

**CITY OF SAN JUAN CAPISTRANO  
2014-2021 HOUSING ELEMENT**

**ADOPTED JANUARY 21, 2014/REVISED SEPTEMBER 19, 2017**

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## **INTRODUCTION**

# INTRODUCTION

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## ***CITY PROFILE***

The charming community of San Juan Capistrano is situated in the southwestern part of Orange County. It is the seventh smallest city in Orange County in population size. The City's setting provides a quaint Southern California coastal community feeling. The City's location, just off the Interstate 5 and nestled slightly off the coast between San Clemente and Dana Point, makes it easily accessible for residents and visitors.

Although the City was officially incorporated in 1961, San Juan Capistrano has a rich and unique history that stems back to the late 1700s. The Mission San Juan Capistrano was founded in 1776. It is believed to be the oldest church in California and the birthplace of Orange County. Since its incorporation, the community has grown from about 10,000 residents in 1974 to over 34,593 in the 2010 census.

Located in the southwestern portion of Orange County, the City of San Juan Capistrano is characterized by a variety of landscapes ranging from rolling hills, steep mesa bluffs, and urban areas that run the gamut from rural estate parcels to the core areas of commercial and higher density housing. The City is transected by Interstate 5 and Trabuco Creek running north to south and San Juan Creek running from east to west, somewhat paralleling the Ortega Highway. It is adjacent to San Clemente on the south, Dana Point and Laguna Niguel on the west, and Mission Viejo on the north and large unincorporated areas to the east.

## ***KEY ISSUES AND OPPORTUNITIES***

As a result of the initial needs assessment and input received during the drafting of the Housing Element, two interrelated factors were identified as among the key issues and opportunities upon which the update to the Housing Element could focus: (1) the issue of housing affordability; and (2) the issue of the amount of land available for residential development. These two issues are regional in nature but are compounded in San Juan Capistrano by the City's location in an expensive housing market that prevails through Orange County and by amount of land that has been developed within the City.

The amount of land available for residential development is more challenging in San Juan Capistrano than many other areas in the County. The City has limited vacant land suitable for residential development. It is a relatively well defined geographic area, and finding sites suitable for residential development, especially higher density, is difficult. This shortage when combined with a favorable economy and the "market attractiveness" of San Juan Capistrano has produced historically high land costs. This issue is compounded by the perception that, due to this lack of vacant available land, that the City is becoming "built out".

The perception of being "built out" often overlooks the reality of the private market redevelopment processes that continuously act upon selected land uses throughout the City (e. g., older commercial centers). A number of unique opportunities exist within the City to capitalize on these processes and proactively manage such change so that it provides strong vibrant neighborhood centers.

The first key opportunity that offers the City a significant advantage as it prepares its housing strategies involves the potential to better utilize the City's available land, both vacant and already developed. Through a more proactive planning and design approach to development, the City can encourage infill and revitalization opportunities that yield affordable housing.

The second key opportunity involves the provision of affordable housing units. The City's existing housing programs provide important resources for more affordable housing. Based on the assessment of the effectiveness of these programs, some modifications and additions may be necessary to increase their scope and impact. This review suggests a number of potential activities that involve the participation of private developers, such as

density bonuses, accessory units, inclusionary zoning, infill development and others. As part of the assessment of the effectiveness of its current programs, the City looked closer at some key programs to determine the extent that the City can address its housing challenges.

The third key opportunity that the City should capitalize upon is the potential role that affordable housing developers (both private for profit and non-profit companies) can play in assisting the City to meet its affordable housing objectives. The City could become a catalyst for collaborative efforts with developers who specialize in affordable housing. During the past few years, these agencies have gained additional experience and capabilities, especially in Orange County, that could be a valuable resource for the City. Their expertise and experience could be used to complement limited City resources to deliver affordable housing products that would be a community asset as well as addressing housing needs.

### ***HOUSING ELEMENT SCOPE AND CONTENT***

The Housing Element for the City of San Juan Capistrano is a required element of the City's General Plan. It covers the time period of October 15, 2013 through October 15, 2021. The submittal date for this round of revisions is October 15, 2013. The planning period for the City's Regional Housing Needs Assessment (RHNA), or its identified housing need as assigned by the Southern California Association of Governments, differs from the Housing Element Planning period. The RHNA planning period is January 1, 2014 to October 31, 2021. As such this Housing Element is referred to as the 2014-2021 Housing Element.

The California Legislature has identified the attainment of a decent home and suitable living environment for every Californian as the state's main housing goal. Recognizing the important part that local planning programs play in pursuit of this goal, the Legislature has mandated that all cities and counties prepare a Housing Element as part of their comprehensive general plans. Section 65581 of the California Government Code reflects the legislative intent for mandating that each city and county prepare a Housing Element:

- To assure that counties and cities recognize their responsibilities in contributing to the attainment of the State housing goal.
- To assure that counties and cities will prepare and implement housing elements which, along with federal and State programs, will move toward attainment of the state housing goals.
- To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the State housing goal, provided such a determination is compatible with the State housing goal and regional housing needs.
- To ensure that each local government cooperates with other local governments in order to address regional housing needs.

Unlike the other elements of the General Plan, state law explicitly requires that the Housing Element be updated on an eight-year cycle, linked to the Regional Transportation Plan (Government Code § 65588). The City's Housing Element was last adopted on October 19, 2010. The City's previous Housing Element update was drafted and submitted to the State Department of Housing and Community Development (HCD) for its finding of compliance. That document was certified and provided a solid starting point for this update. The goals and policies of the 2014-2021 Housing Element carry forward much from the previous element, with refinements and new programs where necessary, to address changed circumstances and new state laws. The housing development strategy and housing programs reflect the City's experiences gained from previous efforts in the improvement, preservation, and development of affordable housing. Nonetheless, the City's near built-out status, in accordance with the General Plan, continues to affect the City's ability to accommodate the housing needs of all economic segments of the community.

The Housing Element consists of the following major components:

- An introduction of the purpose and organization of the Housing Element

- An analysis of the City’s demographic and housing characteristics and trends
- A review of potential market, governmental, and environmental constraints to meeting the City’s identified housing needs
- An evaluation of land, administrative, and financial resources available to address the housing goals
- A review of past accomplishments under the previous Housing Element
- A Housing Plan to address the identified housing needs, including housing goals, policies, and programs

In response to updated Housing Element law, this Housing Element addresses SB 812 that requires the housing element to assess the housing needs of developmentally disabled persons. SB 244 requires cities and counties, prior to adoption of the Housing Element, to address the infrastructure needs of disadvantaged unincorporated communities outside the city’s limits but within the city’s planning area. Based on the data from the California Department of Water Resources, no such conditions exist in San Juan Capistrano’s planning area.

**GENERAL PLAN CONSISTENCY**

The City’s General Plan contains goals and policies for urban development, community design, housing, natural hazards, economic development, and public services and facilities. The content of this Housing Element is consistent with the goals and policies of all elements of the General Plan. The City’s general plan contains six elements that respond to the State’s requirements: Land Use, Housing, Circulation, Safety, Conservation and Open space (combining these two required elements) and Noise. The General plan also contains six optional elements: Cultural Resources, Community Design, Growth Management, Parks and Recreation, Public Services and Utilities, and Floodplain Management.

The Land Use Element sets forth the amount and type of residential development permitted under the General Plan, thereby affecting housing opportunity in the City. In addition, the Land Use Element contains policies directed at maintaining the existing housing stock, as well as ensuring the quantity and quality of new residential development. The Circulation Element contains policies to minimize roadway traffic into residential neighborhoods. The Safety Element sets forth policies to ensure the safety of the City’s housing stock through such measures as code enforcement, and mitigation of environmental hazard as a condition to development. The Conservation and Open Space Element establishes development standards to minimize the impact of residential development on sensitive resources, such as hillside areas, ecological habitat, and scenic view sheds. The Noise Element sets forth policies to minimize the level of noise in residential neighborhoods.

The Optional elements also bear a relationship with the Housing Element. Cultural Resources establishes development standards to minimize the impact of residential development on cultural resources; the Community Design Element insures the quality and review of residential development; the Growth Management Element outlines the City’s policies toward residential growth and development; the Parks and Recreation Element establishes development standards to insure adequate park and recreation facilities for existing and future residential development; the Public Services Element establishes development standards to insure the availability of such services to existing and future residential development; and the Floodplain Management Element establishes flood plain development standards to minimize the impact of flood plains on residential development.

The content of this Housing Element is consistent with, and supported by, the goals and policies of all Elements of the General Plan. Table 2 below identifies the other General Plan Elements that support the major goals addressed in the Housing Element. When an element in the General Plan is amended, the Housing Element will be reviewed and modified if necessary to ensure continued consistency among the various elements. Specifically, new State law requires that the Safety and Conservation Elements include an analysis and policies regarding flood hazard and management information upon revisions to the Housing Element. The City will ensure that updates to these Elements achieve internal consistency with the Housing Element. Through the City’s annual General Plan implementation review process, the City will ensure internal consistency among the various elements of the General Plan.

## **PUBLIC PARTICIPATION**

The City posted public notices at City Hall and on the City's web site, advertised in the local newspaper, and held the meetings at City Hall during the evening in order to use a thorough noticing process and to provide the opportunity for as many residents as possible to participate. The hearings were scheduled to involve the public at three key stages: drafting, authorization and approval. Comments received at the public hearings have been considered and incorporated into the updated plan in many places.

The City held a workshop with housing stakeholders including developers and low income housing advocates on November 13, 2013 to discuss the draft Housing Elements. Notices of the workshop were sent to low income housing advocates and non-profit organizations who traditionally represent the hard to reach segments of the population. Two of these representatives participated at the workshop; the Regional Center of Orange County representative provided up-to-date statistics regarding their assistance to San Juan Capistrano residents and language they would like to see regarding development disability, Families Forward provided input regarding their program and how they would like to participate with the City in the Future. The Housing Element was revised in order to better respond to the concerns raised at the workshop. All the originations which received direct notices for the workshop are listed below.

- The Kennedy Commission
- Orange County Association of Realtors
- Orange County Housing Providers
- BIA/OC-GAC
- Collette's Children's Home
- Habitat for Humanity Orange County
- iHOPE
- Orange County Housing Authority
- Fair Housing Foundation
- Mary Erickson Community Housing
- Housing With Heart, Inc.
- Laura's House
- Families Forward
- Dayle McIntosh Services for the Disabled
- Orange County Housing Opportunities Collaborative
- S. Orange County Alliance for Housing Our Community
- NAI Capital
- Sandag
- South County Community Outreach
- RE/MAX Real Estate Services
- CDC
- Orange County Community Housing
- OC Partnership to End Homelessness
- Regional Center of Orange County
- Mission Hospital
- Camino Health Care Center
- Family Assistance Ministries
- Friendship Shelter
- CSP, Inc-Homeless Youth Shelter
- Mr. Michael McLaughlin, Consultant

The City held two noticed public hearings before the Planning Commission and City Council. These notices also were sent to low income housing advocates and non-profit organizations who traditionally represent the hard to reach segments of the population. Representatives participated in the public hearings and the Housing Element draft was revised to include comments and recommendations provided by the lower income housing advocates and representatives. As part of the 2016 update to the Housing Element Sites Inventory, the City held three more public hearings. On May 5, 2015, the City Council approved the initiation of the General Plan Amendment to amend the zoning and General Plan Land Use Designation for the new Housing Element site and to update the Housing Element sites inventory. On February 9, 2016, the Planning Commission reviewed the proposed change to the City Hall site and the sites inventory update, and recommended to the City Council that the changes be adopted. At the May 3, 2016 City Council hearing, the Council adopted the change to the zoning and General Plan Land Use Designation for the City Hall site, as well as the update to the Housing Element sites inventory. Pursuant to Title 9, Land Use Code, Section 9-2.302(f), Notification Procedures of the City's Municipal Code, public hearing notices for all three meetings were published in the Capistrano Valley News at least 10 days prior to the hearing and were posted at three public locations. Additionally, property owners within 300 feet of City Hall were provided notification of the hearings.

The City will hold one additional hearing for the final adoption of the update. Along with the notification required for this hearing by California's and the City's codes, the City will mail notices to nonprofit organizations and stakeholders in Orange County, including those listed above, who have expressed interest in affordable housing issues in San Juan Capistrano.

Consistent with Government Code §65352.3 (SB 18), the City also notified the appropriate tribes (on the contact list maintained by the Native American Heritage Commission) of the opportunity to conduct consultations for the purpose of preserving, or mitigating impacts to, cultural places located on land within the local government's jurisdiction that is affected by the proposed plan adoption or amendment. Contacted tribes had 90 days from the date on which they receive notification to request consultation. None of the tribes requested consultation.

The California Environmental Quality Act (CEQA) requires environmental review on many government activities including the development of programs and plans that may have an effect on the environment. Concurrent with the development of the update to the Housing Element, an environmental Initial Study was conducted in accordance with the provisions of CEQA, which concluded that adoption of the revised plan would not result in significant impacts to the environment. A Notice of Negative Declaration was circulated for a 30-day public comment period (November 2013).

The Kennedy Commission submitted comments in letter form prior to the hearings. A copy of the letter is included as Appendix 2. In their letter, the Kennedy Commission encouraged the City to encourage and facilitate the development of affordable housing for extremely low, very low, and low income families as well as those with special needs.

In the Housing Plan, many policies and programs are included to encourage and facilitate housing for lower income households and those with special needs. Specific mechanisms for development and funding of affordable housing are identified (such as Inclusionary Housing and In-Lieu Fees) as are a list of the major public financing programs currently available (Program 5). Program 5 also indicates that the City will work with developers to provide technical regulatory and financial assistance in developing affordable housing. Through the Housing Element Annual Progress Report requirements the City will be able to monitor and evaluate its progress in addressing the community's housing needs and modify or redirect its resources to most efficiently do so.

The Commission also asked for additional detail on affordable housing construction during the previous planning period. That information has been folded into the Evaluation of Previous Housing Element Programs chapter of this Housing Element.



## **NEEDS ASSESSMENT**

## **NEEDS ASSESSMENT**

This section of the Housing Element discusses the major components of housing need in San Juan Capistrano. The major components of need are the City's population, household, land use, economic, and housing stock characteristics. Each of the components are presented in a County context, and, where relevant, in the context of other south Orange County cities. This needs assessment will be important to the identification of the appropriate goals, policies, and programs for the City to implement during the 2014-2021 Housing Element cycle.

### ***HOUSING DEMAND CHARACTERISTICS***

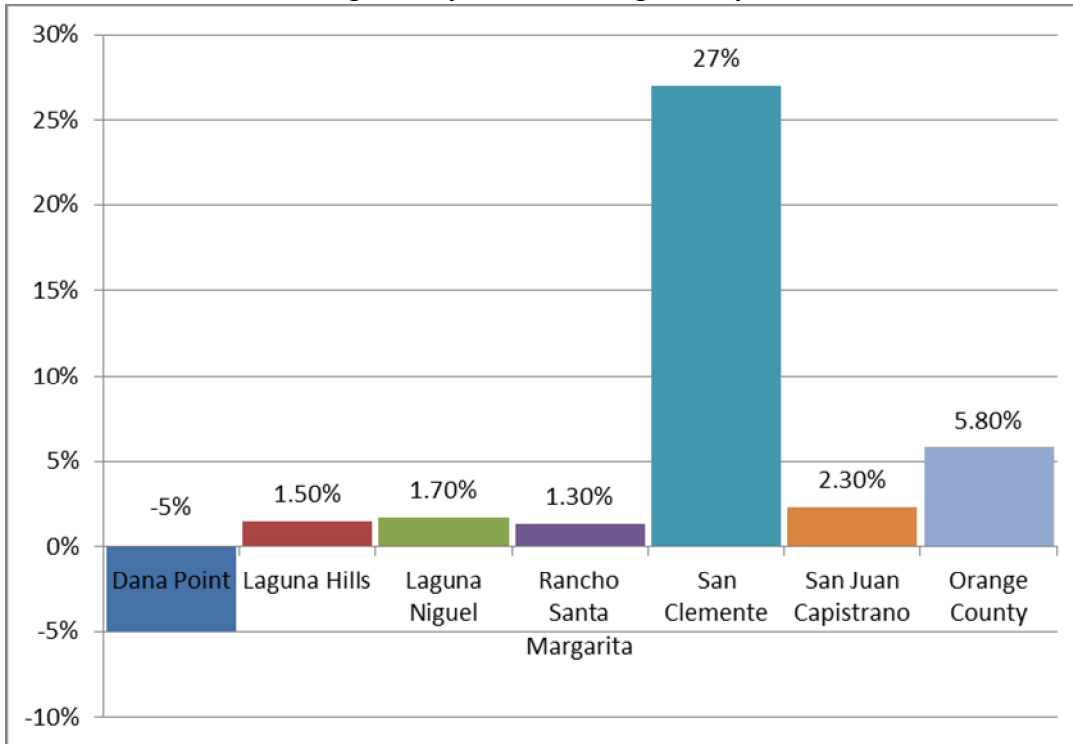
#### **Population Characteristics**

Orange County's population is growing. Between 1970 and 2010, Orange County's population doubled; the population grew from 1,420,386 to 3,010,232. This growth has resulted in a substantial amount of agricultural land being converted to housing, commercial, and industrial development. Additionally, various communities, like Dana Point, Mission Viejo, Laguna Niguel, Laguna Hills, Rancho Santa Margarita, and Lake Forest, have been incorporated and are now cities.

During that same time period, the City of San Juan Capistrano experienced tremendous growth. The City was incorporated in 1961 and the 1970 Census listed its population as 3,779 people. The population grew to be over nine times that size (915%) to 34,593 residents by 2010. This enormous growth is due to increases in housing stock and, like the County, its transition from an agrarian community to a residential community

The Orange County's population grew by almost six percent between 2000 and 2010 (3,010,232). Figure 1 shows the population growth between 2000 and 2010 for San Juan Capistrano, other similar southern Orange County cities, and the entire County. As shown in Figure 1, the City of San Juan Capistrano grew by just over two percent between 2000 (33,826) and 2010 (34,593).

**Figure 1**  
**Percent Change in Population**  
**South Orange County Cities and Orange County, 2000 – 2010**

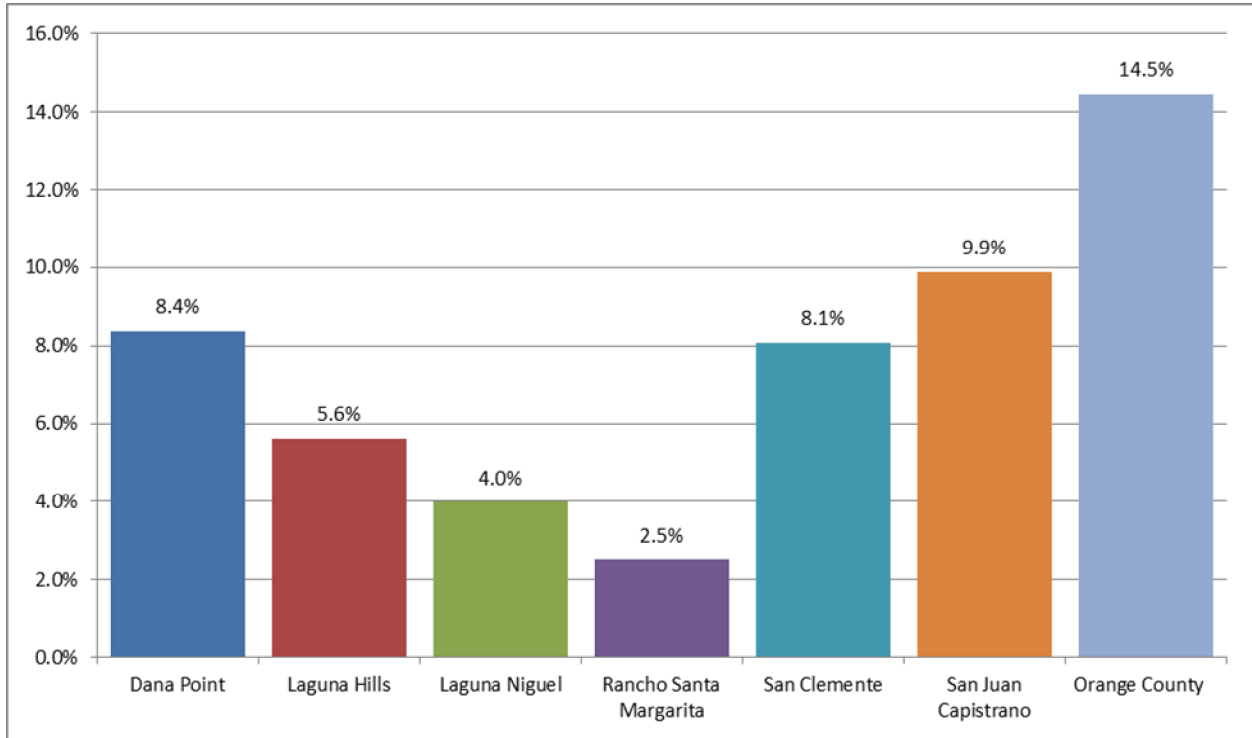


Source: E-4 Population Estimates for Cities, Counties, and the State, 2001–2010, with 2000 & 2010 Census Counts

**Projected Population**

While both Orange County and the City of San Juan Capistrano are expected to experience more growth during the next 30 years, future growth will be significantly lower than past growth. Figure 2 compares projected population growth in the City of San Juan Capistrano to nearby southern Orange County cities and the County as a whole. Between 2008 and 2035, Orange County is expected to grow by 14.5 percent, a gain of 432,000 new residents. According to the forecasts made by SCAG for the Southern California region, San Juan Capistrano is forecasted to grow by 9.9 percent during that same time period, which would be a gain of 3,400 new residents.

**Figure 2**  
**Projected Change in Population**  
**South Orange County Cities and Orange County, 2008 – 2035**



Source: SCAG. 2012 RTP Growth Forecast: City Projections.

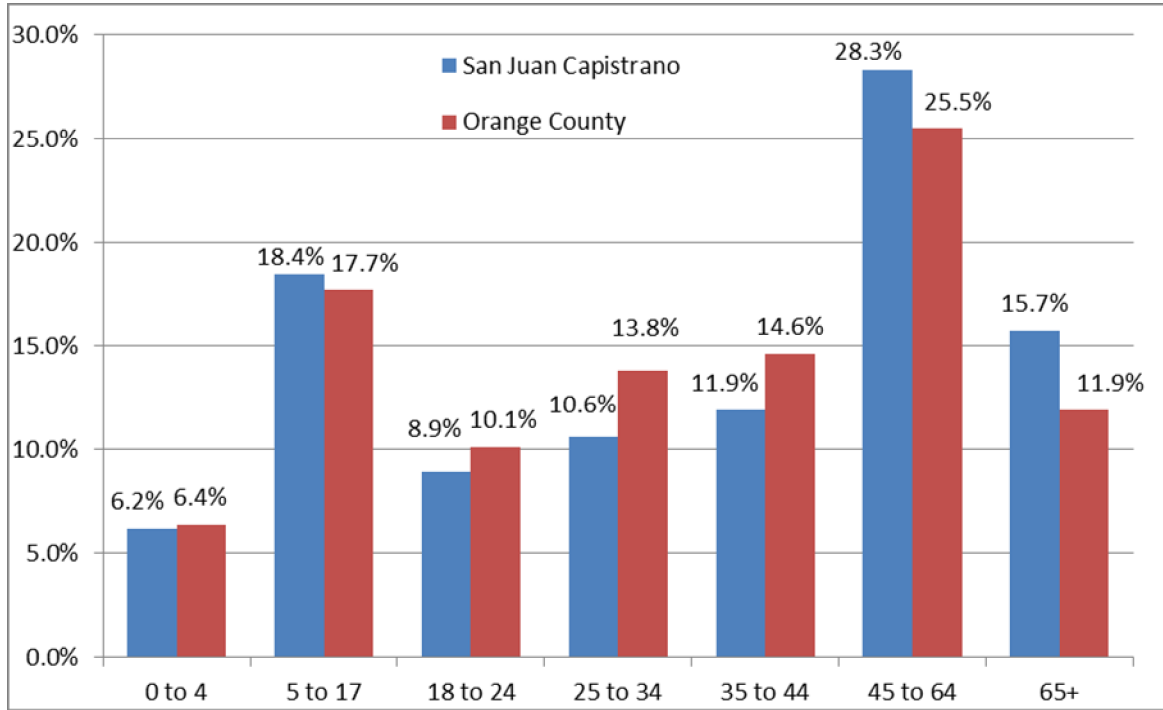
**Age Characteristics**

A community’s age distribution often shapes its housing demand because different age groups prefer different types of housing. Traditionally, both the young adult population (20 to 34 year olds) and the elderly (65 years and older) favor apartments, low to moderate cost condominiums, and smaller single family units. Persons between the ages of 35 to 65 years old often prefer moderate to high cost apartments and condominiums and larger single family units because they tend to have higher incomes and larger households.

San Juan Capistrano’s older population is increasing. The median age in 2010 was 39.8 years old compared with 36.4 in 2000 and 34.9 in 1990. This increase of median age is consistent with County, State, and national trends and can be attributed to the aging of the “baby boom” generation.

The City’s population is slightly older than the County’s. San Juan Capistrano’s median age in 2010 was higher than the County’s (36.4 years). Figure 3 compares age distribution in San Juan Capistrano to that of Orange County. The City’s older population is evident by a higher proportion of residents over the age of 60 years old. The City and the County have a similar proportion of residents under the age of 18, 24.4 percent and 24.1 percent respectively. The County has a slightly higher percentage of residents between the ages of 18 to 34 years old (23.9%) than San Juan Capistrano (19.5%), and a similar share between the ages of 35 to 59 years old, 40.1 percent and 40.2 percent respectively.

**Figure 3**  
**Age Distribution**  
**San Juan Capistrano and Orange County, 2010**



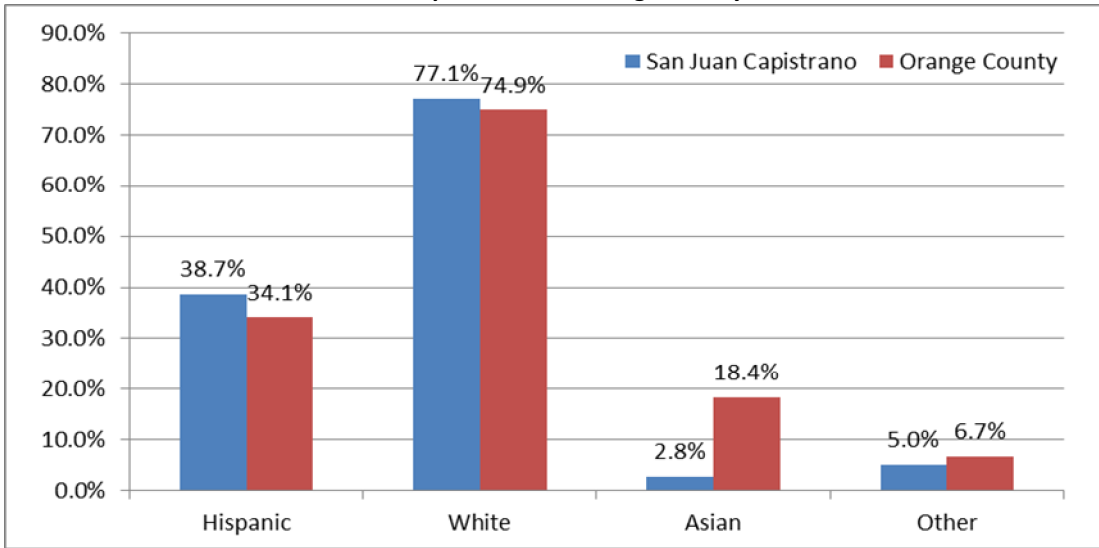
Source: Census 2010.

**Race/Ethnicity Characteristics**

Race/ethnicity information is important to an analysis of housing demand, because race/ethnicity tends to correlate with characteristics like family size, location choices, and mobility. It also can be associated with income levels, as shown in. In Orange County, non-White populations tend to have a higher incidence of poverty.

San Juan Capistrano has a smaller non-White population than Orange County as a whole. Figure 4 compares race/ethnicity of San Juan Capistrano to Orange County. Over two-thirds of the City’s population is White similar to Orange County’s 74.9 percent for Orange County. A third of San Juan Capistrano’s residents are Hispanic (38.7%), which is similar to the County’s proportion (34.1%). Almost three percent of the City’s residents are Asian compared with 18.4 percent for the County. The City’s remaining five percent are another race/ethnicity.

**Figure 4  
Race/Ethnicity  
San Juan Capistrano and Orange County, 2010**



Source: Census 2010.

### Households

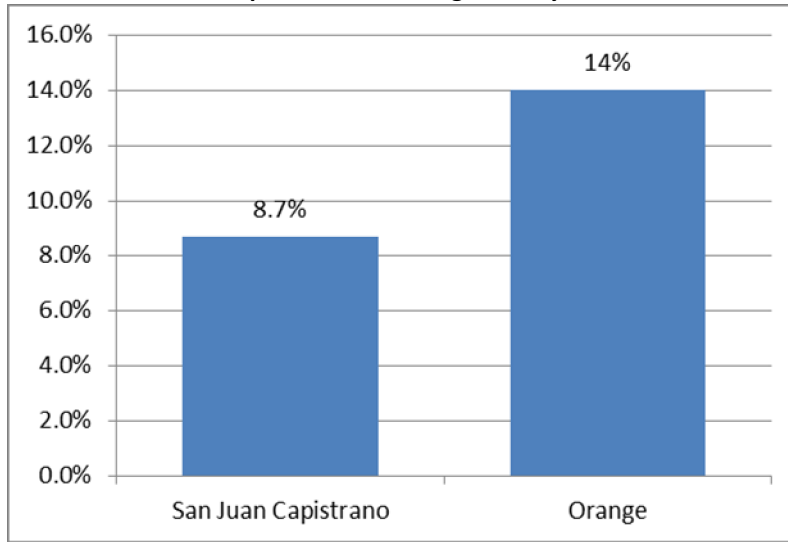
Households are defined as all persons who occupy a housing unit. Many household characteristics may contribute to the need for housing, some of which are described in this section: projected households, household size, and household income.

In 2010, there were 11,481 households in San Juan Capistrano, which represents one percent of Orange County's total households. The number of households in the City increased 29 percent from 1990 (8,890).

While the number of households in the City is expected to continue growing in the future, it is anticipated that the growth will be smaller than previous decades. SCAG predicts that San Juan Capistrano will add about 1,000 new households between 2008 and 2020, an increase of 8.7 percent. The County's total number of households is expected to grow by 14 percent during that same time (Figure 5). The City will continue to account for about one percent of the County's total households.

The Regional Housing Needs Assessment (RHNA) projects a need for 638 housing units for the Housing Element time frame. Of these totals, 252 are low income: 147 very low and 104 low income. Thus, the needs are 147 very low income, 104 low income, 120 moderate income, and 267 above moderate income), totaling 638 units.

**Figure 5**  
**Projected Change in Number of Households**  
**San Juan Capistrano and Orange County, 2008-2020**



**Household Size**

Household size is a significant factor in housing demand. The average household size can be an indicator of an area’s population. For example, a large average household size may indicate a population with a lot of family households, while a small average household size may indicate either “empty nest” households or young adult households. Thus, analyzing average household size in conjunction with other demographics is useful for estimating housing needs. The average household size in Orange County averages 2.99 persons. San Juan Capistrano has an average household size of 2.99 persons, which is a small decrease from 2000 (3.06 persons per household).

Table 1 compares San Juan Capistrano’s average household size to other south Orange County cities and the County. San Juan Capistrano has a higher average person per household than the other cities. It matches the County’s average.

**Table 1**  
**Average Persons Per Household**  
**South Orange County Cities and Orange County, 2010**

<b>Jurisdiction</b>	<b>Persons Per Household</b>
Dana Point city	2.37
Laguna Hills city	2.81
Laguna Niguel city	2.61
Rancho Santa Margarita city	2.93
San Clemente city	2.62
<b>San Juan Capistrano city</b>	<b>2.99</b>
Orange County	2.99

Source: 2010 Census.

## Household Income

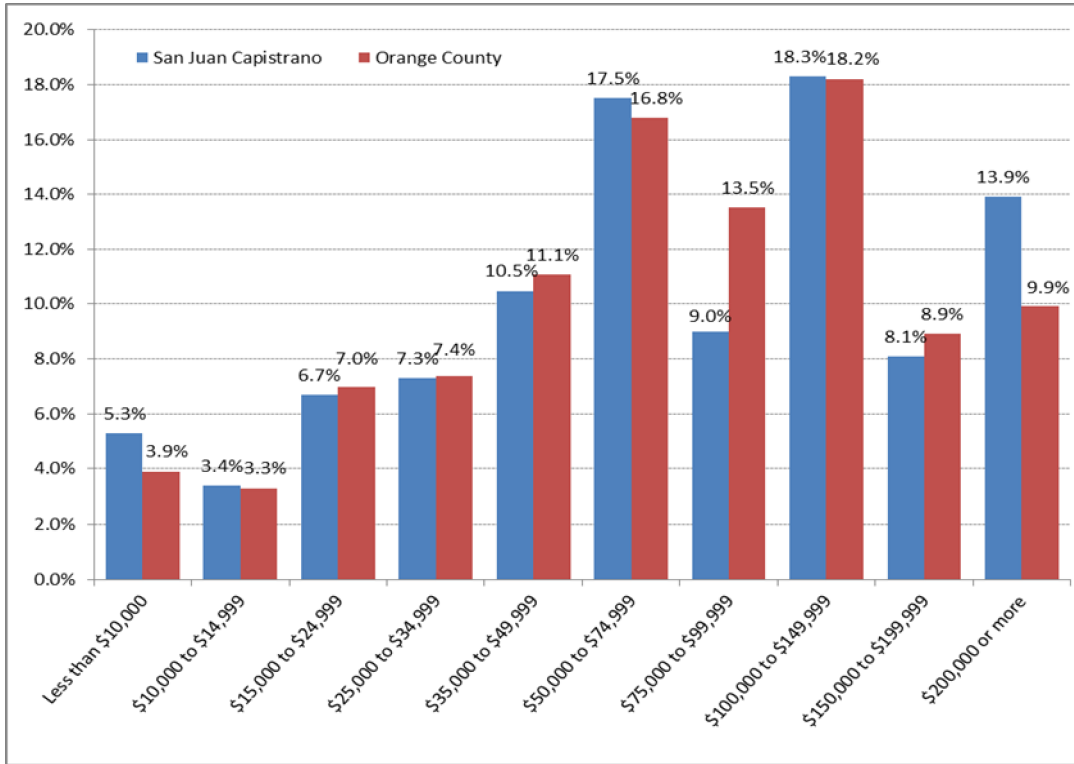
Income levels influence the range of housing prices within a community and its residents' ability to afford housing. Obviously, high-income households are more likely to be homeowners than low-income households. Low-income households may be more burdened by housing costs, and thus, the number of overcrowded households may increase.

San Juan Capistrano's household income is slightly lower than the County's. In 2010, the City's median income was \$73,806 compared with \$75,762 for the County. Overall, the City's and County's income distributions, shown in Figure 7, are not that different. Income categories for both the City and County, with the exception of households with incomes of \$50,000 to \$74,999 and the more than \$200,000, are within one to two percentage points of one another. Orange County has almost 14% of households falling within the \$50,000 to \$74,999 income category, whereas San Juan Capistrano only has nine percent. Additionally, almost fourteen percent of San Juan Capistrano households fall within the \$200,000 or more income category versus near ten percent for the County. Some of the least affordable housing is often found in highly urbanized, densely populated areas because other demand-side factors (e.g., location, services, economy) counteract the supply-side advantages that density brings. The degree to which these other factors influence the price of housing will vary from community to community. Until recently, the run-up in the real estate market in Orange County illustrated the complexity of the effects of supply and demand on housing costs.

The Orange County median income was \$85,300 in 2012. By definition, a very low-income household of four in Orange County (up to 50% of the region's median income) was up to \$48,150 in 2012. A low-income household of four (50% to 80% of the region's median income) was up to \$77,050 in 2012. A moderate-income household of four (80% to 120% of the region's median income) was up to \$102,350 in 2012 (see rental and owner affordability information below for further descriptions).



**Figure 6**  
**Household Income**  
**San Juan Capistrano and Orange County, 2010 Census**



Source: Census 2010.

Table 2 compares San Juan Capistrano’s median income to the other south Orange County cities and the County as a whole. While it has the lowest median income out of the list of cities, its median income is still 2.6 percent below the County’s.

**Table 2**  
**Median Household Income**  
**South Orange County Cities and Orange County, 2010 Census**

Jurisdiction	Median Household Income	Percent Above/ Below County Median
Dana Point city	\$83,306	10.0
Laguna Hills city	\$85,971	13.5
Laguna Niguel city	\$100,480	32.6
Rancho Santa Margarita	\$104,167	37.5
San Clemente city	\$89,289	17.9
<b>San Juan Capistrano city</b>	<b>\$73,806</b>	<b>2.6</b>
Orange County	\$75,762	0

Source: Census 2010.

For housing planning and funding purposes, the State Department of Housing and Community Development (HCD) uses five income categories to evaluate housing need based on the Area Median Income (AMI) for the metropolitan area:

- Extremely Low-Income Households earn between 0 and 30% of AMI
- Very Low-Income Households earn between 31 and 50% of AMI
- Low-Income Households earn between 51 and 80% of AMI
- Moderate-Income Households earn between 81 and 120% of AMI
- Above Moderate-Income Households earn over 120% of AMI

The CHAS special Census tabulations developed for HUD provide a specific breakdown of household income adjusted for family size. As shown in Table 3, moderate- and above-moderate-income households comprise the largest share of all households, and the low-income households comprise the second largest category. According to the 2005-2009 CHAS, more than eleven percent of the City's total households are classified as extremely low income (0-30% of AMI), eleven percent are classified as very low income (31-50% of AMI), and approximately 16 percent are classified as low income (51-80% AMI). Nearly 62 percent of the City's households had incomes above 80 percent of the median household income in 2009.

**Table 3**  
**Households by Income Category**

	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Moderate/ Above Moderate Income (81% +)	Total
San Juan Capistrano	11.4% (1,310 HHS)	11.3% (1,305 HHS)	15.8% (1,815 HHS)	61.5% (7,080 HHS)	100.0% (11,510 HHS)

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2005-2009.

HHS: Households

### Special Needs Groups

The following special needs groups have an impact upon the demand for housing. Often these special groups “compete” for the same housing due to the lack of affordable housing. Identifying special needs groups is necessary to fully assess San Juan Capistrano’s housing needs and to meet Housing Element requirements. The special needs groups analyzed include the elderly, people with disabilities, single parents, migrant/farm workers, homeless, large households, and students. Many of these people overlap, for example many migrant and/or farm workers are homeless and many elderly people have a disability of some type. The majority of these special needs groups would be assisted by an increase in affordable housing.

### Elderly

The limited income of many elderly persons often makes it difficult for them to find affordable housing. The elderly often spend a higher percentage of their income for food, housing, medical care, and personal care than non-elderly families. Many single elderly persons need some form of housing assistance.

Table 4 shows that San Juan Capistrano has a higher percentage (16%) of elderly people (65 years and older) than the County (12%) and other south Orange County Cities.

**Table 4**

**Persons Age 65 Years and Over  
South Orange County Cities and Orange County, 2010**

<b>Jurisdiction</b>	<b>Age 65+</b>	<b>Percent 65+</b>
Dana Point	5,670	17.0
Laguna Hills	3,884	12.8
Laguna Niguel	8,187	13.0
Rancho Santa Margarita	2,728	5.7
San Clemente	8,385	13.2
<b>San Juan Capistrano</b>	<b>5,397</b>	<b>15.6</b>
Orange County	363,634	11.9

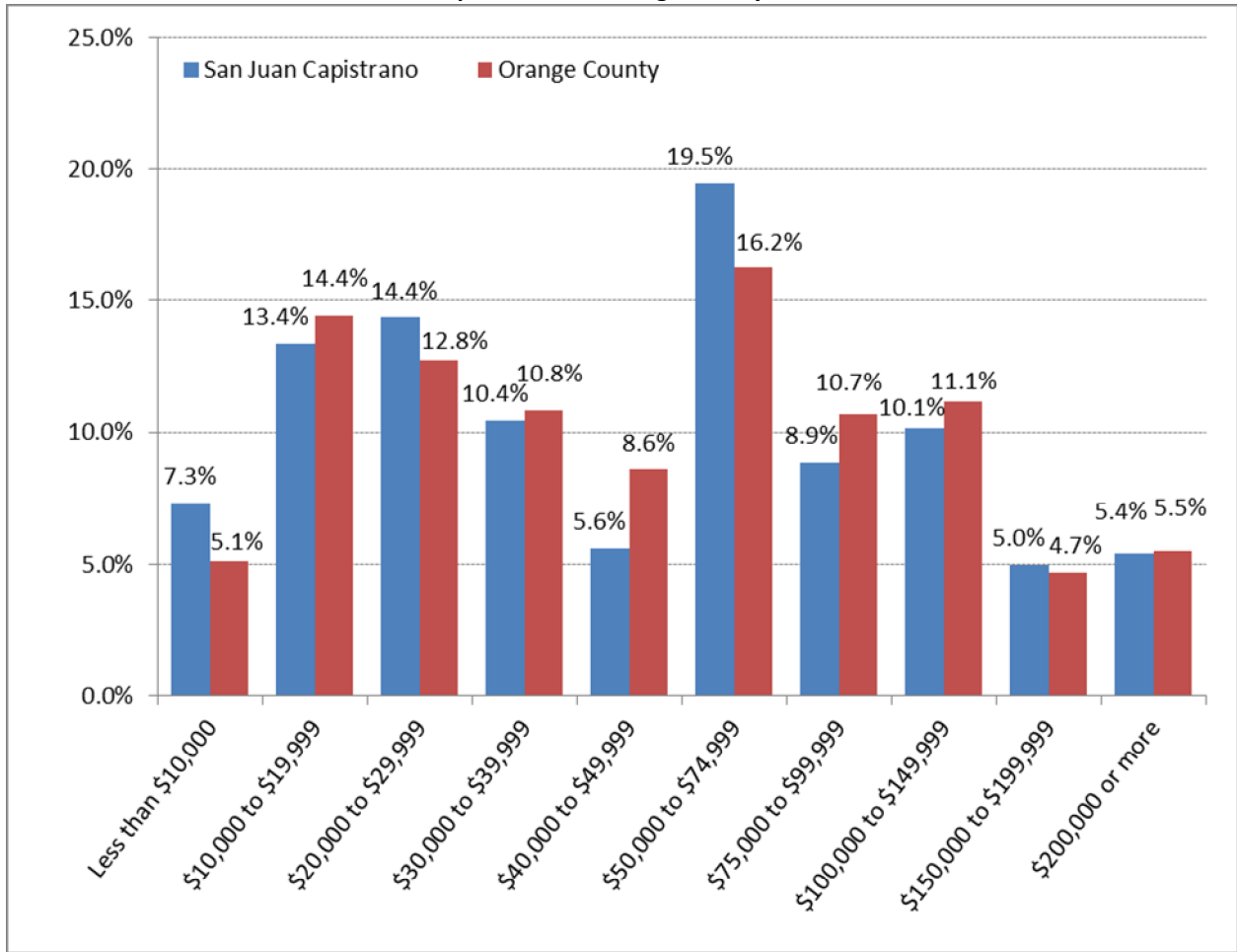
Source: Census 2010.

In 2010, householders over the age of 65 years in San Juan Capistrano tended to have lower incomes than those living in Orange County. As shown in Figure 7, San Juan Capistrano has a slightly higher percentage of elder persons with a household income over \$150,000 (10.4%) than the County (10.2%). Likewise, it has a smaller percentage of elderly with household incomes less than \$30,000 (24.3%) than the County (32.3%).

It also is worth noting that almost all of the elderly in both the City and the County have incomes above the poverty level. In 2010, one percent of the County and 1.4 percent of the City elderly population (65 years and over) lived below the poverty level.

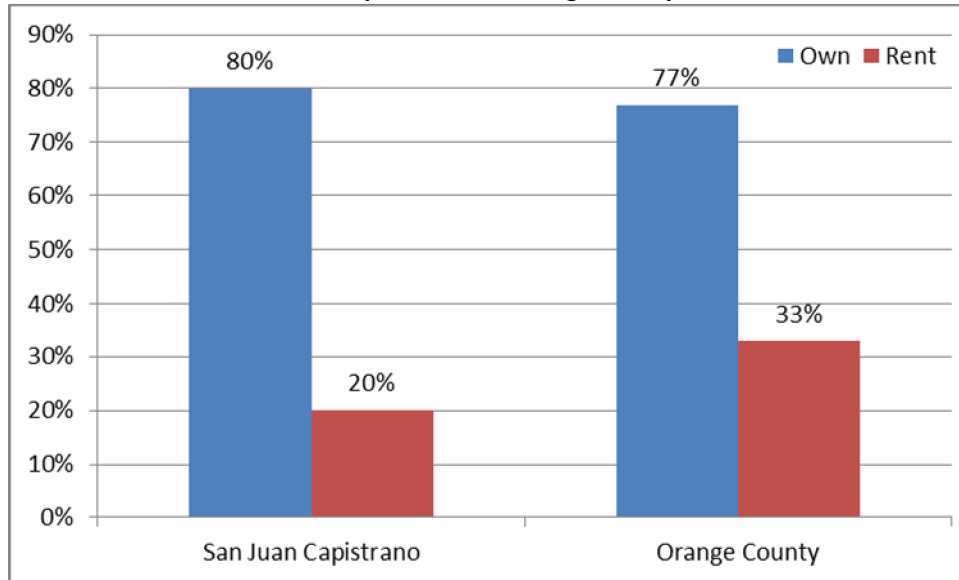
Figure 8 shows that vast majority of householders age 65 years and older own their homes in both San Juan Capistrano and Orange County. More than eight out of ten (80%) San Juan Capistrano elderly residents live in owner-occupied units. Elderly homeownership rates are slightly less for the County (77%).

**Figure 7**  
**Household Income of Householders Age 65 Years and Over**  
**San Juan Capistrano and Orange County, 2010 Census**



Source: Census 2010.

**Figure 8**  
**Homeownership Rates for Householders Age 65 Years and Over**  
**San Juan Capistrano and Orange County, 2010**



Source: Census 2010.

### **People with Disabilities**

According to the U.S. Bureau of the Census, a person is considered to have a disability if he or she has difficulty performing certain functions (seeing, hearing, talking, walking, climbing stairs, and lifting and carrying), or has difficulty with certain social roles (e.g., doing school work for children, working at a job and around the house for adults). A person, who is unable to perform one or more activities, uses an assistive device to get around, or who needs assistance from another person to perform basic activities is considered to have a severe disability.

Four factors—affordability, design, location, and discrimination—significantly limit the supply of housing available to households of persons with disabilities. The most obvious housing need for persons with disabilities is housing that is adapted to their needs. Most single-family homes are inaccessible to people with mobility and sensory limitations. Housing may not be adaptable to widened doorways and hallways, access ramps, larger bathrooms, lowered countertops, and other features necessary for accessibility. Location of housing is also an important factor for many persons with disabilities, as they often rely upon public transportation to travel to necessary services and shops.

Additionally disabilities can hinder the ability of a person to earn an adequate income to afford housing. According to the 2010 Census, 5 percent of the civilian non-institutionalized population age 18-65 years and 35.6 percent for population 65 and over in San Juan Capistrano have a disability. Of those with disabilities between the ages of 16 and 64 in Orange County (civilian non-institutionalized population), 32.7 percent are unemployed. It also reported that 10.8 percent of persons with disabilities in the County were living below the poverty level.

A subgroup of disabled residents is developmentally disabled. Housing Element law Housing elements must include an analysis of the special housing needs of the disabled including persons with developmental disabilities. According to Section 4512 of the Welfare and Institutions Code, a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The Census does not record developmental disabilities. The California State Council on Developmental Disabilities estimates that nationwide 1.8 percent of the population meet the federal definition of a developmental disability. This equates to 623 persons in the City of San Juan Capistrano with developmental disabilities, based on the 2010 Census population.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. Regional Center of Orange County (RCOC) is one of 21 private, nonprofit organizations contracted by the State of California to coordinate lifelong services and supports for individuals with developmental disabilities and their families.

According information provided by the Regional Center of Orange County at the November 13, 2013 workshop, in San Juan Capistrano, approximately 165 persons are reported as consumers of the services provided at the local Regional Center. The largest age groups of San Juan Capistrano residents being served at the Regional Center are the 0-21 year group (86 clients), 22-29 year group (41 clients), and the 30-39 year group (24 clients). State data also show that 80 percent of San Juan Capistrano clients using the Regional Center live at home.

Housing advocacy groups report that people with disabilities are often the victims of discrimination in the home buying market. People with disabilities, whether they work or receive disability income are often perceived to be a greater financial risk than persons without disabilities with identical income amounts. The Casa De Amma development in San Juan Capistrano provides apartment-type housing for learning disabled young adults. It provides vocational, education, and residential opportunities. The development was built in 2003 and contains 27 one-bedroom units (800 square feet) and 4 two-bedroom units (1,200 square feet).

## **Homeless**

Throughout the country and southern California, homelessness has become an increasing issue. Factors contributing to the rise in homelessness include a lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

Due to the transient nature of the homeless, the precise number of homeless individuals in San Juan Capistrano is difficult to determine. Once every two years, Orange County undertakes an effort to enumerate all of the sheltered and unsheltered homeless people within the county in a given twenty-four hour period. This effort, known as the Homeless Point-in-Time Count, is congressionally-mandated for all communities that receive U.S. Department of Housing and Urban Development (HUD) funding for homeless programs. HUD's requirement includes a count of both sheltered and unsheltered homeless people, as well as the incidence of certain subpopulation characteristics among the homeless population. HUD requires that the Count be conducted during the last ten days in January. The latest Orange County Count was held on January 26, 2013. The 2013 Count indicated that on any given night in Orange County, almost 4,300 people are homeless. More than 12,700 people are homeless over the course of a year. Of the 4,251 homeless persons counted in 2013, approximately 40% are unsheltered and 60% are sheltered, mirroring national averages. In previous years, his proportion was reversed, with over 60% of homeless people living unsheltered.

The Orange County homeless population includes families and individuals representing every race, age group and community in Orange County. The homeless are often wrongly portrayed as panhandlers asking for money. On the contrary, the Orange County homeless population consists of working families and individuals. Many live in cars, parks, under bridges, motels and in homeless shelters trying to maintain their dignity while they struggle to survive. As a result, most homeless remain hidden.

According to the City’s Police Services, approximately 50 homeless and at risk persons reside in San Juan Capistrano. One homeless or at risk person now being served by the Orange County Partnership identified San Juan Capistrano as their last known address. Although the number of homeless does not appear to very high, the City remains committed to addressing the needs of its homeless population.

In 2007, the state enacted SB 2, which amends State Housing Element Law and requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit. The City amended the zoning code to permit emergency shelters without a discretionary review in Public and Institutional zones.

**Single Parents (Female-Headed Households)**

Single parents with dependent children represent another important group with special housing needs. Single-parent households often require special consideration and assistance because they tend to have lower incomes and a greater need for day care, health care, and related facilities. Table 5 shows that in 2010, San Juan Capistrano had 2,376 single parent households. Of these, the majority (51.6 percent) were male-headed households. Almost thirty-seven percent of female-headed households in San Juan Capistrano lived below the poverty level, compared to about thirty-two percent Countywide.

**Table 5  
Single Parent Households  
San Juan Capistrano and Orange County, 2010**

Source: Census 2010.

	Total Family HHS	Single-Parent HHS	% of Total Family HHS	Female Single-Parent HHS	% of Single Parent HHS	Below Poverty	
						Female Single-Parent HHS	% of Female Single-Parent HHS
<b>San Juan Capistrano</b>	8,603	2,376	27.6%	1150	48.4%	420	36.5%
<b>Orange County</b>	721,846	177,230	24.6%	125,348	70.7%	39,848	31.8%

**Migrant and/or Farm Workers**

Due to the high cost of housing and low wages, a significant number of migrant and/or farm workers have difficulty finding affordable, safe and sanitary housing. The housing needs of farm workers are frequently overlooked due to the migratory nature of farm labor. Thus, farm workers are given low priority when addressing housing needs, and often receive the least hospitable housing. Table 6 shows that in 2010 approximately 126 San Juan Capistrano residents were employed in agriculture, forestry, fishing, or mining, accounting for less than 1 percent of total employment among the City’s residents. Agriculture does not play a significant role in the City; therefore, the migrant and/or farm worker housing need can be met through general affordable housing programs.

**Table 6**  
**Agricultural Workers**  
**South Orange County Cities and Orange County, 2010**

<b>Jurisdiction</b>	<b>Agriculture, Forestry, Fishing Hunting, and Mining</b>	<b>Percent of Total Civilian Employment (16 Years +)</b>
Dana Point city	55	0.31
Laguna Hills city	0	0.0
Laguna Niguel city	198	0.62
Rancho Santa Margarita city	100	0.41
San Clemente city	0	0.0
<b>San Juan Capistrano city</b>	<b>126</b>	<b>0.83</b>
Orange County	6,929	0.49

Source: Census 2010.

**Large Households**

In general, large households (with five or more members) are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large households are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and in time, accelerating unit deterioration.

Table 7 compares the number of large households in San Juan Capistrano to that in the County as a whole. In 2010, 17.4 percent of households in the City consisted of five or more persons, compared to 15.2 percent Countywide.

**Table 7**  
**Large Households**  
**San Juan Capistrano and Orange County, 2010**

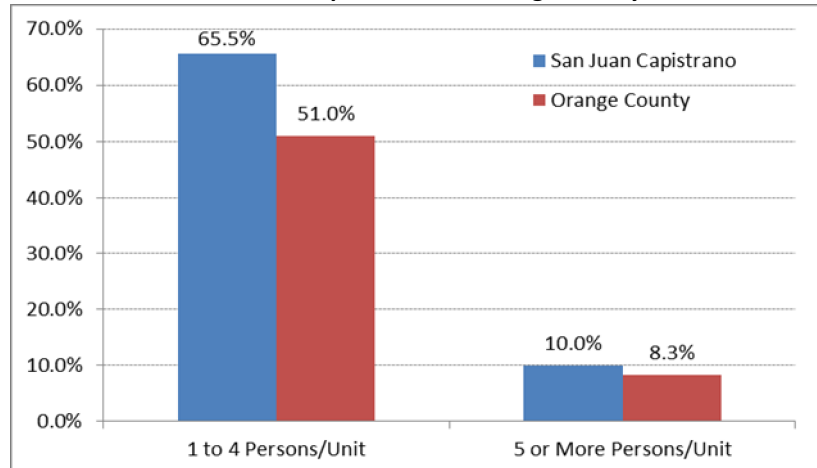
	<b>Persons in Household</b>			<b>Total Large HHs</b>	<b>Total HHs</b>
	<b>Five</b>	<b>Six</b>	<b>Seven +</b>		
San Juan Capistrano	896	513	545	1,954	11,207
Percent of Total	8%	4.6%	4.9%	17.4%	100%
Orange County	79,157	37,119	34,035	150,311	988,354
Percent of Total	8%	3.8%	3.4%	15.2	100%

Source: 2010 Census.

Figure 9 shows that homeownership rates for large households were lower in both San Juan Capistrano and Orange County. In the City, 10 percent of large households owned their own home, compared to 65.5 percent of households with fewer than five persons. Countywide, 8.3 percent of large households owned their own home, compared to 51 percent of households with fewer than five persons.



**Figure 9**  
**Homeownership Rates for Large Households**  
**San Juan Capistrano and Orange County**



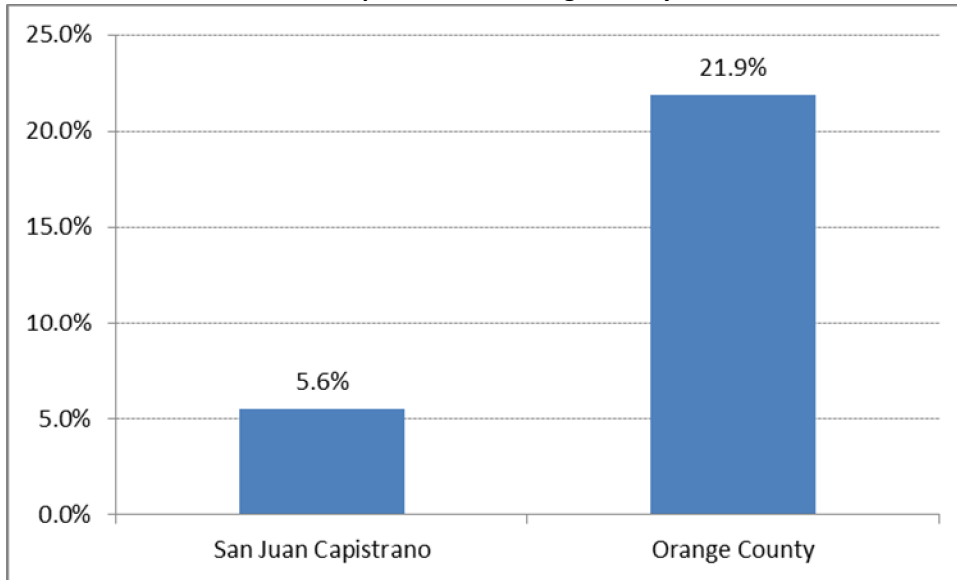
Source: Census 2010.

### Students

The need for student housing is another significant factor affecting housing demand. Although students may produce only a temporary housing need, the impact upon housing demand is critical in areas that surround universities and colleges. Typically, students are low income, and are therefore affected by a lack of affordable housing, especially within easy commuting distance from campus. They often seek shared housing situations to decrease expenses, and can be assisted through roommate referral services offered on and off campus. The lack of affordable housing also influences choices students make after graduation, often with a detrimental effect upon the region's economy. College graduates provide a specialized pool of skilled labor that is vital to the economy; however the lack of affordable housing often leads to their departure from the region.

Figure 10 shows that in 2010, approximately 5.6 percent of the City's residents were enrolled in college, a lower percent than the County as a whole (21.9 percent). Almost 80 percent of the population over 25 years has a high school diploma or higher and just over 33 percent have a bachelor's degree or higher. The City does not have any colleges or universities, thus, there is no need for student designated housing. The Little Hollywood Program offers assistance to students who are working part-time and going to school part-time.

**Figure 10**  
**Percent of Residents Enrolled in College or Graduate School**  
**San Juan Capistrano and Orange County, 2010**



Source: Census 2010.

**Employment Characteristics**

To achieve a better balance between jobs and housing, it is important to consider the employment characteristics of a region. In both the County and the City, employment growth did not keep up with population growth. Between 2000 and 2010, Orange County’s employment grew by 6.6 percent. During this same time period, the County’s population grew by 5.8 percent. San Juan Capistrano’s employment grew by 2 percent between 2000 and 2010, while its population grew by 2.3 percent.

As shown in Table 8, the employment growth between 2000 and 2010 for the selected south Orange County cities range from zero percent (Laguna Niguel) to 19 percent (San Clemente).

**Table 8**  
**Employment**  
**South Orange County Cities and Orange County, 2000 and 2010**

	<b>2000</b>	<b>2010</b>	<b>2000-2010 Percent Change</b>
Dana Point	18,900	17,495	7.4
Laguna Hills	15,057	15,014	0.3
Laguna Niguel	31,814	31,798	0.0
Rancho Santa Margarita	24,812	24,659	0.6
San Clemente	24,654	29,377	19.1
San Juan Capistrano	14,815	15,126	2.1
Orange County	1,338,838	1,427,461	6.6

Source: 2000 Census and Census 2010.

Table 9 shows that between 2008 and 2030, San Juan Capistrano is projected to gain approximately 100 new employment opportunities, an increase of 0.6 percent, significantly less than the County as a whole (87.2%).

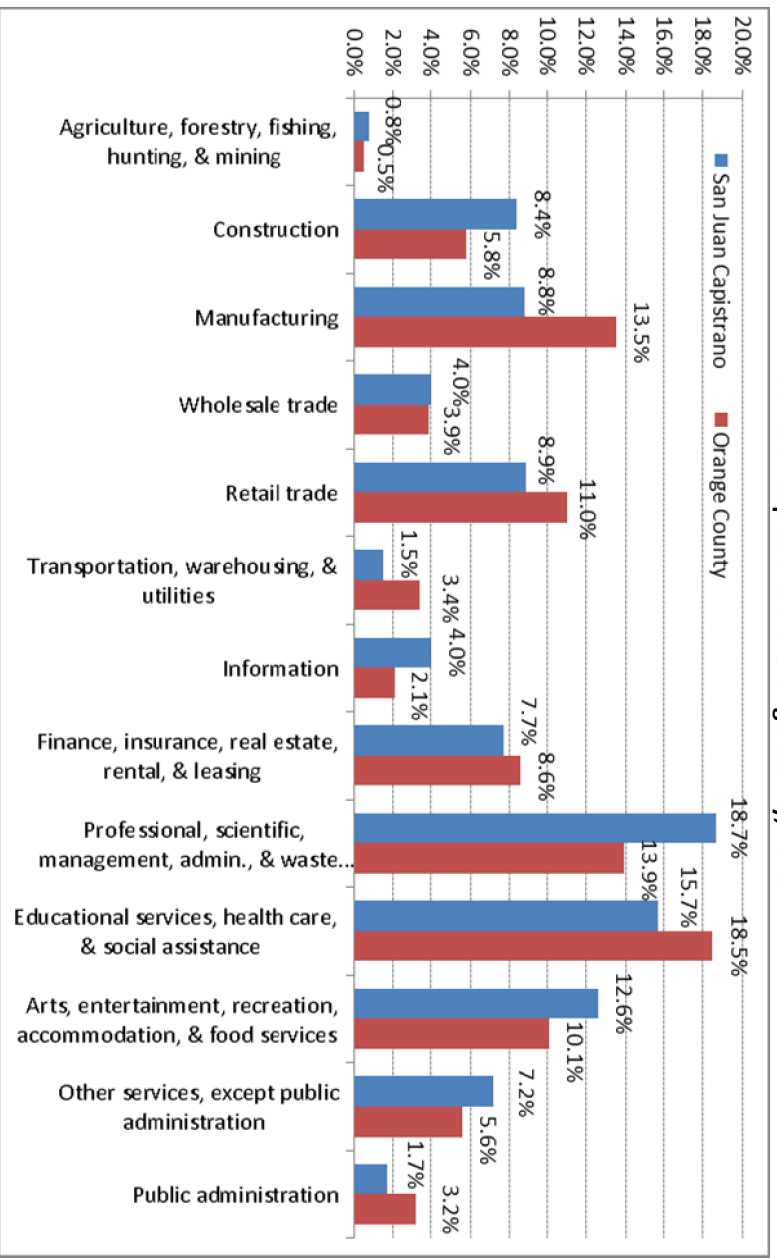
**Table 9**  
**Projected Change in Total Employment**  
**South Orange County Cities and Orange County, 2010 – 2030**

Jurisdiction	Total Employment			Number Change	Percent Change
	2008	2020	2030	2008 - 2030	2008 - 2030
Dana Point	13,600	13,500	13,700	100	0.7
Laguna Hills	19,900	20,400	20,500	600	3.0
Laguna Niguel	20,000	20,100	21,000	1,000	5.0
Rancho Santa Margarita	17,700	16,300	16,600	1,100	6.2
San Clemente	25,600	26,300	26,600	1,000	3.9
<b>San Juan Capistrano</b>	<b>15,700</b>	<b>15,700</b>	<b>15,800</b>	<b>100</b>	<b>0.6</b>
Orange County	664,000	939,000	1,243,000	579,000	87.2

Source: SCAG, 2012 RTP Growth Forecast: City Projections.

Figure 11 shows employment by industry from the Census 2010. The Professional, Science, Management, Administration, and Waste Management Services and the Education, Health, and Social Science industries employ the largest portion of workers in San Juan Capistrano with over 15 percent each. The arts, entertainment, accommodations, and food industry is the third largest industry sector with almost 13 percent. The Education, Health, and Social Science industry employs the largest portion of employees in Orange County with 18.5 percent.

**Figure 11**  
**Employment by Industry**  
**San Juan Capistrano and Orange County, 2010**



Source: Census 2010.

**HOUSING SUPPLY CHARACTERISTICS**

According to the California Department of Finance, the City of San Juan Capistrano has a housing stock of approximately 11,982. As shown in Table 10, it has the second lowest number of housing units of the south Orange County cities. The City's housing stock increased by 202 units since 2007, almost a two percent increase. Countywide the number of housing units increased by almost three percent from 2007 to 2012.

**Table 10**  
**Total Housing Units**  
**South Orange County Cities and Orange County, 2007 and 2012**

Jurisdiction	2007	2012	Percent Change 2000 - 2007
Dana Point	15,940	15,949	0.0
Laguna Hills	11,153	11,049	0.9
Laguna Niguel	24,831	25,374	2.2
Rancho Santa Margarita	16,793	17,260	2.8
San Clemente	26,948	26,017	3.5
<b>San Juan Capistrano</b>	<b>11,780</b>	<b>11,982</b>	<b>1.7</b>
Orange County	1,024,692	1,052,361	2.7

Source: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State*. May 2007 and May 2012.

## Projected Housing Units

SCAG and the California Department of Finance do not project the number of housing units for the future. However, SCAG does project the number of households (occupied housing units). Table 11 shows that between the years 2008 and 2020, San Juan Capistrano will gain approximately 1,000 housing units, an increase of almost 9 percent. During this same time period, Orange County is expected to see a 6 percent increase in number of households. The increase in housing units is expected to slow between 2020 and 2035.

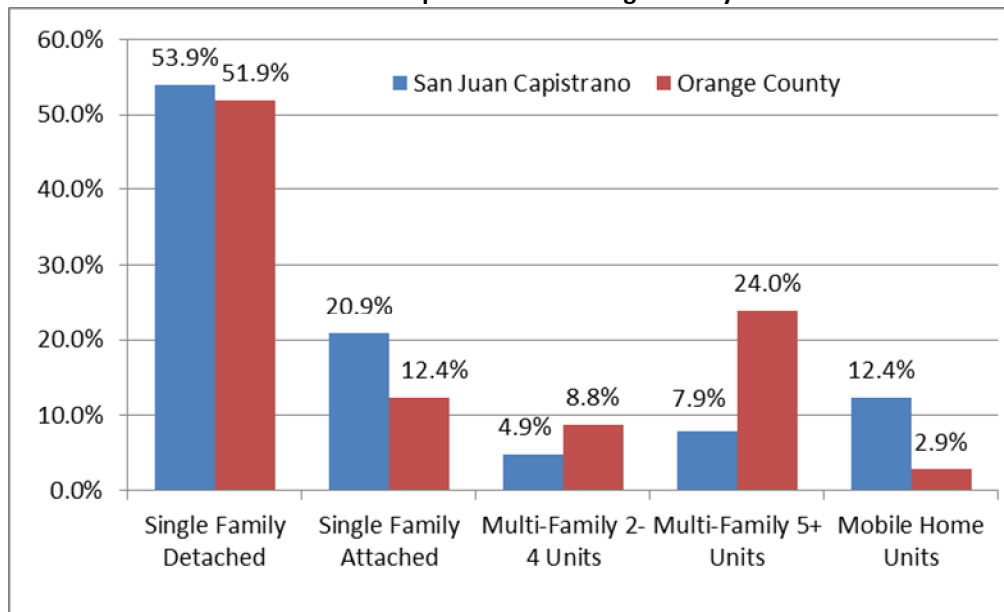
**Table 11**  
**Projected Housing Units**  
**San Juan Capistrano and Orange County, 2008 – 2035**

Jurisdiction	2008	2020	2035	Percent Change	Percent Change
				2008 - 2020	2020 - 2035
San Juan Capistrano	11,300	12,300	12,300	8.8	0.0
Orange County	987,000	1,049,000	1,125,000	6.3	7.2

Source: Number of Households: SCAG. 2010 RTP Growth Forecast: City Projections.

As shown Figure 12, the majority of the housing units in the City and the County are detached single family homes. Twenty-one percent of the City's units are single family attached, 12.8 percent are multi-family units, and 12.4 percent are mobile homes. The County has a larger percentage of multi-family units with 32.8 percent and it has a smaller percentage of mobile homes with 2.9 percent.

**Figure 12**  
**Type of Housing Units**  
**San Juan Capistrano and Orange County**

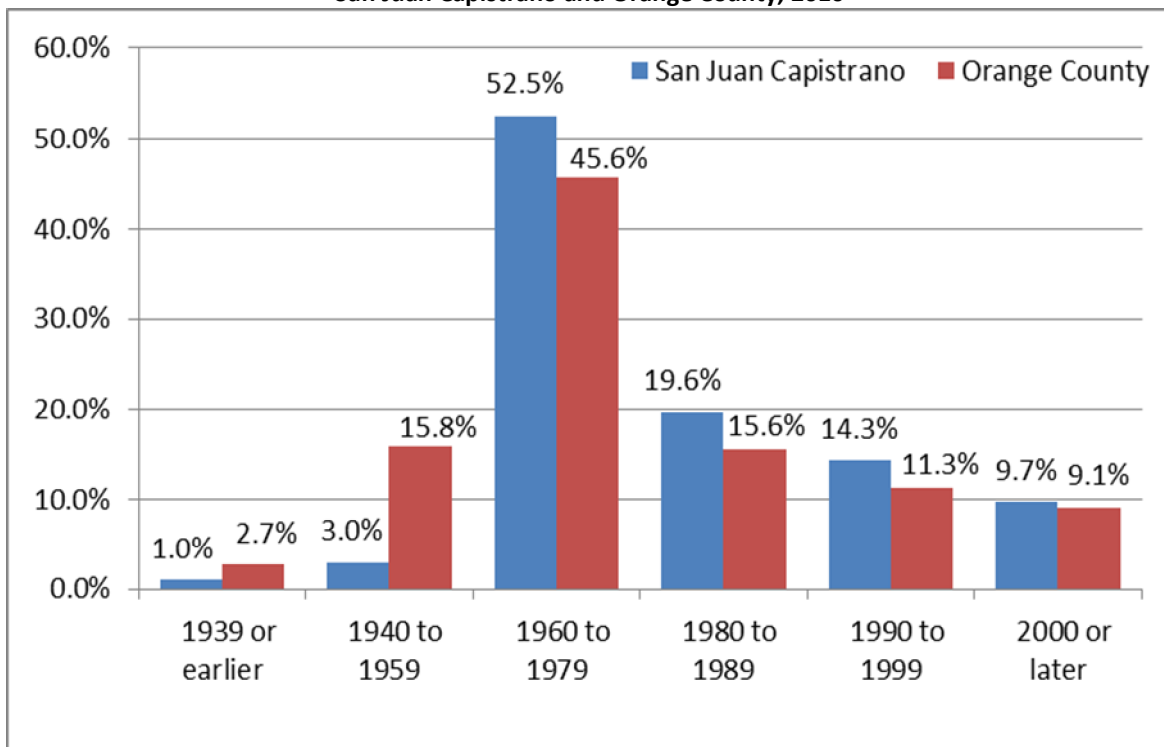


Source: 2010 Census

## Housing Age

The age of a jurisdiction's housing stock is an important characteristic because it is often an indicator of housing condition and indicative of potential rehabilitation needs. Many federal and state programs use age of housing as one factor to determine housing needs and the availability of funds for housing and/or community development. Figure 13 shows that a very large portion of the housing stock in San Juan Capistrano is relatively new. Approximately 96 percent of the City's housing units were built after 1960. The growth after 1960 corresponds with the incorporation of the City in 1961. However, the City's very special history includes structures that date back to the days of the early Spanish and missionary settlers.

**Figure 13**  
**Year Housing Built**  
**San Juan Capistrano and Orange County, 2010**



Source: Census 2010.

## Housing Condition

Housing condition often is defined based on whether or not a unit is substandard. Substandard housing units include those in need of repair and those in need of replacement. Two types of data that could be used to indicate substandard housing are the number of units lacking plumbing facilities and the percentage of units built before 1940 (although these do not always indicate substandard conditions). The primary source of information about the number of substandard units within a jurisdiction is the United States Census.

### ***Plumbing Facilities***

San Juan Capistrano did not have a significant amount of substandard housing when considering such factors as available plumbing facilities and housing age. At the time of the 2010 Census, 100% of units maintained complete plumbing facilities.

### Pre-1940 Housing

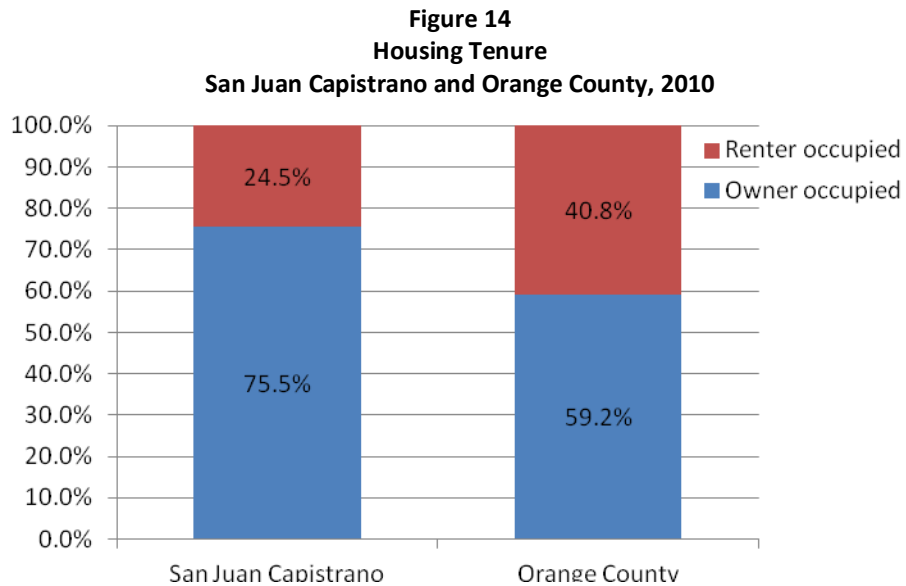
Units may be considered substandard by the U.S. Department of Housing and Urban Development (HUD) if they were built before 1940 and have a value less than \$35,000. Only one percent of the housing stock in San Juan Capistrano was built before 1940 according to the 2010 Census, which is approximately 1.7 percent less than in the County. Again, some of the very old housing units in the City are historic resources which were not included in this part of the analysis.

### Substandard Housing

Of course, the information presented above only can give indirect indication of housing conditions. Based upon a combination of previous “windshield surveys”, observations and experiences of the code enforcement and planning staff, and indicators from the redevelopment blight surveys, the City has estimated that approximately 20-30 units would fall into this category, although most, if not all, meet minimum housing and building code requirements. These units are scattered in the older more urbanized portions of the City. The substandard units do not appear to be concentrated in any one particular neighborhood but do occur more often in the lower-income areas. Due to the nature of the housing stock and relatively low number and degree of deterioration, the City does not anticipate any units needing replacement. There are no capital projects that would cause the removal of units in the current CIP.

### Housing Tenure

Tenure is an important market characteristic because it is directly related to housing types and turnover rates. Figure 14 shows that in 2010, almost eight out ten households in San Juan Capistrano owned their homes, compared to 59.2 percent in the County as a whole.



Source: Census 2010.

### Affordable Housing

The Orange County Housing Authority administers the Housing Choice Voucher Program (formerly the Section 8 Rental Assistance Program) that extends rental subsidies to very low-income households. The subsidy represents the difference between the excess of 30 percent of the recipient’s monthly income and the federally approved fair market rents. As of October 2013, the Orange County Housing Authority was assisting 68 households through the Housing Choice Voucher Program.

There are also several affordable housing developments in the City of San Juan Capistrano. Table 12 lists those projects.

**Table 12**  
**Affordable Housing Projects**  
**City of San Juan Capistrano, 2013**

Name	Very Low-	Low-	Mod- erate-	Total	Exp.	Length of Affordability
Villa Paloma Senior Apartments	31	37	16	84	12/14/2055	55 years from 12/14/00
Casa de Amma Assisted Living	4	7	0	11	03/04/2036	33 years from 3/4/03
Little Hollywood Rentals*	20	4	0	24	08/16/2060	55 years from 8/16/05
Seasons Senior Apts. Phase I	18	74	0	92	2053-2054	57 years from Certificate of Completion date
Seasons Senior Apts. Phase II	28	10	0	38	09/01/2066	57 years from Certificate of Completion date
Habitat for Humanity	18	9	0	27	09/19/2066	60 years from Certificate of Occupancy
Capistrano Valley Mobile Estates	0	1	0	1	09/04/2022	10 years from 09/04/2012
<b>Total Units Provided Through -2013:</b>	<b>119</b>	<b>142</b>	<b>16</b>	<b>277</b>		

\* City-owned

Source: City of San Juan Capistrano.

### Assisted Housing Units at Risk of Converting to Market Rate Rents

Housing Element law requires jurisdictions to provide an analysis and program for preserving affordability of assisted housing developments for the next ten years (2014-2024). San Juan Capistrano has only one assisted unit with an expiring affordability covenant during that time frame (1 mobile home unit at Capistrano Valley Mobile Estates). The unit is not considered at risk as it is subsidized by the City and the City anticipates funding to be available from the Housing In-Lieu Fee program to extend the affordability of the single unit past the 2024 timeframe.

### MARKET INDICATORS

#### Housing Costs

Housing costs are indicative of housing accessibility to all economic segments of the community. Typically, if housing supply exceeds housing demand, housing costs will fall. If housing demand exceeds housing supply, housing costs will rise.

The price of housing is influenced by a number of supply and demand factors: availability of developable land, cost of labor and materials, real estate speculation, governmental land use restrictions (zoning, development standards, and fees), environmental hazards/constraints, financing and mortgage interest rates, tax policy, community desirability, availability of infrastructure and public services, employment, and so forth. Because of the complex interplay of these factors, the concept that increasing the supply of land through density increases alone will improve affordability is an overly simplistic one.



**Renter Costs**

In San Juan Capistrano rents for three bedroom units were averaging about \$2,088 per month based on the University of Southern California 2012 Multifamily Market Report. Table 13 details the average rents found in the south Orange County region.

**Table 13  
Cost of Rental Housing  
San Juan Capistrano, 2012**

Bedroom Size	One	Two	Three
Average Rent	\$1,421	\$1,702	\$2,088

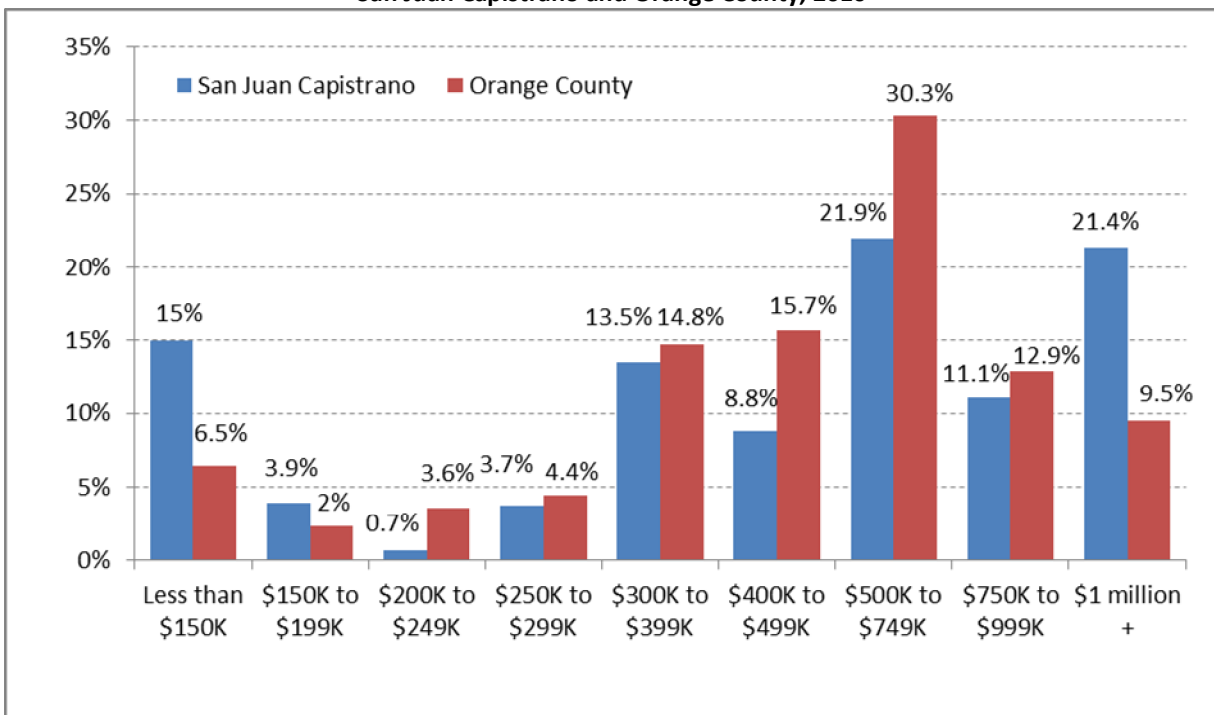
Source: University of Southern California 2012 Multifamily Market

In most recent available survey for the South Orange County region rents for three bedroom units were averaging about \$2,088 per month based on the University of Southern California 2012 Multifamily Market Report.

**Owner Costs**

In 2010, the estimated median housing value for owner-occupied homes in San Juan Capistrano was \$550,200 which was higher than the County’s (\$522,500). Figure 15 shows that the majority of homes (76.7%) were valued at \$300,000 and above in the Census 2010. Just under twenty percent of homes were valued at \$200,000 or less.

**Figure 15  
Owner-Occupied Housing Value  
San Juan Capistrano and Orange County, 2010**



Source: Census 2010.

Table 14 shows the median housing (single family and condos) price sold in 2012 for the south Orange County Cities and the County as a whole. San Juan Capistrano falls into the middle of the range with \$458,000, \$19,000 higher than the County’s median cost of \$439,000. Based upon Retail Sales Data from DataQuick Real Estate

Reports, the average sales price for single family residences was \$513,000 and condos were priced at an average of \$419,000.

**Table 14**  
**Median Cost of Resale Homes**  
**South Orange County Cities and Orange County, 2012**

Jurisdiction	Median Cost
Dana Point	\$561,750
Laguna Hills	\$436,000
Laguna Niguel	\$510,000
Rancho Santa Margarita	\$355,000
San Clemente	\$607,500
<b>San Juan Capistrano</b>	<b>\$458,000</b>
Orange County	\$439,000

Source: DataQuick Information Services. Sales single-family homes and condos.2012

**Affordability**

Any analysis of the local housing market must consider the so-called affordability gap; that is, the existing cost of housing in comparison to what households could afford based upon state and federal income limits by income category (very low, low, and moderate). The definitions of income categories and affordable housing payments are established by law as standard measurements of affordability and do not reflect the private market operations and industry practices (e.g., debt-to-income ratios) or consumer preference.

Affordability is determined by comparing the cost of housing to the income of local households. If costs are high relative to income, housing problems such as overcrowding and cost burden are more likely to occur. Orange County’s high costs of housing impact communities far beyond the affordability problem. The lack of affordable housing contributes to cost burden, overcrowding, and even homelessness. In assessing housing affordability, the California Health and Safety Code Section 50052.5 provides the following definition of affordable housing cost based on the area median income level (AMI) adjusted by family size and income level:

	Calculation of Affordable Housing Cost for Owner	Calculation of Affordable Housing Cost for Renters
Extremely Low (0-30% AMI)	30% of 30% AMI	30% of 30% AMI
Very Low (0-50% AMI)	30% of 50% AMI	30% of 50% AMI
Lower (51-80% AMI)	30% of 70% AMI	30% of 60% AMI
Moderate Income (81-120% AMI)	35% of 110% AMI	30% of 110% AMI

As defined by the Health and Safety Code, “adjusted by family size appropriate to the unit” means a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-

bedroom unit. Using these updated affordability thresholds, current housing affordability can be estimated for the various income groups (Table 15).

**Table 15  
Housing Affordability**

Income Group and Household Type	Maximum Affordable Price	
	Home Purchase	Rental Rate
<b>Extremely Low (0-30% MFI)</b>		
One Person (Studio)	\$73,951	\$398
Two Person (1 bedroom)	\$88,876	\$462
Three Person (2 bedrooms)	\$89,748	\$476
Four Person (3 bedrooms)	\$97,690	\$515
Five Person (4 bedrooms)	\$96,759	\$516
<b>Very Low (30-50% MFI)</b>		
One Person (Studio)	\$135,277	\$696
Two Person (1 bedroom)	\$160,151	\$803
Three Person (2 bedrooms)	\$169,751	\$859
Four Person (3 bedrooms)	\$186,479	\$941
Five Person (4 bedrooms)	\$193,461	\$976
<b>Lower (50-80% MFI)</b>		
One Person (Studio)	\$197,184	\$997
Two Person (1 bedroom)	\$219,789	\$1,109
Three Person (2 bedrooms)	\$239,280	\$1,218
Four Person (3 bedrooms)	\$257,812	\$1,318
Five Person (4 bedrooms)	\$277,362	\$1,412
<b>Moderate Income (81-120% MFI)</b>		
One Person (Studio)	\$320,098	\$1,507
Two Person (1 bedroom)	\$383,940	\$1,742
Three Person (2 bedrooms)	\$425,997	\$1,954
Four Person (3 bedrooms)	\$454,928	\$2,135
Five Person (4 bedrooms)	\$486,154	\$2,295

Source: CA Housing and Community Development Department, 2012; MIG, Inc., 2013

Notations:

1. Small Family = 3 persons; Large Families = 5 persons
2. Property taxes and insurance based on averages for the region
3. Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 4%, 30-year mortgage, and monthly payment 30% of gross household income
4. Based on Orange County MFI \$85,300 and 2012 HCD State Income Limits
5. Maximum affordable price also takes into consideration the cost of utilities, taxes, and insurance.

Calculation of Affordable Housing Cost	<u>Owner</u>	<u>Rental</u>
Extremely Low (0-30% AMI)	30% of 30% AMI	30% of 30% AMI
Very Low (0-50% AMI)	30% of 50% AMI	30% of 50% AMI
Lower (51-80% AMI)	30% of 70% AMI	30% of 60% AMI
Moderate Income (81-120% AMI)	35% of 110% AMI	30% of 110% AMI

Based upon the affordability thresholds above, rental units in San Juan Capistrano are may only be “affordable” to the households at the very top of the income range for low-income households and most of the moderate-income households. For-sale units are not “affordable” to any income category other than those households with levels substantially above moderate-income. Thus, households must substantially overpay (pay greater than 30% of their income for housing and in many cases more than 100% of their income).

Some of the least affordable housing is often found in highly-urbanized, densely-populated areas because other demand-side factors (e.g., location, services, economy) counteract the supply-side advantages that density brings. The degree to which these other factors influence the price of housing will vary from community to community. Until recently, the run-up in the real estate market in Orange County illustrated the complexity of the effects of supply and demand on housing costs.

### Vacancy Rates

Vacancy rates are an important housing indicator because they show the degree of choice available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. Too high a vacancy rate can be difficult for owners trying to sell or rent. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up making it more difficult for low and moderate income households to find housing. Vacancies between two to three percent are usually considered healthy for single family housing; and five to six percent for multi-family housing. However, vacancy rates are not the sole indicator of market conditions. They must be viewed in the context of all the characteristics of the local and regional market.

The California Department of Finance estimates vacancy rates as part of the housing and population estimate program. As shown in Table 16, San Juan Capistrano’s vacancy rate is about 4.6%, which is slightly lower than the County’s.

**Table 16**  
**Vacancy Rates (by Percent)**  
**South Orange County Cities and Orange County, 2007**

Jurisdiction	2007	2010	2012
Dana Point	7.80	11.02	11.02
Laguna Hills	3.10	5.04	5.22
Laguna Niguel	2.80	4.27	4.26
Rancho Santa Margarita	1.59	3.45	3.45
San Clemente	6.10	7.93	7.93
<b>San Juan Capistrano</b>	<b>3.45</b>	<b>4.57</b>	<b>4.57</b>
Orange County	3.53	5.35	5.42

Source: State of California, Department of Finance, Census 2010, and City/County E-5 Housing Estimates January 2012.

### Overcrowding

The combination of low incomes and high housing costs has forced many households to live in overcrowded housing conditions. According to both California and federal standards, a housing unit is considered overcrowded if it is occupied by more than one person per room (excluding kitchens, bathrooms, and halls). Occupancy by more than 1.5 persons per room constitutes “severe” overcrowding. Overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or housing units, especially for large families.

In 2010, the Census estimated that 916 housing units in San Juan Capistrano were overcrowded based on the 1.01 or more occupants per room threshold. San Juan Capistrano had the largest percentage of overcrowded housing units (8.1%) of the six south Orange County Cities. However, it was still less than the County (9.7%).

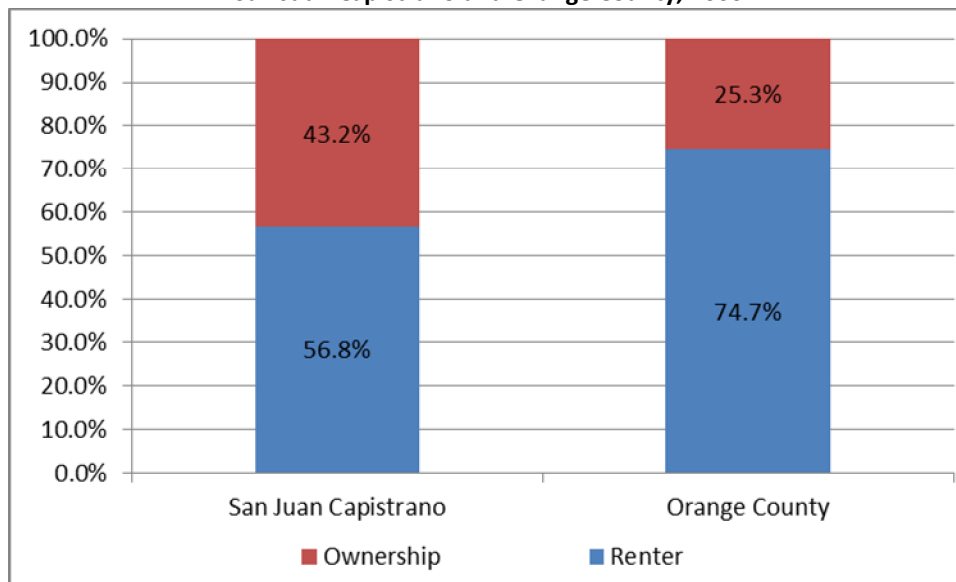
**Table 17**  
**Overcrowded Housing Units**  
**South Orange County Cities and Orange County, 2000**

Jurisdiction	Occupied Housing Units	Overcrowded (More than 1.01 occupant per room)	Percent Overcrowded
Dana Point	14,297	340	2.3
Laguna Hills	10,850	455	4.2
Laguna Niguel	24,113	756	3.1
Rancho Santa Margarita	16,339	704	4.3
San Clemente	23,700	778	3.3
<b>San Juan Capistrano</b>	11,207	916	8.1

Source: Census 2010.

Overcrowded units in San Juan Capistrano are evenly split between renters and homeowners, with 50 percent each. The majority of overcrowded units in Orange County, on the other hand, are renter-occupied households.

**Figure 16**  
**Tenure of Overcrowded Housing Units**  
**San Juan Capistrano and Orange County, 2000**



Source: Census 2010.

## Overpayment

State and federal standards specify that households spending more than 30 percent of gross annual income on housing experience a housing cost burden. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care. In the event of unexpected circumstances such as loss of employment and health problems, lower-income households with a burdensome housing cost are more likely to become homeless. Homeowners with a housing cost burden have the option of selling the homes and become renters. Renters, on the other hand, are vulnerable and subject to constant changes in the housing market.

Table 18 demonstrates the extent of cost burden (overpaying for housing costs) by household type (elderly households, large households, all households), and income. In summary, lower income households regardless of tenure were disproportionately experiencing cost burden. Low income elderly renter households and low income large owner households had the highest levels of cost burden.

**Table 18**  
**Households Experiencing Cost Burden**

Household Type	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Moderate/Above Moderate (81% +)	All Income Categories
<b>Renter-Occupied Households</b>					
Elderly (62+ years)	93%	90%	100%	31%	78%
Large Families (5+ persons)	89%	64%	62%	0%	53%
Total Renters	73%	71%	70%	19%	53%
<b>Owner-Occupied Households</b>					
Elderly (62+ years)	81%	63%	44%	20%	44%
Large Families (5+ persons)	100%	100%	84%	45%	62%
Total Owners	85%	75%	62%	35%	47%
<b>Total Households</b>	<b>81%</b>	<b>74%</b>	<b>64%</b>	<b>33%</b>	<b>48%</b>

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2005-2009.

## Estimates of Current Housing Need

CHAS data, developed by the Census for HUD, provides detailed information on housing needs (e.g., housing cost burden) by income level for different types of households in San Juan Capistrano. Table 19 shows the percentage of households who experience cost burden and other “housing problems”. For the CHAS data, HUD defines housing problems to include:

- Units with physical defects (lacking complete kitchen or bathroom)
- Households living in overcrowded conditions (housing units with more than one person per room)
- Households experiencing housing cost burden, including utilities, exceeding 30 percent of gross income
- Households experiencing severe housing cost burden, including utilities, exceeding 50 percent of gross income

Specific households in San Juan Capistrano had disproportionate housing needs. In general, renter-households had a higher level of housing problems (61 percent) compared to owner households (48 percent). Among elderly

renter-households in the City, 78 percent experienced one or more housing problems compared to 44 percent of elderly owner households. Most large renter families (81%) experienced one or more housing problems, the highest rate among all other groups.

**Table 19**  
**Housing Assistance Needs of Lower Income Households, 2009**

Household by Type, Income & Housing Problem	Renters				Owners				Total HHs
	Elderly	Small Families	Large Families	Total Renters	Elderly	Small Families	Large Families	Total Owners	
<b>Extremely Low-Income (0-30% MFI)</b>	<b>145</b>	<b>60</b>	<b>135</b>	<b>445</b>	<b>545</b>	<b>205</b>	<b>35</b>	<b>865</b>	<b>1,310</b>
with any housing problems	93%	100%	89%	80%	83%	88%	100%	86%	84%
with cost burden > 30%	93%	42%	89%	73%	81%	88%	100%	85%	81%
with cost burden > 50%	86%	42%	89%	71%	72%	88%	100%	75%	73%
<b>Very Low-Income (31-50% MFI)</b>	<b>99</b>	<b>215</b>	<b>110</b>	<b>450</b>	<b>435</b>	<b>170</b>	<b>130</b>	<b>855</b>	<b>1,305</b>
with any housing problems	90%	58%	86%	76%	63%	91%	100%	75%	75%
with cost burden > 30%	90%	58%	64%	71%	63%	91%	100%	75%	74%
with cost burden > 50%	66%	53%	0%	47%	29%	88%	88%	56%	52%
<b>Low-Income (51-80% MFI)</b>	<b>20</b>	<b>185</b>	<b>130</b>	<b>435</b>	<b>515</b>	<b>540</b>	<b>225</b>	<b>1,380</b>	<b>1,815</b>
with any housing problems	100%	76%	92%	79%	45%	70%	89%	64%	67%
with cost burden > 30%	100%	76%	62%	70%	44%	69%	84%	62%	64%
with cost burden > 50%	0%	11%	0%	7%	19%	60%	49%	42%	33%
<b>Moderate-Income (81% + MFI)</b>	<b>80</b>	<b>335</b>	<b>130</b>	<b>745</b>	<b>1,205</b>	<b>3,720</b>	<b>685</b>	<b>6,335</b>	<b>7,080</b>
with any housing problems	31%	36%	58%	30%	20%	38%	53%	36%	35%
with cost burden > 30%	31%	36%	0%	19%	20%	37%	45%	35%	33%
with cost burden > 50%	0%	10%	0%	5%	5%	9%	13%	9%	8%
<b>Total Households</b>	<b>344</b>	<b>795</b>	<b>505</b>	<b>2,075</b>	<b>2,700</b>	<b>4,635</b>	<b>1,075</b>	<b>9,435</b>	<b>11,510</b>
with any housing problems	78%	56%	81%	61%	44%	46%	67%	48%	50%
with cost burden > 30%	78%	52%	53%	53%	44%	45%	62%	47%	48%
with cost burden > 50%	55%	25%	24%	28%	25%	21%	33%	24%	25%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2005-2009.

Notes: HUD CHAS (Comprehensive Housing Affordability Strategy) data is based on tabulations from the American Community Survey (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.

### Projected Housing Need

California General Plan law requires each city and county to have land zoned to accommodate its fair share of the regional housing need. This share for the SCAG region is known as the Regional Housing Needs Allocation, or RHNA. HCD determined that the projected housing need for the Southern California region (including the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Imperial) is 412,721 new housing units for the 2014-2021 planning period. SCAG allocated this projected growth to the various cities and unincorporated county areas within the SCAG region, creating the RHNA. The RHNA is divided into four categories: very low, low, moderate, and above moderate income. As determined by SCAG, the City of San Juan Capistrano's fair share allocation is 638 new housing units during this planning cycle, with the units divided among the four income categories as shown in Table 20.

**Table 20  
RHNA 2014-2021**

Income Group	% of County AMI	2013 Total Housing Units Allocated	Percentage of Units
Extremely/Very Low	0-50%	147	23%
Low	51-80%	104	16%
Moderate	81-120%	120	19%
Above moderate	120%+	267	42%
Total		638	100%

Source: Southern California Association of Governments

Note: Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low-income households (0-30% AMI). In estimating the number of extremely low-income households, a jurisdiction can use 50% of the very low-income allocation or apportion the very low-income figure based on Census data. As shown in Table 3, extremely low- and very low-income households total 2,615 households, with extremely low-income households comprising 50% of the total. Therefore, the City's very low-income RHNA of 147 units can be split into 73 extremely low-income and 74 very low-income units.



## **CONSTRAINTS TO THE PROVISION OF HOUSING**

# CONSTRAINTS TO THE PROVISION OF HOUSING

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Actual or potential constraints to the provision of housing affect the development of new housing and the maintenance of existing units for all income levels. Both governmental and non-governmental constraints can affect the cost, supply, and demand for housing. Governmental constraints can include such things as government land use and construction or tax codes, while non-governmental constraints would encompass factors such as market mechanisms, physical or environmental constraints, or the health of the economy. This chapter addresses those constraints that are relevant to the people who live and work in San Juan Capistrano.

## **GOVERNMENTAL CONSTRAINTS**

Governmental constraints can limit the operations of the public, private, and nonprofit sectors, making it difficult to meet the demand for housing and limiting supply in a region. Such constraints can limit access to housing to or from various ethnic, racial, or social groups, or prevent lower-income segments of society from having adequate housing opportunities. Potential governmental constraints include, but are not limited to, growth management measures, inclusionary zoning, land use controls, building codes, processing fees and procedures, exactions, property taxes, and site improvement costs.

In San Juan Capistrano, Governmental Constraints include zoning code provisions, enforcement requirements, on and off site improvement requirements for support infrastructure and utilities, fees and exactions, processing and permit procedures, and growth controls. These constraints are identified in this section.

### **Land Use Controls**

The current developmental standards contained within the Land Use Code limit the development of affordable housing in several ways. Adopted in 1999, the General Plan, a comprehensive, long-range general policy statement, establishes the overall character and development patterns of the community. The Land Use Element of the General Plan provides for a variety of residential densities dispersed throughout the City. The provisions of the Element do not constrain the opportunity for a broad range of housing types and densities.

Much of the community can be characterized as residential and rural residential. A large part of the remaining vacant land to be developed consists of parcels with environmental constraints, with topographic and drainage constraints, and with other limitations as identified in the Public Safety and Resource Management elements of the General Plan. Much of the land has been designated single family residential. However, opportunities for multi-family development based on the multi-family land use designations can be found in many areas of the City.

The land use controls and development standards described are below comparable to, and in some cases less demanding than the typical set of requirements necessary for residential development throughout the State and have not, and will continue not to, impede nor substantially impact the cost of the development of affordable housing and the maximum densities necessary. The City will continue to provide a broad range of housing types for all income groups necessary to meet the City's regional share. The cumulative effect of the City's development standards, its height limits and maximum second floor per first floor ratio of 80 percent has not deterred the development of affordable housing. The City has recently developed affordable housing at densities well within these standards. The Seasons development provided 38 units of affordable housing on 1.5 acres in late 2009. The City, in partnership with Habitat for Humanity, provided 27 affordable units on 4 acres in 2010. Finally, the City built, owns, and rents out 24 affordable units (10 developed in 2009) as free standing single family detached in the Little Hollywood development on approximately 4.5 acres.

**Table 21  
Existing Residential Development Standards  
City of San Juan Capistrano**

District	Max Density	Min Lot Area	Min Street Frontage	One Story <sup>1</sup>				Two Story <sup>1</sup>				Max 2nd Floor/ 1st Floor Ratio	Build. Height  (feet)
				Min Front Yard 3,4	Min Side Yard 3,5,6	Min Rear Yard 3,7,8,19	Max Lot Coverage Ratio	Min Front Yard 3,4	Min Side Yard 3,5,6	Min Rear Yard 3,7,8,19	Max Lot Coverage Ratio <sup>9</sup>		
				(feet)	(feet)	(feet)		(feet)	(feet)	(feet)			
RA <sup>10,11</sup>	0.4 du/ac	2.5 acres	200	150	20	50	0.12	150	20	50	0.12	75%	35
HR <sup>12,13</sup>	Ref. 9-3.301c(2)	10,000 s.f.	60	25-20	15-5	25/20	0.4	25-20	15-5	25-20	0.35	80%	35
RSE-40,000 <sup>10,11</sup>	1 du/ac	40,000 s.f.	150	30	20	25	0.15	30	20	25	0.15	75%	35
RSE-20,000 <sup>10,11</sup>	2 du/ac	20,000 s.f.	90	30	10	25	0.25	30	10	25	0.25	80%	35
RS-10,000 <sup>10,11</sup>	3.5 du/ac	10,000 s.f.	60	20	10-5	25	0.4	20	10	25	0.35	80%	35
RS-7,000 <sup>10,11</sup>	5 du/ac	7,000 s.f.	60	20	5	20	0.45	20	10-5	20	0.32	80%	35
RG-7,000 <sup>10,11,15</sup>	5 du/ac	7,000 s.f.	60	20	10-0	20	0.45	20	10-0	20	0.32	80%	35
RS-4,000 <sup>10,11,14</sup>	8 du/ac	4,000 s.f.	50	18	5	16	0.5	20	10-5	20	0.35	80%	35
MRD-4,000 <sup>10,11,17,18</sup>	8 du/ac	4,000 s.f.	50	18	5	16	0.5	20	10-5	20	0.35	80%	35
RG-4,000 <sup>10,11,14,15</sup>	8 du/ac	4,000 s.f.	50	18	10-0	16	0.5	20	10-0	20	0.35	80%	35
RM* <sup>10,16</sup>	18 du/ac	1 acre	150	30	20	20	n/a	20	20	20	0.35	80%	35
VHDR <sup>10,16</sup>	30 du/ac	1 acre	150	30	20	20	n/a	20	20	20	0.35	80%	35

**Notes:**

MHP development standards for mobile homes shall be per State law. Max = Maximum Min = Minimum DU = Dwelling Unit

<sup>1</sup> All new residential projects shall incorporate a combination of one- and two-story units adjacent to all master planned arterial streets, with at least 20 percent of the total project units being one-story. In addition, in the HR District, one- and two-story structures shall be intermixed to provide a variety of roof lines, building mass, and setbacks, and two-story structures shall not be located adjacent to project entries or to existing single-story residences.

<sup>2</sup> Lots with street frontages below the minimum set forth in this table may be permitted without the approval of a variance if all of the following conditions are met:

- (a) The lot's street frontage remains a minimum of 20 feet; (b) The lot is designed such that the reduced width portion constitutes an access corridor to the buildable portion, which is set back away from the street; (c) The minimum width of the buildable portion of the lot conforms to the requirements of this table; and (d) The Planning Commission determines that adequate visitor parking will be provided on the lot to compensate for the loss of street frontage parking.

The actual creation of reduced frontage lots shall be subject to normal City approval of required tract or parcel maps. Reduced frontage portion of such lots shall not be included in the computation of lot area (see Section 9-4.315, Irregular and Cul-de-sac Lots.)

- <sup>3</sup> The criteria for measuring setbacks on irregularly shaped and cul-de-sac lots are set forth in Section 9-4.315, Irregular and Cul-de-sac Lots.
- <sup>4</sup> The setback for garages shall maintain the minimum setbacks for the district. For those residential districts that allow a minimum front yard of 18 feet or less, a minimum setback of 18 feet from the front property line shall be maintained for the garage. If the garage is a side entry, the front yard setback may be reduced to a minimum of 10 feet. However, in no instance shall side entry garages using this standard exceed 20 percent of the total units for the residential project. In the MRD-4,000 District, garages shall comply with Section 9-3.301(c) (4) (C) (2) of these regulations.
- <sup>5</sup> Architectural projections may extend into required side yards no more than 40% of the applicable district requirement, or more than 3 feet whichever is greater.
- <sup>6</sup> Minimum exterior side yards shall not be less than 10 feet for all districts, except for the HR District, in which the minimum exterior side yard adjacent to the street shall not be less than 15 feet.
- <sup>7</sup> On lots with an existing building setback encroachment into a required rear yard, structural additions having the same said encroachments shall be permitted without the approval of a variance. However, neither new encroachment in excess of that existing, nor any new encroachment may be permitted without the approval of a variance (see Section 9-3.533, Nonconforming Uses, Lots, and Structures).
- <sup>8</sup> In the RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, RG-7,000, RG-4,000, MRD-4,000, and RM, Districts, open patios may extend up to a minimum of 5 feet from rear property lines pursuant to Section 9-3.501, Accessory Uses and Structures.
- <sup>9</sup> The overall building square footage for the primary structure shall not exceed that using the floor area ratio. For the purposes of calculating overall square footage, open volume ceilings that include second story area shall be included as square footage as if a second floor has been installed said area shall include garage and enclosed porches.
- <sup>10</sup> All front, side, and exterior side architectural elevations shall be fully articulated with the integration of details and materials consistent with the approved architectural style of the unit for residential subdivision.
- <sup>11</sup> Single-family Design Standards: In all districts where single-family dwellings (site-built, modular, or manufactured home) are permitted, such dwellings shall be subject to the development standards for that district as well as the following requirements:
- (a) The minimum width of the residential dwelling shall be 20 feet outside dimension measured to the building line. For the purposes of this section, the width shall be distinguished from the length of the building as the dimension having the lesser measurement;
  - (b) The exterior sides shall be covered with wood, stucco, masonry, or other material of similar texture and durability. Metal siding shall not be permitted;
  - (c) The roof material shall be wood shingle or shake, slate, tile, or other material of similar appearance, texture, substance, and durability;
  - (d) Roof eaves and gables shall be no less than 12 inches, measured from the vertical side of the unit, unless otherwise approved by the Planning Commission.
- The preceding criteria shall be administered by either the Planning Director or Planning Commission, depending on which is responsible for reviewing specific residential projects or custom homes prior to plan check.
- <sup>12</sup> HR Design Standards: A residential project in the HR District shall be in compliance with the following:
- (a) The residential design of the project shall give the appearance of a variety of setbacks;
  - (b) The residential design shall encourage pedestrian use for internal circulation;
  - (c) Existing mature trees shall be preserved to the maximum extent and shall be integrated into the overall design of the project.
- <sup>13</sup> In the HR District, as part of the subdivision review process, lots shall comply with the following:
- (a) At least 30% of the units shall maintain a minimum front yard setback of 25 feet and rear yard setback of 20 feet;
  - (b) At least 70% of the units shall maintain a minimum front yard setback of 20 feet and rear yard setback of 25 feet;
  - (c) The minimum side yard setbacks shall be 15 feet combined, but not less than 5 feet on one interior side yard.
- <sup>14</sup> Projects that propose 7,000 square foot lots or less shall provide private common recreational facilities equal to 250 square feet per unit. In addition, the minimum setback from a master planned arterial street shall be 25 feet as measured from the ultimate right-of-way. A homeowner association shall be created to maintain all the recreational facilities and landscaping and to assume other responsibilities as appropriate. The organization, legal authority, duties, and obligations for such homeowner association shall be set forth in a set of Codes, Covenants, and Restrictions (CC&R) to be approved by the Planning Commission and recorded with the final tract map. Such CC&R shall incorporate provisions for the City to take over or otherwise provide for the maintenance of all the recreational facilities, landscaping, and common areas should the City determine that adequate maintenance is not being performed.
- <sup>15</sup> The RG-7,000 and RG-4,000 Districts allow attached units with zero lot lines.
- <sup>16</sup> In the öRMö öVHDRö District, a minimum distance of 20 feet shall be maintained between all buildings including principal and accessory structures.
- <sup>17</sup> The minimum lot depth in the MRD-4,000 District shall be 65'-0".
- <sup>18</sup> In the Mission Hill area of the MRD-4,000 District, lots with an average slope in the front yard of less than 15% shall comply with the minimum front yard setback. Lots with an average slope equal to or greater than 15% shall provide a minimum 10 feet setback. In the Mission Flat area of the MRD-4,000 District, the principle dwelling, with or without an attached front-loaded garage, shall maintain a minimum front yard setback of 18'-0" for one-story and 20'-0" for two-story structures.
- <sup>19</sup> In the MRD-4,000 District, detached garages situated to the rear of the principal dwelling shall maintain a minimum 3'-0" side and rear yard setback. Detached garages may incorporate other permitted accessory uses.
- Source: City of San Juan Capistrano Municipal Code, Title 9 Chapter 3.

## Expanded Analysis of Development Standards

The standard development review process takes into account density allowances established by the General Plan, in the form of maximum and average densities as a finding of approval or denial. Further the City's Municipal Code further restricts proposed development by limiting building heights, restricting second floor area to only 80% of the first floor area, lot coverage, setbacks, and parking requirements. These increasingly restrictive governmental constraints potentially create uncertain costs and products going into the process.

Through the use of the Planned Community/Specific Plan method a more flexible and innovative approach can occur. Specifically the General Plan rather than dictating average and maximum densities for individual lots within General Plan Designations provides only general parameters for development uses. This allows for specific densities to be identified during the creation of a Specific Plan or Comprehensive Development Plan. Additionally the Municipal Code's district regulations and supplemental regulations are not applied and specific development standards are established through the creation of a Specific Plan or Comprehensive Development Plan. This form of innovative Planning process reduces the amount of Governmental constraints, while providing a more consensus approach to which the Developer is a stakeholder in thus providing additional certainty to the process.

## Zoning for a Variety of Housing Types

Zoning ordinances directly shape the form and intensity of residential development by providing controls over land use, building heights, lot coverage, and floor area ratios which regulate the bulk and mass of buildings on a site. Table 21 shows that residential zoning categories in the City cover a broad spectrum of densities.

The City's Land Use Element includes a mix of densities to provide for new residential units, which will be affordable to a variety of income levels. The Housing Resources section demonstrates the City's ability to identify adequate sites for its share of the region's housing needs as determined by the SCAG.

1. Manufactured and modular homes on a permanent foundation system: These uses are permitted in most of the residential zones (RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, RG-4,000, RM, and AF/S MHP. The permitting of manufactured housing on foundations is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3. The City considers proposals for farm worker housing within this category.
2. Transitional housing (residential care facilities (6 or fewer persons)): These uses are permitted in most of the residential zones (RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, MRD-4,000, and RG-4,000). The permitting of residential care facilities (6 or fewer persons) is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3.
3. Transitional housing (residential care facilities (over 6 persons)): These uses are conditionally permitted in most of the residential zones (RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, and RG-4,000).
4. Transitional housing (alcoholism recovery residential facilities (six or fewer persons)): These uses are permitted in most of the residential zones (RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, MRD-4,000, RG-4,000, RM, AF/S, and MHP. The permitting of alcoholism recovery residential facilities (six or fewer persons) is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3.
5. Transitional housing (family care homes (14 or fewer children)): These uses are permitted in most of the residential zones (RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, RG-4,000, RM, AF/S, and

MHP. Family care homes (14 or fewer children) are subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3 except in the MRD-4,000 zone which requires a conditional use permit.

6. Transitional housing (migrant and/or farm workers (six or fewer persons)): These uses are permitted in most of the residential zones (RA, HR, RSE-40,000, RSE-20,000, RS-10,000, RS-7,000, RS-4,000, MRD-4,000, RG-4,000, RM, AF/S, and MHP).
7. The permitting of employee housing and transitional housing for migrant and/or farm workers (six or fewer persons) is subject to the same development standards as conventional single-family units, consistent with the Employee Housing Act. In accordance with Health and Safety Code Section 17021.5 and 17021.6 employee housing occupied by six (6) or fewer employees in a single family structure, are treated the same as any other single family dwelling in the same zone.
8. Emergency shelters: The City adopted a Supportive Housing code which permits emergency shelters, transitional housing, and supportive housing facilities within the Public and Institutional zoning district by right, or not subject to approval of a conditional use permit. The City has approximately 186 acres for this category. Of this amount, approximately 90 acres are currently vacant of which approximately 30 acres could be considered a suitable location for housing for this special group. In addition, existing Public Institutional sites may also be compatible for this type of housing with adjacent land uses.
9. Mobile Homes: The City has seven mobile home parks that are valuable resources for the provision of affordable housing. The mobile home parks constitute 12.4% of the City's housing stock (1,485 of 11,982 total units). The City has a number of programs in place to protect the affordability of these units. The City has a mobile home park zoning category (MPH) that provides for such use. City Council has consistently expressed a strong interest in encouraging the preservation of mobile homes and on numerous occasions have expressed interest in receiving credit for these programs as part of their overall effort to address affordable housing needs.
10. The City would consider Single Room Occupancy's (SRO), which would convert hotel rooms into long term living quarters, as if they were hotel submittals. However, the City has never had a proposal for SRO's to date, and with only two hotels City-wide, the possibility of receiving a proposal is improbable.
11. Family Definition: One or more persons related by blood, marriage, or legal adoption, or a group of persons including unrelated individuals, living together as a relatively permanent, bona fide housekeeping unit.

### **Inclusionary Housing**

Developers of new residential developments with two or more units are required to provide 10% of the development as affordable housing or pay fees in-lieu of reserving affordable housing units for very low, low, and moderate income households. The purpose of the fees is to promote the construction and/or assistance of affordable housing projects throughout the City. The fees are dedicated to an affordable housing fund. The collected funds can only be used for programs outlined in the Hope Plan (Housing Opportunities Program Empowerment Plan), as established by City Council, in order to meet the housing needs of very low, low, and moderate income households. The programs assist their housing needs through the production, acquisition, rehabilitation, and preservation of affordable housing units. The amount of the in-lieu fees is calculated using the housing market variables. The rental developments have a fee that is calculated annually, and ownership developments have a fee that is calculated monthly. The fee formula is within the City of San Juan Capistrano Municipal Code Section 9-5.103.

## **Building Code**

The City has adopted and enforces the Uniform Building Code as Title 8 of the Municipal Code. This Code ensures that all housing units are built to specific standards, which are considered to be the minimum necessary to protect the public's health, safety, and welfare. The City has adopted the Code with few administrative amendments for fire safety and protection. These amendments always place greater restrictions and requirements on development rather than reduce standards.

The requirement that all rental and multi-family buildings install fire sprinklers adds approximately \$2 - \$5.00 per square feet in construction costs. In most cases, the sprinkler requirement will not affect multi-family projects, but it does add to the costs for building housing in San Juan Capistrano.

To ensure that standards for building construction are met, the City has a staged inspection program where inspectors review projects and also carry out inspections on a complaint basis. These enforcement activities are conducted in a sensitive manner and a minimum of two written violation notifications are given to violators. Although code requirements and enforcement are necessary, they do add a cost to the construction of affordable housing because the minimum safety requirements must be met by all development, and therefore, set a minimum cost of a unit's construction.

## **Development Fees**

A developer is required to pay building fees as part of the permit process in order to construct housing in the City. Fees are outlined in the City's adopted Building Fee schedule and vary based on the valuation of the project. Valuation is determined by the square footage of the project multiplied by the Building Standards factors for this region's cost of construction per square foot. Therefore, the larger the unit, the more expensive the fees are. Table 22 summarizes the building fees.

There are other fees in addition to building fees for residential projects. The school and transportation systems also require fees. The school system charges \$2.97 per square foot for new residential developments. The transportation system charges from \$2,158 to \$5,086 per unit. Each of these fees are charged by outside agencies and authorized by specific State legislation.

On average, fees for a single family development are comparable to the surrounding jurisdictions in Orange County and represent a reasonable level of fees necessary to retain the quality of development that characterizes the City's standards. The average fee is slightly less for multi-family units. Fees represent a barrier to the construction of affordable housing because they increase the minimum costs of a dwelling unit and are passed onto the purchaser or renter.

**Table 22**  
**Building Fees Summary**  
**City of San Juan Capistrano**

<b>Descriptions</b>	<b>Fee</b>
▪ Building Permit Fees	Dependent upon valuation of project
▪ Construction and Demolition	
Submittal	\$92.74
Deposit	1% of valuation, with \$250 minimum
▪ Base Fees	
Base	ICBO Building Valuation Data per sq. ft. (changes depending on type of development)
Building Permit	Dependent upon valuation of project
Permit Issuance	\$26.92
Building Address	\$86.93
NPDES Permit Fee	10% of permit fee

Source: City of San Juan Capistrano Web site, July 1, 2012. Building Fees Summary.

Planning fees are different from building fees because they are based upon the type of application necessary for project approvals. The City processing fees are part of a development deposit, whereby an applicant deposits a specified amount of money to cover the actual costs of processing the application. If the deposit is exhausted, additional deposits are necessary; refunds also can occur (i.e. if there is money remaining within a deposit after the project has been officially approved or denied). These planning fees are another cost to development which affects the affordability of housing. The planning fees and developer deposits are shown in Table 23.

Developers of new residential developments with two or more units are required to pay fees in-lieu of reserving affordable housing units for very low, low, and moderate income households. The purpose of the fees is to promote the construction and/or assistance of affordable housing projects throughout the City. The fees are dedicated to an affordable housing fund. The collected funds can only be used for programs outlined in the Hope Plan (Housing Opportunities Program Empowerment Plan), as established by City Council, in order to meet the housing needs of very low, low, and moderate income households. The programs assist their housing needs through the production, acquisition, rehabilitation, and preservation of affordable housing units. The amount of the in-lieu fees is one percent of valuation as determined under the City of San Juan Capistrano Municipal Code Section 8-1.05.

**Table 23**  
**Planning Related Fees**  
**City of San Juan Capistrano**

<b>Applications</b>	<b>Fees/Deposits</b>
General Plan Amendment	\$10,000
Zone Change	\$4,000
Zone Change with CDPs, SDPs, or Code Amendments	\$5,000
Zone Variance (not with other applications)	\$2,000
Zone Variance (with Arch. Control and Conditional Use Permit applications)	\$2,000
Conditional Use Permit	\$8,000
Floodplain Development Permit	\$1,500
Administrative Approval/Land Use Adjustment/Modification	\$2,000
Architectural Control	\$15,000
Tentative Parcel Map	\$5,000
Tentative Parcel Map Waiver	\$1,500
Tentative Subdivision (Tract Map)	\$10,000

Source: City of San Juan Capistrano Web site, July 1, 2012. Planning Fees Summary.



In San Juan Capistrano, total typical development fees (planning, building and impact fees) are approximately \$47,000 per unit for a 2,500 sf single family dwelling and \$43,500 per unit for a multi-family unit of 900 sf. While impact fees and connection fees contribute to development costs, the fees are necessary to provide sewer service to the developments, and provide adequate funding to maintain the City's parks and schools.

### **Processing and Permit Procedures**

The City of San Juan Capistrano has a proactive developmental review process that provides certainty to both the development community and the residents of the City while taking into account the need to maintain its beautiful setting. The City provides certainty by specifically spelling out its permit and application processes through pamphlets available at the planning department and through the City's web site.

The Review process consists of three main steps; each step is spelled out specifically so that the development community is aware of the requirements prior to submittal. A summary of the key features of the site review application process is described in the following paragraphs:

1. The first step is the pre-application. The applicant meets with the staff and become familiar with applicable General plan, historical guidelines and zoning requirements applicable to the project. Thus, certainty regarding the requirements is provided at the outset of the process. These standards also are on the City website, with all forms, aerial photographs, examples of projects and other extensive helpful data.
2. The second step is the submittal of the application. Within 30 calendar days of submittal (at least twice a month), the City staff holds a Development Advisory Board meeting to review the application for completeness. Key senior staff members from all the key departments meet simultaneously with the applicant to go over the proposal, clarify details, and to offer suggestions to insure expeditious processing and certainty. A formal, written follow-up letter is expeditiously provided to the applicant by staff (normally within five working days) to confirm the details discussed and to increase certainty in the process. Thus, the applicant will know at the outset if any additional elements are required as part of the application.
3. The third step is a public hearing on the application.

The Site Plan Review Process assures that new development conforms to the City's general plan, U. S. Federal Government required the Secretary of the Interior's Guidelines, and, if necessary, the Los Rios Specific Plan guidelines for those few projects located in the Federal and State recognized historic districts/properties. The process spells out the submission requirements, including the application packet contents, fees required, and other materials.

The City also specifically spells out the Architectural Control Application process through pamphlets available at the planning department and on the City's web site. These steps are similar to the site plan review described above except the hearing takes place before the planning Commission. The Architectural Control Application process assures that new development conforms to the City's General Plan, Land Use Codes, and Architectural Design Guidelines. The City requires all developments with a density of eight units per acre or greater to process an Architectural Control Application. The City's Planning Commission has decision-making authority on these applications. Architectural Control Application process spells out the submission requirements, including the application packet contents, fees required, and other materials in a manner very close to the site review process.

The findings of approval are tied to the projects compliance to the City's General plan, land use Codes, and zoning requirements. These findings are the same for single family as for multi-family. The impact on the approval

certainty is spelled out specifically in the aforementioned materials and guidelines. Thus, there should be no surprises to the applicant as a result of this process.

This requirement for quality affects the time frame for receiving developmental approval. The City's committee and commission process for larger projects may take four to eight months. The City collects deposits to cover the cost of staff and administrative time associated with processing the applications and presenting reports to the Committees, Commissions and City Council Table 31.

After receiving developmental approval, an applicant must apply for grading and building permits. Although the building department has a quick turn-around for review of plans, applicants are usually required to revise their plans to make them comply with the State of California established Building Code requirements. The revision process also affects the time frame for receiving a building or grading permit. However, the developers' design team can greatly reduce this latter impact by giving attention to plan preparation.

The "holding costs" associated with waiting for project approval can affect the affordability of housing. These costs are passed along into the final price of the housing unit.

The City eliminated several committees including the Housing Advisory Committee, the Design Review Committee, and the Transportation Commission to streamline the review process. The City is currently establishing a streamline table which will show developers the process of each type of review to ensure each project remains on-track.

### **Density Bonus**

The City's Density Bonus Ordinance (Chapter 9-3.505 of the Municipal Code) allows up to a 35 percent increase in density where units are reserved for lower-income (minimum 10 percent) or very low-income (minimum 5 percent) units, or condominium units are reserved for moderate-income residents (minimum 10 percent). Density bonuses are also available to applicants who donate at least 10 percent of their land for affordable housing (15 to 35 percent density bonus increase) or when a childcare facility is involved (matching square footage increase). Projects that are eligible to receive a density bonus can benefit from other incentives, including reduced parking requirements and waiver or modification of certain development standards. The Density Bonus Ordinance is consistent with California Government Code Section 65915.

### **Design Review**

The City has instituted an architectural control (AC) review procedure for residential projects with a zoning designation of eight units per acre or higher and/or the construction of three or more units on a lot. The process requires an application to be submitted to the Planning Department. The reviewing authority is the Planning Commission or the City Council on appeal. The City concurrently reviews the AC application while other requirements also are being reviewed (e. g., rezoning, subdivision, use permits, variances, etc.). The process does not significantly impact the time or cost of the development of housing (including affordable housing) in the City due to the concurrency of the review process with other review processes and due to the fact that the requirements are comparable to the requirements of all residential development within the City and comparable to the processes followed by many Orange County cities.

### **Parking**

The City's parking requirements are:

- Group Residential: one space per room and one per dwelling unit plus one space per 100 square feet for assembly purposes (if applicable);
- Multifamily Residential: 2 spaces per unit, including one covered, and 0.8 spaces per dwelling unit for visitor parking;
- Residential Care: one space per 3 beds;
- Single Family Residential: two enclosed spaces per unit; and
- Senior Housing Units: one space per unit.

These parking standards are necessary to protect the public health and welfare and community ambiance. The standards do not measurably impact the cost of housing and are reasonable standards for developments throughout the State.

Parking standards for single family and low density residential are generally addressed on site and could theoretically impact the supply of housing by marginally limiting the amount of land available for more units on the site. However, the parking standards in San Juan Capistrano are essentially equivalent to, or less than, those of the surrounding Orange County jurisdictions. The City has provided a number of affordable housing projects to which the current standards were applied. The application of those standards did not prevent the construction of affordable housing.

On a case-by-case basis the City has, and can, modify these standards for affordable housing. Parking for higher density units require a different construction style (usually podium style with stalls under the units) and run about \$23,000 per stall. These costs are industry standards and would constitute less than 10 percent of the costs of smaller affordable housing units and less for larger affordable units. Again, these costs are part of the overall costs of housing development and necessary for parking needs generated by the residential units and do not impact the supply nor the cost of such housing beyond what residential development normally occurs.

### **On- and Off-Site Improvement Requirements**

On- and off-site improvements represent a substantial amount of the housing construction costs. Projects in San Juan Capistrano are required to underground utilities; install street lights and traffic signals; provide water transmission facilities, drainage, and sanitary sewers. In addition, if a project is anticipated to directly and significantly impact an existing roadway or other facility, the City can require additional fees or improvements necessary to mitigate impacts in accordance with California Environmental Quality Act provisions. These costs also increase the cost of housing production and can represent a barrier to affordable housing.

### **Code Enforcement**

The City's Code Enforcement staff responds to potential violations of the City of San Juan Capistrano Municipal Code. The City has two code enforcement officers whose responsibility it is to investigate complaints of property maintenance and municipal code violations. After an inspection is made to determine the validity, nature, and extent of violation(s) and if the code violation is observed, the property owner is informed and given an opportunity to bring the property into compliance.

If corrective action is not completed in a reasonable time, or manner, the City may file a criminal complaint through the City Attorney's office. Through the code enforcement process, a number of blighted properties throughout the community have significantly been reduced.

The City provides on-line services for filing potential code enforcement violations, access to the City's Municipal Code and other resources that assist homeowners in correcting code deficiencies.

### **Endangered Species Act**

Some of the remaining vacant land designated for residential development by the General Plan is either partially or wholly impacted by the animals and plant species that are listed on the Endangered Species Act. Such lands are currently being evaluated as part of the coordinated effort by the State and Federal governments to create the Natural Communities Conservation Plan for the Orange County region. Final disposition of the impacts of the preservation program may create some limited constraints on the development of these properties in the City. In those properties that would possibly result in a partial take, significant mitigation fees or actions are imposed by the U.S. Fish and Wildlife Service and California Department of Fish and Game in order to develop the property. In many instances, the permit processing time associated with these two agencies is prolonged and can add a significant cost to the price of housing. Although this is an issue of statewide importance, the costs of preservation will continue to be a constraint to creating affordable housing as well as the limitation on the available land for other residential purposes at the local level.

### **Growth Management Measures**

The City's General Plan, adopted in December 1999, includes a Growth Management Element. The basis for the element is Measure M, passed in 1990, which requires Orange County cities to adopt a growth management element in order to receive funds from a half cent sales tax for transportation improvements. As a developed community, San Juan Capistrano was only required to address the transportation related requirements of Measure M. However, the City has expanded the scope to address other public facilities. The Growth Management Element neither poses a constraint on current or future housing production, nor impedes the City's ability to accommodate its share of the regional housing need. This Element addresses how the City will accommodate the infrastructure for new development; it does not include a cap to new development.

### **Housing for Persons with Disabilities**

As noted in the Special Needs section of the Housing Element, persons with disabilities have a number of specific housing needs, including design and location. Design needs generally include the removal of architectural barriers that limit the accessibility of dwelling units, and construction of wheelchair ramps, railings, etc. Location needs include accessibility to public transportation, commercial services, healthcare, and supportive services. Some persons with disabilities need group housing opportunities, especially those who are very low-income or homeless.

The City has adopted the 2010 California Building Code. Standards within the Code include provisions to ensure accessibility for persons with disabilities. These standards are consistent with the Americans with Disabilities Act. No local amendments that would constrain accessibility or increase the cost of housing for persons with disabilities have been adopted. The City ensures that new housing developments comply with Title 24 of the California Code of Regulations. The City implements and enforces Chapter 11 of the 1998 California Code of Regulations, which has regulations comparable to those found in ADA. The City provides information to applicants or those inquiring of City regulations regarding accommodations in zoning, permit processes, and application of building codes for persons with disabilities.

4. The City has no requirements regarding the maximum concentration or siting requirements for residential care facilities.
5. The City's site planning requirements for housing for persons with disabilities are the similar to those for other residential development. Thus, the City's requirements do not constrain housing for persons with disabilities.
6. The City's parking requirements the similar to those for other residential development. Thus, the City's parking requirements do not constrain housing for persons with disabilities.
7. The City's definition of "family" is: One or more persons related by blood, marriage, or legal adoption, or a group of persons including unrelated individuals, living together as a relatively permanent, bona fide housekeeping unit.

Applicants for development projects may apply for a variance from development standards if circumstances warrant. Certain minor variances may be granted by the City's Planning Director, while other variance requests must be approved by the Planning Commission. In either case, rather strict findings must be made in order to grant a variance. As such, the formal variance procedure may not be the appropriate vehicle to consider requests for reasonable accommodations. The City has no formalized procedures for obtaining a waiver of development standards which may be necessary to make improvements for reasonable accommodation pursuant to ADA. In the past the City has considered such requests on a case-by-case basis. To comply with state law (SB 520), the City will implement a program to develop a formal reasonable accommodation procedure for persons with disabilities (see Governmental Constraints Program). The City also provides housing rehabilitation loans to help with reasonable accommodations for disabled owner-occupied low-income households.

Improvements designed to improve accessibility (e.g. a wheelchair ramp) that encroaches on the public right of way needs a permit. Encroachment permits for structures within public rights-of-way are handled administratively by the Engineering Services Department. The applicant provides a drawing of the proposed improvements in relation to the public right of way, which is then reviewed by the City Engineer. The improvements must be completed by a licensed and insured general contractor. There is a nominal permit fee as well as a small recording fee. The City's permit processes for waivers and encroachments are relatively simple and expeditious and do not constitute a constraint to reasonable accommodations for persons with disabilities.

#### **Efforts to Remove Regulatory Constraints for Persons with Disabilities**

Existing state law supersedes City discretion for review of small group home projects (six or fewer residents). The City does not impose additional zoning, building code, or permitting procedures other than those allowed by state law. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City. The City does not have any planning requirements regarding concentrations of residential care facilities.

The City also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with ADA requirements. Such retrofitting is permitted under Chapter 11 of the 1998 version of the California Code. The City works with applicants who need special accommodations in their homes to ensure that application of building code requirements does not create a constraint.

#### *Permits and Processing*

The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The City's requirements for building permits and inspections are the same as for other residential projects. City officials are not aware of any instances in which an applicant experienced delays or rejection of a

retrofitting proposal for accessibility to persons with disabilities; also the City has not had a request for exceptions in a site plan for housing for persons with disabilities. However, the Planning Director has the discretion to accept exceptions and to process them as part of the permit process. The City has not had a request to change parking standards for housing for persons with disabilities. Again, the Planning Director has the discretion to consider such requests and to process them as part of the permit requirements. The City also has the ability to consider such developments under the planned community or specific plan processes which offer even more flexibility for exceptions and parking flexibility. The City allows group homes of six or fewer persons by right, as required by California state law. No conditional use permit or other special permitting requirements apply to such homes. The City does require a Conditional Use Permit for group homes of more than six persons in all residential and commercial zones that allow for residential uses. The City does not impose special occupancy permit requirements for the establishment or retrofitting of structures for residential use by persons with disabilities. Generally, if structural improvements were required for an existing group home, a building permit would be required. If a new structure were proposed for a group home use, discretionary review would be required as for any other new residential structure. Many residential projects in the City require some level of design review. The design review and hearing process is the same for group homes and special needs housing for persons with disabilities as for other residential projects. The City's design review process has not been used to deny or substantially modify a housing project for persons with disabilities to the point where it is no longer feasible.

### *Building Codes*

The City provides reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits through its flexible approaches to retrofitting or converting existing buildings and construction of new buildings that meet the shelter needs of persons with disabilities. The City adopted and implements the 2009 International Building Code (IBC) and 2010 California Code, which incorporates and amends the 2009 IBC. The only additions that the City has made to the IBC is a requirement that multi-family housing have fire sprinklers and another requirement to use Class "A" roof materials which are fire resistant.

### *Conclusion*

In light of current and proposed planning policies and zoning regulations, the City has mitigated any potential constraints to the availability of housing for persons with disabilities. The City will continue to monitor its zoning ordinance and procedures to ensure that it continues providing flexibility in, and not constraining the development of, housing for persons with disabilities. Program 10 in the Housing Plan reflects the City's commitment to adopting a formal reasonable accommodation procedure.

### **Energy Conservation Standards**

Energy conservation standards are included within the regulations that must be satisfied when presenting plans for permit issuance. The City has adopted the most recent energy standards (minimum) as required by the State of California. Although the City has not imposed increased standards for the energy conservation based upon the initial increased cost of construction, the City worked with local utility companies to include energy saving methods on the City's Web site as a public information service.

The City, which has long been a leader on the environmental front, adopted a Sustainability Charter in 2007 and continues to work to reduce its carbon footprint. Solar photovoltaic power generation consumes no fossil fuels, generates no air pollution and therefore increases energy efficiency and reduces greenhouse gases and air pollution.

In December, 2007, the City adopted a sustainability charter, a green building and temporary solar energy program (subsequently continued). In adopting the sustainability charter, the City expressed its desire to meet current environmental, economic and social needs without compromising the ability of future generations to do the same. The City found that solar photovoltaic systems readily available and the use of these systems promote the City's commitment to become a sustainable community. The City held workshops to educate the community, business, residents and developers on the benefits of solar energy and provided input on rebates and tax credits. The City is participating with Orange County Sunenergy Program. This program provides the opportunity for business and residents to purchase solar photovoltaic systems through a loan paid on the property. The City will continue to aggressively pursue its energy conservation and sustainability efforts. It has committed to continue the above programs, and it will continue to explore even more aggressive programs and actions.

### **NON-GOVERNMENTAL CONSTRAINTS**

A number of private sector factors contribute to the cost of housing, including land costs, construction costs, financing, and the limited availability of Federal, State, and local funding sources, all of which affect the availability of affordable housing.

#### **Land Costs**

The following anecdotal information from the development community working in the Orange County areas in the City and close to the City provides insight to land and construction costs. Land costs are approaching and, in some cases, exceeding \$1.1 million or more per acre in the City's "urban" areas (higher in the back country areas), about \$90-150 per square foot. Depending on site configuration and views, these costs can rise to close to \$4 million an acre.

#### **Construction Costs**

Construction costs for multifamily runs about \$115 per square foot for Type 5 construction (wood and stucco over parking) with one bedroom units ranging between 600 to 1,100 square feet (averaging about 720 square feet) and two bedrooms at 1,000 to 1,200 square feet. Parking (podium style with stalls under the units) runs about \$23,000 per stall. Type 5 construction generally is used until the development reaches higher densities (60 units per acre or higher) and then construction type would probably be Type 3 (for rent) or 1 (for sale) which involves steel and concrete. In those cases, construction costs would rise to about \$200 per square foot.

#### **Financing Availability**

Interest rates affect home ownership opportunities throughout the City. In March 2013, Freddie Mac's primary mortgage market survey listed interest rates on home loans at 3.52% on 30 year fixed loan rate. The surge in foreclosures through 2007 and 2008 dramatically affected the housing market, resulting in a low housing market in Orange County. The Federal Government passed several programs to stimulate the housing market to stimulate the sale of foreclosed homes. The low interest rates and competitive housing market made the homeownership market favorable to lower income households. Although financing availability has slowed over the past year, the low interest rates are expected to prolong the availability of financing.

#### **Federal and State Programs**

There is limited funding available for housing assistance programs from the State and Federal governments. Current funding sources being used by the City include continued participation in the Community Development

Block Grant (CDBG) program, HOME, MCC program, program income, Section 8 Rental Assistance, and use of tax credits programs. These funds are supplemented by the City's Housing In-lieu Fee program.



**HOUSING RESOURCES**

# HOUSING RESOURCES

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The resources available for the development, rehabilitation, and preservation of housing in San Juan Capistrano are addressed in this section of the Housing Element. This section provides an overview of available land resources and residential sites for future housing development, and evaluates how these resources can work toward satisfying future housing needs. Also discussed are the financial and administrative resources available to support affordable housing and energy conservation opportunities.

## LAND INVENTORY

### Availability of Suitable Sites

Housing Element law mandates that a city must show that it has adequate sites with required public services and facilities for a variety of housing types for all income levels. In this section, adequate sites will be discussed in terms of the City’s regional share goals—the City’s share of the region’s housing needs for 2014-2021. Based upon the City’s inventory of residential land with development potential and a parcel by parcel review with planning, housing staff, it can be demonstrated that the City has land currently designated for residential development with a capacity of 772 residential units based upon the current planned/zoning designations, surpassing its fair share of 638 units.

### Regional Share Goals

State law requires that a community provide an adequate number of sites to allow for and facilitate production of the 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 and development standards, with services and facilities, needed to facilitate and encourage the development of a variety of housing for all income levels. San Juan Capistrano’s Regional Housing Needs Allocation (RHNA) for the 2014-2021 planning period has been determined by SCAG to be 638 housing units, including 147 units for very low-income households, 104 units for low-income households, 120 units for moderate-income households, and 267 units for above moderate-income households.

**Table 24  
RHNA 2014**

	<b>Very Low-Income*</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Above Moderate-Income</b>	<b>Totals</b>
RHNA	147	104	120	267	638

\*Note: Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low-income households (0-30% AMI). In estimating the number of extremely low-income households, a jurisdiction can use 50% of the very low-income allocation or apportion the very low-income figure based on Census data. As shown in Table 3, extremely low- and very low-income households total 2,615 households, with extremely low-income households comprising 50% of the 2,615 households. Therefore, the City’s very low-income RHNA of 147 units can be split into 73 extremely low-income and 74 very low-income units.

### Realistic Densities

For the purpose of this Housing Element, calculations of realistic capacity assume that properties will achieve a density that is 80 percent of the maximum allowed density. This reduction accounts for applicable land use

controls and site requirements and takes into consideration recent development trends in San Juan Capistrano. This approach is supported by recent sites analyses conducted on the sites. In several cases the site analysis estimated a larger capacity than what is shown in this site inventory. To maintain consistency and present a conservative estimate, a realistic capacity calculation based on 80 percent of maximum density is used. However, this average density should not be construed as a result of the City’s development standards. Oftentimes, developers choose not to exhaust available resources to maximize their development, or the failure to maximize the development is due to inefficient site plan and architectural design. Finally, achievable density on a property is often influenced by how much a developer is willing to spend on a development, which is beyond the discretion of the local agency. In a tight housing market, achieving maximum density is financially feasible because the developer is able to recuperate the investment even at high density products that do not usually command the highest market value.

**Zoning Appropriate to Accommodate Housing Affordable to Lower-Income Households**

The capacity of sites that allow development densities of at least 30 units per acre are credited toward the lower-income RHNA based on State law. The California Government Code states that if a local government has adopted density standards consistent with the population based criteria set by State law (at least 30 units per acre for San Juan Capistrano), HCD is obligated to accept sites with those density standards (30 units per acre or higher) as appropriate for accommodating the jurisdictions share of regional housing need for lower-income households. Per Government Code Section 65583.2(c)(3)(B), the City’s Very High Density Residential designation consistent with the default density standard (30 units per acre) for metropolitan jurisdictions such as San Juan Capistrano and therefore considered appropriate to accommodate housing for lower-income households.

Additionally, developments in San Juan Capistrano have demonstrated that affordable housing can be constructed at substantially less than the densities normally associated with affordable housing due to the City’s aggressive and diverse set of affordable housing programs. The two most recent, non-age restricted, multi-family affordable housing projects (Habitat for Humanity and Little Hollywood Expansion) that were constructed re-affirm the City’s commitment and ability to provide multi-family affordable housing at densities between 20 units per acre to 30 units per acre. In addition, the City has approved an age restricted multi-family affordable housing development at 25 units to the acre Seasons II.

**Sites Inventory**

Table 25 below indicates that the 2014-2021 RHNA can be accommodated based on the current availability of vacant and underutilized land. As explained further below, in May 2016, two sites initially considered for the inventory, the Rancho San Juan Apartments site and the Camino Las Ramblas site, were subsequently identified as inappropriate for housing development and were replaced with the City Hall site. As the table below and this section detail, the City maintains a surplus beyond the RHNA mandate for very low and low income housing units (+96) and for total housing units (+134).

**Table 25  
Sites Inventory Table**

Site Name	Existing General Plan/ Zoning	Size/ Allowed Maximum Density	Realistic Capacity by RHNA Affordability Level				Total	Environmental or Infrastructure Constraints
			Very Low (0-50% of AMI)*	Low (51-80% of AMI)	Moderate (81-120% of AMI)	Above Moderate (120%+ of AMI)		

**Table 25  
Sites Inventory Table**

Site Name	Existing General Plan/ Zoning	Size/ Allowed Maximum Density	Realistic Capacity by RHNA Affordability Level					Environmental or Infrastructure Constraints
			Very Low (0-50% of AMI)*	Low (51-80% of AMI)	Moderate (81-120% of AMI)	Above Moderate (120%+ of AMI)	Total	
1: The Oaks	Medium Low Density/RS- 10,000	10.2 ac  3.5 units per acre	--	--	--	32	32	No
2: Calle Lorenzo	Medium High Density/ RS- 4,000	1.89 acres  8 units per acre	--	--	--	12	12	No
3: C. Romer Homestead	Planned Comm./Planned Comm. (CDP 78-1 -Very High Density)	0.35 ac  30 units per acre	8	--	--	--	8	No
4: The Groves	Very High Density/ Very High Density	2 acres  30 units per acre	48	--	--	--	48	No: constrained portion of the site is not included in the capacity calculation
5: Ventanas*	Planned Comm./ (CDP 78-01- Mixed Use & Very High Density)	9 acres  30 units per acre	230	--	--	--	230	No
6: Oliva	Low Density/ Hillside Residential	21.5 acres  3.5 units per acre	--	--	--	40	40	No
7: The Cove Estates	Medium High Density/ RS- 4,000	1.8 acres  8 units per acre	--	--	--	4	4	No
8: Pacifica San Juan**	Planned Comm./ CDP 81-01	257 acres  3.7 units per acre	--	--	39	282	321	Yes

**Table 25  
Sites Inventory Table**

Site Name	Existing General Plan/ Zoning	Size/ Allowed Maximum Density	Realistic Capacity by RHNA Affordability Level					Environmental or Infrastructure Constraints
			Very Low (0-50% of AMI)*	Low (51-80% of AMI)	Moderate (81-120% of AMI)	Above Moderate (120%+ of AMI)	Total	
9: Don Juan Duplex Property	Medium High Density/ MRD-4,000	2.10 acres  8 units per acre	--	--	--	8	8	Yes
10: Hidden Creek Estates	Medium Low Density/ RS-10,000	3 acres  3.5 units per acre	--	--	--	8	8	Yes
11: City Hall	Very High Density/ Very High Density	2.52 acres  30 units per acre	61	--	--	--	61	No
<b>Total</b>		<b>311.36 acres</b>	<b>347</b>	<b>--</b>	<b>39</b>	<b>386</b>	<b>772</b>	

**Notes:**

Housing Element law allows local governments to utilize the default density standards determined by HCD. Per HCD's determination, cities in Orange County (including San Juan Capistrano) with sites allowing a density of at least 30 dwelling units per acre can be used to meet lower-income RHNA requirements.

\*Calculations of realistic capacity assume that properties will achieve a density that is 80 percent of the maximum allowed density with the exception of the Ventanas site (Site 5). For Site 5, realistic capacity calculations use a slightly higher percent (85 percent) of the maximum allowed density based on recent developer interest in the site. Discussions with potential developers indicate that realistic capacity for the site is closer to 93 percent of maximum allowed density (in excess of 250 units).

\*\*Affordability of units for the Pacific San Juan site is based on the Planned Community zoning 7.4 acres for a multi-family development proposing 10.5 du/ac and able to accommodate Moderate Income housing based on affordability levels presented in the General Plan Housing Element.

\*\*\* Sites #6-10 were previously included in the 2008 Housing Element.

**Site Details**

*Site 1 – The Oaks (APN: 664-041-09/-10/-12)*

This site is a 10.2-acre lot on the edge of the City's eastern border and south of Ortega Highway. The current use on the site is an equestrian stable. A residential development would be a more efficient use of the site and given the potential units that can be built, may be a financial incentive for the current owners to redevelop. There is a pending development proposal on this site for 32 units with RS-10,000 zoning.

*Site 2 – Calle Lorenzo (APN: 649-052-08 & 649-053-13)*

This site is a 1.89 acre lot east of Camino Capistrano and south of Junipero Serra Road. It contains the potential for a total of 12 units in RS-4,000 zoning. The current use on the site is one single family unit. The site is zoned to

permit a larger capacity, and over the last year the site been investigated for development. No applications for development have been received to date. Given the potential units that can be built, redevelopment to the sites full potential is expected.

*Site 3 – C. Romer Homestead (APN: 666-241-12)*

This site is a 0.35-acre lot east of Rancho Viejo Road and south of Ortega Highway. It contains the potential for a total of 8 units at densities that can accommodate affordable housing. The site is zoned to permit a larger capacity, and over the last year the site been investigated for development. No applications for development have been received to date. Given the potential units that can be built, redevelopment to the sites full potential is expected.

*Site 4 – The Groves (APN: 121-050-21)*

This 2.0-acre vacant site is located on the northwest corner of Camino Capistrano and Junipero Serra Road. The site has a potential development capacity for 48 units at densities that can accommodate affordable housing. The site was rezoned in January 2014 from Office Commercial to Very High Density Residential. The new zoning designation allows for development of residential uses at 30 units per acre. The site is owned by the City of San Juan Capistrano, and the City has been actively engaging developers to pursue potential development of the site as affordable housing. Environmental constraints that would have limited development have already been accounted for in the site analysis. With the required 75 foot set back from the creek as part of the Resource Agency permitting requirements and the full right-of-way for Camino Capistrano, the site provides two net useable acres. Only 2 acres are used to calculate realistic capacity.

*Site 5 – Ventanas (APN: 666-131-09/-13/-15)*

This 9-acre vacant site located east of Interstate 5 and north of San Juan Creek, has been identified as a potential site for housing development due to access to transit, schools, etc. The site additionally has a potential for mixed use. The site has a potential development capacity for 230 units. The realistic capacity of 230 units is supported by a recent developer analysis which determined that 253 units could be accommodated on the site with a mixed use element. For the purposes of this site inventory, capacity for the Ventanas site is based solely on the portion of the site allowing Very High Density residential and does not include portions of the site allowing commercial development.

The Ventanas site was rezoned in January 2014 from Planned Community (Sector B-2 Industrial Park) to Planned Community (Sector B-3 Very High Density Residential). Under the Comprehensive Development Plan for the area, the City's Very High Density Residential zone regulates the land use and development standards for the portion of the site included in this sites inventory. The new zoning designation allows for development of residential uses at 30 units per acre. Further, the site is subject to the City's inclusionary housing requirement, under which developers of new residential developments with two or more units are required to provide 10 percent of the development as affordable housing or to pay fees in-lieu of reserving affordable housing units for very low, low, and moderate income households. The City has successfully financially assisted several affordable projects with housing in-lieu fee funds and will continue to explore the use of these fees to increase affordability of development on this site.

The City understands that the Ventanas site contributes 230 of the inventory's 347 very low and low income housing units. Given the site's zoning and suitability for residential development as well as City's affordable housing incentives and programs, the City is confident in the site's potential to meet the inventory projections.

*Sites 6 – 10*

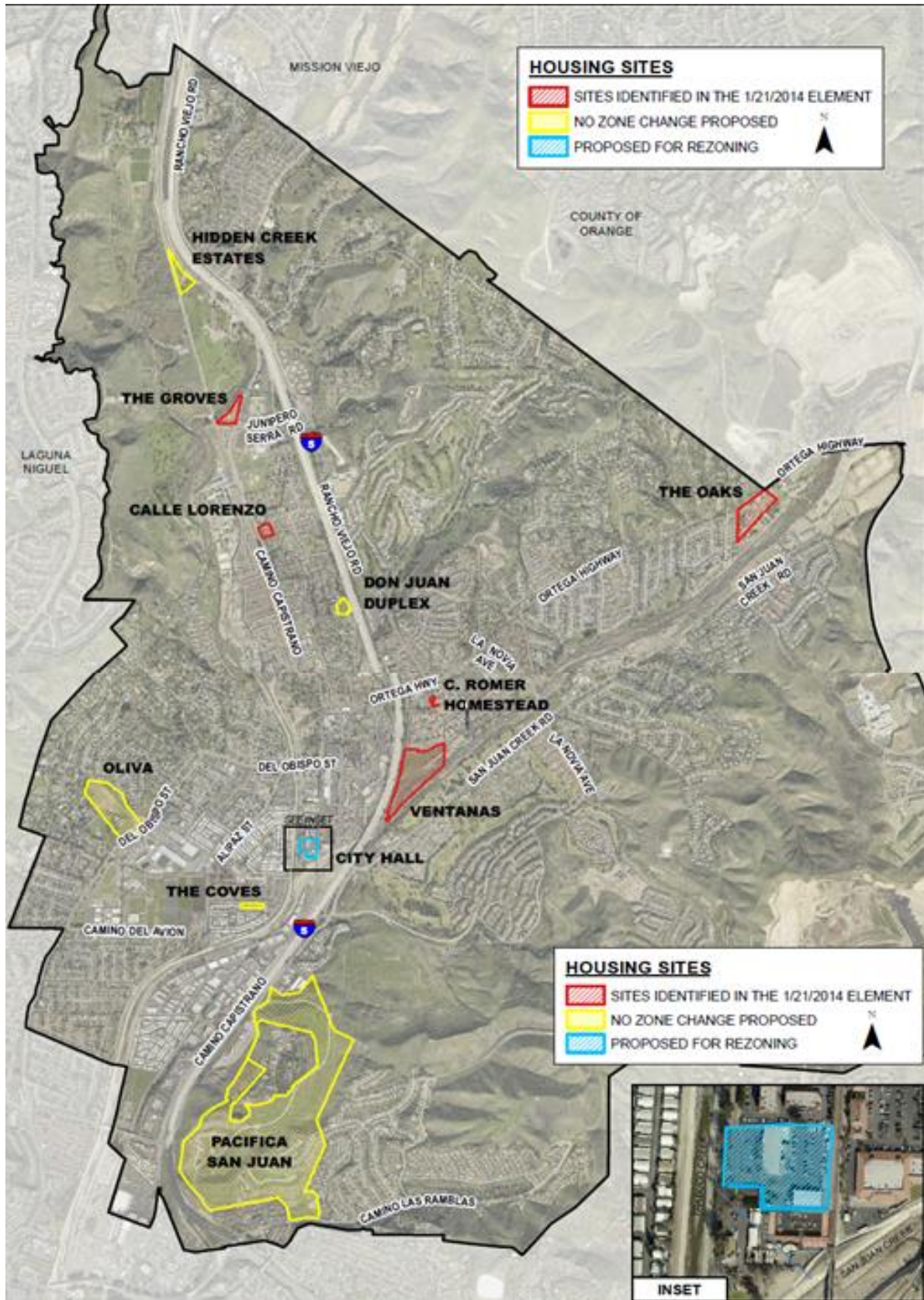
Opportunities for moderate or above moderate income housing are available on sites #6 - #10. These five sites were previously included in the 2008 Housing Element, have appropriate zoning in place and have not been

developed. Site #6, Oliva, has the potential for 40 low-density units on 3.5 acres. Site #7, The Cove Estates (referred to as Village Alipaz in the 2008 Housing Element), has the capacity for 4 units in 1.8 acres zoned RS-4,000. Affordability of units for the Pacific San Juan site (Site #8) is based on the Planned Community zoning 7.4 acres for a multi-family development proposing 10.5 du/ac and able to accommodate moderate income housing based on affordability levels presented in the Housing Element. Site # 9, the Don Juan Duplexes property, is located at the terminus of Andres Pico west of Interstate 5. The site has the potential development of 8 units on a total of 2.1 acres in MRD-4000 zoning. Site # 10, Hidden Creek Estates, is located west of Camino Capistrano and has the potential for the development of 8 units on a total of 3.0 acres in RS-10,000 zoning.

*Site 11: City Hall (APN: 668-101-10)*

Site 11 is currently zoned for high density residential development and currently houses City Hall and a Public Works & Utility Department equipment storage building. The site has a capacity for 61 units at densities appropriate to accommodate lower-income housing. The site was rezoned in May 2016 from Commercial Manufacturing to Very High Density Residential. The new zoning designation allows for development of residential uses at 30 units per acre. The City owns this site, and the will actively engage developers to pursue potential development of the site as affordable housing (see Program 1). Current use of the site as a City Hall is not an impediment to development of the site, as the current site was intended as a temporary location. Upon Council approval of a development project on the site, City Hall offices would be relocated. The City is currently exploring site options for relocation of City Hall.

The City updated the Housing Element site table in May 2016 to replace two sites which were identified as inappropriate for housing development with a site (Site #11) which offered more realistic development opportunities. The first site, Rancho San Juan Apartments, was removed due to the City Council finding that the traffic study for the development showed inadequate traffic and circulation capacity. The second site, Camino Las Ramblas, was removed due to the site no longer being identified as surplus property by the Capistrano Unified School District (previously identified the site as surplus in 2006), who maintain an option to purchase the property from the current property owners.





## Environmental and Infrastructure Constraints

The inventory above takes into account any environmental constraints (habitat, flood and noise hazards, steep slopes, and other constraints), as part of the City’s site by site analysis. Any environmental constraints that would lower the potential yield (e. g., steep slopes) have already been accounted for in the site/unit capacity analysis. Full urban level services are available throughout the City and specifically to each of this site. Such services are (or will be) in place prior to development and adequate for the potential unit yield on each site. Specifically, water and sewer service are available to all parcels within the City, including each of the sites in this inventory, and the City has the water and sewer capacity to service the number of units necessary to meet, and substantially exceed, the regional share goals.

## Comparison of Sites Inventory and RHNA

Identified properties in the sites inventory have the combined capacity to accommodate 772 income-targeted housing units on vacant and underutilized residential sites and meet the RHNA for the 2014-2021 planning period.

**Table 26**  
**Comparison of Sites Inventory and RHNA**

<b>Income Category</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
Total Sites (with Appropriate Zoning in Place)	347	--	39	386	772
<b>RHNA</b>	<b>147</b>	<b>104</b>	<b>120</b>	<b>267</b>	<b>638</b>
<b>Surplus/Shortfall (+/-)</b>	+96		-81	+119	+134 units

## Financial Resources

### *Housing In Lieu Fees*

The City has required, and will continue to require, all new residential developments to provide a minimum of ten percent of its units as affordable through its implementation ordinances. If a residential developer does not provide the units within the boundary, they may participate in the construction of affordable housing in another location in the City or be subject to payment of the Housing In-lieu fee which is calculated using the housing market variables. The rental developments have a fee that is calculated annually, and ownership developments have a fee that is calculated monthly. The fee formula is within the City of San Juan Capistrano Municipal Code Section 9-5.103. The Housing In-lieu Fee is used to assist in the creation of affordable housing opportunities.

### *Housing Choice Voucher*

The Orange County Housing Authority administers the Housing Choice Voucher Program (formerly the Section 8 Rental Assistance Program) that extends rental subsidies to very low-income households. The subsidy represents the difference between the excess of 30 percent of the recipient’s monthly income and the federally approved fair market rents. As of October 2013, the Orange County Housing Authority was assisting 68 households through the Housing Choice Voucher Program.

### *Department of Housing and Urban Development Grants*

The City receives CDBG/HOME funds through the competitive state HUD program as San Juan Capistrano is not an entitlement jurisdiction. Since 2008, the City has received \$1,379,942 through State Grants and reimbursements from loans for the Owner Occupied Rehabilitation Program. This averages \$275,988 received annually for the Owner Occupied Rehabilitation Program. This program offers \$20,000 to \$30,000 loans for Lower income households to correct code violations, Health and Safety concerns, weatherization improvements and accessibility improvements.

### **Administrative Resources**

The City of San Juan Capistrano Development Services Department is the lead department implementing a number of the programs outlined in this Housing Element. The Development Services Department provides information and advisory services to decision makers and the public regarding the growth and development of the community to ensure balanced physical development. The Development Services Department has three divisions; Planning, Building and Safety, and Code Enforcement. The Planning division processes current and long-range development applications in accordance with the City's adopted General Plan and zoning regulations and provides staff support to the City Council, Planning Commission, Cultural Heritage Commission, Zoning Administrator, and Environmental Administrator. The Building and Safety division reviews and approves building plans, issuance of building permits, and inspection of buildings during and after construction. The Code Enforcement division responds to potential violations of the City of San Juan Capistrano Municipal Code. The department is also responsible for managing the City's preservation and maintenance of the City's historic structures.

### **Opportunities for Energy Conservation**

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. Also a number of benefits are associated with energy conservation including improved air quality and lower energy costs.

The City has included energy conservation standards within the regulations that must be satisfied when presenting plans for permit issuance. The City has adopted the most recent energy standards (minimum) as required by the State of California. Although the City has not imposed increased standards for the energy conservation based upon the initial increased cost of construction, the City worked with local utility companies to include energy saving methods on the City's Web site as a public information service.

The City's energy goals, stated in the Public Services and Utilities Element of the General Plan, make every effort to conserve energy in the City thus reducing dependence on fossil fuels. The City's policies relating to energy include encouragement of the use of alternate energy systems, urban design that maximizes opportunities for solar energy use and energy conservation, and promotion of energy conserving standards and requirements for new construction.

Title 24, Building Energy Standards for Residential Development, establishes energy budgets or maximum energy use levels. The standards of Title 24 supersede local regulations, and State requirements mandate Title 24 requirements through implementation by local jurisdictions. The City will continue enforcement of local and state energy regulations for new residential construction and continue providing residents with information on energy efficiency.

**EVALUATION OF PREVIOUS  
HOUSING ELEMENT PROGRAMS**

## EVALUATION OF PREVIOUS HOUSING ELEMENT PROGRAMS

This section analyzes the City’s accomplishments during the past Housing Element, as adopted on October 19, 2010, cycle through July 2014. This is performed by evaluating the previous Housing Element in the two contexts: (1) the City’s progress towards meeting its housing goals and program objectives; and (2) the City’s progress towards meeting its Quantified Objectives, especially its Regional Housing Needs Assessment goals. This evaluation is a key component in the determination of goals and programs to be included in the 2014-2021 Housing Element.

### EVALUATION OF PREVIOUS HOUSING ELEMENT

An important component of this revised housing element is the evaluation of the previous housing element. It is important to determine if the housing needs have changed, if the goals and policies are still relevant, and if the programs were effective. These questions were systematically considered as part of the 2014-2021 Housing Element update. The analysis is summarized in the following paragraphs and is reflected throughout the revised Housing Element.

#### Quantified Objectives

Housing Element law requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation and preservation activities that will occur during the housing element planning period. Table 27 summarizes the City’s quantified objectives for the previous Housing Element cycle and progress in meeting those objectives.

**Table 27**  
**Quantified Objectives and Progress from Previous Housing Element**

	Extremely Low Income*	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Totals
<b>New Construction</b>						
Goal	105	123	188	210	313**	939
Progress	56		20	2	273	351
<b>Rehabilitation</b>						
Goal	25	25	50	0	0	100
Progress	7	13	29	0	0	49
<b>Conservation</b>						
Goal	30	30	0	0	0	60
Progress	34	34	0	0	0	68
<b>Preservation</b>						
Goal	0	0	1,350	0	0	1,350
Progress	0	0	1,350	0	0	1,350

\* Extremely low Income was estimated based upon 2000 Census (953 extremely low income households divided by 2,076 total very low income households = 46%; 228 very low income projected households times .46 = 105.

\*\* The 313 units represent the original 436 units minus the construction of 123 above moderate-income units between January 1, 2006 and July 1, 2008.

### *New Construction*

The City's regional share for the 2008-2014 period was 1,062 new dwelling units. As shown in Table 6, 351 new units were constructed during the last Housing Element cycle's reporting period. The total number fell short of the City's RHNA's quantified objective for total unit (939) as well as for the separate income categories. The City used two programs to stimulate the construction of new units for very low and low income households: Affordable Density and Inclusionary Housing. Seventy-eight new units for very low- and low-income households and two units for moderate-income households were constructed. This includes the Habitat for Humanity development off Calle Rolando (18 low, and 9 very low income units), the Little Hollywood development in the historic Los Rios district (10 very-low income units), the Seasons Senior Apartments off Rancho Viejo Road (10 low, and 28 very low income units), one low income unit in Capistrano Valley Mobile Estates off Avenida Aeropuerto, and two secondary dwelling units which are considered to be available for moderate income households.

### *Rehabilitation*

The City funded rehabilitation through the Owner-Occupied Rehabilitation Loans. The City has rehabilitated a total of 49 residential units during the 2008-2014 period. Funding during this 2008-2014 period was provided from the 2007 HOME grant awarded to the City from the State of California and from CDBG and HOME program income. When loans made with HOME and Community Development Block Grant funds are repaid, this income is then used to fund additional housing rehabilitation loans.

### *Conservation*

The City's quantified conservation objective for 2008-2014 was 30 for extremely low and 30 very low income households based on continuing the existing number of Housing Choice (formerly Section 8) vouchers. As of October 2013, the Orange County Housing Authority was assisting 68 households through the Housing Choice Voucher Program.

### *Preservation*

The quantified objective refers to the City's actions to preserve the affordability of 1,350 mobile home rental housing units. As of October 2013, affordability of all 1,350 mobile homes were preserved. Conservation efforts were conducted primarily through the Mobile Home Park Conversion ordinance which establishes regulations that a mobile home park owner/operator must satisfy before a land use conversion is to be considered. The City received an application from the owner of Capistrano Terrace Mobile Home Park to close the park. The City has hired a consultant to prepare the Relocation Impact Report. Prior to the City's approval of the Relocation Impact Report, the park residents negotiated to purchase the park from the owners.

## **Program Summary**

### *Program 1: Mixed-Use Zoning*

*Objective:* Discuss the policy recommendation to allow for the inclusion of mixed-use development of secondary residential units with development of principal commercial uses

*Progress:* The City was successful in completing a re-zone and General Plan Amendment to permit mix-use zoning within the Historic Down Town through the Historic Downtown Master Plan. Additionally, the City approved of a new Planned Community, Distrito La Novia/San Juan Meadows, which allows for the mixed use development of condo multifamily housing, apartment housing, retail, office, and hotel commercial on the same site.

*Continued Appropriateness:* The City completed this program by establishing a master plan and planned community which incorporate mixed-use provisions within two years of adopting the Housing Element. This program will be continued in the Housing Element and will focus on continued efforts to expand mixed use opportunities in the City.

**Program 2: Inclusionary Housing**

*Objective:* Evaluate how this program may be combined with the City's Density Bonus program to maximize affordable housing opportunities and make appropriate necessary revisions that will comply with state law and maximize the production of affordable housing without necessarily constraining development.

*Progress:* In 2009, the City updated the Housing In-Lieu fee to a variable amount which is directly associated to housing costs. Since updating the fee, the City has entitled two developments which have chosen to include affordable units within their developments opposed to paying a fee, and is currently negotiating terms of a third. The City assessed the possibility of combining the Inclusionary Housing requirement with the Density Bonus, as well as the Housing In-lieu fee attributed to the Inclusionary Housing requirement. The City has not found a benefit to creating a conjoined program, but as more developers provide ten percent of the residential development, it is likely the developers will take advantage of the City's Density Bonus program to maximize their development possibilities.

*Continued Appropriateness:* This program is completed as the City has evaluated combining the Inclusionary Housing program with other programs and has decided against combining affordable housing programs. The program aspects that have been completed are removed from the Housing Element and the program will focus on continued implementation and evaluation of the Inclusionary Housing program.

**Program 3: Density Bonus**

*Objective:* The City will revise its current density bonus program to comply with the new state law. Additionally, the City will evaluate how the ordinance may be applied in conjunction with the City's Inclusionary Housing program to maximize affordable housing opportunities and make appropriate necessary revisions that will comply with state law and maximize the production of affordable housing without necessarily constraining development.

*Progress:* The City completed this program by adopting a new Density Bonus Program ordinance in compliance with state law. Additionally, the City evaluated how the ordinance may be applied in conjunction with the City's Inclusionary Housing program to maximize affordable housing opportunities. The City has not found a benefit to creating a conjoined program, but as more developers provide ten percent of the residential development, it is likely the developers will take advantage of the City's Density Bonus program to maximize their development possibilities.

*Continued Appropriateness:* This program has been fully implemented and will be removed from the 2014 Housing Element.

**Program 4: Density Gap Financing/City Housing In-Lieu Fees/Redevelopment Financing**

*Objective:* Use Density Gap Financing to provide affordable housing at densities lower than those that normally are necessary to support affordable housing. Require all new residential developments to provide a minimum of ten percent of its units as affordable or pay an in-lieu fee. Use redevelopment set-aside funds to promote affordable housing.

*Progress:* The City financially assisted two affordable projects with housing in-lieu fee funds, Habitat for Humanity's 27 unit project and Season's Senior Apartments Phase II 38 unit project. The City revisited the in-lieu fee to assess key policies and updated the fee to a variable amount directly connected to the housing market. Since updating the fee the housing market did not allow for any new developments to occur, resulting in the City only taking in approximately \$190,000 during the 2008-2014 period. The City completed a 10 unit addition to the Little Hollywood Affordable Rental Housing program, to total 24 units within the development, using redevelopment set-aside funds, and assisted in the development of Habitat for Humanity's 27 unit development by providing a development loan.

*Continued Appropriateness:* Redevelopment was terminated by the State of California effective February 2012. Portions of the program linked to redevelopment funding will be removed. Providing financing mechanisms is a critical step in increasing affordable housing opportunities. This program will remain in the 2014 Housing Element but will be folded into a general Inclusionary Housing program.

**Program 5: Smart Growth Housing Opportunity**

*Objective:* To augment the capacity of the mixed-use zones and the remaining available multi-family residential sites, the City would amend the City's Land Use Code to include zoning text designating specific mixed-use sites to allow residential uses as secondary uses. Once amended, developers would be allowed to include residential uses as a secondary use without having to individually go through a General Plan Amendment or rezoning process.

*Progress:* The City determined that the historic downtown area was the ideal location for a Smart Growth Housing Opportunity and successfully completed a re-zone and General Plan Amendment to permit mix-use zoning within the Historic Down Town through the Historic Downtown Master Plan.

*Continued Appropriateness:* The City implemented this program by establishing a master plan and planned community which incorporate mixed-use provisions within two years of adopting the Housing Element. Many aspects of this program are also included in the general Mixed Use program. To eliminate redundancy, this program is removed from the Housing Element and key aspects are included in a general Mixed Use program.

**Program 6: Zoning Code – Existing Provisions**

*Objective:* The City has identified sustainable design standards as an issue for which the City Council has a high level of interest. The City Council directed the Development Services Director to identify specific efforts or incentives to pursue through amendments.

*Progress:* The City Council encourages sustainable design standards through fee waivers of sustainable energy installation. The City Council adopted a form based code for the historic Downtown Master Plan which encourages sustainable design standards for the residential elements.

*Continued Appropriateness:* The City implemented this program by establishing a master plan and planned community and programs to encourage sustainable design standards within two years of Housing Element adoption. This program is removed from the 2014 Housing Element, but policies encouraging sustainable design standards will remain.

**Program 7: Overall Land Use Plan Implementation**

*Objective:* The City will continue to apply zones through the Zoning Code and Zoning Map to correspond with the Land Use Element's residential designations to continue to provide a range of residential housing types and densities.

*Progress:* The City amended zoning within the Forester Canyon Planned Community, thus creating a new Planned Community, Distrito La Novia / San Juan Meadows, which includes single-family units, condo units, and apartment units, in addition to several commercial uses. The City also approved of the Historic Town Center Master Plan which allows for 213 multifamily units in the City's downtown, The City is also in the beginning stages of reviewing several new residential developments including a 100 unit apartment complex which would require a General Plan Amendment.

*Continued Appropriateness:* The City completed this program by taking steps to apply zones which provide a range of residential housing types and densities, and still has capacity for housing, both in terms of vacant land suitable for residential development and potential for redevelopment/in-fill/smart growth opportunity areas. Using the City's Land Use Element and Zoning Code to provide for varied housing types and densities is a routine function of the City. As such this program is not necessary and is removed from the 2014 Housing Element.

#### **Program 8: Accessory Units**

*Objective:* The City will apply zoning code provisions that allow accessory units (also known as secondary units or granny flats) by right in all single family residential zones, in accordance with state law

*Progress:* The City has affordability covenants which are adaptable to secondary dwelling units and will continue to encourage homeowners to permit the covenant over their secondary dwelling unit.

*Continued Appropriateness:* The City completed this program by establishing a policy to encourage homeowners to establish affordability covenants over their secondary dwelling units. However, no residents have opted to establish affordability covenants over their new secondary dwelling units. The City also has a second unit ordinance in place that complies with state law. Aspects of the program that have been implemented are removed from this Housing Element. The program aspects related to affordability of second units will remain in 2014 Housing Element and will be renamed to accurately reflect its intent.

#### **Program 9: Constraints for Housing for the Disabled**

*Objective:* This program will develop a formal reasonable accommodation procedure for persons with disabilities as related to zoning/development and building permit processes. The City will analyze its zoning ordinance and procedures to ensure that it is providing flexibility in and not constraining the development of housing for persons with disabilities

*Progress:* The City has reviewed and evaluated its zoning and development standards and has found limited constraints to development, maintenance, and improvements of housing for disabled persons. The City has offered a zoning variance procedure to provide flexibility should any element of the Zoning Code restrain the development of accessible structures and areas. The City has improved the relationship with the Fair Housing Council for the response to existing private residential developments which may not meet the current maintenance and improvement standards for persons with disabilities. Additionally, the City continues to assist with accessibility in existing dwelling units for qualified households through the Owner-Occupied Rehabilitation program.

*Continued Appropriateness:* The City met the objective of conducting an analysis of the code to determine if constraints exist. This program is revised to exclude the completed program objectives. A reasonable



accommodation ordinance or procedure was not set in place and as such the program will be renamed Reasonable Accommodation Procedure to focus on that aspect of the program in the 2014 Housing Element.

**Program 10: Constraints for Housing for Care Facilities**

*Objective:* The City will assess its ordinance and definitions related to license care facilities in order to determine their compliance with recent State legislation.

*Progress:* The City permits licensed care facilities of six or less persons within all single family residential districts with a discretionary review or “by right” and may permit licensed care facilities of six or more persons within all single family residential districts through a conditional use permit which is approvable by the City’s Planning Commission.

*Continued Appropriateness:* The City completed this program by analyzing the code for state law compliance within twelve months from the Housing Element adoption. This program is removed from the 2014 Housing Element.

**Program 11: Agricultural Worker Housing**

*Objective:* Evaluate zoning ordinance to be consistent with state law regarding farm worker employee housing

*Progress:* The City continues to allow for the development of residential developments and does not require Conditional Use Permits or other discretionary reviews for the use of the property, so long as the use remains residential. Additionally, the City does not restrict the number of occupants within a housing unit beyond the health and safety standard established by the building code.

*Continued Appropriateness:* The City completed this program by analyzing the code for state law compliance within 36 months from the Housing Element adoption. This program is removed from the 2014 Housing Element.

**Program 12: Emergency and Transitional Housing**

*Objective:* The City will revise its current provisions for emergency and transitional housing for any potential constraints and to bring the local processes and procedures into compliance with the provisions of SB 2.

*Progress:* The City revised the zoning code to permit emergency and transitional housing without a conditional use permit or other discretionary action, and established guidelines to ensure the future developments would be well integrated into the zone. The amendment enables 27 sites within the City to accommodate emergency and transitional housing “by right”. The 27 sites total approximately 180 acres, thirteen of which are vacant land.

*Continued Appropriateness:* The City completed this program by adopting an Emergency and Transitional Housing ordinance in compliance with state law (Ordinance 994). The City will explicitly address transitional and supportive housing in all other zones in the zoning code and permitting for transitional and supportive housing will be based on the type of use (residential, boarding house, medical facility) and not the populations served. This program is renamed and modified to remove completed objectives.

**Program 13: Other Potential Constraints: Land Use Controls, Fees and Exactions, Permit Streamlining and Parking**

*Objective:* The City will engage in a program to improve the efficiency of the development review process. The City will identify policies or efforts to address fee impacts for housing for affordable housing; such efforts may include, but not necessarily limited to, fee waivers, fee deferrals, streamlined fee processing, or consolidated fee schedules. The City will continue its existing policy to expedite permitting procedures for affordable housing

projects on a case-by-case basis. The City will continue to monitor its parking standards to insure that they do not constrain the supply of affordable housing and its land use controls (especially impact development standards).

*Progress:* The City eliminated several committees including the Housing Advisory Committee, the Design Review Committee, and the Transportation Commission to streamline the review process. The City is currently establishing a streamline table which will show developers the process of each type of review to ensure each project remains on-track. The City identified fee waivers and fee deferrals as the most realistic policies to address fee impacts for housing for affordable housing. The City will focus on these polices.

*Continued Appropriateness:* The City completed this program by evaluating constraints and implementing streamlining procedures to reduce the constraints to affordable housing development. This program is completed and removed from the 2014 Housing Element. Policies related to affordable housing development and specifically expedited permitting procedures for affordable housing projects will be included in this Housing Element.

**Program 14: Mobile Home Park Rent Control Ordinance**

*Objective:* Implement the Mobile Home Park Rent Control Ordinance

*Progress:* The City received an application to close the Capistrano Terrace Mobile Home Park in 2008 and proceeded with Public Hearings. Prior to completing the application, the park owner and residents were able to negotiate the purchase of the park, and is no longer at risk of closure. The City has continued to oversee the Rent Control Ordinance and has ensured that since 2008, the rent for each mobile home park has not increased beyond 12.7%.

*Continued Appropriateness:* Continued affordability of mobile homes is an important to the City. The program will remain in the Housing Element and will focus on continued implementation of the Mobile Home Park Rent Control Ordinance.

**Program 15: Emergency Foreclosure and Rent Relief Program**

*Objective:* Continue assisting residents through the “Emergency Rent Relief Program” and the “Rental Securement Program”

*Progress:* Since 2008, thirteen households have been assisted with emergency rent relief and fifteen households have been assisted with security deposit assistance.

*Continued Appropriateness:* This program was supported solely with Redevelopment set-aside funding. Due to the loss of redevelopment funding and the lack of alternative funding, the program is removed from the Housing Element.

**Program 16: First-Time Homebuyer Downpayment**

*Objective:* Continue to offer the First-Time Homebuyer Program on a limited basis.

*Progress:* The City offered the First-Time Homebuyer Program on a limited basis. Rising home prices rendered this program all but infeasible in the City due to the need for purchasers to increase their first mortgage loan amount and due to the State of California maximum sales price limits. However, the City planned on revising the program, to allow up to \$10,000 or 3 percent of the purchase price, as a down payment assistance program. However

because the program was to be funded with Community Redevelopment Agency Housing Set Aside funds the revised program was never accomplished.

*Continued Appropriateness:* Due to loss of redevelopment funding, the First-Time Homebuyer Program was discontinued. Lack of an alternative finding source has made this program infeasible. This program is removed from the 2014 Housing Element.

**Program 17: Mortgage Credit Certificate Program (MCC)**

*Objective:* Continue to participate in and promote Mortgage Credit Certificates through the County of Orange. Provide 31 MCCs to San Juan Capistrano residents.

*Progress:* Only a third of the objective was completed. The NHFI representatives encouraged the City to continue promoting the program to increase the participation.

*Continued Appropriateness:* This program will be continued in the 2014 Housing Element with the addition of an objective related to increased awareness of the program.

**Program 18: Section 8 Rental Assistance**

*Objective:* Participate in the County of Orange Section 8 Rental Assistance Program

*Progress:* The City continued to work with the OC Housing Authority to administer the Housing Choice Voucher Program (formerly Section 8) and supported County efforts to receive additional voucher allocations from HUD. As of October 2013, the Orange County Housing Authority was assisting 68 households through the Housing Choice Voucher Program. The City's ability to gain or even maintain its participation in this program at its current level is dependent upon the annual Federal budget process.

*Continued Appropriateness:* the Housing Choice Voucher Program is an important resource for San Juan Capistrano residents. This program is renamed for the 2013-2021 Housing Element to exclude reference to Section 8.

**Program 19: Residential Rehabilitation**

*Objective:* Continue to apply for grant funding (CDBG and HOME) to assist in the rehabilitation of housing.

*Progress:* The City has completed this program by providing rehabilitation loans to 49 units and expects to complete 10 additional loans by early 2014.

*Continued Appropriateness:* The City will continue to apply for grant funding (CDBG and HOME) to assist in the rehabilitation of housing. This program will remain in the 2014 Housing Element and the objective will be modified to reflect recent funding levels.

**Program 20: Capital Improvement Program**

*Objective:* Conduct an annual review of the Capital Improvement Program to insure that adequate infrastructure to serve existing residential neighborhoods is maintained.

*Progress:* This program is updated annually during the budget process.

*Continued Appropriateness:* Maintaining a Capital Improvement Program and annually updating the program during the budget process is a routine function of the City. This program is not necessary and is removed as a separate program from the 2014 Housing Element.

### **Equal Housing Opportunities and Administrative**

#### **Program 21: Equal Housing Opportunity**

*Objective:* Insure equal housing opportunities are available and requirements are enforced.

*Progress:* The City has ensured that all housing information, housing website pages, and front counter to the Development Services Department maintains the fair housing and equal housing opportunity logos, and that any concerns be addressed or forwarded to the Fair Housing Council of Orange County.

*Continued Appropriateness:* This program is included in the 2013-2021 Housing Element but will be combined into a general Fair Housing/Equal Opportunity Program to reduce duplicate programs.

#### **Program 22: Enforcement of Accessible Housing Regulations**

*Objective:* Continue to maintain accessible housing regulations and implement California Title 24 provisions for development review and approval.

*Progress:* Complying with Title 24 and accessible housing regulations is a routine function of the City and required by law. Regulations related to accessible housing are updated regularly to remain compliant with California Code.

*Continued Appropriateness:* This program is not necessary as complying with Title 24 and accessible housing regulations is a routine function of the City and required by law. This program is removed from the 2014 Housing Element.

#### **Program 23: Fair Housing**

*Objective:* Refer all complaints to the Fair Housing Council of Orange County. Through the City's website make available to the public information about the Fair Housing Council

*Progress:* The City has an ongoing relationship with the Fair Housing Council of Orange County, and will regularly refer residents to the Council for numerous concerns including landlord tenant issues, health and safety conditions provided by landlords, concerns with landlord discrimination, and proper procedures for ending leases and evictions.

*Continued Appropriateness:* This program is included in the 2013-2021 Housing Element but will be combined into a general Fair Housing/Equal Opportunity Program.

#### **Program 24: Federal and State Financing**

*Objective:* The City will facilitate or support the applications of experienced housing developers and homeless providers for financing to develop affordable housing. The City will meet with potential affordable housing developers, provide site information, assist in the entitlement processes, and consider on a case-by-case other incentives, including, but not limited to, fee waivers and modification of standards.

*Progress:* The City partnered with Season's Senior Apartments and Link Housing, combining the financial resources of Low Income Housing Tax Credits, Redevelopment Funds, and In-Lieu funds, to complete a 38 unit affordable senior complex. The City also partnered with Habitat for Humanity, combining the financial resources of a CDBG grant, Redevelopment Funds, and In-Lieu funds, to complete a 27 unit single family development.

*Continued Appropriateness:* This program is not included the 2014 Housing Element as a separate program but will be folded into a general program related to affordable housing funding.

**Program 25: Local Government Financing**

*Objective:* The City will investigate potential local sources that will generate dedicated housing revenue to augment the City's affordable housing trust fund.

*Progress:* The City met with several potential affordable housing developers, and directed them toward City owned or vacant sites for potential development. Local funding to assist in the development of affordable housing has been significantly impacted due to the loss of Redevelopment in accordance with California AB 1x26. As the City receives proposals for development of affordable housing the City will evaluate the assistance that can be provided.

*Continued Appropriateness:* This program is removed from the Housing Element as key program aspects are already included in a general affordable housing program.

**Program 26: Annual Review of the Housing Element**

*Objective:* Complete Annual Review of the Housing Element

*Progress:* Annual reviews have been approved by City Council and sent to the State. The City currently is working on the 2012-2013 Annual Review.

*Continued Appropriateness:* Annual Review of the Housing Element is a required and routine function of the City. This program is not necessary and as such is removed from the 2014 Housing Element as a separate housing program.

## **HOUSING PLAN**

# HOUSING PLAN

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This Housing Plan sets forth the City's overall housing objectives in the form of Goals, Policies, and Programs. While most General Plan element programs are located in Appendix A, programs for the Housing Element are contained within the Element. This format will facilitate the periodic update of the Housing Element, as required by State Law.

This Plan identifies goals, policies, and programs that guide housing policy for the City for 2014-2021. The objectives, policies, and programs are consistent with the direction of the other General Plan elements, specifically the Land Use Element. Each goal is followed by one or more policies that are designed to provide direction to the policy makers that will enable progress towards the goals. Under the goals and policies of each section programs designed to implement these goals and policies are listed.

The Housing Element objectives, policies, and programs aim to:

- Encourage the development of a variety of housing opportunities and to provide adequate sites to meet the 2014-2021 RHNA
- Assist in the development of housing to meet the needs of lower and moderate income households
- Address and where appropriate, and legally possible, remove governmental constraints to housing development
- Conserve, preserve, and improve the condition of the existing affordable housing stock
- Promote equal housing opportunity for all residents to reside in the housing of their choice

These objectives are required by and delineated in State Law (California Code Section 65583 [c][1]).

## GOALS AND POLICIES

### *HOUSING OPPORTUNITIES*

Meeting the housing needs of all residents of the community requires the identification of adequate sites for all types of housing.

**Goal 1: Provide a broad range of housing opportunities with emphasis on providing housing which meets the special needs of the community.**

Policy 1.1: Consistent with the Land Use Element, provide a range of different housing types and unit sizes for varying income ranges and lifestyles.

Policy 1.2: Continue the City's program of allowing the placement of mobile homes, factory built housing on vacant residential parcels in single family zoning districts.

Policy 1.3: Encourage both the private and public sectors to produce or assist in the production of housing with particular emphasis on housing affordable to persons with disabilities, elderly, large families, female-headed households with children, veterans, and homeless.

Policy 1.4: Facilitate the development of second dwelling units on single-family parcels.

### ***HOUSING TO MEET THE NEEDS OF ALL INCOME LEVELS***

The City of San Juan Capistrano has encouraged the creation and maintenance of affordable housing opportunities and has recognized that the success of any such program requires financial assistance. In recognizing this fact the City has several funding resources that it has availed itself to assist in this endeavor.

#### **Goal 2: To the maximum extent feasible, encourage and provide housing opportunities for persons of lower and moderate incomes.**

Policy 2.1: Encourage the development of affordable housing through the Density Bonus, Inclusionary Housing, and City financial assistance programs.

Policy 2.2: Facilitate housing development that is affordable to extremely low-, lower-, and moderate-income households by providing technical assistance, regulatory incentives and concessions, expedited development review, and financial resources as funding permits.

Policy 2.3: Continue to utilize federal and State subsidies, as well as City housing in-lieu fees in a cost-efficient manner, to the fullest extent to meet the needs of lower-income residents, including extremely low-income residents.

Policy 2.4: Implement affordability agreements for all housing projects that receive financial assistance from the City.

Policy 2.5: Encourage mixed use development on a case-by-case basis to allow for increased housing opportunities.

Policy 2.6: Target City owned sites available for housing production for working families.

Policy 2.7: Promote the development of affordable and special needs housing near transit and/or “smart growth areas”.

Policy 2.8: Encourage energy efficient design in new and rehabilitated development and in existing housing units as a means to lowering housing costs.

Policy 2.9: Encourage collaborative partnerships to maximize resources available for the provision of affordable housing to lower-income households.

### ***REMOVAL OF GOVERNMENTAL CONSTRAINTS***

Governmental constraints to development of affordable housing exist in every community. Governmental constraints in San Juan Capistrano are typical of those constraints and include such items as zoning regulations, enforcement requirements, on and off-site improvements, fees and exactions, processing and permit procedures, and growth controls. These categories are required to protect the public’s health and safety or to provide for necessary infrastructure to support the project. In order to insure that such governmental constraints are



minimized as a barrier to the creation of affordable housing opportunities, the City constantly has to be aware of their impact of future decisions on the feasibility of such projects and remove such barriers wherever possible.

**Goal 3. Reduce or remove governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.**

Policy 3.1: Periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do not constrain housing development and are consistent with State law.

Policy 3.2: Continue cooperative agreements, as appropriate, with State, County and other agencies, so that community housing needs are met to the greatest degree possible.

Policy 3.3: Offer financial and/or regulatory incentives, where feasible, to offset or reduce the costs of developing quality housing affordable to a wide range of households.

Policy 3.4: Accommodate housing needs for extremely low-income households and special needs persons in the City's development regulations.

***CONSERVE, PRESERVE, AND IMPROVE THE HOUSING STOCK***

**Goal 4. Create and maintain decent housing and a suitable living environment for all households in the community.**

Policy 4.1: Encourage all households to maintain and rehabilitate all housing to prevent deterioration.

Policy 4.2: Preserve all housing and neighborhoods throughout the City in a safe environment to live, work and play.

Policy 4.3: Encourage the rehabilitation of deteriorating houses where feasible and provide assistance when necessary for households who cannot afford the costs of such improvements.

Policy 4.4: Provide and maintain an adequate level of services and facilities in all areas of the City.

***EQUAL HOUSING OPPORTUNITIES***

It is important that all segments of the community have equal access to all housing types. The City will proactively promote equal opportunities for all households

**Goal 5. Promote equal opportunity for all residents to reside in housing of their choice.**

Policy 5.1: Prohibit discrimination in the sale, rental, or financing of housing based on race, color, ancestry, religion, national origin, sex, sexual orientation, gender identity, age, disability/medical condition, familial status, marital status, source of income, or any other arbitrary factor.

Policy 5.2: Continue efforts to facilitate the unimpeded access to housing without consideration of arbitrary distinctions.

Policy 5.2: Accommodate persons with disabilities who seek reasonable waiver or modification of land use controls and/or development standards pursuant to procedures and criteria set forth in the Zoning Ordinance.

Policy 5.2: Continue adopted procedures whereby the City refers apparent violations of the law to enforcement agencies for consideration of remedial actions.

## PROGRAMS

The programs contained in this section of the Housing Element describe specific actions the City will carry out over the eight year Housing Element cycle to satisfy the community's housing needs and meet the requirements of State law. The programs are organized into five Goal and Policy areas identified in the Goals and Policies.

### ***HOUSING OPPORTUNITIES***

#### **Program 1: Adequate Sites**

The City of San Juan Capistrano has a RHNA of 638 units for the 2014-2021 RHNA period. The 638 units include 147 extremely/very low-income, 104 low-income, and 120 moderate-income, and 267 above moderate-income units. The residential sites inventory consists of over 311 acres of vacant and developable land with capacity to yield at least 772 new units. All site included in the sites inventory have appropriate in zoning in place and can accommodate the RHNA for all income levels through year 2021. To allow and encourage increased housing opportunities, revisions to the City's Density Bonus Ordinance will be completed prior to adoption of the 2014 Housing Element to reflect current state law.

The City will:

- Rezone three sites as indicated in Table 25 to allow for residential development at densities of up to 30 units per acre as a means of providing adequate sites to address the City's RHNA shortfall. [Sites 4 and 5 were rezoned in January, 2014; site 11 was rezoned in May, 2016.]
- Adopt revisions to the General Plan and Zoning Code prior to adoption of the 2014 Housing Element that will replace land use and zoning designation of "Affordable Family / Senior Housing" (25 units/acre), to "Very High Density" residential (30 units/acre). [*General Plan Amendments and Zoning Ordinance revision adopted in 2014*]
- Maintain an inventory of available sites for residential development and provide it to prospective residential developers upon request.
- Adopt a revised Density Bonus ordinance prior to adoption of the 2014 Housing Element that is consistent with Government Code 65915 and Senate Bill 1818 regulations. [*Zoning Ordinance revisions were adopted in January, 2014*]
- Encourage Development of sites zoned to accommodate units affordable to lower income households by 1) reviewing all requests for financial assistance on a case-by-case basis, and to the extent fiscally feasible, providing financial assistance and 2) streamlining development permits for affordable housing development applications.

- Encourage development of the City Hall site (Site #11) by: 1) initiating relocation of City Hall upon City Council approval of a development proposal on Site #11, 2) maintaining close coordination with local non-profit developers, and 3) annually, during the first quarter of the year starting in 2018, conducting discussions with City leaders regarding development of the site, the merits of developing the site with affordable housing, and potentially selling the site at less than market value to encourage development of a high-quality, affordable development.

Implementing Agency: Development Services Department

Timeframe: Zoning Code Revisions Prior to Adoption of Housing Element. Presentations to City Council at their annual strategic planning workshop regarding City-owned sites in the sites inventory to be conducted annually during the first quarter of the year starting in 2018. Biannual contact with non-profit developers regarding City-owned sites in the sites inventory (February and September). Implementation throughout the planning period.

Funding Source: General Fund

**Program 1A: Sites Inventory Monitoring**

The City will implement an annual monitoring procedure to ensure sufficient residential capacity for units affordable to lower income households is maintained on sites identified to accommodate the RHNA.

- Where an approval of a development on a site identified as having lower income potential in the sites inventory results in a reduction of potential units below the residential capacity needed to accommodate the RHNA, the City will identify and designate appropriately zoned sites to accommodate the shortfall.
- The City will also monitor site suitability to evaluate whether development and development interest on sites zoned to accommodate units affordable to lower income households is occurring as expected related to development types, densities, and quantities. As necessary, in the event that the lower income RHNA sites are not meeting intended objectives, the City will identify alternate sites with appropriate zoning in place or alternative sites that may require a rezone (to be completed within six (6) months of such a determination).

The City will report on the status and implementation of the Housing Element including development occurring on identified sites as part of the annual reporting process.

Implementing Agency: Development Services Department

- Timeframe: Ongoing implementation and assessment of status of housing sites inventory as part of the annual reporting process. Annually evaluate site suitability for lower income RHNA sites beginning at the start of 2019 and on a case by case basis, if necessary, identify alternate sites with appropriate zoning in place or alternative sites that may require a rezone (to be completed within six (6) months of such a determination).

Funding Source: General Fund

***HOUSING TO MEET THE NEEDS OF ALL INCOME LEVELS***

**Program 2: Mixed-Use Zoning**

The City Council amended their policies to allow for the inclusion of mixed-use development with the approval of the Historic Downtown Master Plan. To further increased residential capacity in a mixed-use context, the City will explore additional locations to implement mixed-use zoning provisions. Efforts will focus on potential Smart Growth opportunity areas and possibly other select non-residential areas identified through the City's economic development programs. In assessing whether to expand mixed-use zoning, consideration will be given to the historic development pattern of existing areas to ensure that land use/zoning changes will result in future development that is compatible with the character of established neighborhoods.

Once additional areas with mixed use potential are identified, the City will add zoning text designating the specific sites to allow residential uses as secondary uses. Once amended, developers would be allowed to include residential uses as a secondary use without having to individually go through a General Plan Amendment or rezoning process.

Implementing Agency: Development Services Department

Timeframe: Implementation throughout the planning period.

Funding Source: General Fund

**Program 3: Inclusionary Housing and In-Lieu Fees**

Developers of new residential developments with two or more units are required to provide 10% of the development as affordable housing or pay fees in-lieu of reserving affordable housing units for very low, low, and moderate income households. The City has financially assisted several affordable projects with housing in-lieu fee funds. The purpose of the fees is to promote the construction and/or assistance of affordable housing projects throughout the City. The fees are dedicated to an affordable housing fund. The collected funds can only be used for programs outlined in the Hope Plan (Housing Opportunities Program Empowerment Plan), as established by City Council, in order to meet the housing needs of very low, low, and moderate income households. The programs assist their housing needs through the production, acquisition, rehabilitation, and preservation of affordable housing units. The amount of the in-lieu fees is calculated using the housing market variables. The rental developments have a fee that is calculated annually, and ownership developments have a fee that is calculated monthly. The fee formula is within the City of San Juan Capistrano Municipal Code Section 9-5.103.

The City will continue to implement and evaluate this program and its impacts on developments. Staff will encourage developers combine this program with other affordable housing programs (such as the density bonus) to maximize affordable housing opportunities. In addition the City will make specific efforts to assist in the development of housing that meets the needs of special needs households such as large families, extremely low income households, seniors, and persons with disabilities, including developmental. The City will give priority and expedited permitting for such development proposals and will give priority for the use of these funds.

Implementing Agency: Development Services Department

Timeframe: Implementation throughout the planning period

Funding Source: General Fund, City Housing In-Lieu Fees

**Program 4: Housing Choice Voucher Program**

The City will continue to participate in the County of Orange Housing Choice Voucher Rental Assistance Program. This program provides rental assistance to eligible very low and low-income households. The subsidy represents the difference between the rent that exceeds 30 percent of a household's monthly income and the actual rent charged. The City's ability to gain or even maintain its participation in this program at its current level is dependent upon the annual Federal budget process. Recent indications from HUD are that Federal support for Section 8 will not be expanded. As of October 2013, the Orange County Housing Authority was assisting 68 households through the Housing Choice Voucher Program. The City will work with and support the County's efforts to maintain and, if funding permits, increase assistance levels.

Implementing Agency: Orange County Housing Authority

Timeframe: Implementation throughout the planning period

Funding Source: U.S. Department of Housing and Urban Development

#### **Program 5: Affordable Housing Funding**

The City will facilitate or support the applications of experienced housing developers and homeless service providers for financing to develop affordable housing. As part of the City activities associated with this program, the City will meet with potential affordable housing developers, provide site information, assist in the entitlement processes, and consider on a case-by-case other incentives, including, but not limited to, fee deferrals and modification of standards. Additionally, the City will strive to use these funds to assist special needs households, including but not limited to extremely low income households, large families, seniors, and persons with disabilities, including developmental. In order to make affordable housing development economically feasible, developers must layer financing from several State and Federal financing sources. Below is a list of the major public financing programs currently available:

- **Low Income Housing Tax Credits**— The CA Tax Credit Allocation Committee provides equity for investment for low-income rental housing projects.
- **Tax-Exempt Mortgage Revenue Bonds**— The CA Debt Limit Allocation Committee provides debt financing for low-income rental housing project through bond financing.
- **Multifamily Housing Program (Proposition 46)**— The CA Housing and Community Development provides debt financing for rental housing projects, with a set-aside for permanent supportive housing.
- **HOME Investment Partnership Program**— The City competes for funds directly to the State of California for HOME funds. The State of California receives entitlement funds from HUD annually.
- **Community Development Block Grant Funds**— The City competes for funds directly to the State of California for CDBG funds. The State of California receives entitlement funds from HUD annually.
- **Project-based Housing Choice Vouchers**— The City participates in the County of Orange Section 8 voucher program.
- **HUD Competitive Grant Funding**— HUD issues a Super NOFA annually which makes competitive grant funding available for the following programs: Section 202 program for senior housing development projects; Section 811 program for housing development projects serving disabled persons; Supportive Housing Program for transitional and permanent housing development projects serving homeless persons with disabilities, and, Shelter Plus Care program providing rental assistance and supportive services for homeless persons with disabilities. The City applies for all grants funding directly to the State of California. It does not receive County of Orange funds or funds directly from HUD.

- **Housing Opportunities for People with AIDS/HIV**— The Orange County Housing Authority receives funds annually from HUD. The City supports the County or Orange for requests for funding from HUD.

Implementing Agency: Development Services Department, County of Orange

Timeframe: Implementation on an annual basis

Funding Source: State of California HCD; County of Orange; CA Tax Credit Allocation Committee; CA Debt Limit Allocation Committee

**Program 6: Affordability Covenant for Accessory Units**

The City has zoning code provisions that allow accessory units (also known as second units) by right in all single family residential zones, in accordance with state law. This program can be successful in fostering the development of accessory units throughout the community. The City has also developed an approach to allow for affordability covenants for new secondary dwelling units and will encourage interested property owners to use this mechanism to expand affordable housing opportunities in the City.

Implementing Agency: Development Services Department

Timeframe: Implementation throughout the planning period

Funding Source: General Fund

**Program 7: Mobile Home Park Rent Control Ordinance**

The City's rent control ordinance governs the maximum annual rent increases in all seven of the City's mobile home parks. The City conducts hearings for mobile home parks in which the owners wanted to raise rents higher than the allowable rent increase amount. In 2000 the City adopted an ordinance that regulates mobile home park closures. The City also works with the owners and residents of mobile home parks to facilitate the purchase of mobile home parks in order to control the costs for mobile home residents. The City also works with the park residents, reviews pro forma and paperwork, conducts required public hearings, and supports the issuance of tax exempt bonds for the park purchase.

The City will continue to implement the Mobile Home Park Rent Control Ordinance to ensure that the City's 1,266 mobile homes continue to be the most affordable homeownership option within the City.

Implementing Agency: Development Services Department

Timeframe: Implementation throughout the planning period

Funding Source: General Fund

**Program 8: Mortgage Credit Certificate Program (MCC)**

The City will continue to participate in and promote Mortgage Credit Certificates through the County of Orange. This program entitles qualified first time homebuyers to take a Federal income tax credit of 15 percent of the interest paid on the mortgage. The credit reduces the buyers' income taxes and increases net earnings, thereby

increasing the buyers' ability to qualify for a mortgage loan. Qualified applicants must be first time homebuyers earning no greater than 120 percent of the area median income.

The City will increase awareness of the MCC program by providing information on the MCC program on the City's website with links to the County of Orange information website and the County's MCC Program Administrator's website. Flyers and brochures created by the County's MCC Program Administrator will be made available to residents at key public locations.

Implementing Agency: Orange County Housing Authority

Timeframe: Implementation on an annual basis

Funding Source: California Debt Limit Allocation Committee (CDLAC)

### **REMOVAL OF GOVERNMENTAL CONSTRAINTS**

#### **Program 9: Reasonable Accommodation Procedure**

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

The City will create a process for making requests for reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development and use of housing for people with disabilities. Information will be provided to residents on reasonable accommodation procedures via public counters and the City website.

Implementing Agency: Development Services Department

Timeframe: Within 18 months of adoption of the Housing Element

Funding Source: General Fund

#### **Program 10: Emergency, Transitional and Supportive Housing**

The City adopted a Supportive Housing Code in 2013 which permits emergency shelters, transitional housing, and supportive housing facilities within the Public and Institutional zoning district by right, or not subject to approval of a conditional use permit.

Transitional and supportive housing units are allowed in the City based on the type and character of development. Transitional housing provides longer term housing (up to two years), coupled with supportive services such as job

training and counseling to individuals and families who are transitioning from homelessness to permanent housing. In a supportive housing development, housing can be coupled with social services such as job training, alcohol and drug abuse programs, and case management for populations in need of assistance, such as the homeless, those suffering from mental illness or substance abuse problems, and the elderly or medically frail.

- To reflect state law, the zoning code will explicitly address transitional housing and supportive housing. Consistent with state law, transitional and supportive housing that is provided in zones the permit residential uses (including mixed-use) will be permitted, conditionally permitted or prohibited in the same manner as the other zones that permit residential uses (including mixed-use).
- The City will monitor provisions of the Supportive Housing Code to ensure that specific conditions and restrictions do not unduly constrain development of emergency, transitional and supportive housing. If substantial constraints are identified, revise the Supportive Housing Code accordingly.

Implementing Agency: Development Services Department

Timeframe: Within 18 months of adoption of the Housing Element; Ongoing monitoring of the Supportive Housing Code

Funding Source: General Fund

### ***CONSERVE, PRESERVE, AND IMPROVE THE HOUSING STOCK***

#### **Program 11: Residential Rehabilitation**

The City will continue to apply for grant funding (CDBG and HOME) to assist in the rehabilitation of housing. The City applies directly to the State of California for CDBG and HOME affordable housing grants. Since 1999, the City has been awarded \$6,435,000 in grant funds for the City's owner-occupied housing rehabilitation program, first time home buyer program, a welfare-to-work child care facility, a planning and technical assistance grant, and a new construction ownership condominium project. The City's goal is to provide residential rehabilitation assistance for 60 units (averaging to about 8 to 9 units per year).

Implementing Agency: Development Services Department

Timeframe: Implementation throughout the planning period

Funding Source: State Community Development Block Grant and HOME Funds

### ***EQUAL HOUSING OPPORTUNITIES***

#### **Program 12: Fair Housing and Equal Housing Opportunity**

The City will continue to abide by and enforce fair housing laws. To assist in education and understanding of fair housing rights and protections, the City will continue to distribute information on fair housing and refer fair housing questions and housing discrimination claims to the Fair Housing Council of Orange County. All housing advertising, housing public hearing notices, and contracts for housing-related work include fair housing language as required by the State of California. The City will continue to display the fair housing and equal housing opportunity logos on all housing information, housing website pages, Community Center, and at the front counter to the Development Services Department.

Implementing Agency: Development Services Department



Timeframe: Implementation throughout the planning period

Funding Source: CDBG, HOME, and General Funds

## QUANTIFIED OBJECTIVES

Housing Element law requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation, and preservation activities that will occur during the eight-year Housing Element cycle. Table 28 summarizes the City of San Juan Capistrano's quantified objectives for the provision of affordable housing opportunities based on its programs, during the eight year, 2014-2021, Housing Element cycle.

- The Construction Objective represents the City's RHNA of 74 units for extremely low-income households, 147 units for extremely/very low-income households, 104 units for low-income households, 120 units for moderate-income households, and 267 units for moderate-income households.
- The Rehabilitation objective represents rehabilitation assistance to 60 households through the City's Residential Rehabilitation Program.
- The Conservation objective represents the conservation of the 1 unit at risk of converting to market rate and the affordability of the City's 1,266 mobile homes through implementation of the City's Mobile Home Park Rent Control Ordinance.

**Table 28**  
**Total Quantified Objectives**  
**San Juan Capistrano, 2013-2021**

	<b>Extremely Low Income*</b>	<b>Very Low-Income</b>	<b>Low- Income</b>	<b>Moderate Income</b>	<b>Above Moderate- Income</b>	<b>Totals</b>
New Construction	73	74	104	120	267	638
Rehabilitation	0	30	30	0	0	60
Conservation/ Preservation	0	1	1,266	0	0	1,267

\* \*Note: Pursuant to AB 2634, in estimating the number of extremely low-income households, a jurisdiction can use 50% of the very low-income allocation or apportion the very low-income figure based on Census data. As shown in Table 3, extremely low- and very low-income households total 2,615 households, with extremely low-income households comprising 50% of the 2,615 households. Therefore, the City's very low-income RHNA of 147 units can be split into 73 extremely low-income and 74 very low-income units.

**Appendix A - Table A-1: Sites Inventory Table**

Site Name	Parcel Number (APN)	Size (acres)	General Plan/Zoning	Allowable Density (du/ac)	Current Use	Realistic Capacity (units)	Affordability Level	Infrastructure Capacity	On Site Constraints
1: The Oaks	664-041-09	6.3	Medium Low Density/RS-10,000	3.5	Stables	32	Above Moderate	Yes	No
	664-041-10	3.9	Medium Low Density/RS-10,000	3.5	Stables			Yes	No
	664-041-12	.01	Medium Low Density/RS-10,000	3.5	Stables			Yes	No
2: Calle Lorenzo	649-052-08	1.70	Medium High Density/ RS-4,000	8	SF Unit	11	Above Moderate	Yes	No
	649-053-13	0.18	Medium High Density/ RS-4,000	8	SF Unit	1		Yes	No
3: C. Romer Homestead	666-241-12	0.35	Planned Community/ Planned Community (CDP 78-1 -Very High Density)	30	SF Unit	8	Very Low	Yes	No
4; The Groves --Only residential portion	121-050-21	4.40: 2.00 Residential 2.40 Open Space	Very High Density/ Very High Density	30	Vacant	48	Very Low	Yes	No: constrained portion of the site is not included in the capacity calculation
5: Ventanas <sup>2</sup> --Only residential portion	666-131-09	11.14: 8.56 Residential 2.58 Commercial	Planned Community/ (CDP 78-01- Mixed Use & Very High Density)	30	Vacant	219 <sup>2</sup>	Very Low	Yes	No
	666-131-14	0.04	Planned Community/ (CDP 78-01- Very High Density)	30	Vacant	1 <sup>2</sup>		Yes	No
	666-131-15	5.92 0.40 Residential 5.52 Open Space	Planned Community/ (CDP 78-01- Mixed Use & Very High Density)	30	Vacant	10 <sup>2</sup>		Yes	No
6: Oliva	Tr. 16146, Tr. 17655	21.50	Low Density/ Hillside Residential	3.5	Vacant	40	Above Moderate	Yes	No
7: The Cove Estates	668-511-94	.03	Medium High Density/ RS-4,000	8	Vacant	4	Above Moderate	Yes	No
	668-511-95	.25							
	668-511-96	.23							
	668-511-91	.11							
	668-511-92	.10							
	668-511-93	.11							

**Appendix A - Table A-1: Sites Inventory Table**

Site Name	Parcel Number (APN)	Size (acres)	General Plan/Zoning	Allowable Density (du/ac)	Current Use	Realistic Capacity (units)	Affordability Level	Infrastructure Capacity	On Site Constraints
	668-511-94	.17							
8: Pacifica San Juan	Tr. 14196, Tr. 15609, Tr. 15687, Tr. 16747, Tr. 16750, Tr. 16751, Tr. 16752	257	Planned Community/ CDP 81-01	3.7	Vacant	321	Moderate/ Above Moderate	Yes	No
9: Don Juan Duplex Property	Tr 16802	2.10	Medium High Density/ MRD-4,000	8.0	Vacant	8	Above Moderate	Yes	No
10: Hidden Creek Estates	Tr. 16572	3.00	Medium Low Density/ RS-10,000	3.5	Vacant	8	Above Moderate	Yes	No
11: City Hall	668-101-10	2.52	Very High Density/Very High Density	30	City Hall	61	Very Low	Yes	No
				Total		772			

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
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July 21, 2017

Ms. Laura Stokes, Housing Coordinator  
City of San Juan Capistrano  
32400 Paseo Adelanto  
San Juan Capistrano, CA 92675

Dear Ms. Stokes:

**RE: City of San Juan Capistrano's 5<sup>th</sup> Cycle (2013-2021) Draft Housing Element**

Thank you for submitting the City of San Juan Capistrano's revised draft housing element update which was received for review on May 26, 2017 along with revisions received on July 19, 2017. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by a conversation on July 11, 2017 with Ms. Diana Gonzales of MIG, Inc. In addition, the Department considered comments from the Kennedy Commission, pursuant to GC Section 65585(c).

As you know, the Department found the element to comply with housing element law on February 25, 2014. The proposed housing element amendment will not negatively impact the current compliance status of the City's housing element. Therefore, the element will remain in compliance with State housing element law (Article 10.6 of the Government Code) when the draft amendment is adopted. The City of San Juan Capistrano should submit the adopted amendment to the Department pursuant to GC Section 65585(g).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information and revisions regularly available and considering and incorporating comments where appropriate.

The Department appreciates the hard work and dedication you and your consultant, Ms. Diana Gonzales, provided in preparation of the housing element and looks forward to receiving the City's adopted housing element. If you have any questions or need technical assistance, please contact Greg Nickless, of our staff, at (916) 274-6244.

Sincerely,

A handwritten signature in blue ink, appearing to read "J Seeger".

Jennifer Seeger  
Assistant Deputy Director

July 7, 2017



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

Mr. Greg Nickless, Housing Policy Analyst  
Housing & Community Development  
2020 W. El Camino Ave., Suite 500  
Sacramento, CA 95833

**RE: Comments on Updated 2014-2021 Housing Element (May 2017)**

Dear Mr. Nickless:

The Kennedy Commission (the Commission) is a broad based 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 and working with Orange County jurisdictions to create effective housing policies that has led to the new construction of homes affordable to lower income working families.

The Commission is providing the following comments regarding the City of San Juan Capistrano's Updated 2014-2021 Housing Element's May 2017 revisions:

- 1. As stated in our prior comments, there is a serious lack of meaningful outreach to engage the community/ stakeholders to provide input on any updates, revisions or amendments on the City's 2014-2021 Housing Element.** The City submitted its third draft of revisions to HCD on May 25, 2017 and again, for the third time, the Commission was not informed that revisions were submitted by the City. It wasn't until Mr. Nickless' email on July 6, 2017 to the Commission requesting our comments on the revisions that we realized the City had submitted revisions to HCD over a month ago.

An important aspect of the Housing Element process is that the City needs to make "diligent efforts" to include public input from all economic segments of the community. The City should have informed the community/ stakeholders that a third draft revision of the Housing Element was available. More importantly, the City should have provided community/stakeholders an opportunity with sufficient time to provide public input before the update was sent to HCD for review. There needs to be meaningful community outreach for input and the incorporation of public input that reflects the decision-making and planning process for the City's Housing Element.

- 2. The element should include a No Net Loss program to ensure the identified sites accommodate the City's lower income Regional Housing Needs Assessment (RHNA) of 251 units.** In particular, the Housing Element relies heavily on the Ventanas site (230 units) and other sites (i.e., the Groves at 48 units and the City Hall site at 61 units) to address the City's remaining RHNA for lower income households. If Ventanas and the other sites identified to accommodate the housing needs for lower income households be developed at market-rate housing or non-residential uses resulting in a shortfall in sites for meeting the RHNA, the City should identify and rezone additional sites of appropriate size and density within a specified timeline (i.e., one year).

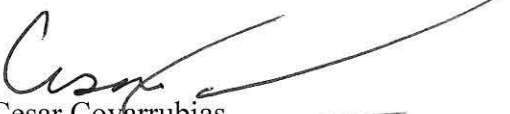
Mr. Greg Nickless  
July 7, 2017  
Page 2 of 2

- 3. The City should create stronger policies and programs that prioritizes the development of new rental homes affordable to lower income working families, especially on city-owned properties such as City Hall and the Groves.** With the lack of available affordable housing funds/resources, lack of vacant land and the high cost of land in the City, the City should maximize the potential use of city-owned properties by identifying these properties in the sites inventory. Dedicating and prioritizing city-owned properties for affordable housing development would be an effective strategy in addressing the City's lower income housing goals.

In addition, considering there has been no discussion as to when the City Hall is anticipated to move or where the City Hall will move to, **the City should commit to providing a specific timeline on when a Request for Proposals (RFPs) on city-owned sites will be released.** The RFPs should be offered to affordable home developers who would effectively leverage the land and funding to create deeper affordability levels.

Please keep us informed of any revisions, updates and meetings regarding the updated 2014-2021 Housing Element and if you have any questions, please free to contact me at (949) 250-0909 or [cesarc@kennedycommission.org](mailto:cesarc@kennedycommission.org).

Sincerely,



Cesar Covarrubias  
Executive Director