

**CITY OF DANA POINT
PLANNING COMMISSION
AGENDA REPORT**

DATE: APRIL 11, 2016

TO: PLANNING COMMISSION

FROM: COMMUNITY DEVELOPMENT DEPARTMENT
URSULA LUNA-REYNOSA, DIRECTOR
RACHEL JOHNSON, ASSISTANT ADMINISTRATIVE ANALYST

SUBJECT: ANNUAL HOUSING ELEMENT PROGRESS REPORT

RECOMMEDATION: That the Planning Commission receive and file the Annual Housing Element Report.

BACKGROUND: On December 3, 2013, the City Council adopted an updated Housing Element for the 2014-2021 planning period. The 2015 Annual Housing Element Progress Report is the second report of the 2014-2021 Housing Element.

State law requires an Annual Housing Element Progress Report to show progress on the General Plan Housing Element. This report provides an update on progress in the 2015 calendar year. The 2015 Annual Housing Element Progress Report is attached as Supporting Document A.

DISCUSSION: In order to address housing needs in California, State law requires that each jurisdiction adopt a Housing Element as a chapter of its General Plan. The Housing Element includes the City's housing strategy to plan for existing and projected housing demand, identify adequate sites to accommodate the City's allocated share of regional housing needs, and analyze local policies, regulations and requirements that have the potential to constrain development of housing for all income levels. Housing Element law requires that cities provide Annual Housing Element Progress Reports as regular updates on Housing Element implementation. After review by the City Council, the attached report will be submitted to the California Housing and Community Development Department as required by Title 25 of the California Code of Regulations.

Regional Housing Needs Assessment (RHNA)

RHNA allocation is a "fair share" number of units in four income categories as determined by the Southern California Association of Governments (SCAG). The State assigned the total number of units needed for the region, and SCAG used future planned housing and jobs to determine the number for each city. Dana Point has an allocation of 327 RHNA units to be addressed in the Housing Element.

Dana Point RHNA Allocations for the planning period of January 1, 2014 to October 31, 2021 are as follows:

Number of very low income households (0-50% median)	76
Number of low income households (51-80% median)	53
Number of moderate income households (81-120% median)	61
Number of above moderate income households (121%+ median)	<u>137</u>
Total RHNA Allocation for 2014-2021	327

The official median income for Orange County is currently \$87,200 (based on 4-person household), as determined by the U.S. Department of Housing and Urban Development (HUD) and California Department of Housing and Community Development (HCD).

In Dana Point and other Orange County cities, the marketplace tends to naturally meet demands for housing in the upper income levels. Construction of any substantive number of units in the very low and low income household categories would require innovative application and partnerships of City, County, and non-profit groups to meet these housing allocations.

Summary of 2015 Progress and Housing Units Constructed

In 2015, the City issued building permits for 36 new single family residences (SFR) and 2 mobile home unit permits. Of the 36 new SFR permits, 11 were new custom homes at the Headlands, 9 were homes constructed in the new Grand Monarch community, and 7 were in the new Ocean Del Rey community. It should be noted that the 36 new SFR permits did not reflect demolitions; during 2015 there were 5 demolitions with new home permits issued or pending. The 36 SFR units permitted were single-family detached dwellings, with a sales price in excess of the maximum amount established by the California Housing and Community Development Agency for an affordable housing unit and therefore are included in the above-moderate income level households (greater than 120% of median income). For purposes of the annual report, the monthly housing cost for the 2 mobile home unit permits are estimated to be under the maximum monthly payment for moderate income level households (80-120% of median income). The Annual Progress Report includes these 38 units on Table B for 2015, the second year of the 2014-2021 Housing Element, in relation to the RHNA Allocation of 327 units during this period.

A total of 168 new dwelling units are entitled on the former mobile home park site at the corner of Del Obispo and Pacific Coast Highway, 17 of which will be restricted for low-income households. These units will be counted in the year when the building permits to construct these units are issued.

Implementation of Housing Element Programs

Of the programs and initiatives identified in the Housing Element, there were several 2015 activities to report, including:

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

- Initiative 3.1 Parking Standards Study – Conduct a study to identify the most appropriate reductions in parking standards for affordable and special needs housing projects. A parking study for higher density mixed use projects that could accommodate affordable housing units has been completed. A study on appropriate reductions in parking standards for special needs housing was not completed in 2015, but will be completed in 2016.
- Initiative 3.2 Development Fee Study – Conduct a study for possible development fee reductions for affordable and special needs housing projects. This will be included in the City's comprehensive fee study which is in process and is scheduled for completion in 2016.
- Initiative 3.5 Extremely Low Income Housing Development Fee Assistance. This will be included in the City's comprehensive fee study which is in process and is scheduled for completion in 2016.

Program #4 Conserve/Improve Condition of Existing Stock of Affordable Housing

- Initiative 4.4 Condominium Conversions – Assist the public and development community in understanding the condominium conversion process. The City is completing an update to all aspects of the website and a link to the City's condominium conversion standards will be included in the webpage.

Program #5 Promote Housing Opportunities for All Persons

- Initiative 5.4 Housing for Persons with Disabilities, including persons with Developmental Disabilities – Ensure that the housing needs of persons with disabilities, including persons with developmental disabilities can be met through assistance such as regulatory incentives, funding, and a partnership with Regional Center of Orange County. There are no pending applicable project requests.

Program #6 Preserve Existing Assisted Housing Developments

- Initiative 6.2 Conservation of Existing Assisted Housing – Ensure that existing affordable housing units remain affordable through negotiating with the current property owners or partnering with a nonprofit organization to purchase and rehabilitate assisted units. The Monarch Coast Apartment restrictions on affordable rental units expired January 1, 2015, however the City has preserved an option on restrictions regarding future "for sale" units. Evaluate partnership with the Orange County Community Housing Corporation to retain existing affordable housing units in the Doheny Village area on Domingo Avenue.

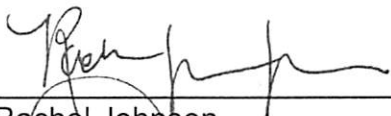
CONCLUSION: The recommended action is that the Planning Commission receive and file the Annual Housing Element Progress Report.

NOTIFICATION AND FOLLOW UP:

California Department of Housing and Community Development
Governor's Office of Planning and Research

STRATEGIC PLAN IMPLEMENTATION: The Annual Housing Element Update supports Strategic Planning Initiative III: evaluate land use issues to ensure that the goals, policies and programs of the General Plan reflect the community's vision and mission; and to Evaluate the General Plan on a regular basis and amend as needed.

FISCAL IMPACT: There are no fiscal impacts resulting from the recommended action.



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Assistant Administrative Analyst



Ursula Luna-Reynosa, Director
Community Development Department

SUPPORTING DOCUMENT:

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A. 2015 Annual Housing Element Progress Report.....5

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Dana Point
Reporting Period 01/01/2015 - 12/31/2015

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information						Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions			
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to Instructions.
		R=Renter O=Owner	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income			See Instructions	See Instructions	
(9) Total of Moderate and Above Moderate from Table A3 ▶▶					2	36	38				
(10) Total by Income Table A/A3 ▶▶					2	36	38				
(11) Total Extremely Low-Income Units*											

* Note: These fields are voluntary

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Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Income				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate					2	2	
No. of Units Permitted for Above Moderate	36					36	

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Dana Point
 Reporting Period 01/01/2015 - 12/31/2015

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example:		2014	2015									Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9			
Very Low	Used												76
	Restricted Non-used restricted												
Low	Used												53
	Restricted Non-used restricted												
Moderate	Used												56
	Restricted Non-used restricted	3	2									5	
Above Moderate:		12	36									48	89
Total RHNA by COG		327											
Enter allocation number		15	38									53	
Total Units ▶ ▶ ▶													274
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶													

Note: units serving extremely low-income households are included in the very low-income permitted units totals

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Table C
Program Implementation Status

Program Description (By Housing Element Program Names)		Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.	
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
Program #3 Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing	3.1 Parking Standards Study	31-Dec-15	Completed parking analysis for higher density mixed use projects that could accommodate affordable housing units. Study on appropriate reductions in parking standards for special needs housing not completed in 2015, will be completed in 2016.
	3.2 Development Fee Study	31-Dec-15	Will be included in the City's comprehensive fee study which is in process and is scheduled for completion in 2016.
	3.5 Extremely Low Income Housing Development Fee Assistance	31-Dec-15	see 3.2
Program #4 Conserve and Improve the Condition of the Existing Stock of Affordable Housing	4.4 Condominium Conversions	Update Website by 2015	The City is completing an update to all aspects of the website and a link to the City's condominium conversion standards is included in the webpage.
Program #5 Promote Housing Opportunities for All Persons	5.4 Housing for Persons with Disabilities, including persons with Developmental Disabilities	31-Dec-15	No pending requests for fee deferrals at this time. See note above regarding the fee study.
Program #6 Preserve Existing Assisted Housing Developments	6.2 Conservation of Existing Assisted Housing	March 2015	The Monarch Cost Apartment restrictions on affordable rental units expired January 1, 2015 however the City has preserved an option on restrictions regarding future "for sale" units.

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Jurisdiction	City of Dana Point
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General Comments: