16,000 sq. ft.	24 du/acre (8 units)	\$400,000 (\$25 per sq. ft.)	\$50,000
2350 S. El Camino Real (NC3)	63,162 sq. ft.	36 du/acre (52 units)	\$3.5 million (\$55 per sq. ft.)	\$67,308
2723 S. El Camino Real (MU5.1)	27,000 sq. ft.	36 du/acre (22 units)	\$3 million (\$107 per sq. ft.)	\$136,363

Source: City of San Clemente, 2015.

The City also previously worked with Mary Erickson Community Housing to evaluate the site located at 2723 S. El Camino Real and determine a fair market value for that land, based on existing zoning standards and assuming a density of 36 units/acre. At this density, 22 units could be built. Based on a pro-forma utilizing tax credits and a City subsidy, the market value of the land could not be more than \$1.5 million (\$68 per square foot). The non-profit also evaluated the project by increasing the number of units to 28. The design for the 28 unit project necessitated a below-grade parking structure to fit the units on the site. The parking structure increased the price of the project beyond feasibility unless additional subsidies were available. This analysis shows that as land prices are reduced to \$68 a square foot or below, the feasibility of development increases, but only if there is no below grade parking structure. Therefore, increasing the density is not always the answer to making a project more feasible.

3.3.2 Construction Costs

Construction costs are primarily determined by the costs of materials and labor. They are also influenced by market demands and market-based changes in the cost of materials. Construction costs depend on the type of unit being built and the quality of the product being produced. However construction costs are set by regional and national factors that rarely impede housing development in specific localities.

3.3.3 Home Financing

The availability of financing can affect a person’s ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender and race of the applicants. This applies to all loan applications for home purchases, improvements and refinancing, whether financed at market rate or with federal government assistance. Locally assisted mortgages (such as first-time homebuyer programs) are not subject to HMDA reporting.

Table 50 summarizes the disposition of loan applications submitted to financial institutions for home purchase, home refinance and home improvement loans within San Clemente in 2014. Included is information on loan applications that were originated (approved); approved but not accepted by the applicant; denied; and withdrawn by the applicant or closed for incomplete information.

Table 50: Mortgage Lending Approval Rates – San Clemente (2014)

Loan Type	Total Applications	Loans Originated	Approved, But Not Accepted	Applications Denied	Withdrawn or Incomplete				
Conventional	1,323	882	66.7%	65	4.9%	171	12.9%	205	15.5%
Government Backed	125	89	71.2%	3	2.4%	13	10.4%	20	16.0%
Home Improvement	179	106	59.2%	6	3.4%	45	25.1%	22	12.3%
Refinancing	2,296	1,335	58.1%	85	3.7%	470	20.5%	406	17.7%
Total	3,923	2,412	61.5%	159	4.1%	699	17.8%	653	16.6%

Source: Lending Patterns™, 2014.

It is generally recognized now that a major cause of the housing crisis was the significant relaxation of underwriting criteria on home mortgages, leading many households to purchase homes that they could not afford over the long term. Any reduction in household income due to lay-offs or reduced hours precipitated loan defaults. In the current market, lenders report that capital is available to highly qualified buyers, but the lack of both housing inventory and buyer confidence in the market continue to restrain the housing market recovery.

In 2014, a total of 3,923 households applied for conventional home purchase loans in the City of San Clemente. The overall loan approval rate was 67 percent and 13 percent of applicants were denied. A total of 125 households applied for government backed loans (e.g. FHA, VA) in 2014. The approval rate for this loan type was slightly lower than for conventional home purchase loans (71 percent). About 10 percent of applications for government backed loans were denied. The majority of all loan applications in San Clemente were for refinancing (59 percent). A total of 2,296 home refinance applications were filed by residents in the City in 2014. Approval rates for home refinancing were the lowest of all loan types at 58 percent.

3.3.4 Energy Conservation

The City of San Clemente is committed to conserving energy and reducing pollution associated with the production of electricity. The City continues to require compliance with Title 24 of the California Administrative Code on the use of energy efficient appliances and insulation. Through compliance with Title 24, new residential development has produced reduced energy demands.

In addition, San Clemente residents and business owners are eligible to finance energy efficient property improvement projects through the Property Assessed Clean Energy (PACE) financing program. Three PACE programs are available to San Clemente residential and commercial property owners: CaliforniaFIRST, Figtree Financing, and HERO financing. PACE programs fund a wide range of energy and water efficiency as well as energy generation projects. These include: insulation, heating/cooling systems, windows, doors, low-flow toilets, efficient irrigation systems, solar photovoltaic systems and more.

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4. Housing Resources

4.1 Potential for Future Housing

State law requires that jurisdictions provide an adequate number of and properly zoned sites to facilitate the production of their regional share of housing. To determine whether a jurisdiction has sufficient land to accommodate its share of regional housing needs for all income groups, that jurisdiction must identify “adequate sites.” Under State law (California Government Code section 65583[c][1]), adequate sites are those with appropriate zoning designations and development regulations —with services and facilities—needed to facilitate and encourage the development of a variety of housing for all income levels. The land resources available for the development of housing in San Clemente are addressed here.

4.1.1 Regional Housing Needs Allocation (RHNA)

California General Plan law requires each city and county to have land zoned to accommodate its fair share of the regional housing need. HCD allocates a numeric regional housing goal to the Southern California Association of Governments (SCAG). SCAG is then mandated to distribute the housing goal among the cities and counties in the region. This share for the SCAG region is known as the Regional Housing Needs Allocation, or RHNA. The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura) and 191 cities in an area covering more than 38,000 square miles. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the SCAG region so that every community provides for a mix of housing for all economic segments. The housing allocation targets are not building requirements; rather, they are planning goals for each community to accommodate through appropriate planning policies and land use regulations. Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period.

The current RHNA for the SCAG region covers a seven-year planning period (January 1, 2014 to October 1, 2021)⁸ and is divided into four income categories: very low, low, moderate, and above moderate. As determined by SCAG, the City of San Clemente’s allocation is 581 new housing units during this planning cycle, with the units divided among the four income categories as shown in Table 51.

⁸ The Housing Element planning period differs from the RHNA planning period. The Housing Element covers the planning period of October 15, 2013 through October 15, 2021.

Table 51: RHNA 2014-2021

Income Group	Total Housing Units Allocated	Percentage of Units
Extremely/Very Low	134	23.1%
Low	95	16.4%
Moderate	108	18.6%
Above moderate	244	41.9%
Total	581	100.0%

Source: Southern California Association of Governments (SCAG).
 Note: The City has a RHNA allocation of 134 very low income units (inclusive of extremely low income units). Pursuant to new State law (AB 2634), the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units as extremely low. According to the CHAS data developed by HUD using 2007-2011 ACS data, the City had 5,160 households with incomes at or below 50 percent AMI (2,555 extremely low and 2,605 very low income). Therefore, the City's RHNA of 134 very low income units may be split equally into 67 extremely low and 67 very low income units. However, for purposes of identifying adequate sites for the RHNA, State law does not mandate the separate accounting for the extremely low income category.

4.1.2 Progress towards the RHNA

Since the RHNA uses January 1, 2014 as the baseline for growth projections for the 2014-2021 planning period, jurisdictions may count toward the RHNA housing units developed, under construction, or approved since January 1, 2014. From January 1, 2014 to May 2015, 220 housing units have been completed, under construction, or permitted in San Clemente (Table 52). Included in that total are two affordable housing projects. Cotton's Point Senior Apartments, completed October 2014, consists of 76 rental housing units affordable to very low and low income seniors. One-third of these units have also been set aside for older residents with mental disabilities. Avenida Serra Apartments, completed October 2015, is a 19-unit below-market workforce housing rental community. Accounting for the housing units constructed and under construction, and permits issued, the remaining RHNA need for the 2014-2021 planning period is 361 units.

Table 52: Credits Toward the RHNA

	Extremely/ Very Low Income (0-50% AMI)	Low Income (51-80% AMI)	Moderate Income (81-120% AMI)	Above Moderate Income (121%+ AMI)	Total
Project Completed, Under Construction, or Permitted					
Single Family Homes	--	--	--	81	81
Multi-Family Units					
Various	--	--	--	44	44
Cotton's Point Senior Apartments	54	21	1	0	76
Avenida Serra Workforce Apartments	11	7	1	0	19
Total	65	28	2	125	220
<i>2014-2021 RHNA</i>	<i>134</i>	<i>95</i>	<i>108</i>	<i>244</i>	<i>581</i>
Remaining RHNA	69	67	106	119	361

Source: City of San Clemente, 2015

4.1.3 Residential Land Inventory

State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction's share of the region's projected growth. After calculating the number of housing units constructed, under construction, permitted and approved in San Clemente since January 1, 2014, the City's remaining RHNA target for 2014-2021 is 361 units (Table 52).

A. Affordability and Density

Pursuant to AB 2348, the "default density" for most Orange County jurisdictions, including San Clemente, is 30 dwelling units per acre. The default density refers to the density at which lower income housing development is presumed to be feasible, although state law allows jurisdictions to propose alternative densities that are sufficient to facilitate affordable housing based on local experience and circumstances. Table B-1 in Appendix B provides a list of affordable housing projects in Orange County and north San Diego County that were constructed at densities below 24 units per acre, including two projects in the City of San Clemente. These projects demonstrate the feasibility of facilitating affordable housing for lower income households in San Clemente at a density between 20 and 24 units per acre. Furthermore, the City's RH and MU5.1 zones allow residential development at 36 units per acre, above the default density established by State law.

B. Residential Sites Inventory

San Clemente is a nearly "built-out" city with very limited remaining vacant land. Nearly all vacant residential sites in the City are small, infill parcels located west of Interstate 5 (Figure 3). To assist in the development of affordable housing, the City established the Affordable Housing Overlay which allows for mixed income housing to be built in NC2, NC3, and MU 5.1 zoned properties along El Camino Real, the main intra-city transportation corridor. In order to develop housing in these districts, 51 percent of the units must be affordable to households earning up to 50 percent of median income. The majority of parcels identified in the residential sites inventory are within this Affordable Housing Overlay. As shown in Figure 3, virtually all the small sites are clustered; providing great potential for lot consolidation.

Two of the properties included in the inventory were recently upzoned or rezoned for residential development by the City. The parcel located at 101 North La Esperanza (Map ID 28 in Table 54) is a vacant 2.18-acre site formerly zoned RML. The City rezoned the parcel in 2014 to RM, which increased the maximum allowable density from 10 units per acre to 24 units per acre. The second site is an underutilized six-acre parcel that is part of the Shorecliffs Golf Course (Map ID 32 in Table 54). The property includes a clubhouse, driving range, and parking lot and was formerly zoned CRC2. The City rezoned this parcel in 2014 to RH, which allows residential development up to 36 units per acre.

In estimating the capacity of the City's residential sites inventory, the potential number of units is based on 100 percent of allowable density. Table 53 presents examples of recently completed projects. These projects demonstrate that the City's development standards are reasonable and that developers are able to achieve well over 100 percent of the maximum density permitted the majority of the time, particularly for projects within the City's Affordable Housing Overlay. Based on these assumptions, the City's inventory of vacant and underutilized land totals 13.6 acres and has the potential to yield 419 units.

Table 53: Recent Housing Projects and Achieved Densities

Project Address (Zoning)	Total Units	Total Buildable Lot Size (acres)	Allowable Maximum Density	Actual Density	
				Units/Acre	Percent Achieved
412 Arenoso Lane (RH)	23	1.58	24.0	15.0	63%
253 Marquita (RM)	6	0.39	15.0	15.0	100%
150 W. Escalones (RM)	6	0.18	15.0	33.0	220%
1520 N. El Camino Real (MU3)	16	0.46	15.0	35.0	220%
Vintage Shores Apartments (NC3)	122	4.20	45.0	29.0	64%
Cotton's Point Senior Apartments (NC3)	76	1.45	45.0	52.0	116%
Avenida Serra Workforce Apartments (MU3-A)	19	0.45	24.0	42.0	175%

Table 54: Residential Sites Inventory

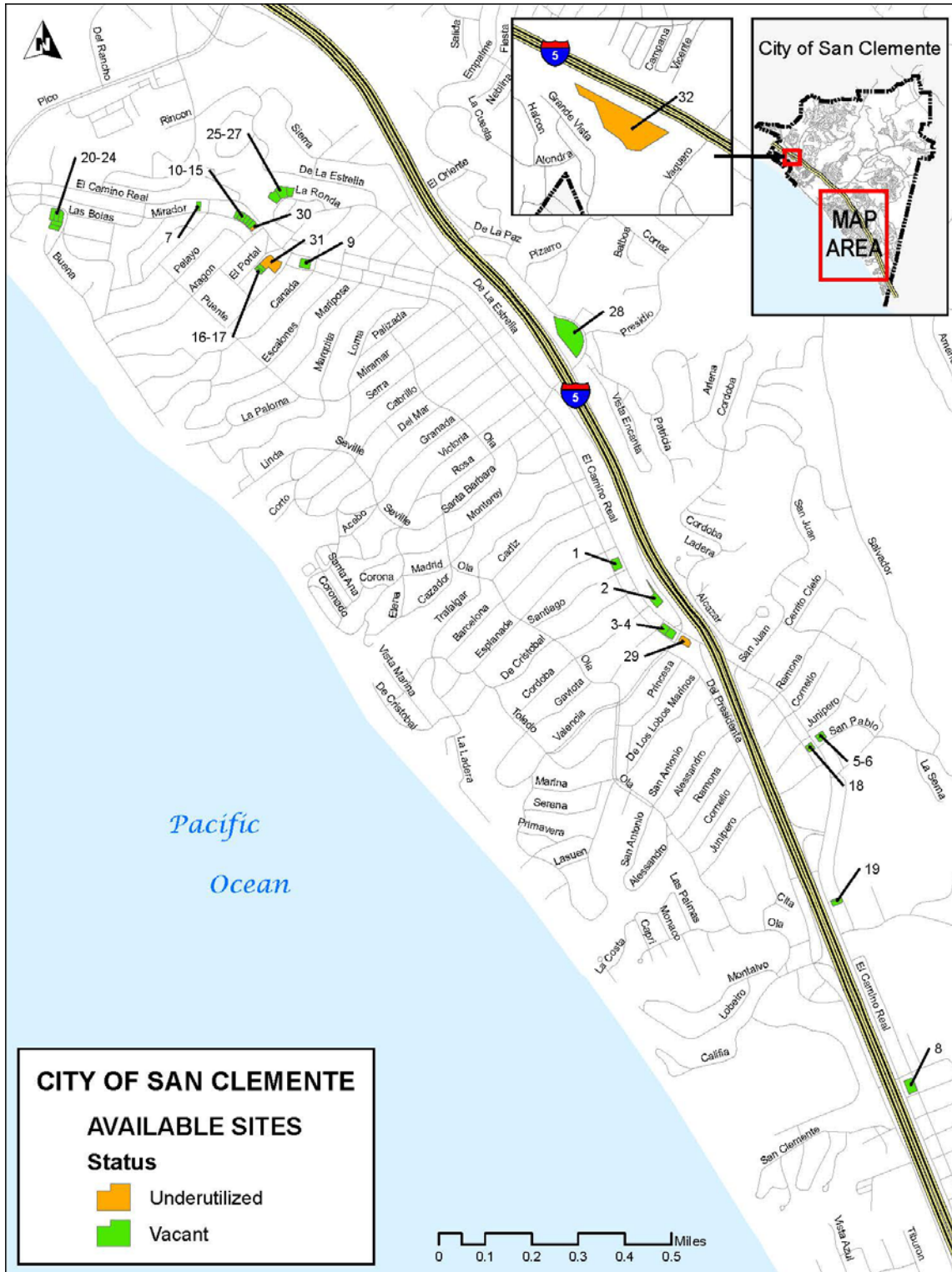
Map ID	APN	Property Address	Acres	GP	Zone	Density	Potential Units	Density Bonus Units	Total Units	-AH Overlay	From Previous HE
<i>Vacant Sites</i>											
1	692-152-23	1010 S. El Camino Real	0.30	NC	NC2	24.0	7	2	9	✓	✓
2	692-131-06	near 1201 S. El Camino Real	0.42	NC	NC2	24.0	10	--	10	✓	✓
3	692-171-18	1430 S. El Camino Real	0.22	NC	NC2	24.0	5	2	7	✓	✓
4	692-171-19	1430 S. El Camino Real	0.22	NC	NC2	24.0	5	2	7	✓	✓
5	690-422-03	near 2201 S. El Camino Real	0.10	NC	NC3	24.0	2	1	3	✓	✓
6	690-422-04	near 2201 S. El Camino Real	0.10	NC	NC3	24.0	2	1	3	✓	✓
7	692-362-08	1400 N. El Camino Real	0.11	NC	NC2	24.0	2	--	2	✓	
8	060-071-25	near 2801 S. El Camino Real	0.37	MU	MU5.1	36.0	13	4	17	✓	✓
9	692-395-27	902 N. El Camino Real	0.27	NC	NC2	24.0	6	2	8	✓	✓
10	692-381-25	1300 block N. El Camino Real	0.09	NC	NC2	24.0	2	1	3	✓	✓
11	692-381-26	1300 block N. El Camino Real	0.09	NC	NC2	24.0	2	1	3	✓	✓
12	692-381-27	1300 block N. El Camino Real	0.09	NC	NC2	24.0	2	1	3	✓	✓
13	692-381-28	1300 block N. El Camino Real	0.10	NC	NC2	24.0	2	1	3	✓	✓
14	692-381-29	1300 block N. El Camino Real	0.10	NC	NC2	24.0	2	1	3	✓	✓
15	692-381-30	1300 block N. El Camino Real	0.10	NC	NC2	24.0	2	1	3	✓	✓
16	692-394-06	100 W. El Portal	0.09	NC	NC2	24.0	2	1	3	✓	✓
17	692-394-07	100 W. El Portal	0.09	NC	NC2	24.0	2	1	3	✓	✓
18	690-445-02 690-445-03	1502 S. El Camino Real	0.15	NC	NC2	24.0	3	--	3	✓	
19	060-041-02 060-041-03	2400 S. El Camino Real	0.15	NC	NC3	24.0	4	--	4	✓	
20	692-121-14	1631 Calle Las Bolas	0.15	RH	RH	36.0	5	2	7		✓
21	692-121-15	1629 Calle Las Bolas	0.15	RH	RH	36.0	5	2	7		✓
22	692-121-16	1603 Calle Colina	0.12	RH	RH	36.0	4	2	6		✓
23	692-121-17	1601 Calle Colina	0.14	RH	RH	36.0	5	3	8		✓

Table 55: Residential Sites Inventory

Map ID	APN	Property Address	Acres	GP	Zone	Density	Potential Units	Density Bonus Units	Total Units	-AH Overlay	From Previous HE
24	692-121-13	1633 Calle Las Bolas	0.15	RH	RH	36.0	5	2	7		✓
25	057-151-26	111 La Ronda	0.17	RM	RM	24.0	4	1	5		✓
26	057-151-04	115 La Ronda	0.15	RM	RM	24.0	3	1	4		✓
27	057-151-05	119 La Ronda	0.16	RM	RM	24.0	3	1	4		✓
28	690-013-01	101 North La Esperanza	2.18	RM	RM	24.0	30	0	30	✓	
	Total		6.60				139	36	175		
<i>Underutilized Sites</i>											
29	692-173-04	1502 S. El Camino Real	0.25	MU	MU3	24.0	5	--	5	✓	
30	692-381-31	1200 block N. El Camino Real	0.09	NC	NC2	24.0	2	1	3	✓	✓
31	692-394-17	101 W. El Portal	0.65	NC	NC2	24.0	15	5	20	✓	✓
32	691-231-06	Shorecliffs Golf Course	6.00	RH	RH	36.0	216	0	216	✓	
	Total		6.99				238	6	244		

Source: City of San Clemente, (2015).

Figure 3: Residential Sites Inventory



4.1.4 Adequacy of Sites to Meet the RHNA

A. 2014-2021 RHNA

For the fifth cycle Housing Element, the City has a remaining RHNA of 361 units. The site inventory has identified capacity for 419 units, all of which are on sites suitable for the development of lower income housing. Specifically, up to 268 units can be accommodated on properties that allow up to 36 units per acre (MU3.5 and RH zones), almost double the City's remaining RHNA for lower income units. Another 151 units can be accommodated at zones allowing up to 24 units per acre. Overall, the City has the ability to adequately accommodate the remaining RHNA of 361 units. Table 56 summarizes the RHNA status.

Table 56: Comparison of Sites Inventory and RHNA

Unit Capacity	Income Category			Total
	Extremely/ Very Low	Low	Moderate Above Moderate	
Vacant Sites	175	0	0	175
Underutilized Sites	244	0	0	244
Total	419	0	0	419
<i>Remaining 2014 RHNA (after credits)</i>	<i>69</i>	<i>67</i>	<i>106</i>	<i>119</i>
Redistributed Surplus/Shortfall (+/-)	+283	-106	-119	+58

B. Adequate Sites Commitment from Prior Housing Element

AB 1233 amended the State Housing Element law to promote the effective and timely implementation of local housing elements. If a jurisdiction fails to implement programs in its Housing Element to identify adequate sites or fails to adopt an adequate Housing Element, this bill requires local governments to zone or rezone adequate sites by the first year of the new planning period. The rezoning of sites is intended to address any portion of the Regional Housing Needs Allocation (RHNA) that was not met because the jurisdiction failed to identify or make available adequate sites in the previous planning period.

(1) Applicability

For the 2008-2014 Housing Element, the City of San Clemente had a RHNA of 584 units, with the following income distribution:

- Very Low Income: 126 units
- Low Income: 103 units
- Moderate Income: 116 units
- Above Moderate Income: 239 units

This RHNA began on January 1, 2006. The City of San Clemente's 2008-2014 Housing Element outlines the following strategy for meeting its RHNA of 584 units for the planning period:

- **Units Built:** Between January 1, 2006 and July 5, 2011, the City developed a total of 532 housing units, nearly all of which were market-rate units. Three of these housing units, however, were affordable to lower income households.
- **Units Approved:** At the time the City's Housing Element was adopted in July 2011, an additional 468 housing units had been approved. Two of these units were affordable to lower income households.

- **Vacant Land:** The City was able to identify sufficient vacant residential land to accommodate the development of 261 lower income housing units.

The strategy described above left the City of San Clemente with a RHNA shortfall of 116 moderate income units. To accommodate this shortfall, the City proposed the rezoning of five potential sites. Specifically in the 2008-2014 Housing Element, five properties, totaling 25.4 acres, were selected as candidate sites for rezoning to RM, RM-AH, NC2-AH, or Institutional-AH. The rezoning of these sites would give the City the potential to accommodate an additional 551 lower income units, adequate for meeting the City’s RHNA shortfall of 116 moderate-income housing units (Table 57).

Table 57: Candidate Sites for Rezoning

APN	Address	Acres	Current Zoning	Current GP Designation	Proposed Zoning		Rezoned	
					Zone (du/ac)	Potential Units	Zone (du/ac)	Potential Units
690-013-01	101 North La Esperanza	2.18	RML	RML	RM-AH (24.0)	30	RM-AH (24.0)	30
692-351-02	Pico Plaza	0.60	WPCSP*	WPCSP*	NC2-AH (20.0)	12	---	---
692-351-09		7.60	WPCSP*	WPCSP*	NC2-AH (20.0)	152	---	---
692-351-10		0.40	WPCSP*	WPCSP*	NC2-AH (20.0)	8	---	---
690-012-01	City Hall	2.80	CVC	CVC	RM-AH (24.0)	67	---	---
690-012-02		1.70	CVC	CVC	RM-AH (24.0)	40	---	---
691-231-06	Shorecliffs Golf Course	6.00	CRC2	Forster Ranch SP	RM (24.0)	144	RH (36.0)	216
679-021-05	2651 Calle Frontera	4.10	I	Industrial	I-AH (24.0)	98	---	---
Total		25.38				551		246

* West Pico Corridor Specific Plan

(2) **Conclusion**

Since 2011, the City has successfully rezoned two of the five sites identified in Table 57—the 2.18-acre parcel on North La Esperanza and the six-acre Shorecliffs Golf Course site. The North La Esperanza site has been rezoned to RH at 24 units per acre, providing a capacity for 30 to 52 units. The Shorecliffs Golf Course site has been rezoned to RH as part of the Forster Ranch Specific Plan, allowing a density of 36 units per acre with a potential for 216 units. The rezoning of these two properties provided the City with an additional capacity of 246 lower income housing units, sufficient to meet the RHNA shortfall of 116 moderate income units. Therefore, the City of San Clemente did not incur any penalty under AB 1233 to be carried forward to the fifth cycle Housing Element.

4.1.5 Availability of Infrastructure and Services

The City is an urbanized community and the sites inventory includes only properties that are along the City’s transportation corridors and infill sites where existing infrastructure and facilities are available.

4.2 Financial Resources

The provision of affordable housing to low and moderate income households, especially those with extremely low incomes, requires significant financial investment. Below is a summary of funding sources available to the City for new construction, acquisition and/or rehabilitation, and preservation of housing, as well as providing housing assistance and supportive services.

4.2.1 Inclusionary Housing In-Lieu Fund

San Clemente adopted an Inclusionary Housing Program (IHP) in 1980 to expand affordable housing options in San Clemente. The IHP requires developers of six or more units to provide a portion of their development to be designated and made available as affordable rental housing on-site, off-site, or through the payment of an in-lieu fee. The City collects an in-lieu fee for projects unable to provide on-site affordable units. The fee is based on the gap between the market rate units and the amount needed to subsidize units at 50 percent of median household income. In the past, the City has used in-lieu funds to assist non-profit developers (such as Mary Erickson Community Housing and Jamboree Housing) by providing grants to purchase existing housing or to finance the construction of new affordable housing. As of October 2015, approximately \$279,000 was available in the in-lieu fund.

4.2.2 Community Development Block Grant (CDBG) funds

The City of San Clemente is an entitlement jurisdiction, eligible to receive CDBG grants directly from the U.S. Department of Housing and Urban Development (HUD) on an annual basis. Through the CDBG program, HUD provides funds to local governments for a range of housing and community development activities. The City of San Clemente uses federally entitled grant funds to support a wide range of services and programs that benefit the community's lower and moderate-income households. CDBG funds may be used for housing purposes in the acquisition of land and in the funding of rehabilitation and preservation programs. The City of San Clemente receives approximately \$300,000 annually in CDBG funds.

4.2.3 Public Financing

The State Housing and Community Development Agency, and HUD, offer construction, rehabilitation, and permanent financing as low as three percent to qualified applicants such as housing authorities or private not-for-profit developers. These funds are competed for based on participation of other funding sources and local need.

4.3 Partnership Resources

The City collaborates with various nonprofit housing developers to provide affordable housing for lower and moderate income households and households with special needs through new construction, acquisition/rehabilitation, and preservation of at-risk affordable housing. The following agencies have the capacity and experience to develop and manage affordable housing in San Clemente:

- **Mary Erickson Housing Community Housing (MECH):** The mission of Mary Erickson Community Housing is to promote the well-being of working families by preserving and increasing the supply of affordable housing. In 1994, MECH acquired its first apartment project in central San Clemente—a

blighted eight-unit property. MECH currently operates four affordable apartment communities in San Clemente.

- **Jamboree Housing:** Jamboree was founded in 1990 to expand housing opportunities for low-income families and seniors. Jamboree developed the 186-unit Mendocino at Talega in San Clemente in 2003.
- **National CORE:** National CORE was founded over 20 years ago and manages affordable housing properties in California, Texas, Arkansas, and Florida. The organization also created the Hope Through Housing Foundation in order to provide high-quality supportive services for their over 27,000 residents.
- **Meta Housing:** Meta Housing was founded in 1993 and has since developed over 6,000 multi-family residential units in Southern California. In 2014, Meta completed their 50th affordable housing community—San Clemente’s Cotton’s Point Senior Apartments.

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5. Housing Action Plan

5.1 Goal: Provide adequate opportunities for new housing for persons at all economic levels as well as those with special needs.

5.1.1 Strategies

- Ensure that the General Plan and Zoning Ordinance designate sufficient land at appropriate densities and in appropriate locations to accommodate the City’s share of regional housing needs.
- Facilitate the production of high-quality affordable housing in new housing developments through inclusionary housing, incentives, direct financial assistance, and administrative support.

5.1.2 Programs

Program 1: Provide Adequate Sites

The City is committed to ensuring that adequate sites at appropriate densities remain available during the planning period, as required by law. The City will maintain an inventory of vacant and underutilized sites to accommodate the City’s Regional Housing Needs Allocation (RHNA) of 581 units. San Clemente has already constructed or permitted 220 housing units since January 1, 2014—leaving a remaining RHNA of 361 units. The City will ensure that an adequate supply of vacant and underutilized sites, at appropriate densities and development standards, are available during the planning period to accommodate the remaining RHNA. This program will help address the concerns expressed by residents in the Housing Element Community Workshops, regarding the need of housing units for lower income households in the City.

Objectives and Timeframe:

- Monitor and update the sites inventory annually to assess its adequacy for meeting the RHNA, particularly for sites capable of facilitating the development of lower income housing.
- Make the inventory of vacant and underutilized sites available to interested developers after adoption of the Housing Element.
- Should properties identified in the residential sites inventory become unavailable during the planning period, resulting in a shortfall in sites for meeting the RHNA, the City will identify additional sites and rezone, as necessary per Government Code § 65863.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 2: Lot Consolidation

The residential sites inventory includes many small sites that are clustered and offer excellent opportunity for consolidation in order to facilitate high-quality and well-designed developments. The City will facilitate lot consolidation by taking the following steps:

Objectives and Timeframe:

- Provide technical assistance regarding the lot consolidation process to interested parties.
- Provide the sites inventory to interested developers and assist in identifying sites with lot consolidation potential.
- Process lot consolidation applications concurrently with other applications for development.
- Evaluate the City's lot consolidation activities in 2017 and consider incentives such as: offering a waiver or subsidy of development fees and other incentives including, but not limited to, a reduction in parking standards, allowance for shared parking, and a reduction in commercial FARs for projects in mixed use zones.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 3: Density Bonus Ordinance

In accordance with Chapter 4.3 Section 65915 et. seq. of the California Government Code, the City of San Clemente adopted a Density Bonus Ordinance and periodically amends this ordinance (most recently in 2011) to comply with updates to State requirements. The recently adopted AB 2222 amended the State's Density Bonus requirements to eliminate density bonuses and other incentives previously available unless the developer agrees to replace pre-existing affordable units on a one-for-one basis. AB 2222 also increases the required affordability period from 30 years to 55 years for all density bonus units. Furthermore, if the units that qualified an applicant for a density bonus are affordable ownership units, as opposed to rental units, they must be subject to an equity sharing model rather than a resale restriction. The City will update its density bonus ordinance again to comply with these new provisions. This program will also help address the concerns expressed by residents in the Housing Element Community Workshops, regarding lack and need of affordable housing units in the City.

Objectives and Timeframe:

- Update Density Bonus Ordinance by the end of 2016 to reflect the requirements of AB 2222 (effective January 2015), including extending the affordability control for the affordable units to 55 years, and requiring the replacement of existing affordable units demolished or removed in order to qualify for a density bonus, incentive, or concession.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 4: Affordable Housing Overlay

In 2006, the San Clemente City Council adopted the Affordable Housing Overlay Zone along El Camino Real. The Overlay is zoned commercial and the only housing which can be built is senior housing or mixed income housing with 51 percent of the units affordable to households earning up to 50 percent of area median income. In 2011, the City adopted a number of amendments to the Affordable Housing Overlay Zone. City-owned parcels along Avenida Serra and Avenida Presidio were added to the Overlay District. The minimum density in the Overlay was increased to 20 units per acre. The City also removed the Conditional Use Permit (CUP) requirement in the Overlay. The City will continue to review various aspects of the Affordable Housing Overlay Zone in order to improve its effectiveness at producing affordable housing units and make amendments as necessary. This program will also help address residents' concerns expressed in the Housing Element Community Workshops in regards to the need of affordable housing units and cooperation between the City and affordable housing developers.

Objectives and Timeframe:

- Prepare annual analysis of development in the Affordable Housing Overlay Zone to evaluate effectiveness of zoning standards.
- Continue to implement the requirements of the Affordable Housing Overlay Zone.
- Review the requirements of the Affordable Housing Overlay Zone on an ongoing basis and make amendments as necessary.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 5: Inclusionary Housing Program

San Clemente adopted an Inclusionary Housing Program (IHP) in 1980 to expand affordable housing options in San Clemente. San Clemente's IHP requires developers of six or more units to set aside four percent of the total number of units for households earning 50 percent or less of the median income. This affordable requirement can be provided either on-site, off-site, or through the payment of an in-lieu fee or provision of land. The in-lieu fee option was intended primarily for small to midsize in-fill developments or subdivisions where insufficient land exists to provide both for-sale and rental units. This program will also speak to residents' concerns expressed in the Housing Element Community Workshops in regards to addressing the need of affordable housing units in the City, and avoid the concentration of affordable housing in specific neighborhoods.

Objectives and Timeframe:

- Continue implementation of the Inclusionary Housing Program.
- Develop a new formula for calculating in-lieu fees in order to establish adequate funding for affordable housing and provide clarity for both staff and developers.
- Annually evaluate the effectiveness of inclusionary housing program in facilitating the development of all income levels.
- Develop incentives for new affordable development partnerships.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 6: Affordable Housing Development

Local governments can support the production of affordable and workforce housing by contributing capital funds to local affordable housing developments. This financial assistance can come in a variety of ways, such as by deferring, waiving, or reimbursing permitting fees for affordable units, either in 100 percent affordable developments or in mixed-income inclusionary projects. While jurisdictions cannot legally waive impact fees, which are meant to mitigate impacts generated by the project, they may offer financial assistance to cover these costs. Alternately, cities can pay for the necessary infrastructure improvements to prepare a site for residential development, in lieu of collecting impact fees. Below-market rate loans for land acquisition and predevelopment can prove vital for affordable housing developers with limited capital. The State also offers a number of funding sources for acquisition and predevelopment costs. This program will also speak to residents' concerns expressed in the Housing Element Community Workshops in regards to the need for funding of affordable housing units in the City.

Objectives and Timeframe:

- Proactively encourage and facilitate the development of affordable housing by non-profit organizations for lower income households, particularly those with special needs including large households, seniors, extremely low-income (ELI) households, and households with persons who have disabilities or developmental disabilities.
- Continue to provide density bonuses and other incentives to developers who provide affordable units.
- Continue to implement the Affordable Housing Overlay Zone and Inclusionary Housing Program.
- Identify and pursue available funding sources for the development of affordable housing on an ongoing basis.
- Annually meet with Non-profit developers and housing organizations to evaluate projects for acquisition and rehabilitation of new shelters and long term affordable housing.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget; Inclusionary Housing In-Lieu Fee

Program 7: Second Unit Ordinance

The City's Second Unit Ordinance prohibits development west of I-5 due to infrastructure limitations. Also, some HOAs do not allow second units. These issues will be studied to potentially expand second units in the City. This program will also address residents' concerns expressed in the Housing Element Community Workshops in regards to the need of housing units in the City available to lower income households.

Objectives and Timeframe:

- Evaluate City's second unit ordinance to consider expanding locations of where second units are allowed.
- Evaluate other cities' second unit programs to determine whether the City can expand the program to provide additional low income units in San Clemente.
- Develop ways to work with HOAs to allow for second units

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 8: Pursue Funding Sources and Programs

The City of San Clemente is an entitlement jurisdiction, eligible to receive CDBG grants directly from the U.S. Department of Housing and Urban Development (HUD) on an annual basis. Through the CDBG program, HUD provides funds to local governments for a range of housing and community development activities. In the past, the City of San Clemente has used CDBG funds to support a wide range of services and programs that benefit the community's lower income households, including the acquisition of land and the funding of housing rehabilitation and preservation programs. In addition to the CDBG program, a number other funding programs and sources are available to the City, including funds administered by the State Department of Housing and Community Development (HCD). This program can potentially address resident concerns expressed in the Housing Element Community Workshops regarding need for affordable housing and youth programs for lower income households.

Objectives and Timeframe:

- Continue to apply for and administer CDBG grants annually.
- Evaluate the viability of other grant sources and pursue available funding, whenever feasible.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 9: Acquisition and Conversion of Market-Rate Housing to Affordable Housing

Facilitate the acquisition and conversion of market-rate housing to affordable status by non-profit organizations, with priority on substandard properties in need of rehabilitation. Properties will be evaluated for acquisition in conjunction with use of in-lieu fees. Properties will be evaluated as part of code enforcement. This program will also speak to residents' concerns expressed in the Housing Element Community Workshops in regards to addressing the need of affordable housing units in the City.

Objectives and Timeframe:

- Work with at least one non-profit organization to assist in purchasing a site to be used as transitional housing and/or long term permanent housing.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Inclusionary Housing In-Lieu Fee

5.2 Goal: Reduce energy consumption in residential developments

5.2.1 Strategies

- Establish green building incentive policies in the city to take advantage of new building techniques and construction methods.
- Adopt new building codes and housing techniques to accommodate new construction methods.

5.2.2 Programs

Program 10: Sustainable Policies

The City is committed to promoting sustainable design policies, standards and codes that result in attractive, energy efficient, neighborhoods. In 2010, the City adopted a Sustainability Action Plan, which includes a series of sustainable Urban Design targets and actions. A number of energy efficiency programs are also available to residents of San Clemente. Residents and business owners are eligible to finance energy efficient property improvement projects through the Property Assessed Clean Energy (PACE) financing program. Three PACE programs are currently available to San Clemente residents: CaliforniaFIRST, Figtree Financing, and HERO financing.

Objectives and Timeframe:

- Continue to implement the Sustainability Action Plan.
- Continue to promote resident participation in available PACE programs.

Responsible Agency: San Clemente Community Development Department
Funding Sources: Departmental Budget

5.3 Goal: Ensure equal housing opportunity and prevent housing discrimination of protected persons

5.3.1 Strategies

- Enforce fair housing laws.
- Encourage redevelopment and adaptive reuse of infill sites and properties in Affordable Housing Overlay Zone, such as conversion of residential motels to apartments.
- Ensure that the City’s planning and development regulations accommodate special needs housing, such as homeless and transitional shelters, and related supportive services.
- Provide housing resources for prevention of homelessness and alternative housing for the homeless and disabled.
- Increase physical access through universal design and programmatic access to emergency, transitional shelters and regulated affordable housing, ensuring persons with disabilities are included in the range of services that supportive housing provides.

5.3.2 Programs

Program 11: Fair Housing

The City continues to provide assistance to its residents regarding local, state and federal fair housing policies and laws through its support of and contract with a fair housing service provider – currently, the Fair Housing Foundation of Long Beach. Services offered by the Fair Housing Foundation include resolution of conflicts among landlords and tenants, dissemination of information by packets and three workshops, and response to allegations of discrimination goals and objectives. This program addresses resident concerns expressed in the Housing Element Community Workshops regarding the need for fair housing education and support for low income tenants facing substandard housing and discrimination in the rental community.

Objectives and Timeframe:

- Continue to contract with a qualified agency to provide fair housing services to residents.
- Continue to promote available fair housing services to residents.
- Participate in at least three fair housing outreach events annually.

Responsible Agency: San Clemente Community Development Department
Funding Sources: CDBG

Program 12: Social Services Grant Program

The City continues to set aside approximately 15 percent of its annual CDBG allocation for social services. Grant applications are announced in the local newspaper, at the City’s Human Affairs meetings, at the San Clemente Collaborative’s General Meeting, and are available on the City’s website and through direct mail. The City’s grant application process was most recently reviewed at a Grant Budget meeting in February

2015. This program can potentially address resident concerns expressed in the Housing Element Community Workshops regarding a need for housing and services for special needs households.

Objectives and Timeframe:

- Continue to provide grant applications for housing funds annually.
- Provide assistance to approximately 2,000 homeless persons and persons with special needs, including seniors and disabled persons, on an annual basis.

Responsible Agency: San Clemente Community Development Department

Funding Sources: CDBG

Program 13: Zoning Ordinance Monitoring

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs. The City is processing an amendment to the Zoning Ordinance to address the provision of emergency shelters. This amendment was adopted by the City Council on November 17, 2015. Additional revisions related to transitional and supportive housing, density bonus, reasonable accommodations, employee housing, and Single-Room Occupancy (SRO) units will be completed by the end of 2016. The City will also continue to evaluate its Zoning Ordinance for any potential constraints to the development of housing on an ongoing basis and process amendments as necessary. This program addresses resident concerns expressed in the Housing Element Community Workshops regarding the need for special needs housing.

Objectives and Timeframe:

- Complete necessary amendments to the Zoning Ordinance by 2016:
 - Residential Care Facilities: To address the provision of small residential care facilities consistent with the Lanterman Act.
 - Emergency Shelters: To allow emergency shelters by right without discretionary review in the ES Overlay zone, consistent with Government Code 65583.
 - Transitional and Supportive Housing: To regulate transitional and supportive housing as a residential use to be subject to the same standards as similar uses in the same zones, consistent with Government Code Sections 65582(f)(g)(h).
 - Farmworker and Employee Housing: The California Employee Housing Act requires that housing for six or fewer employees be treated as a regular residential use. It further requires housing for agricultural workers to be treated as an agricultural use and permitted where agricultural uses are permitted. The City does not permit agricultural uses in any of its zones and is, therefore, not required to specifically provide for farmworker housing. However, the City is still subject to the employee housing requirements of the Employee Housing Act.
 - Density Bonus: To address the affordability and replacement requirements, consistent with AB 2222 (see details also in Program 3).
- Annually, monitor the Zoning Ordinance for any potential constraints to the development of housing and process amendments as necessary.

Responsible Agency: San Clemente Community Development Department
Funding Sources: Departmental Budget

5.4 Goal: Ensure that existing housing units, especially affordable units, shelters, and properties owned by lower income residents are maintained and, where necessary, rehabilitated so that this valuable resource is preserved

5.4.1 Strategies

- Continue a pro-active code enforcement program to identify housing in need of repair and make owners aware of resources for financial assistance.
- Preserve and enhance improvements to older, higher density neighborhoods by pursuing grant funding opportunities for housing rehabilitation and neighborhood improvements.
- Monitor assisted units at risk of conversion to market rate, and work with owners to preserve these affordable units to the greatest extent feasible.
- Preserve and enhance affordable mobile home parks.
- Maintain current policy regarding apartment conversions.

5.4.2 Programs

Program 14: Neighborhood Revitalization Program

The Neighborhood Revitalization Program is implemented by the City's Community Development Department and includes the Home Rehabilitation Program and the Neighborhood Pride Program. The CDBG-funded Home Rehabilitation Program has been providing loans to qualified rental properties and owner-occupied properties since 1994. The program is advertised in the City's quarterly magazine, which is mailed to approximately 31,000 residents and businesses in the City, in addition to public noticing in the local paper. The Neighborhood Pride Program was developed in Central San Clemente as a partnership program with property owners to address neighborhood deterioration, to correct code enforcement violations and to improve the appearance and safety of older, high density neighborhoods. This program addresses resident concerns expressed in the Housing Element Community Workshops regarding the need for rehabilitation of substandard housing.

Objectives and Timeframe:

- Continue to implement the Neighborhood Revitalization Program and advertise the availability of these programs to eligible residents and property owners by announcing in City magazines and placing flyers at all City buildings. Code Enforcement also refers eligible property owners to the City's various programs for assistance.
- Provide 40 loans through the Home Rehabilitation Program during the Housing Element planning period.
- Complete one rehabilitation project in the Shorecliffs Mobile Home Park on an annual basis.

- Partner with various agencies to organize community events in the Neighborhood Pride area on an annual basis.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget; CDBG

Program 15: Preserve At-Risk Housing

As of 2015, the City has an inventory of 492 affordable housing units with different terms of affordability covenants. None of the City’s affordable units are at-risk of converting to market rate during the planning period; however, the City will continue to monitor the status of affordable units with the objective of preserving the affordable housing stock. This program will also speak to residents’ concerns expressed in the Housing Element Community Workshops in regards to addressing the need of affordable housing units in the City.

Objectives and Timeframe:

- Monitor status of affordable units annually by maintaining contact with property owners and HUD Multi-Family Housing division.
- Solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Program 16: Preserve Affordability of Existing Housing Stock

The City continues to suffer from the loss of affordable housing (both for-sale and rental housing) due to factors such as demand exceeding supply, market conditions, and short-term vacation rentals. As housing prices and rents continue to escalate in the region, affordability of the City existing housing stock is diminishing rapidly. Specifically, the City is committed to managing and containing the presence of vacation rentals in order to ensure that the long-term rental workforce housing inventory is protected. As a beach city, and therefore the extraordinary target of temporary rental situations, the preservation of affordable workforce rental housing is a priority and requires active management.

Objectives and Timeframe:

- Initiate discussions in 2016 to study options for the retention of affordable housing, especially containing and managing vacation rentals in the community.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Table 58: Summary of Quantified Objectives

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction	67	67	95	108	244	581
Rehabilitation	10	10	20	0	0	40
Preservation of At-Risk Housing	124	124	248	0	0	492

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Appendix A: Public Outreach

A.1 Community Workshops – Public Comments

San Clemente Community Workshop #1: September 23, 2015

Location: Community Development Department Offices

Substandard Housing: Substandard housing is a problem in San Clemente. There are a number of absentee owners that are unwilling to fix their properties. City officials need to force owners to bring properties up to code.

Affordable Housing: The current available capacity of affordable housing in San Clemente does not meet the needs of its residents. The City should consider expanding current affordable housing complexes or invest in the development of new affordable units.

Criminal Activity: Criminal and gang activities are prevalent along El Camino Real.

Special Needs Housing: Special needs housing to be located in higher-income, safe areas. There is a need for units that are accessible for persons with disabilities.

Emergency Housing/Transitional Housing: Homeless shelters should be put in the south-end (more dangerous part) of San Clemente.

Sober-living housing: Locate sober-living homes outside of San Clemente.

Affordability of Housing for Large Families: Housing is expensive in San Clemente, especially for large families that are living on one income. San Clemente needs more apartments and less single-family homes.

Funding for Affordable Housing: The lack of funding to support affordable housing and programs to occupy youth are contributing to the increase in crime, gang activity and graffiti in San Clemente. If more money is invested in youth programs, the criminal activity and youth participation in gangs would decrease. There is a need for more funding for new programs and services for low-, very low- and moderate income residents. Alternatively, if residents could afford their rents, they would be able to use their discretionary funds to put their kids into any youth programs they chose.

Cooperation between City and Developer: City officials need to work with developers. Land is needed to build low-income and market rate housing. Developers need the land and entitlement to be able to begin application process for specific funding for the development of affordable housing units (ex. Cap and Trade funding)

Hotel/Motel conversion: Residents suggest the conversion of hotel/motel units into affordable housing.

Acquire and Rehabilitate Housing: It is very expensive to purchase in this market to attempt to rehabilitate housing into affordable units.

Housing for the Elderly: San Clemente is in need of affordable senior housing for its senior population.

Housing Discrimination: Maintenance and upgrades are needed in the current rental housing stock available in San Clemente, but residents are afraid of repercussions if they speak up. Landlords are raising rents if you report your maintenance issues.

San Clemente Community Workshop #2: September 24, 2015

Location: City of San Clemente Community Center

Homeless Persons: The City should identify and collaborate with local churches to operate emergency shelters for the homeless. Family homelessness is also becoming an issue for the City. High rents in the City make it difficult for homeless families, particularly single-parent homeless families, to find housing. These residents are often forced to find housing outside of the City, even though many have close ties to San Clemente and work in the City.

Absentee Landlords: Residents also specifically noted an issue with absentee landlords in the City. This is of particular concern when the landlord fails to properly maintain the home for their tenants.

Affordable Housing: Many residents cited the need for affordable housing in the City. Those who already owned homes in the City were disappointed that their children and other family members could not afford to find housing (either rental or homeownership) in San Clemente. Residents who are currently residing in the City's affordable units expressed concern about the lack of maintenance in these homes as well as the unauthorized dividing of a single apartment home into multiple units rented to different households.

A.2 Outreach Flyer

City of San Clemente

Housing Element Community Workshops



Join the City of San Clemente for a Community Workshop to discuss the update of the City's Housing Element, a key component of the City's General Plan. The City invites you to participate in a discussion about housing issues in our community.



Date: Wednesday, September 23, 2015
Time: 6:30 PM – 8:00 PM
Location: Community Development Department Offices
(Rancho SC Business Park)
910 Calle Negocio #100
San Clemente, CA 92673



Date: Thursday, September 24, 2015
Time: 6:30 PM – 8:00 PM
Location: City of San Clemente Community Center
100 N. Calle Seville
San Clemente, CA 92672



*Please also complete a short survey to assist with this effort.
The survey can be found online at:*

www.surveymonkey.com/s/SanClemente_HE

***For questions or additional information please contact:
Denise Obrero, Housing Programs Planner
ObreroD@san-clemente.org | (949) 361-6188***



The City of San Clemente will provide reasonable accommodations toward the inclusion of all participants, including language accommodations. Please contact Denise Obrero at (949) 361-6188. Ample time is required to determine the needs of each request.

Ciudad de San Clemente

Talleres Comunitarios del Elemento de Vivienda



Únete a la Ciudad de San Clemente para un taller comunitario para discutir la actualización del Elemento de Vivienda de la Ciudad, un componente clave del Plan General de la Ciudad. La ciudad invita su participación en una discusión sobre cuestiones de vivienda en nuestra comunidad.



Fecha: **Miércoles, Septiembre 23, 2015**
Hora: **6:30 PM – 8:00 PM**
Lugar: **Oficinas del Desarrollo Comunitario**
(Rancho SC Business Park)
910 Calle Negocio #100
San Clemente, CA 92673



Fecha: **Jueves, Septiembre 24, 2015**
Hora: **6:30 PM – 8:00 PM**
Lugar: **Centro Comunitario de San Clemente**
100 N. Calle Seville,
San Clemente, CA 92672



*También le invitamos a ayudarnos en este esfuerzo al llenar una encuesta.
La encuesta se encuentra en línea en:*

www.surveymonkey.com/s/SanClemente_HE_Spanish

Para preguntas, o información adicional, por favor póngase en contacto con :
Denise Obrero, Housing Programs Planner
ObreroD@san-clemente.org | (949) 361-6188



La Ciudad de San Clemente proveera alojamiento razonable para incluir a todos los que deseen participar. Por favor, póngase en contacto con Denise Obrero al (949) 361-6188 Se requiere suficiente tiempo para determinar las necesidades de cada solicitud.

A.3 Sign-In Sheets



CITY OF SAN CLEMENTE

Housing Element Community Workshop

Wednesday, September 23, 2015, 6:30 to 8:00 PM

Sign-In Sheet					
1	Print Name	Organization	Address	Email	Telephone No.
2	Linda Tang	Kennedy-Commission	17701 Cowan Ave Ste 700 Irvine 92614	undate@kennedycommission.org	(949) 250-0909
3	John Seymour	National CORE	on file	jseymour@nationalcore.org	
4	John P. Rose	CFIT		JROSE@businessfirst.org	6192239222
5	Lara Donchak	COUNCIL			
6	Larry Culbertson	SCHS	240 Ave. Rosa	larry.culbertson@cox.net	412 762 2
7	Brandon Wells	ISFN	147 W. Ave. 35c	bmtwells@gmail.com	949.682.6355
8	Leslie Gray		14	lesliegray@att.net	
9	Marya Mendez				
10	Jay Jacqueline				
11	JULIA GRIFFIN	JANBOREC	123 CALLE AMSTAD	jgri@janborechousing.com	949 366 0037
12	CANDY RUIZ	JOHN STEWART CO	"	mendocano@jsc.com	949 498 6430
13					
14					
15					
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18					
19					
20					



CITY OF SAN CLEMENTE

Housing Element Community Workshop

Wednesday, September 23, 2015, 6:30 to 8:00 PM

Sign-In Sheet					
1	Print Name	Organization	Address	Email	Telephone No.
2	BOB COSTELLO	REOC	301 AVE ARLENKA	RVCOSTELLO39(24)	309-9042
3				@GMAIL.COM	
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CITY OF SAN CLEMENTE

Housing Element Community Workshop

Thursday, September 24, 2015, 6:30 to 8:00 PM

Sign-In Sheet					
1	Print Name	Organization	Address	Email	Telephone No.
2	Alicia Ramirez				949 973-7790
3	Marta Smith	H.A.C.			949-466-2915
4	Susan Whittaker	ESG		swhittaker@esg.net	
5	DON BROWN				
6	EDUAR MEDINA	DC HUMAN RELATIONS.			
7	Mac Mager	FAM		mmcm@family-assistance.org	
8	Susan Parmelee	Wellness Prevention center		susan@wellnessand	
9	Susan Munnally	Newport Partners		smunnally@preventionandsan	
10					
11	Margarita Farias				
12	Marcela Perez				949-842-5234
13	Leslie Davis	resident			
14					
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newportpartners.com

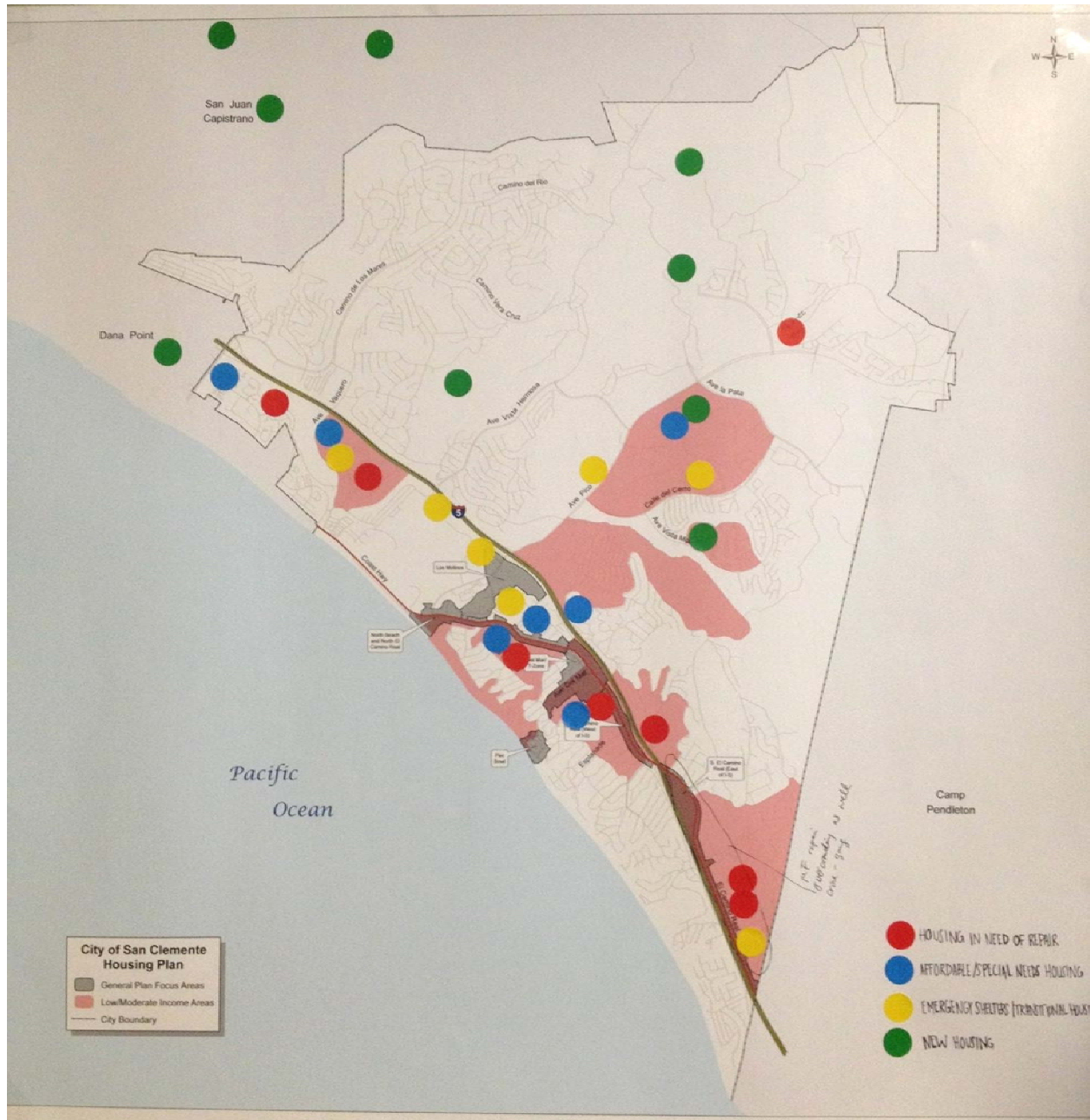


CITY OF SAN CLEMENTE

Housing Element Community Workshop

Thursday, September 24, 2015, 6:30 to 8:00 PM

Sign-In Sheet					
1	Print Name	Organization	Address	Email	Telephone No.
2	Bruce Brown			postisquavert@yahoo.com	
3	Sandra Perez				
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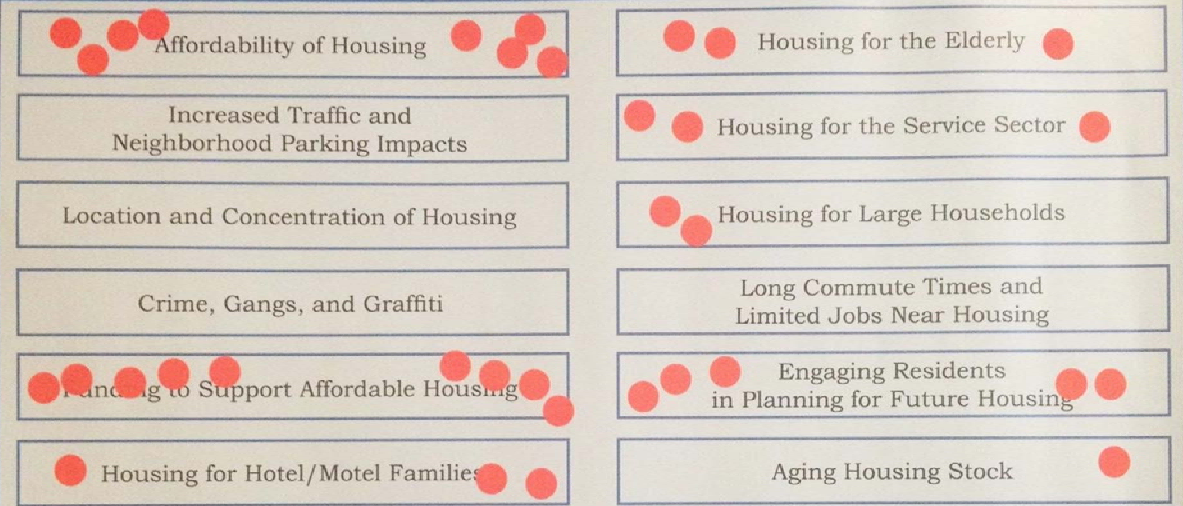
- Housing in Need of Repair
- Affordable/Special Needs Housing
- Emergency Shelters/Transitional Housing
- New Housing

San Clemente Housing Element

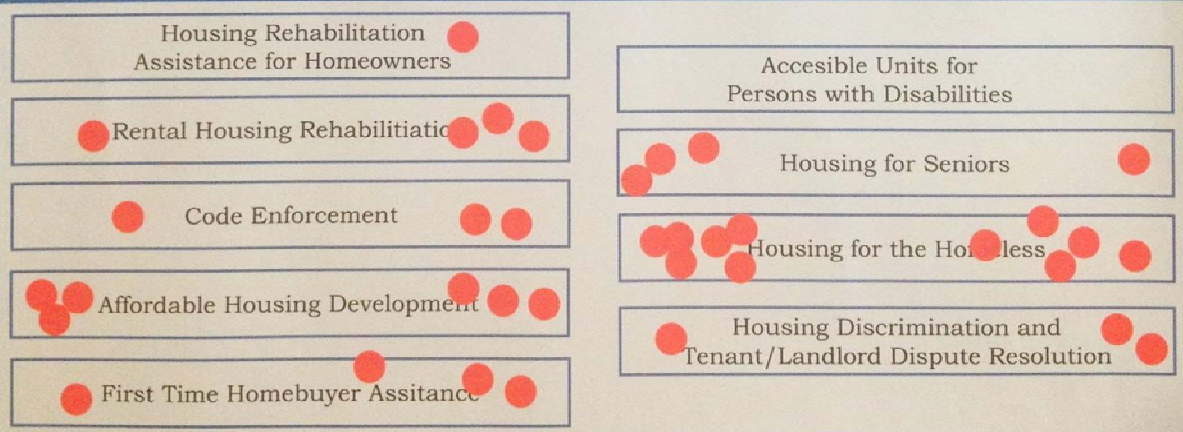
Help prioritize the needs of the community.



What items pose a challenge in San Clemente?



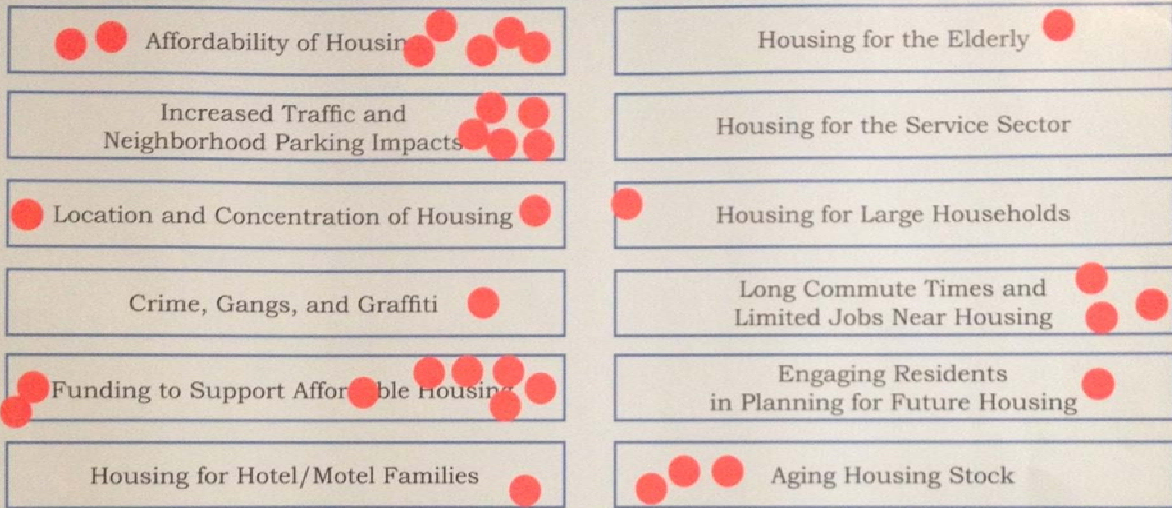
Please select the top three types of housing programs and activities the City should concentrate on over the next eight years:



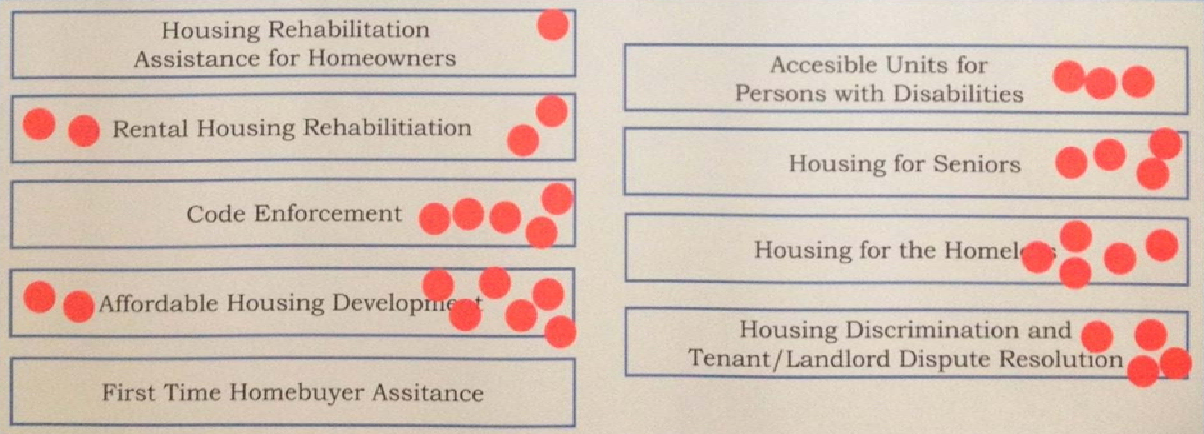
San Clemente Housing Element

Help prioritize the needs of the community.

What items pose a challenge in San Clemente?



Please select the top three types of housing programs and activities the City should concentrate on over the next eight years:



A.5 Public Comments Received and City Responses



February 2, 2016

www.kennedycommission.org
17701 Cowan Ave., Suite 200
Irvine, CA 92614
949 250 0909
Fax 949 263 0647

Mayor Bob Baker and City Council Members
City of San Clemente
100 Avenida Presidio
San Clemente, CA 92672

RE: Comments on Draft 2013-2021 Housing Element Update (February 2016)

Dear Mayor Baker and City Council Members:

Thank you for the opportunity to review and comment on the City of San Clemente's 2013-2021 draft Housing Element. We have reviewed the draft and are submitting this letter to provide public comments.

The Kennedy Commission (the Commission) is a coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering with Orange County jurisdictions to create effective housing policies that have led to the new construction of homes affordable to lower income working families.

The Commission would like to commend the City for its leadership and commitment in encouraging and facilitating the development of homes affordable to lower income families. The City recently completed two developments, Cotton's Point Senior Apartments (54 extremely low/ very low- and 21 low-income homes) and Las Palmas Apartments (11 extremely low/ very low- and 7 low-income homes).¹ While these developments provide quality homes that are affordable to seniors and families, more affordable homes are needed to address the significant unmet housing needs for lower income working families and special needs residents living in the City.

During the 2008-2014 Housing Element planning period, ZERO units were built for the lower income households. As the City moves forward with the draft Housing Element update, the Commission urges the City to continue its support for the development of affordable homes. The Commission has provided the following recommendations for the City to incorporate:

1. Hold a follow-up community workshop to thoroughly address the draft 2013-2021 Housing Element comments and recommendations that were provided by residents, advocates and stakeholders.
2. Re-evaluate the potential sites identified in the Residential Sites Inventory for the development of affordable homes for lower income families. The development capacity

¹ City of San Clemente 2013-2021 Housing Element, p. 64, February 2, 2016.

of the identified sites is very low and not realistic/feasible to facilitate the development of affordable homes for lower income families.² Of the 28 identified vacant sites, 26 sites have a total development capacity (including Density Bonus units) of 10 units and less per site. Of the four identified underutilized sites, three sites have a total development capacity (including Density Bonus) of only 20 units, 5 units and 3 units.

With the exception of two sites (101 North La Esperanza at 2.18 acres and Shorecliffs Golf Course at 6 acres), the majority of the identified vacant and underutilized sites are very small averaging from just 0.09 acres to 0.25 acres. Some of these sites are adjacent to each other and have the potential to be consolidated. The draft Housing Element includes Program 2: Lot Consolidation³ to help facilitate consolidation opportunities; however, this Program may not be effective or realistic to facilitate the development of affordable homes for lower income families.

When appropriate individual/adjacent sites are consolidated (refer to attachment), only two consolidated sites yield the highest development capacity of 18 units and 35 units. For example, Map ID 10 through 15 (six individual sites) need to be consolidated to have a total capacity (including Density Bonus) of only 18 units. Map ID 20 through 24 (five individual sites) need to be consolidated to have a total capacity (including Density Bonus) of 35 units. Without strong incentives in place for lot consolidation, an affordable housing developer will face development barriers and constraints to consolidate two sites, let alone four or five individual sites. Consolidation of sites will be very costly, especially if it takes six individual sites to build only 18 units and if the sites are not owned by the same individual/ entity.

3. Provide more information regarding underutilized sites that are identified in the Residential Sites Inventory (Table 55).⁴ The current use of the underutilized sites needs to be disclosed to analyze how adequate, feasible and realistic the sites are to facilitate the development of affordable homes for lower income families.
4. Include city-owned/ surplus land in the residential sites inventory for the development of homes affordable to lower income households. Considering the majority of the identified vacant and underutilized sites are not realistic or feasible, city-owned/ surplus land such as La Pata/ Vista Hermosa and 1030 Calle Negocio⁵ should be identified as opportunity sites for the development of affordable homes for lower income families. These sites should be prioritized for affordable homes to qualified affordable home developers who can effectively leverage the land and available funding to create deeper affordability levels.

² City of San Clemente 2013-2021 Housing Element, p. 67-68, February 2, 2016.

³ City of San Clemente 2013-2021 Housing Element, p. 74, February 2, 2016.

⁴ City of San Clemente 2013-2021 Housing Element, p. 68, February 2, 2016.

⁵ Declaration of Surplus Property, Agenda Report San Clemente City Council Meeting, p. 9-A-1, July 15, 2014.

5. Strengthen and improve the effectiveness of Program 4: Affordable Housing Overlay to encourage and facilitate the development of homes affordable to lower income families. In the draft Housing Element, the following was identified:

“The Overlay sites are unlikely to be developed without an incentive program including, financial assistance to non-profit organizations to purchase the affordable units or build new housing projects. The requirement to provide on-site affordable units results in less resistance to affordable housing when they are proposed as part of a mixed income development.”⁶

As stated above, creating specific incentives is key to the success of the program. Without development incentives, the program is poised to not be as effective and the City may lose out to potential development opportunities for lower income working households.

6. Discuss in depth how the use of in-lieu fees (currently at \$279,000) would be prioritized for the development of homes affordable to lower income families. In particular, the City should consider utilizing the in-lieu fees to be used exclusively for the development of new rental homes that are affordable to extremely low-, very low- and low-income households. In addition, the City should outreach to potential affordable housing developers to discuss the availability of opportunity sites and how the in-lieu fees can fund the development of homes affordable to lower income households.
7. Identify specific sites where emergency shelters can realistically be built in the City and remove churches as opportunity sites for emergency shelters. The City should also evaluate the feasibility of implementing a fee waiver or reduction program to encourage the development of emergency homeless shelters.
8. Implement a program that will set-aside a percentage of new rental homes that are affordable to persons with developmental disabilities and pursue funding sources designated for persons with special needs and disabilities. Please refer to the California State Department of Housing and Community Development Department’s Sample Programs:⁷
 - a. Program Sample 2: Develop a program to provide rental assistance to fill the gap between income levels and the cost of housing for persons with Developmental Disabilities.
 - b. Program Sample 3: Explore models to encourage the creation of housing for persons with developmental disabilities and implement a program by 2015.

⁶ City of San Clemente 2013-2021 Housing Element, p. Appendix D-2, February 2, 2016.

⁷ “Persons with Developmental Disabilities SB 812 (Ashburn), Chapter 507, Statutes of 2010,” Memorandum by the Department of Housing and Community Development, p. 12, June 21, 2012.

San Clemente Residential Sites Inventory (p. 67)
February 2016

= Consolidated Information

ATTACHMENT

Vacant Sites

Map ID	APN	Property Address	Acres	Potential Units	Density Bonus Units	Total Units	Consolidated Sites Map ID	Consolidated Total Units	GP	Zone	Density	AH Overlay	From Previous HE
1	692-152-23	1010 S. El Camino Real	0.30	7	2	9	1	9	NC	NC2	24	x	x
2	692-131-06	near 1201 S. El Camino Real	0.42	10	-	10	2	10	NC	NC2	24	x	x
3	692-171-18	1430 S. El Camino Real	0.22	5	2	7	3	14	NC	NC2	24	x	x
4	692-171-19	1430 S. El Camino Real	0.22	5	2	7	3	14	NC	NC2	24	x	x
5	690-422-03	near 2201 S. El Camino Real	0.10	2	1	3	4	6	NC	NC3	24	x	x
6	690-422-04	near 2201 S. El Camino Real	0.10	2	1	3	4	6	NC	NC3	24	x	x
7	692-362-08	1400 N. El Camino Real	0.11	2	-	2	5	2	NC	NC2	24	x	
8	060-071-25	near 2801 S. El Camino Real	0.37	13	4	17	6	17	MU	MU5.1	36	x	x
9	692-395-27	902 N. El Camino Real	0.27	6	2	8	7	8	NC	NC2	24	x	x
10	692-381-25	1300 block N. El Camino Real	0.09	2	1	3	8	18	NC	NC2	24	x	x
11	692-381-26	1300 block N. El Camino Real	0.09	2	1	3	8	18	NC	NC2	24	x	x
12	692-381-27	1300 block N. El Camino Real	0.09	2	1	3	8	18	NC	NC2	24	x	x
13	692-381-28	1300 block N. El Camino Real	0.10	2	1	3	8	18	NC	NC2	24	x	x
14	692-381-29	1300 block N. El Camino Real	0.10	2	1	3	8	18	NC	NC2	24	x	x
15	692-381-30	1300 block N. El Camino Real	0.10	2	1	3	8	18	NC	NC2	24	x	x
16	692-394-06	100 W. El Portal	0.09	2	1	3	9	6	NC	NC2	24	x	x
17	692-394-07	100 W. El Portal	0.09	2	1	3	9	6	NC	NC2	24	x	x
18	690-445-02 690-445-03	1502 S. El Camino Real	0.15	3	-	3	10	3	NC	NC2	24	x	
19	060-041-02 060-041-03	2400 S. El Camino Real	0.15	4	-	4	11	4	NC	NC3	24	x	
20	692-121-14	1631 Calle Las Bolas	0.15	5	2	7	12	35	RH	RH	36		x
21	692-121-15	1629 Calle Las Bolas	0.15	5	2	7	12	35	RH	RH	36		x
22	692-121-16	1603 Calle Colina	0.12	4	2	6	12	35	RH	RH	36		x
23	692-121-17	1601 Calle Colina	0.14	5	3	8	12	35	RH	RH	36		x
24	692-121-13	1633 Calle Las Bolas	0.15	5	2	7	12	35	RH	RH	36		x
25	057-151-26	111 La Ronda	0.17	4	1	5	13	13	RM	RM	24		x
26	057-151-04	115 La Ronda	0.15	3	1	4	13	13	RM	RM	24		x
27	057-151-05	119 La Ronda	0.16	3	1	4	13	13	RM	RM	24		x
28	690-013-01	101 North La Esperanza	2.18	52	0	52	14	52	RM	RM	24	x	
TOTAL:			6.53	161	36	197		197					

Likewise, the feasibility of transitional and supportive housing or shelters must be demonstrated in the City's Housing Element. The City Council should NOT approve the draft Housing Element until a feasibility analysis has been authorized for City owned lands. The completed analysis must prove there are adequate sites with suitable financial viability for transitional and supportive housing or homeless shelters. At a minimum the feasible sites should be included in the current 4-year update of the Housing Element with the financial and permitting viability included in the second 4-year update due in 2017.

In addition, to meet the City's required Regional Housing Need Assessment, the Ave. La Pata/Vista Hermosa site should be included in the Housing Inventory since this is the best and most feasible site for affordable housing in the City.

Respectfully yours,
Dennis Ettlin
27222 Paseo Lomita
San Juan Capistrano, CA 92675

Regarding: Item 7B 2/2/16 City Council Meeting

January 25, 2016

Leslie Davis
San Clemente, CA
Lesliedavis5@gmail.com

Dear Mayor Baker and City Council,

I have reviewed the 2016 Draft Housing Element and am submitting my comments for public record. As retired Housing Coordinator of the City of San Clemente for 19 years, I believe the comments and corrections I am submitting will provide for a more accurate and approvable Housing Element. I will be submitting my comments to the State Housing and Community Development Department if corrections aren't made.

1. Needs Assessment

- a. **The rental survey is incorrect (page HE-19).** The average rent by unit size listed as Table 23 in the Housing Element is substantially lower than what is available in 2015-16. My January 2016 review of Craig's list has not found any 1 bedroom apartments for the report's stated average of, \$1,019. The average in Craig's list is closer to \$1,500 for a one bedroom, \$1800 for a 2 bedroom and \$2500 for a 3 bedroom (excluding homes for rent which is closer to \$3500). The large apartment complex I surveyed which is typical of corporate apartment complexes in San Clemente was Pacific Point Apartments. A one bedroom apartment starts at \$1529, two bedroom apartments start at \$1899 and 3 bedroom apartments start at \$2399. Table 23 gives an unrealistic view of average rents in San Clemente and should be updated. I own a property near the Pier Bowl and my rents in 2015 were \$1,600 for a 1 bedroom, \$2,000 for a 2 bedroom and \$2300 for the 3 bedroom.
- b. **Table 36 Homeless Resources is incorrect-** The CSP Youth Shelter in Laguna Beach was closed and moved to Huntington Beach about 8 years ago, this is also repeated inaccurately as Youth Shelter of Laguna Beach. Friendship Shelter owns Henderson House in San Clemente. They have changed the population served. The description needs to be updated. There is no mention of the Alternative Living Site (ALS) emergency shelter operated by Friendship Shelter in Laguna Beach. This is the only emergency shelter in South Orange County serving 55 persons. San Clemente homeless can stay there when there are available beds.

There is no mention of the number of beds in each shelter, nor the gap in the number of homeless in San Clemente and the need for additional beds. An important part of the Needs Assessment is counting the homeless and looking at the inventory and expressing the gap in need. Without a gap analysis the Needs Assessment is incomplete.

Camino Health Services is listed as a resource for low income households. Camino Health just opened a clinic in San Clemente. This address should be included in the table. Laura's House Shelter doesn't need to include their address, but the City name should be included in the table. San Clemente deserves the credit.

- c. **Table 37 inventory of affordable units is incorrect**– The address of the units owned by Mary Erickson Community Housing does not include 135 W. Canada. The table lists them as located at 143 W. Marquita.

2. Housing Constraints

- a. **Residential Sites Inventory** – While it is laudable to encourage affordable housing with incentives to build on vacant lots, Table 54, Residential Site Inventory, has only 5 out of 32 sites which 10 or more units can be built. Last year, market rate duplexes were built on one of the larger sites identified in the 2011 Housing Element Site Inventory - 2700 S. El Camino Real. According to the AH Overlay zone description, 51% of the units were to be built as affordable to households earning up to 50% of median income. Why wasn't affordable housing built on this site? What were the in-lieu fees collected if any? There is no table with the in-lieu fees collected from properties that paid them.

If no affordable housing was built in the AH Overlay zone since it was approved in 2008, there should be a discussion of how the AH Overlay zone has failed and what if anything the City will do to incentivize or require new development to include affordable units for households earning less than 50% of median income.

Of the 5 sites listed in Table 54, only 1 is truly feasible for a non-profit to build affordable housing, the Shorecliffs Golf course site. There should be a discussion of the feasibility of this site and what the City will do to require 51% of the units to be built as affordable instead of allowing in-lieu fees to be collected. The other large site, underutilized site located at No. La Esperanza (listed as 52

units) has multiple utility easements running through it and the site study done in 2008 showed less than 30 units were feasible. This should be corrected.

Several non-profit developer's received letters from the Finance Department regarding "city owned surplus land for sale". The sites are located at Calle Extremo and Fabricante in the Rancho San Clemente Business Park and at the 2 acre site at the Corner of Vista Hermosa and La Pata. The letters stated Affordable Housing was considered for these sites, yet they are not included in the Residential Sites Inventory. Proposals have been sent to the City, but no response or decision has been made by the City staff or City Council. If the City is going to solicit bids for affordable housing for these sites, they **must** be included in the Housing Element in order to legitimately develop them as affordable. Considering the infeasibility of the majority of sites in the Site Inventory, feasible City owned sites allowing over 20 units should be included in the Inventory or not promoted as such to developers.

- b. **Section 4.21 Inclusionary In-lieu fund** – No table was provided in this section detailing the amount of in-lieu fees collected between 2011-2015 (\$279,000). A list of the projects the fees were collected from, and projections of in-lieu fees (up to 2021) to be collected from Sea Summit and other known developments should be included in the Housing Element. Providing the locations of projects paying fees will allow for transparent verification of the City collecting the fees and allow non-profit developer's to identify sources of funds available.
- c. **Emergency Shelters** –While there is plenty of discussion of the Emergency Shelter Overlay, there is no list of sites that can be developed as a shelter. There is no discussion of the feasibility of developing a shelter at any of the City owned sites. Without a feasibility analysis, the City is not meeting its SB2 obligation proving that the city owned sites are feasible. The survey done by the San Clemente Collaborative in 2014 identified only ONE church (Heritage Christian Church) that could feasibly provide a shelter on site, the remainder of the churches had pre-schools or evening meetings and events which would preclude anything but extreme community emergencies. Church sites cannot be counted as a reliable shelter for the homeless.

Thank-you for your consideration of my comments.

Sincerely,

Leslie Davis

EDMOND M. CONNOR
MATTHEW J. FLETCHER
DOUGLAS A. HEDENKAMP
MICHAEL SAPIRA
JOHN P. ROSE
LAUREN A. MCKAY
JAMES M. NAH



CONNOR, FLETCHER & HEDENKAMP LLP
ATTORNEYS AT LAW

February 1, 2016

VIA OVERNIGHT COURIER AND EMAIL

City Council
City of San Clemente
100 Avenida Presidio
San Clemente, CA 92672
CityCouncil@san-clemente.org

Re: *Draft Housing Element Update 2013-2021*

Dear Members of City Council:

On behalf of our client, the Emergency Shelter Coalition ("ESC"), we respectfully submit the following comments regarding the Draft Housing Element Update 2013-2021 (the "Draft Update"). We understand that the Draft Update will be presented to the City Council on February 2, 2016, for a decision on whether to submit the Draft Update to the California Department of Housing and Community Development ("HCD") for its review and comments.

On December 1, 2014, ESC filed a Petition for Writ of Mandate (the "Petition") against the City (the "Action") due to the City's failure to (1) adopt a legally adequate SB 2 Ordinance and (2) timely adopt an updated Housing Element that was SB 2 compliant. Unfortunately, the Draft Update suffers from the same legal deficiencies as the City's SB 2 Ordinance. Those deficiencies are spelled out in ESC's Petition and in ESC's Opening and Reply Briefs filed in support of the Petition (collectively, the "Briefs"). To avoid needless repetition of facts, arguments, and authorities that have already been presented to the City's attorneys of record in the Action, ESC's Petition and Briefs are attached hereto and are incorporated herein by reference.

Suffice it to say at this point that the Draft Update is woefully inadequate because it does not comply with the mandatory requirements of section 65583 of the Government Code to identify "adequate sites" for emergency shelters that (a) have "sufficient capacity" to accommodate the City's needs for such shelters and (b) "facilitate and encourage the development" of emergency shelters. The Draft Update similarly fails to contain a sufficient analysis of local efforts to remove governmental constraints that hinder the City from meeting the housing needs of persons and families requiring emergency shelters.

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City Council
February 1, 2016
Page 2

For the City to represent in Draft Update that "45 parcels totaling approximately 75 acres" have been identified as feasible shelter sites as part of the City's Emergency Shelter Overlay is misleading and deceptive because (1) over 95% of those parcels are completely unusable as shelter sites and (2) 100% of the parcels are unavailable for use as shelters without discretionary action on the part of the City Council with the inevitable opposition from the public that would accompany such Council action.

In short, the Draft Update does not comply with either the letter or the spirit of Government Code section 65583 or the provisions of SB 2. As such, the Draft Update should be revised to bring it into full compliance with such legal requirements.

Very truly yours,



Edmond M. Connor

Attachments

cc: Mayor Bob Baker, bakerb@san-clemente.org
Mayor Pro Tem Kathleen Ward, wardk@san-clemente.org
Council Member Lori Donchak, donchakl@san-clemente.org
Council Member Tim Brown, brownt@san-clemente.org
Council Member Chris Hamm, HammC@san-clemente.org
City Manager James Makshanoff, citymanager@san-clemente.org
City Attorney Scott Smith, attorney@san-clemente.org
City Clerk Joanne Baade, BaadeJ@san-clemente.org
Cecilia Gallardo-Daly, Community Development Director, Gallardo-DalyC@san-clemente.org
Amber Gregg, Associate Planner, GreggA@san-clemente.org
Denise Obrero, Housing Programs Planner, ObreroD@san-clemente.org

Gregg, Amber

From: Veronica Tam <Veronica.Tam@vtaPlanning.com>
Sent: Tuesday, February 02, 2016 11:48 AM
To: Gregg, Amber
Cc: Obrero, Denise; Jessica Suimanjaya; Mayra Navarro; Pechous, Jim
Subject: RE: Housing Element - Response to Questions

Hi All –

So based on our discussions, I would add this to Section 2.4.2 (B), under Vacancy Rates:

While the overall vacancy rate was reported by the 2010 Census at 7.9 percent, the detailed vacancy rate by the Census reported the for-rent vacancy at 5.8 percent and the for-sale vacancy at 1.3 percent. Other units were vacant due to foreclosures, seasonal occupancy, or other reasons. Specifically, according to staff research, an estimated 450 housing units in the City are used as vacation rentals, which are only seasonally occupied. The increased presence of vacation rentals has the potential to exacerbate the tight rental housing market in the community, reducing affordable housing opportunities for the workforce. Nonetheless, the real vacancy rates for the City were within the industry standard of five to six percent for rental housing and two percent for ownership housing.

Also, based on our discussions a week or so ago, I already added Program 16. We only need to modify this program.

Program 16: Preserve Affordability of Existing Housing Stock

The City continues to suffer from the loss of affordable housing (both for-sale and rental housing) due to factors such as demand exceeding supply, market conditions, and short-term vacation rentals. As housing prices and rents continue to escalate in the region, affordability of the City existing housing stock is diminishing rapidly. Specifically, the City is committed to managing and containing the presence of STLUs in order to ensure that the long-term rental workforce housing inventory is protected. As a beach city, and therefore the extraordinary target of temporary rental situations, the preservation of affordable workforce rental housing is a priority and requires active management.

Objectives and Timeframe:

- Initiate discussions in 2016 to study options for the retention of affordable housing, especially containing and managing STLUs in the community.

Responsible Agency: San Clemente Community Development Department

Funding Sources: Departmental Budget

Veronica Tam, AICP
Principal

Veronica Tam and Associates, Inc.
107 S. Fair Oaks Avenue, Suite 212

Gregg, Amber

From: Gallardo-Daly, Cecilia
Sent: Tuesday, February 02, 2016 10:15 AM
To: Pechous, Jim; Gregg, Amber; Obrero, Denise
Subject: Fwd: Housing Element - Response to Questions

Jim, Amber & Denise,

Can you prepare draft language for tonight based on Lori's comments below? Let me take a look at it when it's done. We can introduce it as part of the staff report and state the reasons why it's being added.

Thanks,
Cecilia

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: "Donchak, Lori" <DonchakL@san-clemente.org>
Date: 02/02/2016 9:22 AM (GMT-08:00)
To: "Gallardo-Daly, Cecilia" <Gallardo-DalyC@san-clemente.org>
Cc: "Makshanoff, James" <makshanoffj@san-clemente.org>, "Pechous, Jim" <PechousJ@san-clemente.org>, "Gregg, Amber" <GreggA@san-clemente.org>
Subject: Re: Housing Element - Response to Questions

Wow!

Thank you.

What I would like to do this evening is add STLU discussion in the two places you mention. Not sure if it is best for me to just ask tonight, or if there's time for draft language to be prepared by staff today. Essentially, I'm looking for something along these lines:

City committed to managing and containing the presence of STLUs in San Clemente in order to ensure that long term rental workforce housing inventory is protected. As a beach city, and therefore the extraordinary target of temporary rental situations, the preservation of affordable workforce rental housing is a priority and requires active management.

You get the idea.

Thank you for such an excellent response.

Lori

On Feb 2, 2016, at 9:12 AM, Gallardo-Daly, Cecilia <Gallardo-DalyC@san-clemente.org> wrote:

Lori,

Staff has prepared a response to your questions on the Housing Element. The questions are in black and staff responses are in blue. Please let Jim, Amber or me know if you need additional clarification or information.

The issue: How do STLU's subtract from precious long term rental housing in San Clemente?

I'm looking for an apples-to-apples housing stock comparison. On 7B-23, it looks there are 7,280 renter HH in SC. Are the 400+ STLU's nested in that number (i.e. about 5% of rental stock is VRBO)? Stated differently, what % of rental stock is VRBO? Recent anecdote: a 19 year renter (employed in OC) in the Pier Bowl pays \$1,900/month for a 1BR. He's being evicted because building owner can get \$2k/week for his apartment as a VRBO.

No, the estimated 400+ STLU are not included in the 7,280 renter-households number. This number reflects actual long term rental households according to the 2000 Census. STLU's are included under the vacancy rate information found on Section 7B-31. For rent units are classified as "vacant" if they are vacant for rent, or due to foreclosures, seasonal occupancy (such as STLU or second homes), or other reasons.

You are correct that STLU's make up approximately 5% of our total rental units. This is based on an estimated 8,597 renter occupied units (per Table 11 found on page 7B-25) plus the number of vacant rental units, 498, totaling approximately 9,095 rental units in San Clemente.

7B-36 refers to "Demolition of Housing Stock" Is this where STLU conversions would be acknowledged if they were part of the housing element? If not there, where?

The most appropriate location to discuss STLU in general would be in Section 2.4, Housing Inventory and Market Conditions, which starts on 7B-28. There, we can add a paragraph on STLU.

Another place to discuss STLU is under our programs. We have touched on STLU in draft Program 16, Preserve Affordability of Existing Housing Stock (page 7B-96), which states "that we continue to loose affordable housing due to factors such as demand exceed supply for housing, market conditions, and short term vacation rentals." And the program's objective is to "initiate discussions in 2016 to study options for the retention of affordable housing."

We could add a more detailed program stating we will do a comprehensive review of STLU and how they impact our community. To do this, we would most likely need to budget for a detailed survey to find the specific information we are looking for. The surveys that we rely on for the Housing Element Update come from the Census and American Community Surveys, but the information collected does not detail if a vacant unit is a second home, STLU, or any of the other potential reasons on why the unit is classified as vacant.

#1 7B-56 refers to an item coming to city council Nov 17, 2015. Probably should be updated (bottom of page).

There were a couple areas that had information that needed to be updated. Staff is aware of this and the information will be updated prior to submitting to the State.

#2 7B-49 Public Housing affordable units. Does it help SC to show the dates these various resources have opened? That there have been two projects in the past few years is impressive, given state of economy.

We are happy to include the dates the projects opened in the table, and it will serve as a good reference tool in the future. It is definitely impressive that SC has been able to construct two affordable housing projects in recent years, and we discuss that in Section 4.1.2, Progress towards RHNA, where we note the opening of Cotton's Pointe in 2014 and Avenida Serra (Las Palmas) in 2015.

#3 7B-63. I don't understand how to read the table....What is a General Plan update fee and what is the percentage a percentage of?

The General Plan Update Fee is a continual fee applied to a variety of City discretionary permits. The fee is collected to fund the general plan update which is usually updated every 10 to 20 years.

The "percentage of a percentage." For discretionary permits the fee is a percentage of the total cost of the permit. Less clear is how the fee is applied to Building Plan Check fee, which states the fee is 65% of a Building Permit Fee. So for example if the building permit fee was \$100, then \$65 would be added to that for plan check, for a total of \$165.

I'm surprised to learn that our community still has to pay impact fees to the Tollroad (7B-64). Do you have insight into:

A) how much longer

The TCA's website indicates the debt obligation for the construction bonds will be paid off in 2053, the debt is paid by revenue and impact fees. So from what I can tell they are not going away anytime soon.

B) whether this is fair since it's been 14 years since TCA has built new roads?

In regard to fairness, the TCA on their website states the development fees are intended to pay off the bonds which fronted the construction of the toll roads. So even with no new construction over the past 14 years, the impact fees apply.

C) if it's realistic for the city to appeal to remove this fee/how would it be done?
Thanks. It's a lot of money.

Way back in 1985 the City Council (through a public hearing process) adopted "Areas of Benefit" and established fees to be imposed on new development. The Municipal Code requires these TCA fees to be paid

A building permit applicant, as a condition of issuance of a building permit, shall pay a fee as hereinafter established, to defray the costs of constructing bridges over waterways, railways, freeways and canyons, or constructing major thoroughfares.

The fee affects ONLY new development.

Bill Cameron's recollection from discussions many years ago is that the City obligated itself to collect the fees when it became a part of the TCA Joint Powers Agreement and that if the City wished to withdraw from the TCA, it would still be obligated to pay the fees for ten years after giving notice. To know for sure, someone would need to read the agreements forming the TCA. Bill also noted that opting out of the joint powers agreement removes as a voting member.

Bill checked the TCA website. For 2015, the TCA collected development impact fees of \$24.9M, of which \$117K was from San Clemente for the Foothill/Eastern Corridor. In Irvine, it was \$19.3M and Lake Forest was \$2.4M. For the San Joaquin Corridor, the total collected was \$3.5M with Clemente's contribution being \$1.259M. Most likely the majority of it was from the Outlets' project, being that it is on the west side of I-5.

Thanks,
Cecilia

Table C-1: Summary of Public Comments and City Responses

Comment	Response
<i>Letter from Kennedy Commission (dated February 2, 2016) to Mayor Bob Barker and City Council</i>	
1. Consider holding a follow-up workshop to address comments and recommendations to the Draft 2013-2021 Housing Element	The City will be conducting additional public hearings before adoption of the Housing Element.
2. The development capacities estimated for sites identified in the sites inventory are very low and not realistic for the development of affordable housing. Consider re-evaluating their potential for affordable housing.	The majority of sites included in the Housing Element are the same sites that were included in the previous Housing Element and found acceptable to the State. However, the City recognizes the need to encourage lot consolidation. This Housing Element includes a new program to facilitate consolidation of small lots. The City will monitor lot consolidation activities and modify incentives if appropriate.
3. Some of the small sites in the Sites Inventory are adjacent and have the potential to be consolidated. However, the proposed Lot Consolidation Program (Program #2) may not be effective or realistic for actually facilitating the development of affordable housing. For example, five or more sites would need to be consolidated to achieve a single project totaling more than 15 housing units.	
4. Add more detailed information on underutilized sites. It is not possible to determine feasibility for affordable housing development with the information currently provided.	The majority of the sites included in the inventory are vacant sites. Only four sites are considered underutilized. The most significant underutilized site is the Shorecliffs Golf Course.
5. Consider adding city-owned/surplus land to the residential sites inventory. Because the majority of sites identified in the Sites Inventory are unfeasible, these city-owned sites should be prioritized for affordable homes.	Under State law, the City is required to make the City-owned sites available to a variety of agencies and for-profit and non-profit developers via a Request for Proposal process. Depending on the outcome of each RFP, the uses of individual sites cannot be determined at this time.
6. Modify Program 4: Affordable Housing Overlay to include specific incentives. Without specific incentives, the program may lose effectiveness.	The Affordable Housing Overlay program includes a process to review the requirements and make adjustments as necessary as an incentive.
7. Add a detailed discussion on how in-lieu fees will be prioritized for the development of affordable housing. Also consider utilizing in-lieu fees exclusively for the development of lower-income rental housing and seeking input from developers on the best way in-lieu funds can be used for affordable housing development.	The City uses the in-lieu fee primarily to facilitate the acquisition or development of lower income rental housing development. The City allocates the funding based on opportunities that are presented to the City.
8. Identify specific sites within the City where emergency shelters can realistically be developed and remove churches as opportunity sites for shelters.	There are 45 parcels totaling approximately 75 acres of eligible properties within the ES Overlay which could accommodate emergency shelters by right. Additionally, Emergency shelters, up to 10 beds, are allowed by right as an accessory use to churches and religious institutions throughout the City. Many emergency shelters throughout the State are sponsored by religion organizations. A church or religious institution can convert existing surplus space or expand the building on site to accommodate an emergency shelter.
9. Evaluate the feasibility of implementing a fee waiver or reduction program to encourage the development of emergency shelters.	The feasibility of developing a permanent year-round emergency shelter depends largely on the availability of a long-term and sustainable funding stream. There is a process in the Zoning Ordinance where an applicant can request a fee reduction or waiver.

Table C-1: Summary of Public Comments and City Responses

Comment	Response
10. Add a program that will set-aside a percentage of new affordable rental homes for persons with developmental disabilities and pursue funding sources designated for persons with special needs and disabilities.	The City partners with nonprofit developers to provide affordable housing in the City. The City will continue to work with and encourage developers to pursue funding to provide affordable housing for persons with special needs, including persons with disabilities.
11. Consider committing SERAF and boomerang funds for the development of extremely low-income affordable rental housing. Also consider prioritizing and committing potential funding sources (e.g. LIHTC, etc.).	The City does not anticipate any SERAF or boomerang funds.
12. Modify Program 6: Affordable Housing Development to include fee waivers for proposed developments with a minimum of 10 percent very low-income homes.	No affordable housing projects have been granted waivers, and the last two affordable housing projects in the City paid fees as it helped them in financing the project. There is a process in the Zoning Ordinance where an applicant can request a fee reduction or waiver.
13. Consider promoting affordable homes and supportive services for veterans.	The City partners with nonprofit developers to provide affordable housing in the City. The City will continue to work with and encourage developers to pursue funding to provide affordable housing for persons with special needs, including veterans.
<i>Email from resident (dated February 2, 2016) to City Council</i>	
1. Relying on churches to serve the City's homeless is unrealistic. Consider creating a liaison position whose job is to work with local churches to expedite the operation of at least 50 church-sponsored temporary beds for the homeless by December 1, 2016. The liaison will also ensure that churches spend no more than \$30 per night per bed for the homeless. If this is not feasible, then consider amending the next Housing Element to demonstrate feasible compliance with SB 2.	<p>SB 2 does not mandate the construction or establishment of an emergency shelter by the City.</p> <p>SB 2 requires only that the City provide a zone or zones where emergency shelters are permitted by right. The zone(s) must have the capacity to accommodate at least one shelter.</p> <p>However, SB 2 requirements concern permanent, year-round shelters, not temporary beds. In addition to properties in the Emergency Shelters Overlay, the intent of the City's Zoning Ordinance is to allow churches or religious institutions to convert/expand existing building space or to construct new structures on site that can be operated as an emergency shelter.</p>
2. Complete a feasibility analysis for city-owned lands. The analysis should prove there are adequate sites with suitable financial viability for transitional and supportive housing or emergency shelters. These sites should be included in the Draft 2013 Housing Element and the financial and permitting viability of these sites should be discussed in the 2017 Housing Element.	SB 2 requirements for emergency shelters are separate and different from transitional and supportive housing. Under SB 2, transitional housing and supportive housing are considered a residential use to be permitted as similar uses in the same zones. Program 13: Zoning Ordinance Monitoring includes an action to amend the City's Zoning Ordinance by 2016. SB 2 does not require that City to identify sites for transitional and supportive housing. Furthermore, SB 2 does not require the City to evaluate the financial viability of providing emergency shelters, transitional housing, or supportive housing.
3. Consider including the site located on La Pata and Vista Hermosa to the Sites Inventory.	The City is required by State law to make available its surplus properties to a variety of agencies. The City has not yet decided on the development proposals submitted for these sites.

Table C-1: Summary of Public Comments and City Responses

Comment	Response
<i>Letter from resident (dated January 25, 2016) to City Council</i>	
1. The rental survey on page HE-19 is incorrect.	The rental survey has been corrected to reflect the City's market-rate rents.
2. Table 36 summarizing homeless resources in the City is incorrect.	Table 36 has been corrected.
3. Table 36 should include the number of beds in each shelter, the number of homeless in the City, and the number of additional beds necessary to meet this need.	Number of beds is not available for all shelters (specifically Gilchrist House and Laura's House). Furthermore, these shelters are not limited to San Clemente residents making it difficult to calculate the gap in emergency shelter needs.
4. Table 37 lists an incorrect address for Mary Erickson Community Housing.	Table 37 has been corrected.
5. In 2015, a duplex was built on a larger site within the City's Affordable Housing Overlay. Consider adding a table that identifies how much in in-lieu fees were collected and from which property.	The Housing Element is a policy document and is not intended to maintain a detailed accounting of fees collected.
6. Identify how much affordable housing has actually been developed in the Affordable Housing Overlay since its approval in 2008. If none, add a discussion of how the Overlay can be made more effective in actually producing affordable units.	There have been two affordable housing projects approved and constructed in the Overlay zone. One project is located in the Downtown on Avenida Serra (Serra Workforce Housing), the other on South El Camino Real (Cotton's Point Senior Housing).
7. Add a more detailed feasibility analysis of the Shorecliffs Golf Course site and include actions that could be taken by the City to ensure that affordable housing units are developed as part of this project instead of allowing an in-lieu fee to be collected.	The City's Inclusionary Housing Program offers an in-lieu fee option primarily for small and mid-size projects that have difficulty in providing on-site affordable units. Large-scale development would be subject to the on-site affordable housing requirement.
8. The estimated capacity of the La Esperanza site (Table 54) should be updated to accurately reflect existing constraints. Multiple utility easements run through the site and a feasibility study completed in 2008 estimated that fewer than 30 units were feasible on the site.	The City owns approximately 40 percent of the utility easements on site. If a project were to be proposed at the site, there is flexibility with the easements. The last certified Housing Element noted 24 units/acre may be feasible for the site. Potentially yielding between 30 and 52 units on the site. For the purpose of this Housing Element, the lower end of the range is used.
9. City-owned surplus land should be included in the Sites Inventory, particularly since the City has actively solicited proposals for affordable housing development on these sites.	Under State law, the City is required to make available surplus sites to a variety of agencies, not just affordable housing. Uses of these sites cannot be determined at this time.
10. Add a table to Section 4.21 detailing the amount of in-lieu fees collected between 2013 and 2015. Also include the projects the fees were collected from as well as projections up to 2021.	The Housing Element is a policy document and is not intended to maintain a detailed accounting of in-lieu fees collected.
11. Include a list of sites within the Emergency Shelter Overlay that are feasible for the development into shelters. A feasibility analysis should be conducted in order to ensure that the City meets its SB 2 obligations.	A map illustrating the Emergency Shelter Overlay is located on the City's website. SB 2 does not mandate the establishment or construction of an emergency shelter.
<i>Letter from resident (dated February 1, 2016) to City Council</i>	
1. Draft Housing Element fails to identify adequate sites as required by SB 2. It also fails to contain a sufficient analysis of local efforts to remove governmental constraints to development of emergency shelters.	SB 2 only mandates local jurisdictions to identify a zone where emergency shelters are permitted by right. In November 2015, the City amended the Zoning Ordinance to remove the floor area requirement and certain standards for entries and outdoor use

Table C-1: Summary of Public Comments and City Responses

Comment	Response
	areas that may constrain the development of emergency shelters.
2. The estimated capacity of the City's Emergency Shelter Overlay is misleading because the majority of parcels in the Overlay are actually unusable as emergency shelter sites.	The City has an estimated homeless population of 65 persons. SB 2 only requires that the City provide a zone that can accommodate at least one shelter for its unsheltered population. The City's Emergency Shelter Overlay has ample capacity relative to its homeless population.
<i>Email from City Councilmember to City Staff (dated February 2, 2016) to City Council</i>	
1. Add analysis on how Short Term Lodging Units (STLU) affects the City's long term rental housing market.	Program 16: Preserve affordability of Existing Housing Stock has been added to the Housing Element. This program calls for initiating discussions to study options for retaining rental housing and managing vacation rentals in the community.
2. Modify Table 37 to include Dates Placed in Service for the City's affordable housing projects.	Table 37 was amended to include this information.

Appendix B: Affordable Housing Densities

B.1 Affordable Housing Densities in Orange County and North San Diego County

Table B-1 lists many affordable housing projects in Orange County and north San Diego County that have been approved or constructed at less than 24 units per acre. Based on these numerous examples in the region, development of affordable housing in San Clemente at less than 24 units per ac is feasible.

Table B-1: Affordable Projects with Densities of 25 units/acre or Less
Orange County and North San Diego County

Project/Location	Year Built or Acquired	Affordable Units	Project Density (du/ac)	Affordability/ Assistance Level
Little Hollywood / San Juan Capistrano	2000 / 2009	24	4.7	50 and 80% AMI
Habitat for Humanity / San Juan Capistrano	2010	27	10.4	50 and 80% AMI
Ability First Apartments / Irvine	2008	24	12.0	30% AMI
Casa de Esperanza / Stanton	2003	10	14.5	30% AMI
Avocado Court / Escondido	2014	36	16.2	30, 40, 50, and 60% AMI
Brighton Place / Poway	2012	77	18.9	30, 35, 40, 50, and 60% AMI
Bonterra Apartment Homes / Brea	2012	94	19.0	Unknown
Mendocino at Talega / San Clemente	2003	186	20.0	50 and 60% AMI
Parkview Apartments / San Marcos	2014	84	20.7	30, 40, 50, and 60% AMI
Windrow Apartments / Irvine	2006	96	21.0	30 and 50% AMI
Laguna Canyon / Irvine	2006	120	21.0	30 and 50% AMI
Escalones Nuevos / San Clemente	2002	6	21.8	50% AMI
Bellecour Way / Lake Forest	2002-2003	6	22.0	80 and 120% AMI
The Arbor at Woodbury / Irvine	2009	90	22.0	Unknown
Westlake Village / San Marcos	2011-2012	49	22.6	35, 45, 50, and 60% AMI
Montecito Vista Apartments / Irvine	2006	162	23.0	30,50 and 60% AMI
Springbrook Grove / Fallbrook	2010	44	24.9	35 and 45% AMI

Sources: Orange County Housing & Community Services Department, 2008; City of San Juan Capistrano, 2013; Jamboree Housing, 2013; Keyser Marston Associates, 2012.

Note: North San Diego County projects are from the report "County of San Diego Housing Element Update, Housing Resources" prepared by Keyser Marston Associates, December 7, 2012.

Appendix C: Review of Past Accomplishments

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
<i>Goal 1: Provide adequate opportunities for new housing for persons at all economic levels as well as those with special needs.</i>		
Program 1: Provide Adequate Sites	<ul style="list-style-type: none"> ▪ Rezone adequate sites for the development of multi-family housing without a CUP at a minimum of 20 dwelling units per acre. ▪ Provide a lot consolidation program that will increase the overall feasibility of affordable housing by offering a waiver or subsidy of development fees and other incentives including, but not limited to, a reduction in parking standards, allowance for shared parking, and a reduction in commercial FARs for projects in mixed use zones. 	<p>The City has completed the rezoning of the property at 101 North La Esperanza and a parcel on the Shorecliffs Golf Course.</p> <p>The 2.18-acre parcel on North La Esperanza was rezoned to RM with a maximum density of 24 units per acre. The site is currently vacant and has the capacity to accommodate 52 housing units.</p> <p>The six acre parcel on the Shorecliffs Golf Course was rezoned to RH with a maximum density of 36 units per acre. The property was included as part of the Forster Ranch Specific Plan and can now accommodate up to 216 housing units.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate to facilitate the development of a range of housing options. However, no rezoning is required and a modified version will be included in the 2013-2021 Housing Element.</p>
Program 2: Density Bonus	<ul style="list-style-type: none"> ▪ Amend the Zoning Ordinance to incorporate recent changes to state density bonus law 	<p>The City amended the Density Bonus Ordinance in 2009 to meet State requirements. The City's Zoning Ordinance will continue to be reviewed on an ongoing basis to ensure it adequately addresses any applicable changes in State Law or other issues that may arise. Specifically, the City will amend the Density Bonus Ordinance to incorporate AB 2222 requirements.</p> <p><i>Continued Appropriateness:</i> This program continues to be</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
		appropriate and a modified version will be included in the 2013-2021 Housing Element.
<p>Program 3: Affordable Housing Overlay Zone</p>	<ul style="list-style-type: none"> ▪ Review and amend the following aspects of the Affordable Housing Overlay Zone: <ul style="list-style-type: none"> ○ Modify "by-right" unit thresholds ○ Increase density to 20 units an acre ○ Eliminate the conditional use permit ○ Identify and/or include additional sites including the City owned sites of Avenida Serra and 100 Avenida Presidio ▪ Prepare annual analysis of development in the Affordable Housing Overlay Zone to evaluate effectiveness of zoning standards. 	<p>The City completed all of the proposed amendments to the Affordable Housing Overlay Zone in June 2011.</p> <p>The City also partnered with Western Community Housing and Meta Housing to complete development on the 76-unit Cotton's Point Senior Apartments in 2014. Cotton's Point is located in the Housing Overlay zone at 2358 South El Camino Real. This project demonstrates the feasibility of developing projects in the City's Affordable Housing Overlay Zone.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version will be included in the 2013-2021 Housing Element.</p>
<p>Program 4: Inclusionary Housing Program</p>	<ul style="list-style-type: none"> ▪ Continue implementation of the Inclusionary Housing Program. ▪ Conduct a study to determine an in-lieu fee schedule. ▪ Develop incentives for new affordable development partnerships. 	<p>The City continues to implement the Inclusionary Housing Program, which requires developers building six or more housing units to provide four percent of the total number of units for very low income households, provide on-site or off-site improvements, pay an in-lieu fee, donate land, or provide a combination of the above. In-lieu fees are provided as a no interest or low interest loan to non-profit agencies for a minimum of 55 years to acquire or build affordable housing.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2013-2021 Housing Element.</p>
<p>Program 5: Affordable Housing Development</p>	<ul style="list-style-type: none"> ▪ Initiate two new projects by 2009. ▪ Develop a marketing package for the Affordable Housing Overlay zone. ▪ Meet with Non-profit developers and housing organizations to evaluate projects for acquisition and rehabilitation of new shelters and long term affordable housing. 	<p>The City partnered with Western Community Housing and Meta Housing to complete development on the 76-unit Cotton's Point Senior Apartments in 2014. Cotton's Point was financed with in-lieu funds from the City of San Clemente, the County of Orange, and the Mental Health Services Act (MHSA) Housing Program. The City also recently completed the 19-unit Las Palmas Apartments in 2015 in partnership with National Community</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
		<p>Renaissance of Rancho Cucamonga. Las Palmas was developed on a parcel that was purchased by the City using former redevelopment funds.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element.</p>
<p>Program 6: Avenida Serra Workforce Housing project</p>	<ul style="list-style-type: none"> ▪ Develop the Avenida Serra site for affordable housing or sell parcel by 2014. 	<p>The City recently completed the 19-unit Las Palmas Apartments (formerly known as the Avenida Serra Workforce Housing project) in 2015 in partnership with National Community Renaissance of Rancho Cucamonga. Las Palmas provides affordable housing for workers in the City's downtown.</p> <p><i>Continued Appropriateness:</i> This program has been completed and is not included in the 2013-2021 Housing Element as a separate housing program. However, the City will continue to facilitate affordable housing development through its Affordable Housing Development; Affordable Housing Overlay; and Inclusionary Housing programs.</p>
<p>Program 7: Second Unit Ordinance</p>	<ul style="list-style-type: none"> ▪ Consider expanding locations of where second units are allowed. ▪ Prepare educational materials on second unit provisions and advertise on City web site by 2010. 	<p>Due to staffing constraints, the City has not yet reevaluated its Second Unit Ordinance.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and this program is continued in the 2013-2021 Housing Element.</p>
<p>Program 8: Pursue funding sources and programs</p>	<ul style="list-style-type: none"> ▪ Apply for CDBG grants annually. ▪ Evaluate other grant sources such as HOME and ESG programs annually. 	<p>The City continues to pursue and implement a CDBG program on an annual basis.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version is included in the 2013-2021 Housing Element.</p>
<p>Program 9: Permit Processing</p>	<ul style="list-style-type: none"> ▪ Initiate expedited permit processing and by-right feasibility study in 2010. ▪ Amend the Zoning Ordinance to eliminate CUP requirement and allow by-right development of multi-family housing in the 	<p>Due to funding constraints, the City chose not to pursue the permit processing and by-right feasibility study. However, the 2011 amendments to the Affordable Housing Overlay include removal of the CUP requirement for multi-family affordable</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
	Affordable Housing Overlay and Multi-family zone.	housing projects in the Overlay. <i>Continued Appropriateness:</i> This program is not included in the 2013-2021 Housing Element.
Program 10: Acquisition and Conversion of Market-Rate Housing to Affordable Housing	<ul style="list-style-type: none"> ▪ Work with at least one non-profit organization to assist in purchasing a site to be used as transitional housing and/or long term permanent housing. 	<p>The City partnered with Western Community Housing and Meta Housing to complete development on the 76-unit Cotton's Point Senior Apartments in 2014. Fifteen of the 76 units are dedicated to older adults with mental illness. The City also recently completed the 19-unit Las Palmas Apartments in 2015 in partnership with National Community Renaissance of Rancho Cucamonga. Las Palmas provides affordable housing for workers in the City's downtown and was developed on a parcel that was purchased by the City using former redevelopment funds.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element.</p>
<ul style="list-style-type: none"> ▪ <i>Goal 2: Reduce energy consumption in residential developments.</i> 		
Program 11: Sustainable Policies	<ul style="list-style-type: none"> ▪ Adopt sustainable design policies and standards by 2012. 	<p>The City adopted a Sustainability Action Plan in 2010, which includes a series of sustainable Urban Design targets and actions.</p> <p><i>Continued Appropriateness:</i> This program is completed and a modified version is included in the 2013-2021 Housing Element.</p>
Program 12: Energy Saving Measures	<ul style="list-style-type: none"> ▪ Implement energy savings programs in 2008. 	<p>San Clemente residents and business owners are eligible to finance energy efficient property improvement projects through the Property Assessed Clean Energy (PACE) financing program. Three PACE programs are currently available to San Clemente residents: CaliforniaFIRST, Figtree Financing, and HERO financing.</p> <p><i>Continued Appropriateness:</i> This program is completed and a modified version is included in the 2013-2021 Housing Element as part of the Sustainable Policies Program.</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
<p>Program 13: Resource Conservation</p>	<ul style="list-style-type: none"> ▪ Implement conservation and recycling programs to meet State and Federal requirements in 2008. 	<p>The City adopted a Sustainability Action Plan in 2010, which includes a series of resource conservation targets and actions. This Plan is currently being implemented by the City.</p> <p><i>Continued Appropriateness:</i> This program is completed and a modified version is included in the 2013-2021 Housing Element as part of the Sustainable Policies Program.</p>
<p>Program 14: Building Department Training</p>	<ul style="list-style-type: none"> ▪ Provide regular Building staff meetings and training opportunities. 	<p>Staff meetings and training opportunities are provided to Building Division staff on an ongoing basis.</p> <p><i>Continued Appropriateness:</i> This program constitutes a standard City policy and is not included in the 2013-2021 Housing Element as a separate program.</p>
<p>Program 15: Building Codes</p>	<ul style="list-style-type: none"> ▪ Adopt new codes as required by State law. 	<p>The City recently adopted the 2013 California Building Codes. Updated building codes will be adopted as required by State law.</p> <p><i>Continued Appropriateness:</i> This program constitutes a standard City procedure and is not included in the 2013-2021 Housing Element as a separate program.</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
<p>▪ <i>Goal 3: Ensure equal housing opportunity and prevent housing discrimination against protected households.</i></p>		
<p>Program 16: Fair Housing</p>	<ul style="list-style-type: none"> ▪ Work cooperatively with the Fair Housing Foundation to provide fair housing information and attend three City outreach events a year. 	<p>The City continues to provide fair housing assistance to its residents through its support of and contract with the Fair Housing Foundation of Long Beach. The Fair Housing Foundation provides the following services to San Clemente residents: assistance with tenant-landlord disputes, dissemination of fair housing information, and assistance with allegations of housing discrimination. The Fair Housing Foundation assists approximately 140 San Clemente residents and hosts three fair housing workshops at the City's Community Center annually.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and will be included in the 2013-2021 Housing Element.</p>
<p>Program 17: Fair Housing Education</p>	<ul style="list-style-type: none"> ▪ Assist San Clemente residents with information five days a week and participate in one outreach event a year. 	<p>The City continues to provide fair housing assistance to its residents through its support of and contract with the Fair Housing Foundation of Long Beach. The Fair Housing Foundation provides the following services to San Clemente residents: assistance with tenant-landlord disputes, dissemination of fair housing information, and assistance with allegations of housing discrimination. The Fair Housing Foundation assists approximately 140 San Clemente residents and hosts three fair housing workshops at the City's Community Center annually.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element as part of the Fair Housing Program.</p>
<p>Program 18: Non-profit Service Agencies</p>	<ul style="list-style-type: none"> ▪ Identify sites and provide subsidies and development requirements to non-profit housing and disabled services organizations to meet housing needs of special needs, disabled, fixed income, extremely-low- and very-low-income and workforce households. 	<p>The City partnered with Western Community Housing and Meta Housing to complete development on the 76-unit Cotton's Point Senior Apartments in 2014. Fifteen of the 76 units are dedicated to older adults with mental illness. The City also recently completed the 19-unit Las Palmas Apartments in 2015 in</p>

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Program	Objectives	Progress
		<p>partnership with National Community Renaissance of Rancho Cucamonga. Las Palmas provides affordable housing for workers in the City's downtown and was developed on a parcel that was purchased by the City using former redevelopment funds.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element as part of the Affordable Housing Development Program.</p>
<p>Program 19: Housing for Persons with Disabilities and Other Special Needs Households</p>	<ul style="list-style-type: none"> ▪ Increase physical access for persons with special needs. ▪ Establish procedures for reasonable accommodations. ▪ Provide a definition of "Family" in the Zoning Ordinance. ▪ Clarify approval procedures for small group homes with six or fewer clients. 	<p>The City adopted a formal reasonable accommodations procedure in 2015. The City also adopted an Interim Urgency Ordinance in 2015 that placed a temporary moratorium on the permitting and establishing of sober living homes and large alcohol/drug abuse recovery or treatment facilities in residential zones. The purpose of this moratorium is to provide City staff with time to evaluate and potentially amend the Zoning Ordinance to ensure that sober living homes of any size and large alcoholism or drug abuse recovery or treatment facilities are reasonably regulated so that they blend in with single-family neighborhoods.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version is included in the 2013-2021 Housing Element as part of the Zoning Ordinance Monitoring Program.</p>
<p>Program 20: Universal Design</p>	<ul style="list-style-type: none"> ▪ Require all new projects receiving public funds (CDBG, RDA, In-lieu fees) to improve access and provide universal design. 	<p>Universal design principles were utilized in the development of two affordable projects in San Clemente: Cotton's Point Senior Apartments and Las Palmas Apartments.</p> <p><i>Continued Appropriateness:</i> This program constitutes a standard City practice and is not included in the 2013-2021 Housing Element as a separate program.</p>
<p>Program 21: Emergency Shelters</p>	<ul style="list-style-type: none"> ▪ Amend the Zoning Ordinance within one year of Housing Element adoption to comply with SB 2. 	<p>The City amended the Zoning Ordinance in 2014 to establish an Emergency Shelter Overlay Zone (ES). The ES Overlay consists</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
<p>and Transitional Housing</p>		<p>of: 1) Public and Civic Center zoned properties; excluding parcels with schools or school facilities; and 2) City owned parcels, in Commercial, Business Park or Industrial zoning districts, and a minimum of 500 feet from residential zoned properties. Emergency shelters meeting the development standards outlined in Chapter 17.56 of the San Clemente Zoning Ordinance are permitted by right in the ES Overlay Zone. Overall, 45 parcels totaling approximately 75 acres of eligible properties within the ES Overlay. Emergency Shelters are also allowed, by right, as an accessory use to Churches and Religious Institutions located outside the ES Overlay District, subject to a 10-bed limit per facility. There are 21 churches in the City, currently totaling 64 acres. The City is processing an amendment to the ES Overlay to revise development standards to be consistent with SB2. This amendment is scheduled for Planning Commission review on November 15, 2015.</p> <p>The City has not yet updated the Zoning Ordinance to include provisions for transitional and supportive housing. This amendment is expected to be completed by Spring 2016. The City currently permits this type of development by-right.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version is included in the 2013-2021 Housing Element as part of the Zoning Ordinance Monitoring Program.</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
<p>Program 22: Social Services Grant Program</p>	<ul style="list-style-type: none"> ▪ Provide grant applications for housing funds to homeless service organizations annually. 	<p>The City continues to set aside approximately 15 percent of its annual CDBG allocation for social services. Grant applications are announced in the local newspaper, at the City's Human Affairs meetings and at the San Clemente Collaborative's General Meeting, and are available on the City's web site and through direct mail. The City's grant application process was reviewed by a committee during a February 9, 2015 Grant Budget Meeting.</p> <p><i>Continued Appropriateness:</i> This is part of the City's routine CDBG program process and will be included in the 2013-2021 Housing Element as a separate program.</p>
<p>Program 23: Financial Assistance for Transitional and Supportive Housing</p>	<ul style="list-style-type: none"> ▪ Provide financial assistance to upgrade housing to provide universal design through the Housing Rehabilitation Program. 	<p>The City has operated the CDBG funded Home Rehabilitation Program for low income single family and multi-family improvements since 1994. During 2013-14, the City provided three multi-family home rehabilitation loans and three single-family home rehabilitation loans. Over 185 properties have been rehabilitated since the program was first established. Since 2009, one of these property upgrades included accessibility improvements.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and a modified version is included in the 2013-2021 Housing Element as part of the Neighborhood Revitalization Program.</p>
<ul style="list-style-type: none"> ▪ <i>Goal 4: Ensure that housing units, especially regulated affordable units, shelters, and properties owned by lower-income residents, are maintained and rehabilitated.</i> 		
<p>Program 24: Home Rehabilitation Program</p>	<ul style="list-style-type: none"> ▪ Inspect regulated units and respond to complaints as requested. ▪ Provide funds to non-profit housing organizations as grants. ▪ Advertise applications for funds quarterly in the City's newsmagazine and web site. 	<p>The City's Community Development Department currently implements the Neighborhood Revitalization Program which includes the Home Rehabilitation Program and the Neighborhood Pride Program. The CDBG funded Home Rehabilitation Program has been providing loans to qualified rental properties and owner-occupied properties since 1994. The program is advertised in the City's quarterly magazine, which is</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
		<p>mailed to approximately 31,000 residents and businesses in the City, in addition to public noticing in the local paper.</p> <p>Code Enforcement personnel also continue to regularly monitor property maintenance matters in the City's CDBG Target Areas.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element as the Neighborhood Revitalization Program.</p>
<p>Program 25: Neighborhood Pride Program</p>	<ul style="list-style-type: none"> ▪ Implement neighborhood clean-up and/or educational events at least twice a year. 	<p>The City's Community Development Department currently implements the Neighborhood Revitalization Program which includes the Home Rehabilitation Program and the Neighborhood Pride Program. The Neighborhood Pride Program was developed in Central San Clemente as a partnership program with property owners to address neighborhood deterioration, to correct code enforcement violations and to improve the appearance and safety of older, high density neighborhoods. City staff partnered with Orange County Human Relations and non-profit volunteers to provide four community events in 2014, which included clean-ups and walk audits with Orange County Health Agency staff. A school/community garden was also installed last year in the Neighborhood Pride Area at Las Palmas Elementary School.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element as the Neighborhood Revitalization Program.</p>
<p>Program 26: Casa de Seniors</p>	<ul style="list-style-type: none"> ▪ Verify continuation of housing program at Casa de Seniors annually. 	<p>The Presidio (formerly known as Wycliffe Casa de Seniors) continues to provide 72 affordable units for seniors and persons with disabilities. City staff will continue to monitor the affordability of this project as well as any other projects at risk of converting to market rate. The City also recently partnered with a local non-profit to provide numerous upgrades, rehabilitate units, and develop an on-site community garden.</p>

Table C-1: Review of Past Accomplishments

Program	Objectives	Progress
		<p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element as the At-Risk Housing Program.</p>
<p>Program 27: Shorecliffs Mobile Home Park</p>	<ul style="list-style-type: none"> ▪ Publish quarterly advertisements of the Home Rehab Program in the City's newsletter. ▪ Distribute program flyers to the Homeowners association annually. 	<p>The City's Community Development Department currently implements the Neighborhood Revitalization Program which includes the Home Rehabilitation Program and the Neighborhood Pride Program. The CDBG funded Home Rehabilitation Program has been providing loans to qualified rental properties and owner-occupied properties since 1994. The program is advertised in the City's quarterly magazine, which is mailed to approximately 31,000 residents and businesses in the City, in addition to public noticing in the local paper. Since 2012, City staff have made CDBG presentations to residents on an annual basis. On average, one rehabilitation project is completed at Shorecliffs each year.</p> <p><i>Continued Appropriateness:</i> This program continues to be appropriate and is included in the 2013-2021 Housing Element as part of the Neighborhood Revitalization Program.</p>
<p>Program 28: Condominium Conversions</p>	<ul style="list-style-type: none"> ▪ Prepare annual report certifying Vacancy Rate which determines the number of apartments that can be converted to condominiums. ▪ Maintain applications for conversion and ensure the Condo conversion code is enforced. 	<p>City staff will continue to prepare annual reports and maintain applications for condominium conversion.</p> <p><i>Continued Appropriateness:</i> This program constitutes a routine City service and is not included in the 2013-2021 Housing Element as a separate program.</p>

Appendix D: Inclusionary Housing Program

D.1 Purpose and History of the Inclusionary Program

The purpose of the Inclusionary Housing Program is to expand the affordable housing stock in San Clemente in proportion with the overall increase in new residential units built in the City, thus providing housing for a varied and viable population. The program was originally established in 1980 and has been amended since then to adjust for changing market conditions and circumstances. However based on a 2009 California State Supreme Court action denying review of a lower court decision in the Palmer v. City of Los Angeles case, typical inclusionary housing requirements throughout the State have been altered to conform with the Court's action. This means that, with very limited exceptions (e.g., density bonus projects and projects receiving governmental financial assistance), inclusionary requirements for rental projects are illegal/unenforceable in California.

During the 1980s, three apartment complexes were built in the Ranch developments providing a total of 810 new apartment units to meet inclusionary requirements. By 1998, all Inclusionary projects built in Rancho San Clemente and Marblehead had fulfilled their term of affordability as required by the Inclusionary Program established in 1980.

No new apartments were built within Ranch developments for households earning 50% or less than median income through the Inclusionary Housing Program between 1989 and 1999. In 2000, the Talega developers provided 10 acres of land for the provision of a 186-unit affordable family apartment complex to meet their inclusionary requirements. The option to develop the project was provided to Jamboree Housing Corporation, a non-profit housing organization. It was completed in 2003.

Through the evaluation of past inclusionary projects, it was determined that very low income households are better served by affordable rental units than for-sale housing. Therefore, the option for developers to provide for-sale housing to meet their Inclusionary requirements was eliminated in 1996.

During the 2000-2007 Housing Element planning period, the Inclusionary Housing Program required all new developments with 6 or more units to provide a total of 4% of the units to households earning 50% or less than median income. This could be accomplished through the construction of new apartment units, either on- or off-site, through the payment of an in-lieu fee or provision of land, or a combination to be recommended by the Community Development Director. The City Council has recommended that the Inclusionary Program continue as adopted in 2000.

With the City of San Clemente nearing build out a different strategy is needed to provide a share of all new housing units as affordable to very low income households. All of the Ranch properties have been approved and the one large remaining project, Marblehead Coastal, will be paying an in-lieu fee. There is over \$4 million in in-lieu fees and RDA Housing Funds which are available for development of housing for the lower wage workforce or seniors. In 2006, the City Council adopted the Affordable Housing Overlay Zone along El Camino Real. The Overlay is zoned commercial and the only housing which can be built is senior housing or mixed income housing with 51% of the units affordable to households earning

up to 50% of area median income. Most of the properties will generate projects of less than 25 units, except for the old Coco's restaurant site, if properties are consolidated, or old motels are redeveloped. The Overlay sites are unlikely to be developed without an incentive program including, financial assistance to non-profit organizations to purchase the affordable units or build new housing projects. The requirement to provide on-site affordable units results in less resistance to affordable housing when they are proposed as part of a mixed income development.

D.2 2008 Inclusionary Housing Program Recommendations

Who Participates: The program shall apply to new developments of 6 or more dwelling units intended to be built as a single project. Affordable units will be eligible for development incentives, density bonuses and financial assistance.

Term of Affordability: Inclusionary units shall remain affordable for a minimum of 30 years, or if other public financing has longer terms the longest term shall prevail. Household income and rent for rent-restricted units must be reported annually to the Community Development Department - Housing Program.

Type of Units: Affordable units shall be for rent only and shall have the same proportionate number of bedrooms as the non-inclusionary project. All new inclusionary units shall be owned and operated by a non-profit housing organization, unless the owner agrees to a deed restriction and enters into regulatory agreement with the City, which shall include the management of the affordable units by a non-profit organization.

The requirement for new units may vary depending on the number of bedrooms per apartment and market needs. For example, if the developer is building 100 three-bedroom homes, and 13 affordable units are required, a minimum of 13 three-bedroom apartments with housing cost at 50% of median income can be built to meet the inclusionary requirement. An alternative, depending on market needs, and with a recommendation by the Community Development Director, and approval by the City Council, the developer can choose to meet the inclusionary requirement by providing 39 bedrooms in a combination of apartment types including: studios, one-, two-, three- or four-bedroom units, resulting in a variation of the number of housing units.

Housing Cost: Affordable units shall be rented out to households earning 50% or less than median income, with rents no greater than 30% of 50% of Orange County Median Income by household size less the utility allowance. For example: The 2007 Orange County Median Income for a four-person household earning 50% of median income is \$43,300. Allowable housing costs are derived by dividing \$43,300 by 12 months, multiplied by 30%, generating total monthly housing costs of \$1,083. A utility allowance is deducted from the housing costs to determine the actual rent amount. Utility allowances are adjusted annually and are established by the Orange County Housing Authority. For example, if a one-bedroom apartment's utility allowance is \$40, then the allowable rent would be \$1,043. Housing costs are adjusted annually by household size and household income.

Developer Options:

Options will be subject to a recommendation by the Community Development Director and approval of an Affordable Housing Agreement by the City Council.

1. Build new apartments (4% of total number of units) on or off-site, with rental costs affordable to households earning 50% of median income by household size. The number of very-low-income units required is a minimum of 4% of the total number of new units built. The requirement may be varied depending on the number of bedrooms per apartment and market needs. For example, if the developer is building 100 - 3 bedroom homes, and 4 affordable units are required, a minimum of 4 3-bedroom apartments with housing cost at 50% of median income can be built to meet the inclusionary requirement or depending on market needs, and with a recommendation by the Community Development Director, the developer can choose to meet the inclusionary requirement by providing 12 bedrooms in a combination of apartment types including: studios, one-, two-, three- or four-bedroom units, resulting in a variation of the number of housing units.
2. Pay an in-lieu fee. The in-lieu fee will be paid at the same time of payment of building permit fees.
3. Provide the equivalent amount of land (on-site or off-site) and development fees to a non-profit developer to own and build the required number of inclusionary housing units generated from the proposed development. (more units may be built, but not less).

Definitions:

1. *Eligible Households* - One or more persons in a household whose combined income(s) is within 0-50% of Orange County median income for that household size.
2. *Housing Cost for Affordable Units* - Housing cost shall not be greater than the payment of rent and utilities equal to 30% of 50% of median income.
3. *Household Income* - As determined by the U.S. Dept. of Housing and Urban Development (HUD) for each State and County annually.

D.3 In-Lieu Fees

The in-lieu fee is based on 1% of construction value. An annual housing market analysis is required to ensure the fee is commensurate with the current affordability gap. The construction value will be calculated by the Building Department and 1% of the value will be compared to the housing gap analysis prepared by the Housing Program. The in-lieu fee will be equivalent to the gap times 4% (the inclusionary percentage), for final determination of the in-lieu fee per market rate unit (see formula below).

The in-lieu fee is based upon provision of housing for households earning no more than 50% of median income. The fees will allow for a variety of housing options. Through the use of in-lieu fees and other government grants, funds to non-profit organizations could be used to acquire existing apartments, construct new apartments, or the purchase and conversion of old motels. The funds would allow for alternative forms of housing for the special needs population and low wage workforce. The use of in-lieu fees would also allow a non-profit developer to purchase the inclusionary unit(s) built as part of a market rate project.

In order to understand the cost of affordable housing it is necessary to understand the cost of development and how the affordability gap is determined. The cost of development includes direct construction costs, indirect costs (design, financing and government fees), land costs and developer's profit. The development value of an affordable unit (based on allowable rent or sales price less operating costs), is then calculated and subtracted from the development costs. The difference generates the "affordability gap." The affordability gap is the amount of subsidy needed to create affordable units. The components of the in-lieu fee for a rental housing development include the following:

1. Lowest prevailing mortgage rate available for multi-family units available at the time of analysis.
2. Construction costs per the McGraw/Hill construction index, plus government fees and other soft costs as a percent of direct construction costs.
3. Apartment overhead and maintenance costs per non-profit housing standards and utility costs.
4. Current year HUD median income for Orange County family of 4 (or family of 2 for senior housing development).
5. Affordable rents based on the payment of 30% of a household's income paid toward housing costs at the 50% of median income level.
6. Cost of land (average cost per square foot as determined by land sold within the previous year of a sampling of multi-family residential and affordable overlay parcels).

The following example illustrates how the fee is generated based on the housing cost variables.

D.4 Cost of Affordable Housing/In-Lieu Fee

Development Costs direct construction costs (unit size, 1100 sq. ft x construction cost/sq.ft) + indirect costs as a percentage of direct costs (35%) + land cost (average land value/sq.ft/unit)

Subtract the Affordable unit's ability to pay - Very Low Income household - 4 person household income/12 x .30 = Monthly Rent minus monthly overhead & maintenance cost minus utility allowance = Very Low Income unit value

Equals Cost /Affordable Unit = (Affordability Gap)

Affordability Gap x 4% inclusionary variable = In-lieu fee/market rate unit

D.5 Use of Fees

The fees are used to subsidize development of new affordable units and would be leveraged in combination with other State or Federal subsidies as applied for by a non-profit organization. Off-site development of affordable units would be at the discretion of the developer to partner with a non-profit organization to build or purchase the units to meet their inclusionary requirements. Subsidies and development incentives would be dependent on availability and based on the development proposed.