

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

DATE: MARCH 8, 2021

TO: DANA POINT PLANNING COMMISSION

**FROM: COMMUNITY DEVELOPMENT DEPARTMENT
BRENDA WISNESKI, DIRECTOR OF COMMUNITY DEVELOPMENT**

SUBJECT: 2021-2019 HOUSING ELEMENT AND SAFETY ELEMENT UPDATE

RECOMMENDATION: That the Planning Commission receive the presentation providing the status of the Housing Element and Public Safety Element update process.

BACKGROUND:

In order to address the 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 project 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.

State law requires the City to update the Housing Element every eight-years. Also as required by State law, the Safety Element must be evaluated and updated as part of the Housing Element Update. On May 19, 2020, the City Council approved the agreement with PlaceWorks to assist the City in amending its Housing Element for the 2021-21 planning period and updating its Safety Element.

The Housing Element Update for the 6th Cycle RHNA is due to HCD for certification by no later than October 15, 2021.

DISCUSSION:

Work is underway to develop the City's Housing Element update, focusing on identifying housing sites to meet the Regional Housing Needs Assessment (RHNA) and updating the housing programs to meet current housing laws. Specifically, the amendment will update goals, policies, programs, and quantified objectives (pursuant to Government Code Sections 65583 et seq.) to address identified housing needs and constraints based on the effectiveness and continued appropriateness of existing programs, information received through public outreach, the analysis of constraints, and findings from the 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 assigns the total number of units for the region, and SCAG adopts a methodology to determine the number for each city. The existing 2013-2021 Housing Element addresses an allocation of 327 RHNA units for the 5th Cycle.

The 6th Cycle RHNA is the next Housing Element cycle from June 30, 2021 to October 15, 2029. HCD provided SCAG with the minimum regional housing need of 1,341,827 units for the 6th Cycle to distribute among local jurisdictions. The 6th Cycle RHNA planning period allocates 530 units to the City of Dana Point in the following income categories:

Table 1
Cycle 6 RHNA Allocation (2021-2029)

| Income Category | Number of Units |
|-------------------------------------------------|------------------------|
| Very-Low Income Households (0-50% median) | 147 |
| Low Income Households (51-80% median) | 84 |
| Moderate income households (81-120% median) | 101 |
| Above moderate-income households (121%+ median) | 198 |
| TOTAL | 530 |

The final methodology was reviewed and approved by Southern California Association of Governments' (SCAG) Regional Council on March 5, 2020. On October 26, 2020, fifty jurisdictions within the SCAG region, twenty of which are in Orange County, filed appeals of their allocations. The cities of Garden Grove, Irvine, Newport Beach and Yorba Linda filed appeals contesting the allocation for the City of Santa Ana. RHNA Appeal Hearings have concluded and only two jurisdictions were successful, Pico Rivera and County of Riverside. Because these cities are outside the county, the City' RHNA did not change.

Staff believes the City's RHNA is attainable based on development potential in Town Center, as well as anticipated rezoning in Doheny Village and construction of accessory dwelling units (ADUs). Public outreach will begin in March 2021 to introduce, obtain feedback and ultimately present draft strategies and policies to address the housing needs of the City.

Public Safety Element

The City last updated its Public Safety Element in 1991. Since that time, state law requires that the Safety Element be updated concurrent with the Housing Element update. Safety elements are also now required to include more information about wildfire risks in the community and how to improve wildfire safety, and to comprehensively address the short-term and long-term threats posed by climate change.

Project Schedule

In order to meet the State's Housing Element deadline, staff proposes the project timeline presented in Table 2. The review and adoption of the Safety Element will follow the same

timeline.

Table 2
Element Update Schedule

| Milestone | Timeline |
|--------------------------------------------------|--------------------------|
| Community Outreach | March – April 2021 |
| Public Review of Draft Updates | May 2021 |
| Prepare CEQA Review | March 2021 |
| PC and CC Review and Direction to forward to HCD | May 2021 |
| Submit Draft Housing Element to HCD | June 2021 |
| HCD 60-day review | June – July 2021 |
| Revise Housing Element per HCD Comments | August 2021 |
| PC and CC Public Hearings | September – October 2021 |
| Housing Element Due Date | October 2021 |

CONCLUSION:

The purpose of this presentation is to introduce the anticipated amendments to Planning Commission and members of the public. PlaceWorks, the consultant developing the amendments will provide the attached presentation (Supporting Document A). No action is needed at this time.


Brenda Wisneski, Director
of Community Development

ATTACHMENTS:

Supporting Documents

Housing & Public Safety Element Update – Presentation March 8, 2021

SUPPORTING DOCUMENT 1: Housing & Public Safety Element Update – Presentation
March 8, 2021

ATTACHMENT



Planning Commission Study Session

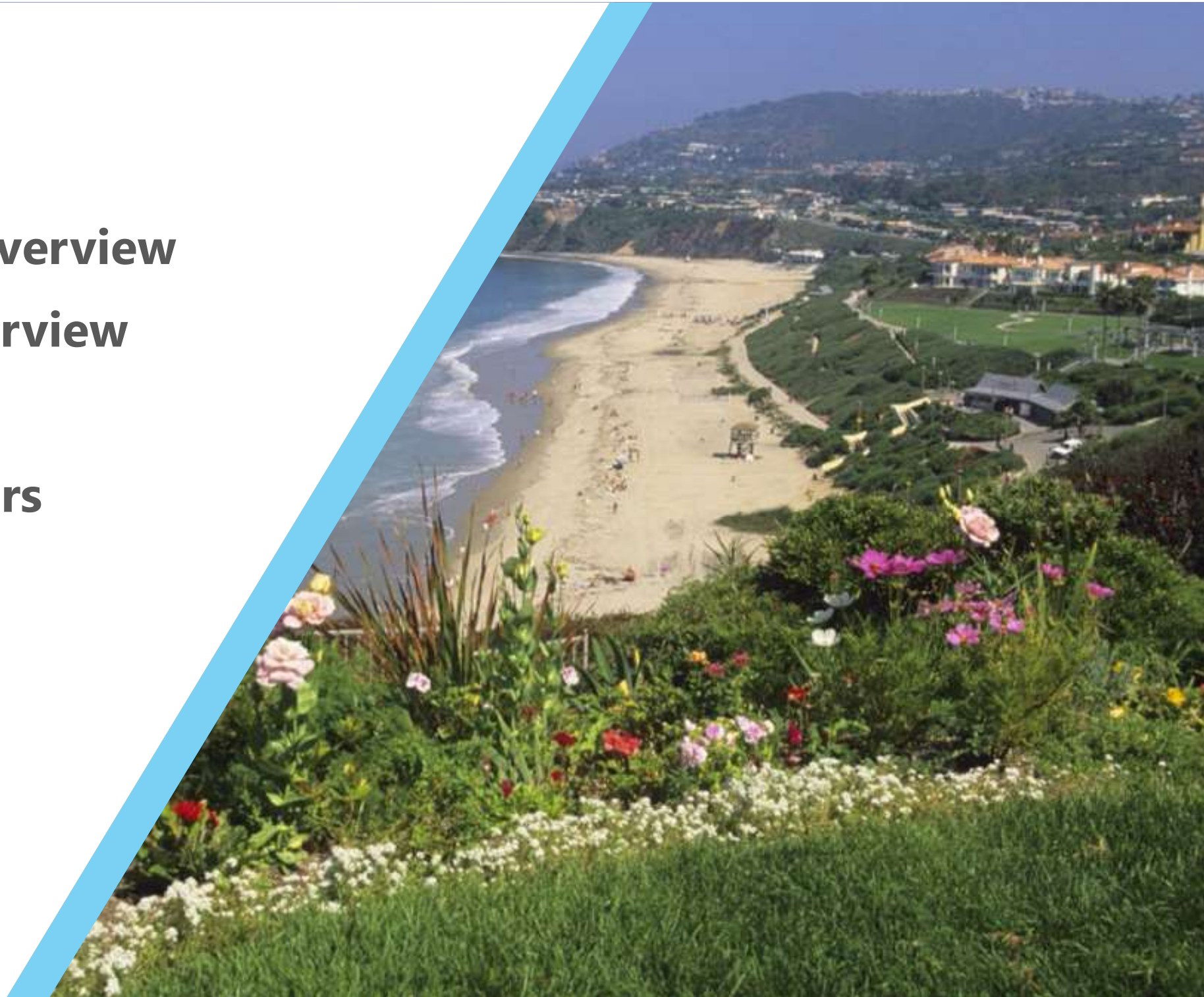
March 8, 2021



Agenda

- » **Housing Element Overview**
- » **Safety Element Overview**
- » **Project Schedule**
- » **Questions & Answers**

**2021 Housing & Safety
Elements Update**



Project Team & Contacts



City of Dana Point

Brenda Wisneski, Director of Community Development

Belinda Deines, Principal Planner



PlaceWorks (Consultant)

Housing Element, Colin Drukker, Erin Guy, Cory Witter

Safety Element, Tammy Seale, Eli Krispi

Housing Element Law



City's plan to meet existing and projected housing needs of all economic segments of the community



Required Element of the General Plan



Must be updated every 8 years



Certified by HCD

(California Department of Housing and Community Development)

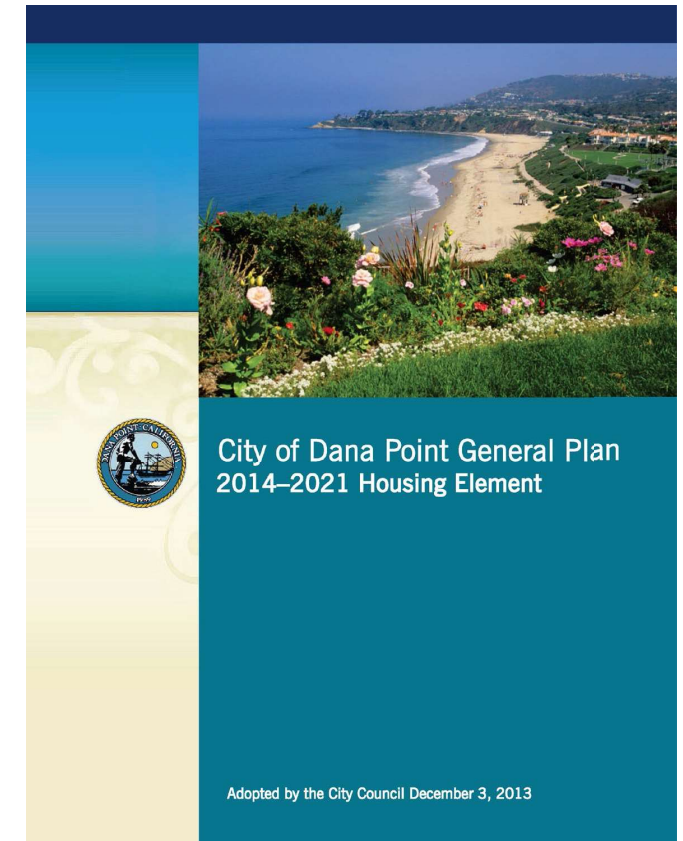


Housing Element Planning Period

- » Eight Years **(2021 – 2029)**
- » Council Adoption Deadline: **October 15, 2021**
- » Must be adopted within 120 days of this deadline or state-mandated to be updated every four years

Housing Element Contents

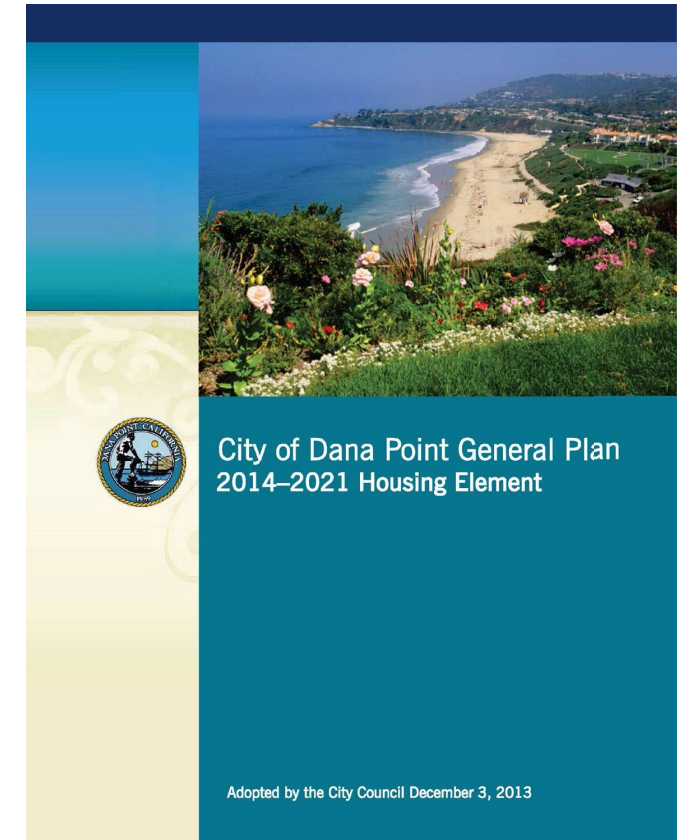
- » Profile of the City's existing and future housing needs
- » Review of government and non-government constraints to housing production
- » Evaluation of 2014-2021 programs
- » Goals, policies, and programs for 2021-2029
- » Inventory of land to accommodate regional housing needs assessment (RHNA) allocation



2014-2021 Element
Adopted 12/3/13

Housing Element Contents

- » **Profile of the City's existing and future housing needs**
- » Review of government and non-government constraints to housing production
- » Evaluation of 2014-2021 programs
- » Goals, policies, and programs for 2021-2029
- » **Inventory of land to accommodate regional housing needs assessment (RHNA) allocation**



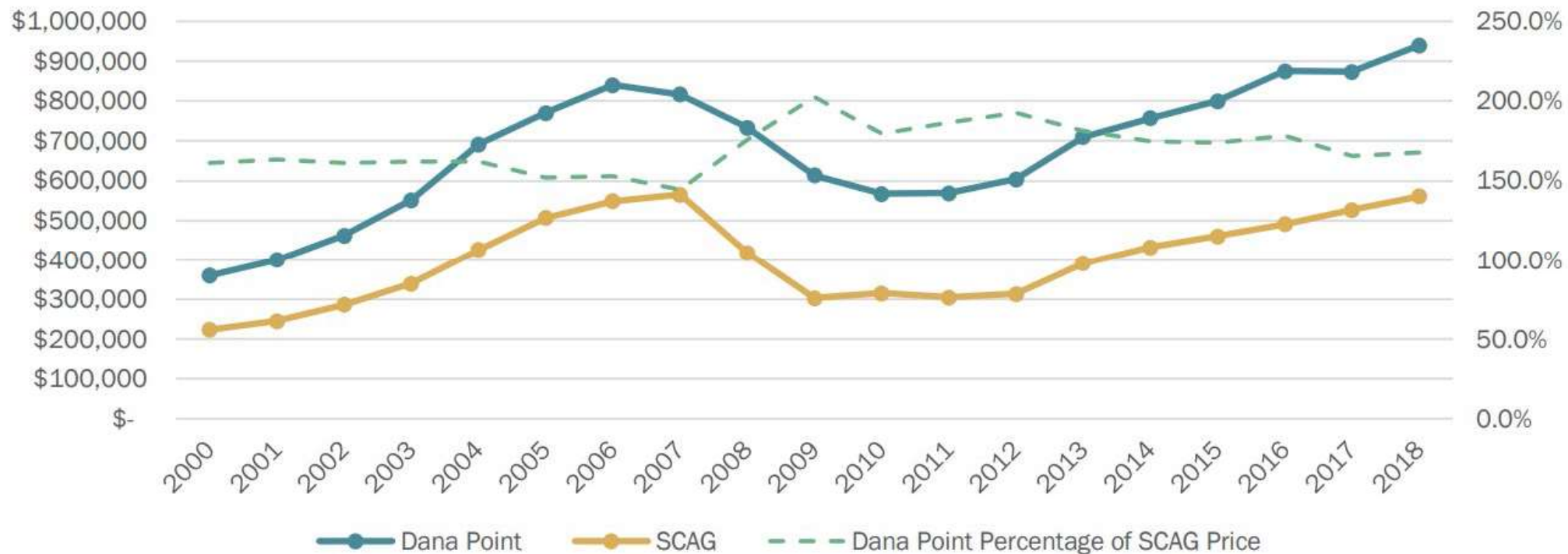
2014-2021 Element
Adopted 12/3/13

Existing Housing Needs

» Housing costs steadily increasing faster than wages

Median sales price over \$900,000

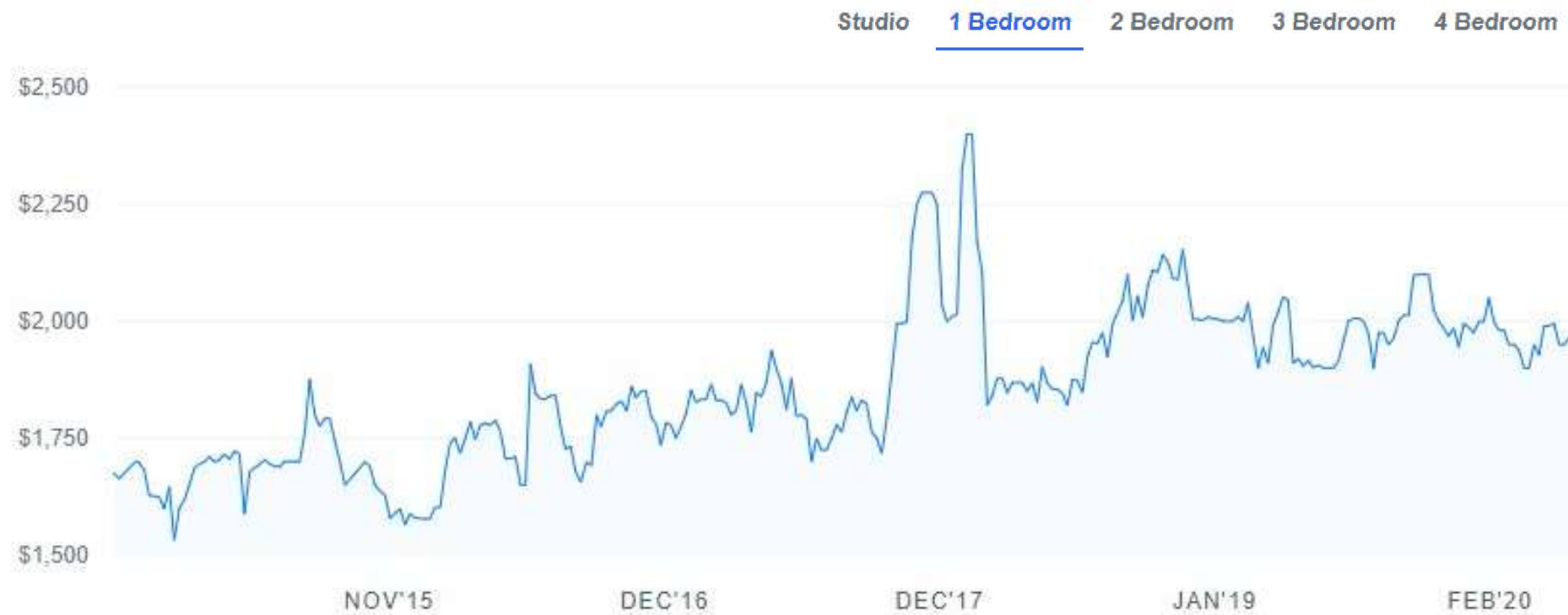
Median Home Sales Price for Existing Homes



Existing Housing Needs

- » Housing costs steadily increasing faster than wages

Average rent for 1 bedroom ~\$2,000

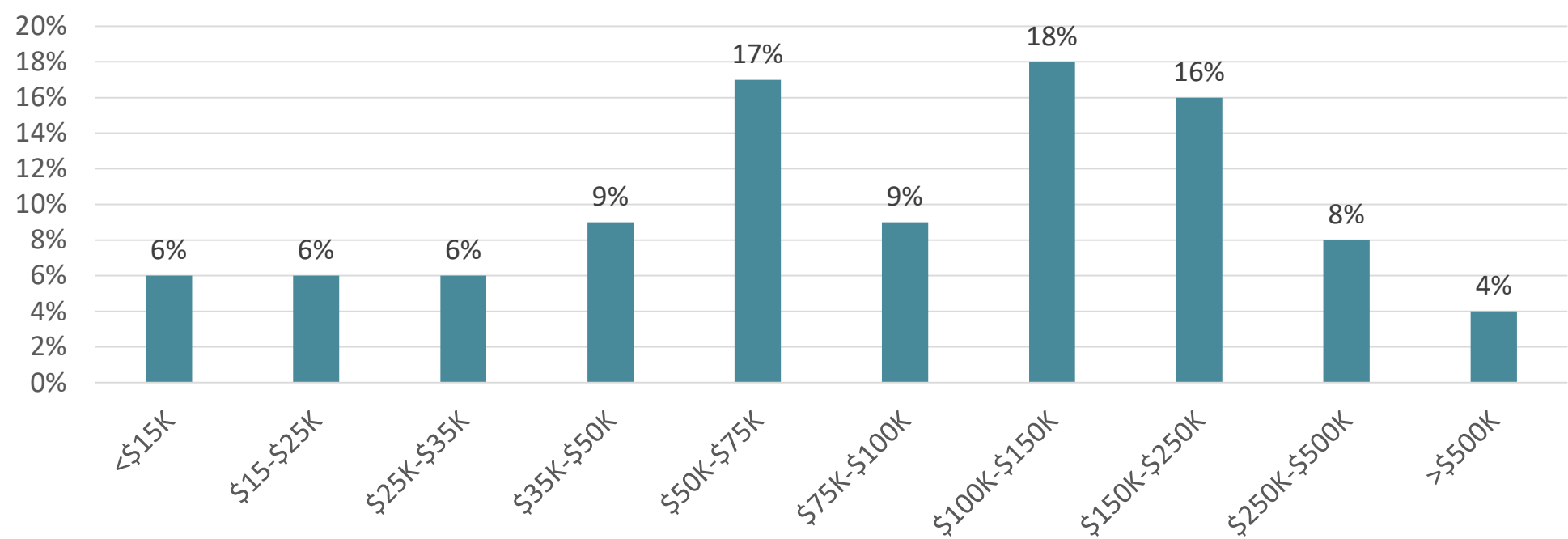


Existing Housing Needs

» Household income

46% earn \$100K+ | 27% earn <\$50K

Percent of Households by Annual Household Income: 2018

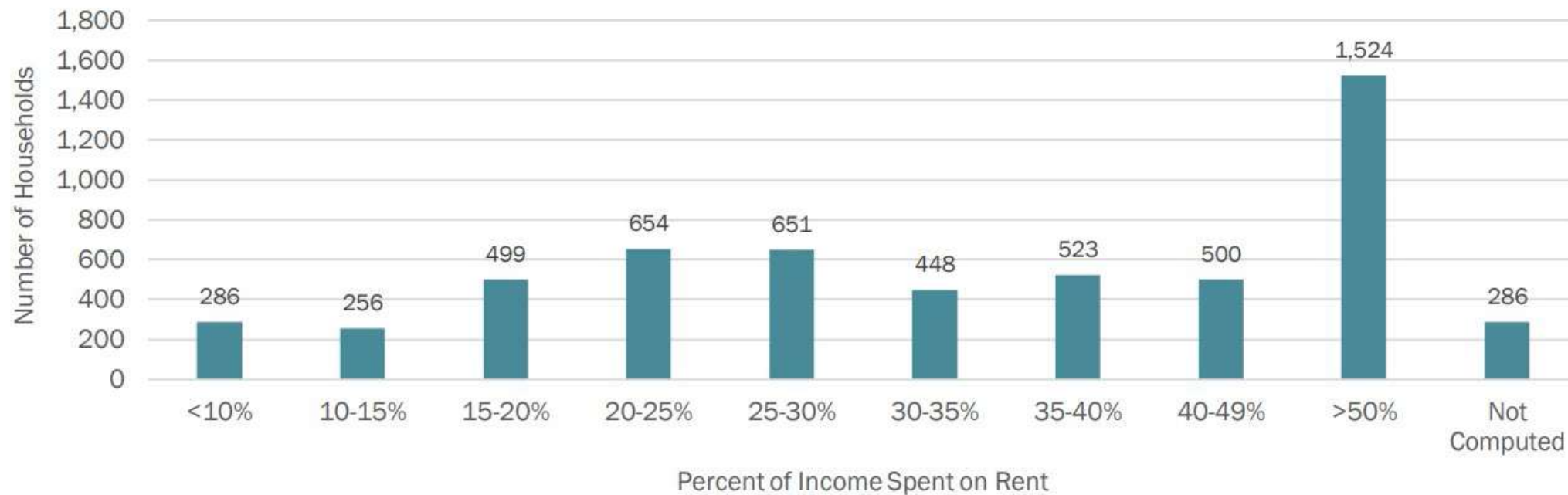


Existing Housing Needs

» Overpayment (>30% of income spent on housing)

37% of owners | 57% of renters

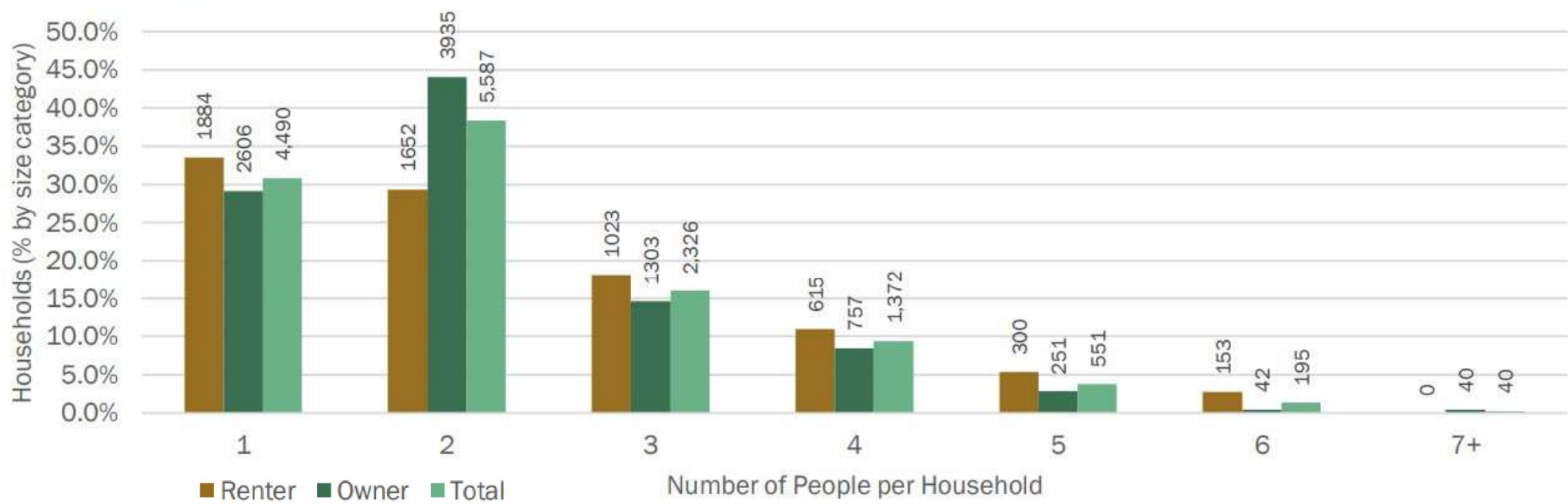
Spending on Rent



Existing Housing Needs

- » Average household size
2.3 in Dana Point vs 3.0 across Orange County

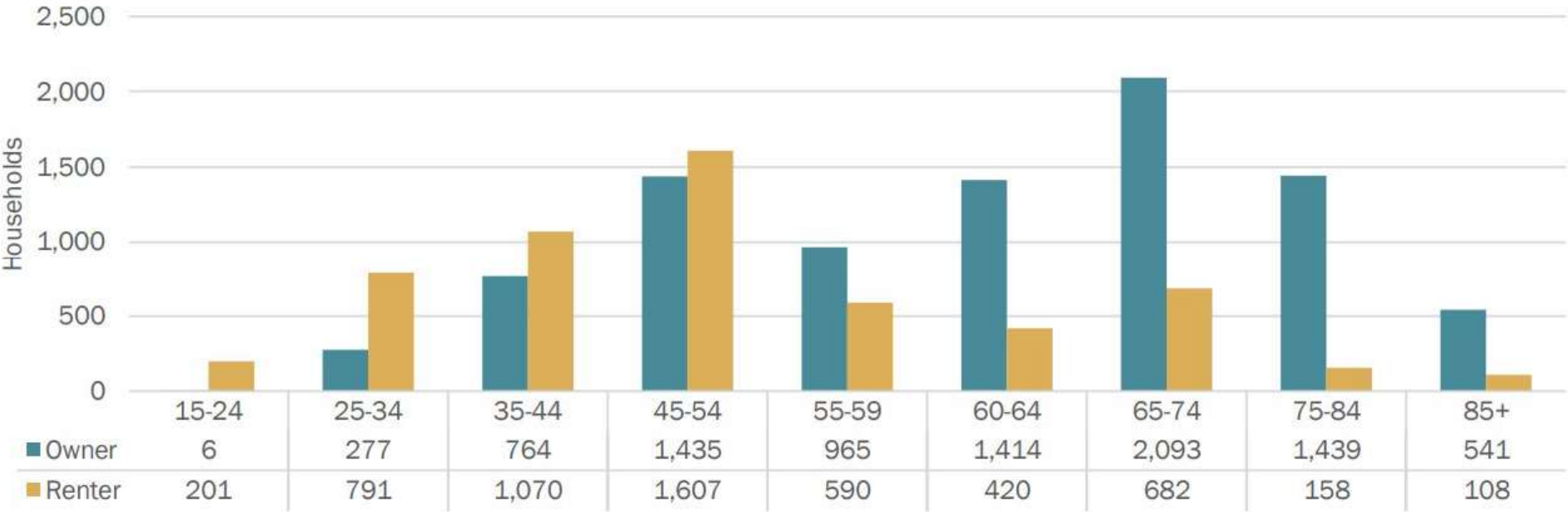
Households by Household Size



Existing Housing Needs

- » Aging population
 - 2 in 5 households have 1 or more people age 65+ (citywide median age 51)

Housing Tenure By Age

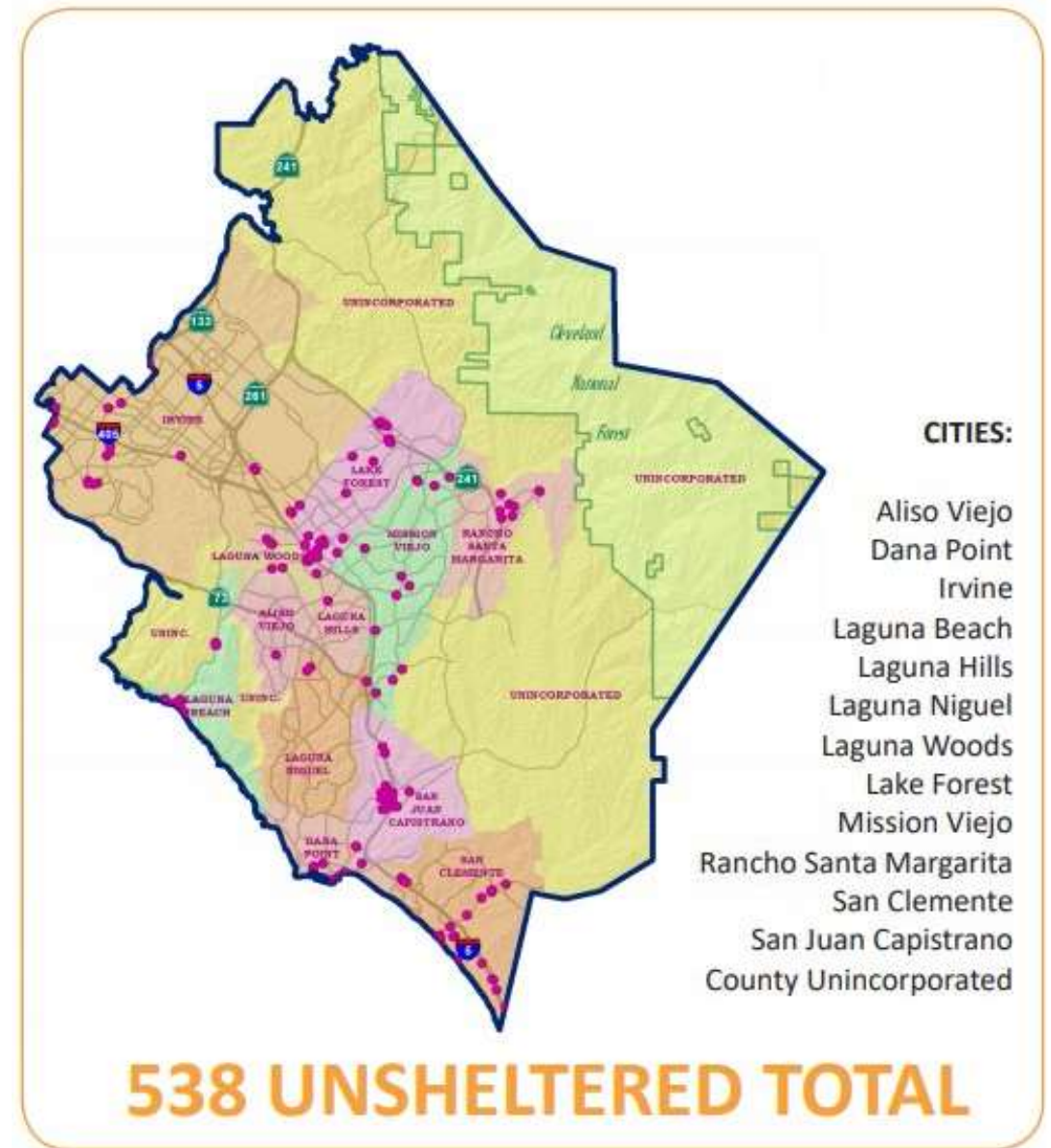


Existing Housing Needs

» Homeless

32 unsheltered in Dana Point based on 2019 Point-in-Time Survey

Number likely larger based on reports of homeless students in CUSD



Future Housing Needs

» Regional Housing Needs Assessment (RHNA)

Projected housing need for 2021-2029

HCD assigned 1.34 million to SCAG, which then allocated 530 to Dana Point

| | Very Low (<50% of AMI) | Low (50-80% of AMI) | Moderate (80-120% of AMI) | Above Mod (>120% AMI) | Total |
|---------|---------------------------|------------------------|------------------------------|--------------------------|-------|
| Units | 147 | 84 | 101 | 198 | 530 |
| Percent | 28% | 16% | 19% | 37% | 100% |

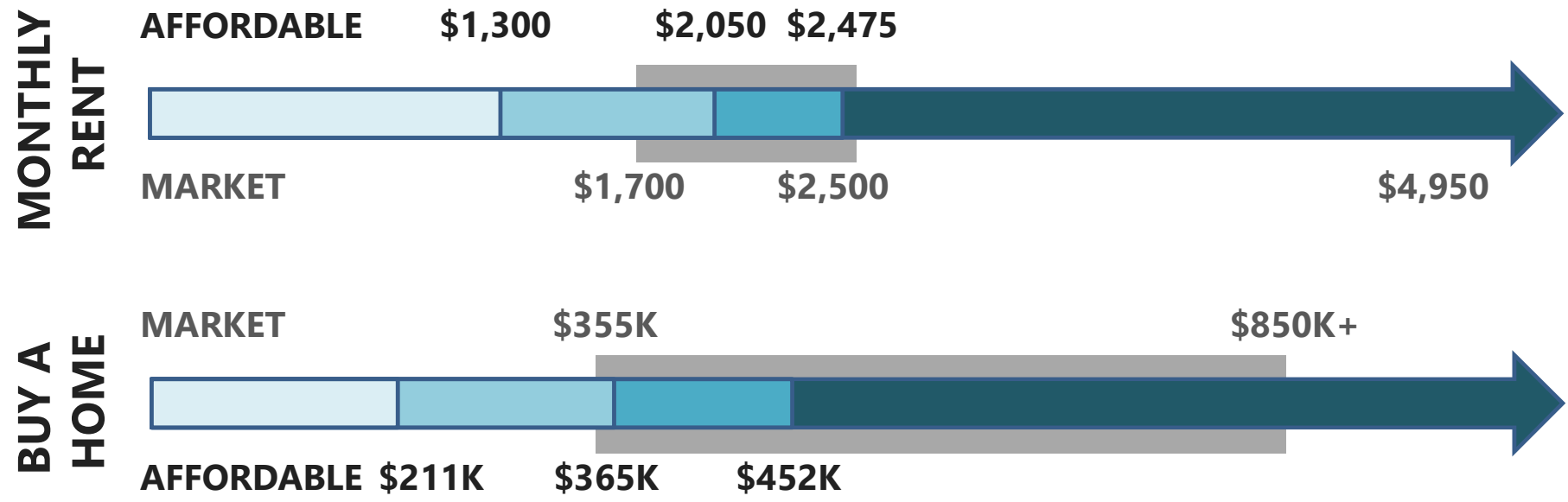
What is Affordable?



*young couple or
roommates*

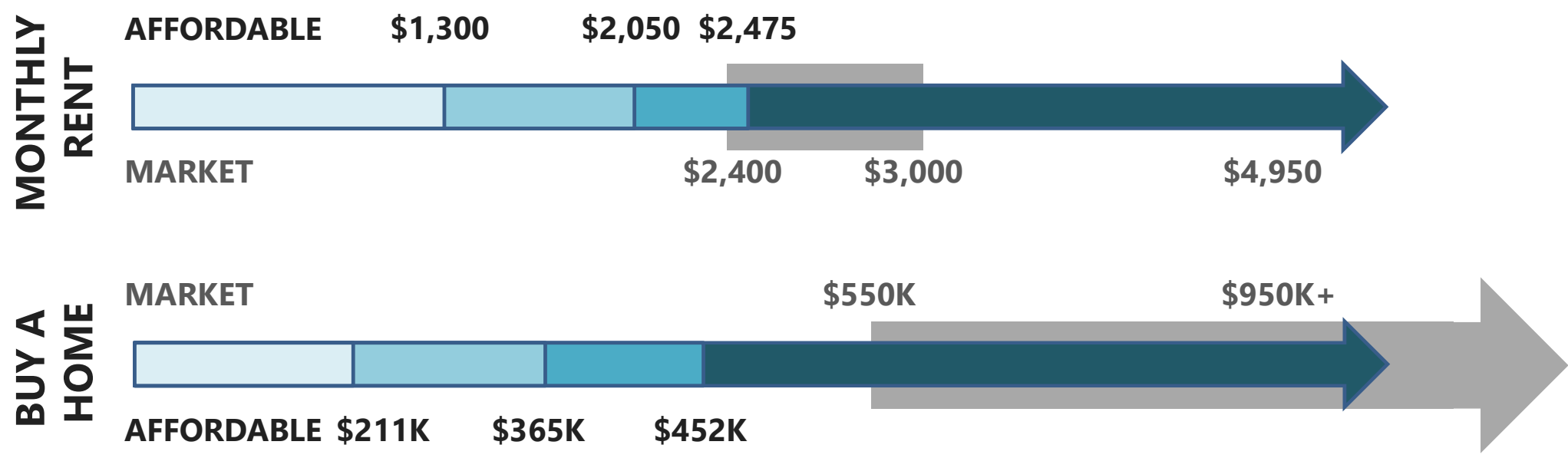
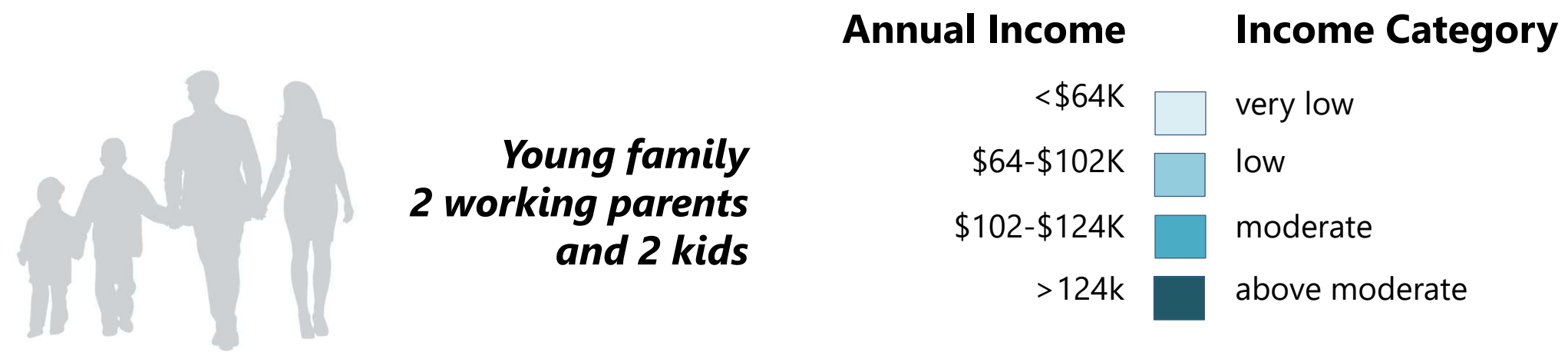
Annual Income Income Category

| | |
|------------|----------------|
| <\$52K | very low |
| \$52-\$82K | low |
| \$82-\$99K | moderate |
| >99k | above moderate |



Sources: Both: 2020 HCD Income Limits; Market rates 2020: Apartments.com (rental); Zillow (owner) |
Assumptions: Rental 30% income max, 2-bedroom units; Owner: 10% down payment, 1.1% property tax, 4% APR, monthly debt \$250

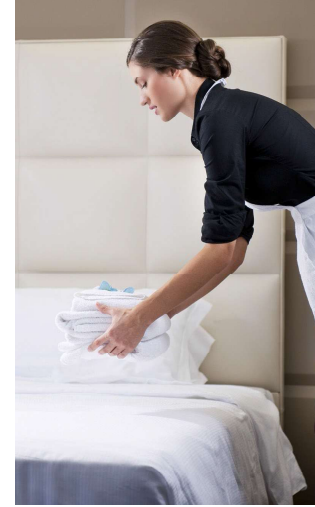
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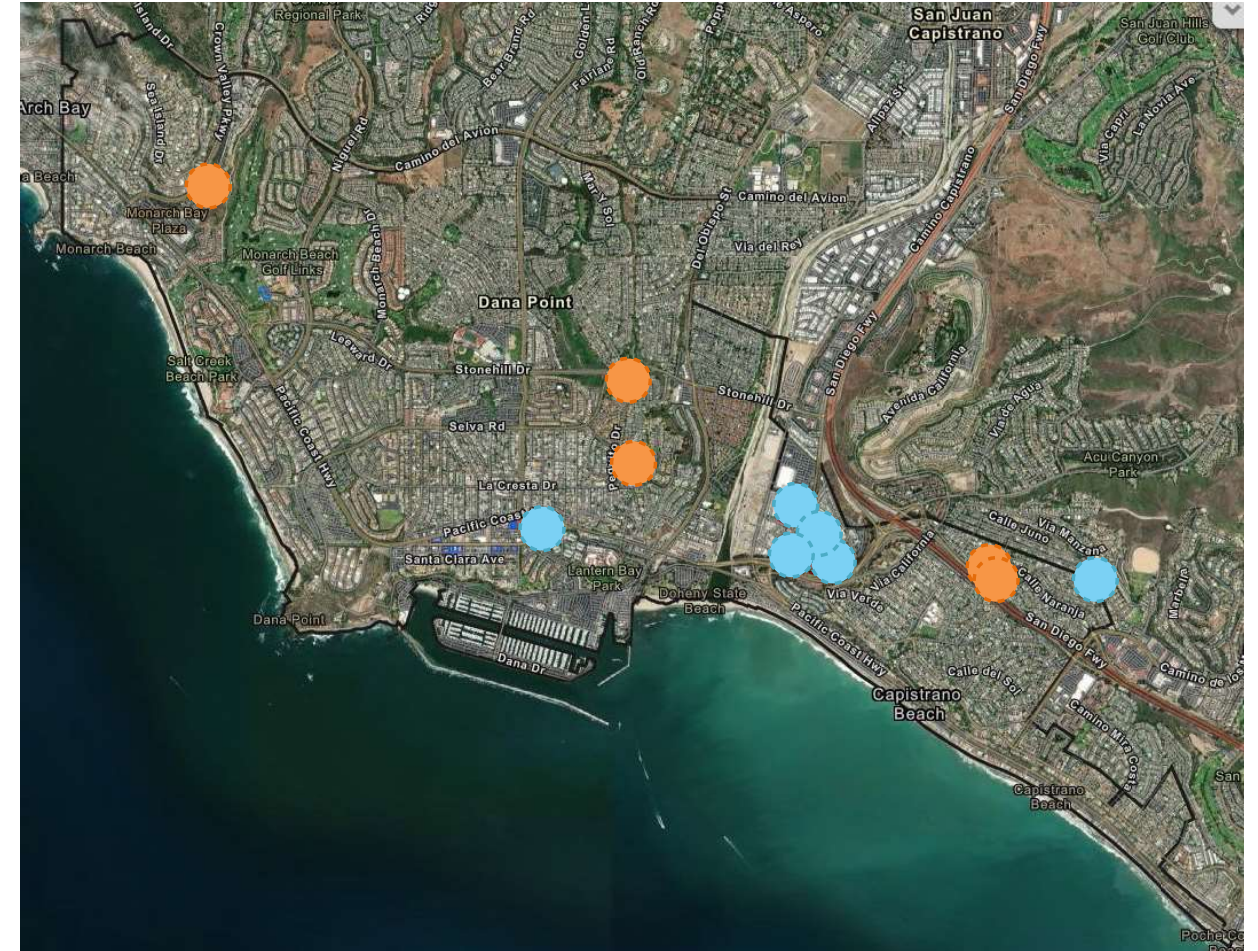
Who Needs Affordable Housing?

- » Our child's teachers
- » Our college graduates
- » Our parents/retirees
- » Our hospital nurses
- » Our resort workers
- » Many more...



How to Accommodate Future Need (RHNA)

- » Existing/proposed projects
- » Vacant and underutilized land
(zoned 30 du/ac for lower income)
- » Accessory dwelling units (ADUs)
- » Build or maintain capacity until 2029



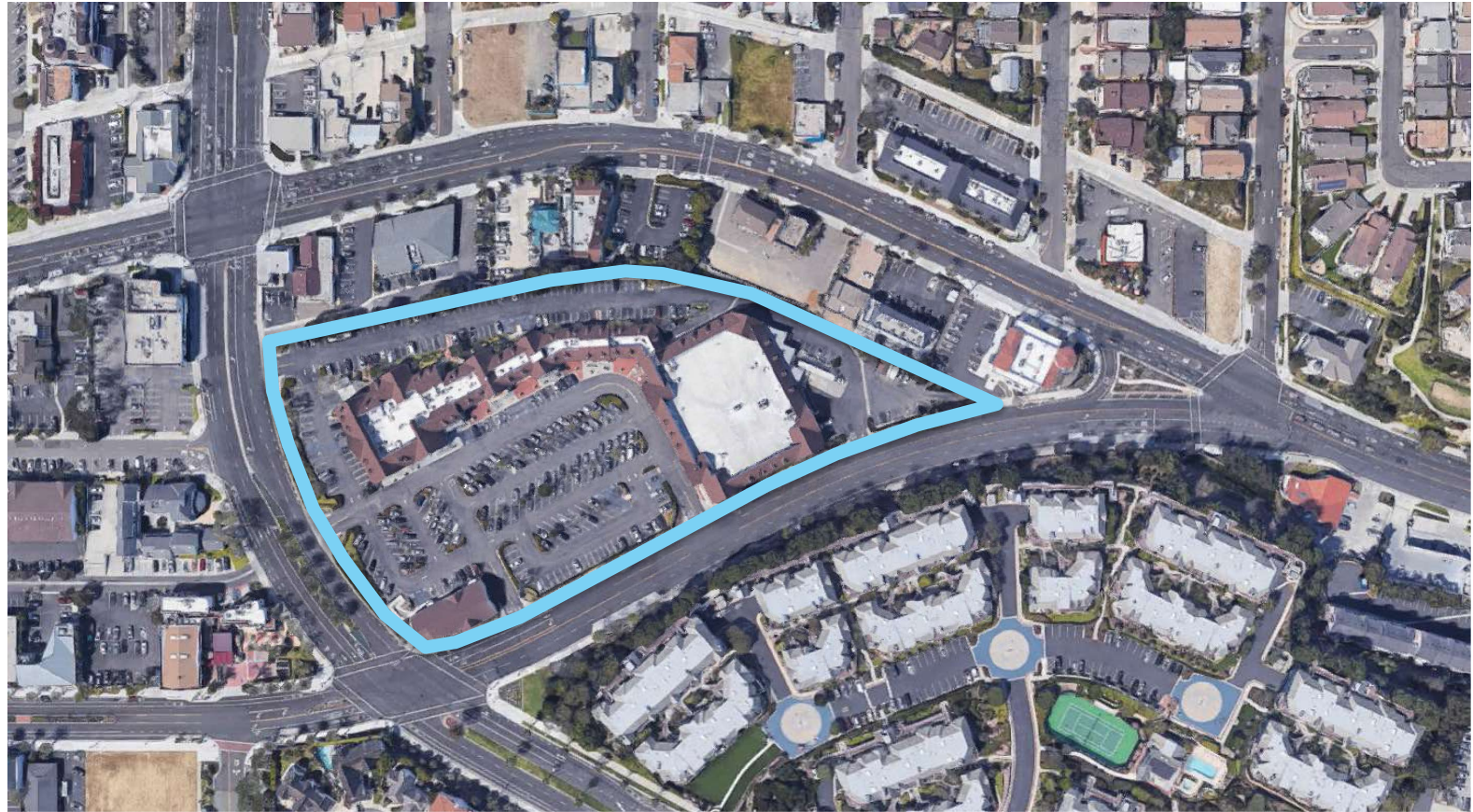
Potential Housing Opportunity Sites

» Town Center Ralphs

Size: 5.4 acres

Density: 40 units/acre

Capacity: 50% affordable



Potential Housing Opportunity Sites

» Doheny Village (*pending*)

Size: 14 acres total

Density: 25-30 units/acre

Capacity: 50%-100% affordable

60 units on CUSD Bus Yard



Potential Housing Opportunity Sites

» SCWD surplus

Size: 1 acre

Density: 30 units/acre

Capacity: 100% affordable



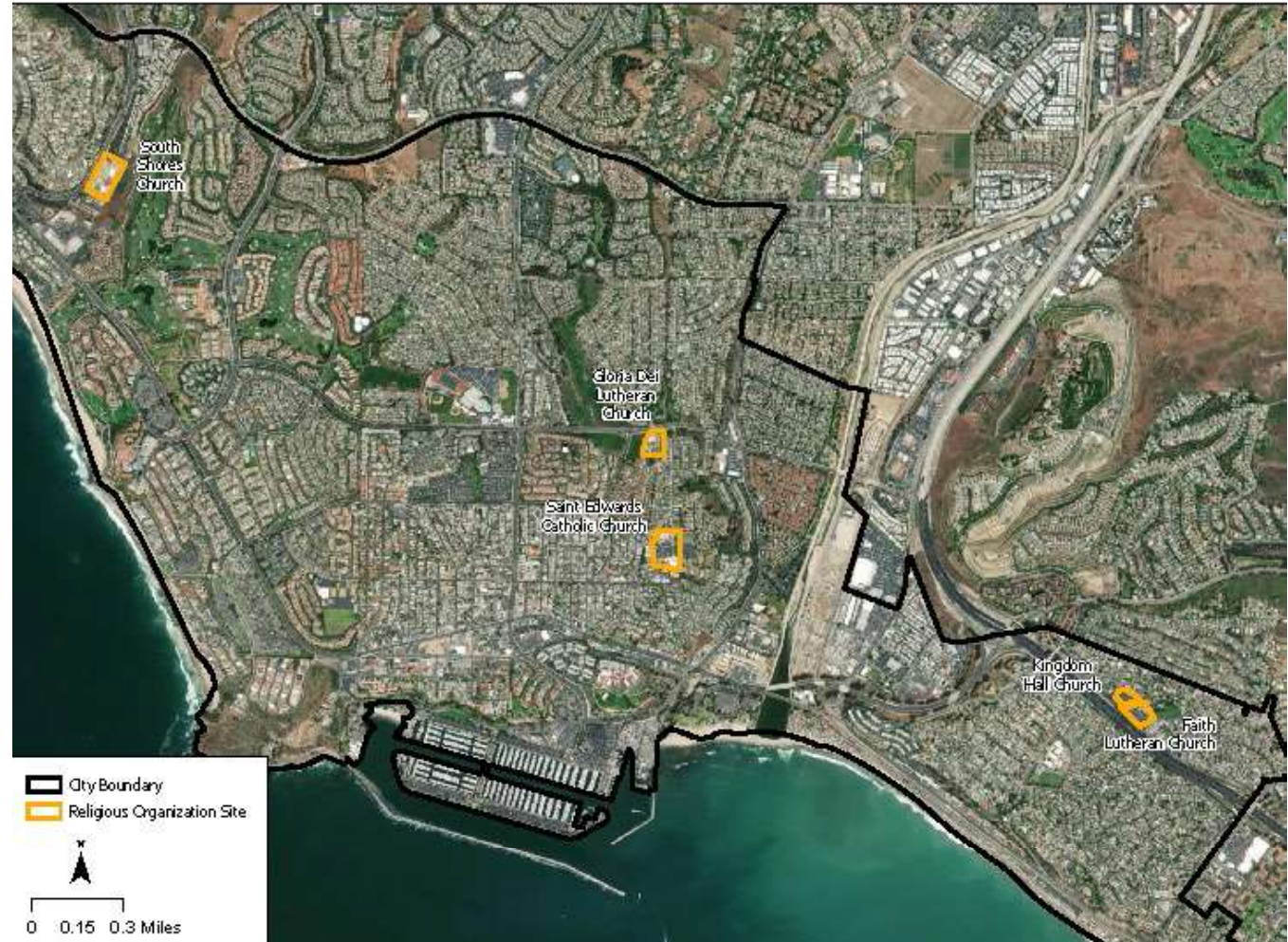
Potential Housing Opportunity Sites

» Church sites

Size: 5 churches; 20 acres total

Density: 30 units/acre

Capacity: 10% affordable



Accessory Dwelling Units (ADUs)



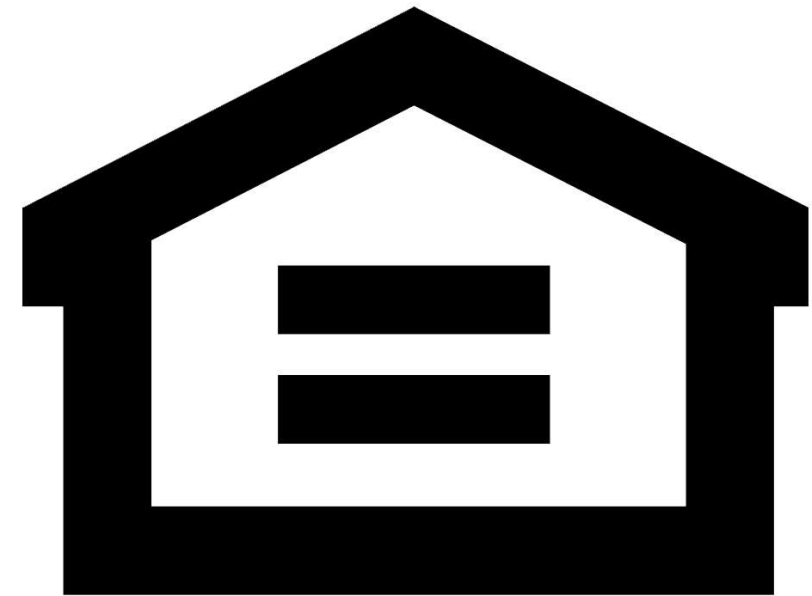
- » ADUs are attached or detached structures that provide complete independent living facilities for one or more occupant
- » JADUs are enclosed within the primary residence and provide partial independent living facilities for one or more occupant
- » Increasingly popular way to provide independent living for adult children, aging parents, or to generate additional income

Potential Capacity to Accommodate RHNA

| | Lower Income | Moderate Income | Above Mod Income | Total |
|----------------------|--------------|-----------------|------------------|-------|
| RHNA | 231 | 101 | 198 | 530 |
| Residential Capacity | 366 | 245 | 227 | 918 |
| Projected ADUs | 40 | 40 | 0 | 80 |
| Surplus | 175 | 184 | 29 | 388 |

AB 686 (2017) Affirmatively Furthering Fair Housing

- » Assess fair housing issues and patterns in Dana Point
- » Identify actions to further fair housing
- » Develop potential housing sites through lens of affirmatively furthering fair housing
- » HCD coming out with guidance and data in March/April



Safety Element Overview

- » Required general plan element
- » Regular updates now required
- » Natural and human-caused disasters and threats
- » Existing documents and plans
 - Orange County Local Hazard Mitigation Plan (LHMP)
 - City of Dana Point Emergency Plan
 - Sea Level Rise Vulnerability Assessment



Technical Update to Safety Element

» Increased requirements for flood and wildfire sections

- Identify responsible agencies for protecting against these hazards and ensure continued coordination
- Develop policies to minimize the risk for new buildings and essential facilities



Technical Update to Safety Element

» Address issues of climate adaptation and resilience

- Prepare vulnerability assessment to show the risks from climate change impacts
- Develop adaptation and resilience goals, policies, and objectives to protect the community
- Implement strategies to increase community adaptation and build resilience



Resilience

The ability to withstand, recover, and learn from past disasters to strengthen future response and recovery.

- *California Adaptation Planning Guide*

Current Safety Element topics



Geologic Hazards



Seismic Hazards



Flood Hazards



Hazardous Materials
and Waste



Fire and Explosions



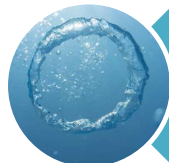
Nuclear Hazards



Emergency Planning



Public Access



Water Quality

Potential Additional Safety Element Topics



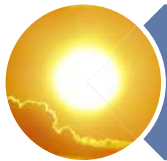
Air Quality



Decrease in Marine Layer



Drought



Extreme Heat



Severe Weather



Photo by [Patch](#), July 2020

Project Schedule

» 2020

- Pandemic delay
- Guidance from HCD
- Review of new housing laws

» Spring 2021

- Community outreach
- Draft element

» Summer 2021

- Public review draft
- HCD review

» Fall 2021

- Adoption hearings

Stakeholder Engagement to Date

- » Regional Office of Fair Housing and Equal Opportunity *(fair housing)*
- » Regional Center of Orange County *(developmental disabilities)*
- » OC Housing Authority *(Section 8 and Special Housing Programs)*
- » Kennedy Commission *(affordable housing)*
- » Family Assistance Ministries *(hunger and homeless)*
- » Mercy House *(homeless)*
- » Tapestry / Welcoming Neighbors Home *(homeless and affordable housing)*
- » OC Association of Realtors *(real estate market)*

Public Meetings & Survey

- » Planning Commission Study Session (3/8/21)
- » City Council Study Session (3/16/21)
- » Online Survey (*coming soon*)
- » Youth Board Workshop (4/4/21)
- » Planning Commission Workshop (4/12/21)

For more information

» Belinda Deines, Principal Planner

✉ bdeines@danapoint.org

📞 (949) 248-3570

» Draft documents, survey link, meeting info

- <https://www.danapoint.org/residents/housing/housing-element>