



# Dana Point General Plan Housing Element



**Draft**  
**September 1, 2006**



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**Note:** Text changes to the draft Housing Element incorporated since the May 3, 2006 Housing Summit Draft are underlined in this document.

# Executive Summary

## Community Profile

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

Dwelling units within the City vary considerably in size from small apartments at 400 to 500 square feet to large single family homes exceeding 5,000 square feet. Existing and new home prices in Dana Point are continuously rising, following the trend seen throughout the nation of housing prices pushed higher by a continuous demand. This is particularly true for a built-out coastal community such as Dana Point, where undeveloped land is rare and valued much higher than in inland communities.

The 2000 Census reported an existing median home value of \$381,400 in Dana Point and new homes constructed between 1998 and 2005 were largely sold at prices exceeding \$500,000. For new homes sold in 2005, the median sales price reached over \$1 million. For renters, housing is more affordable, although the majority still see monthly rents in excess of \$1000. As a result, affordable housing remains a unique challenge that must be addressed at a citywide level in the context of the General Plan.

## Purpose of the Housing Element

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy relative to the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making, and sets forth an action program to implement housing goals for the State-designated planning period: January 1, 1998 through June 30, 2008. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family," as well as an expression of the concern of Dana Point residents for the attainment of a suitable living environment for every Dana Point household.

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

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

## Regional Housing Needs Assessment

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

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

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

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

The new construction need must be allocated to four household income categories used in Federal and State programs: Very Low; Low; Moderate; and Above Moderate Income, defined operationally as households earning up to 50%, 80%, 120% and more than 120% of the Orange County median income, respectively. The allocations are further adjusted to avoid an over-concentration of lower income households in any one jurisdiction. The fair share allocation must also consider the existing "deficit" of housing resulting from lower income households that pay more than 30% of their incomes for housing costs. This is the threshold used by the Federal government to determine housing affordability. The next update of the RHNA is scheduled for 2008. The City will be required to update the Housing Element following the release of the RHNA update.

### 1998-2008 Growth Needs

The City of Dana Point's "fair share" of the region's housing need was determined to be 450 new housing units for the planning period from 1998 through 2008. As indicated by Table HES-1, the allocated units are divided into four income categories. Over 70 percent of the allocation falls into the Moderate and Above Moderate income categories. The intent of State law is to ensure that jurisdictions facilitate housing construction and do not hinder the market. Accordingly, the City must demonstrate an ability to accommodate these new units, however, actual construction does not need to occur.



**TABLE HES-1  
CITY OF DANA POINT  
SHARE OF REGIONAL HOUSING NEEDS – 1998-2008**

Income Category	Number	Percentage
Very Low (0-50% of median)	85	19%
Low (51-80% of median)	50	11%
Moderate (81-120% of median)	86	19%
Above Moderate (120%+ of median)	229	51%
<b>Total</b>	<b>450</b>	<b>100%</b>
Source: SCAG RHNA		

## Constructed and Approved Units

According to new home sales information provided by DataQuick, between January 1, 1998 and August 30, 2005 an estimated 343 housing units were constructed and sold in Dana Point. The affordability of the constructed units was adjusted to correlate with maximum affordable sales prices based on the Orange County Area Median Income (AMI) of the year of sale. An additional 164 units are expected to be constructed within the planning period through the Headlands Development and Conservation Plan and Monarch Beach Specific Plan. All of these units are expected to be affordable to above moderate income households, although in-lieu fees are collected from these developments and paid into a City fund to be used for developing, preserving and maintaining affordable units. A total of 507 units will be constructed or approved in the planning period, as summarized in Table HES-2.

## Remaining Needs

Although the constructed and approved units exceed the RHNA construction need allocation for above moderate and low income units, the new units do not satisfy very low and moderate income construction needs. The City is still responsible for accommodating 85 units affordable to very low income households and 37 units affordable to moderate income households within the current planning period (a total of 122 units).

**TABLE HES-2  
BALANCE OF CONSTRUCTION NEED  
CITY OF DANA POINT**

Income Category	RHNA	Constructed or Approved	Balance
Very Low (0-50% of median)	85	0	85
Low (51-80% of median)	50	50 <sup>1</sup>	0
Moderate (81-120% of median)	86	49	37
Above Moderate (120% + of median)	229	408	0
<b>Total</b>	<b>450</b>	<b>507<sup>2</sup></b>	<b>122</b>

1. Between January 1, 1998 and August 30, 2005 the City experienced the construction of 58 low income units, exceeding the RHNA assigned construction need for that income category by 8 units. The surplus units may satisfy the housing needs of moderate income households, as shown in the table above.

2. Includes 343 units constructed and sold between January 1, 1998 and August 30, 2005 and 164 approved units expected to be constructed as part of developments in the Headlands Monarch Beach areas.

Source: SCAG RHNA, DataQuick

## City's Response

While most cities rely upon the market to provide units to meet RHNA construction needs, the City of Dana Point is actively pursuing several avenues to preserve and create affordable housing opportunities and accommodate the remaining 122 units of new construction. For the new construction need, the City's two main resources are available vacant and underutilized lands. The City has also identified numerous programs to preserve the housing stock and facilitate the construction of additional housing.

### Vacant and Underutilized Land

In order to identify sites available for residential development that may accommodate the remaining construction needs the City performed a Vacant Residential Land Inventory. A Geographic Information Systems (GIS) database was used to identify the City's remaining vacant residential parcels.

Assuming future development occurs at densities reflective of past development, the 24 vacant residential acres remaining in the City could accommodate approximately 181 units: 131 single family units and 49 multi-family units, as shown in the Community Profile in Table H-34. Of these units, approximately 70%, or 127, will likely be affordable only to above moderate income households based on recent sales trends. The development of vacant parcels in zones with very small minimum lot sizes and high densities may provide approximately 54 units affordable to moderate income households, satisfying the remaining need for moderate income units.

The extremely high cost of land, limited supply of developable vacant land, and desirability of this coastal community requires Dana Point to look for housing opportunities in existing underutilized parcels. Underutilized parcels are defined as land that is developed or utilized at less than full potential. According to state law underutilized sites may address a portion of the regional housing need if the element describes the additional realistic development potential.

The City has identified four underutilized sites that may be appropriate for residential development. The four sites have the collective potential to provide approximately 597 housing units, a portion of which are likely to be affordable for very low, low and moderate income households.



Site 1: Dana Point Town Center



Site 2: Former Dana Point Marina Mobile Home Estates



Site 3: Capistrano Unified School District Storage Yard



Site 4: Via Canon

**Site 1: Dana Point Town Center.** The Town Center consists of approximately 73 acres between Blue Lantern and Copper Lantern Streets, fronting or in between the Pacific Coast Highway (PCH) and Del Prado. In recognizing the true potential of this area, the City is in the process of generating a plan to facilitate new development opportunities, including the addition of residential uses to this area. Currently there are 76 units located in the Town Center. A unique set of development standards, ~~including allowing 4-story buildings,~~ will be created to allow for an additional 276 units at buildout.

**Site 2: Former Dana Point Marina Mobile Home Estates.** The 90-unit Dana Point Marina Mobile Home Estates was closed by choice of the property owner in 2005. Surrounding development includes commercial, public utility and recreation uses. The surrounding uses are not considered to be a significant constraint to the development of the site. The proximity to the coast provides a desirable amenity and would facilitate the construction of housing.

The property owner is interested in developing the 8.7 gross acre (7.1 net acre) site. As of March 2006 the property owner submitted an application to initiate a General Plan Amendment to change the land use designation to accommodate residential development at 22 dwelling units per acre. At 22 dwelling units per acre the site could accommodate 156 units. The site has potential to accommodate more units under a Planned Residential District overlay.

**Site 3: Capistrano Unified School District Storage Yard.** This 5.6 gross acre (4.5 net acre) site is currently being used as a vehicle storage yard for the Capistrano Unified School District. The surrounding parcels are zoned Commercial/Residential. Existing adjacent development includes a fire station, professional offices and residential uses, including a 24-unit rent restricted residential project specifically built to accommodate large families. Highway 1 is located south of the property. The existing uses are considered to be compatible with future residential development.

The property could support senior housing. Although size of the structure would be limited by a maximum FAR of 1.1 and a maximum of 3 stories, a density of 30 dwelling units per acre could potentially be achieved. At this density the site could accommodate a maximum of 135 senior housing units. High density senior housing is affordable in nature and this development could provide very low income units. The City is currently in contact with the CUSD over the possibility of acquiring the site.

**Site 4: Via Canon.** The Via Canon site is a vacant 3.3 gross acre (2.6 net acre) parcel. The site is surrounded by single family and multi-family residential development. Accordingly, the introduction of additional residential development is considered to be compatible.

This site is owned by the City. The City has been approached by several parties, and may partner with or sell the property to a private developer or non-profit group. The City is considering zoning the property as Residential Multi-Family 14. The RMF-14 zone would allow for a maximum of 46 units, however it is estimated that the site could only accommodate approximately 30 units due to topographic constraints.

#### *Potential for Lower Income Housing*

Conversations with Jamboree Housing Corporation (JHC) and the Southern California Housing Development Corporation (SCHDC), both nonprofit housing development companies revealed that sites that permit densities of at least 18 units per acre by right and achieve a minimum project size of 50 units can accommodate affordable housing. Accordingly, amongst underutilized lands within Dana Point, the Town Center, the former Dana Point Marina Mobile Home Estates site, and the Capistrano Unified School District bus yard site could all accommodate development of very low and low income housing.

Additionally, as stated previously, the potential sale of the Via Canon property could generate funds for affordable housing programs or affordable housing development on the underutilized sites. The City, as stated above, is also investigating the acquisition of the Capistrano Unified School District site. This site, if placed under City ownership, could greatly assist the production of lower income housing in Dana Point. With a combined development potential of 567 units on the three aforementioned underutilized sites, the City of Dana Point has sufficient land to accommodate the remaining RHNA allocation of 85 units affordable to very low income households.

#### Policy and Implementation Plan

The City's Housing Element establishes goals, policies, quantified objectives and programs to address the following program categories:

- Identify Adequate Sites for a Variety of Housing Types
- Assist in the Development of Adequate Housing to Meet the Needs of Low and Moderate Income Households

- Address and Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing
- Conserve and Improve the Condition of the Existing Stock of Affordable Housing
- Promote Housing Opportunities for All Persons
- Preserve Lower Income Assisted Housing Developments

Table HES-3, summarizes the City's programs and quantified objectives that are to be implemented over the ten-year time frame of the Element.

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

Program	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
<b>Program Category #1: Identify Adequate Sites for a Variety of Housing Types</b>				
1.1 Land Use Element/Specific Plans Continue to implement residential land use policies as contained in the Land Use Element and adopted Specific Plans.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
1.2 Affordable Housing Development Program Identify sources of funding for land acquisition for the purpose of partnering with a private or non-profit organization to develop affordable housing.	Comm. Dev. Dept.	85 very low income units, 37 moderate income units	Ongoing	In-Lieu Fees, HOME, CDBG
1.3 Sites for Emergency Shelters and Transitional Housing Continue to permit transitional housing subject to discretionary approval in residential zones as described in the Land Use Element and Zoning Code.	Comm. Dev. Dept.	N/A	Ongoing	
1.4 Density Bonus Units Adopt density bonus provisions to comply with SB 1818 (Government Code Section 65915).	Comm. Dev. Dept.	N/A	To be adopted with the 1998-2008 Housing Element	General Fund
1.5 Second Units Continue to allow for the development of second dwelling units according to the provisions of Section 9.07.210 of the Zoning Code.	Comm. Dev. Dept.	3 very low income units	Ongoing	General Fund
1.6 Committed Assistance Credits Investigate developing a partnership with a non-profit organization to acquire and rehabilitate existing rental units.	Comm. Dev. Dept.	N/A	Complete investigation/study prior to the end of the planning period (June 30, 2008)	General Fund, In-Lieu Fees HOME, CDBG

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

Program	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
Program Category #2: Assist in the Development of Adequate Housing to Meet the Needs of Lower-Income Households				
2.1 Citywide Inclusionary Housing Program Adopt a comprehensive Inclusionary Housing Program to establish a mandatory set-aside requirement for affordable units, new in-lieu fees, an Affordable Housing Program Fund, and criteria for affordable housing eligibility.	Comm. Dev. Dept.	N/A	2006	General Fund?
2.2 Housing Assistance Pilot Program Provide rental subsidies, rental deposits, mortgage assistance and relocation assistance to very low, low and moderate income households that have been displaced from Dana Point (within one year of the application completion date) due to circumstances beyond their control.	Comm. Dev. Dept.	N/A	Ongoing	In-Lieu Fees
2.3 Mortgage Credit Certificates A Federal Income Tax program that increases the loan amount offered to a qualifying homebuyer and reduced federal income taxes by 20% of the annual interest paid on the home mortgage.	County of Orange	N/A	Ongoing	County of Orange
2.4 Mortgage Assistance Program Provides silent second loans to qualifying very low and low income first-time homebuyers.	County of Orange	N/A	Ongoing	County of Orange
2.5 Coastal Zone Requirements Implement Government Code Section 65590 which requires one-for-one replacement of coastal zone affordable units within three years of demolition or conversion to market-rate.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
2.6 In-Lieu Fee Program Continue to implement an in-lieu fee program in the Monarch Beach and Headlands areas.	Comm. Dev. Dept.	N/A	Ongoing	In-Lieu Fees/ Project Proponent



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

Program	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
<b>Program Category #3: Address and Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing</b>				
3.1 Zoning Code Continue to implement the provisions guiding residential development in the Zoning Code.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
3.2 Streamlined Approvals Expedite permit processing for project applicants that will build or rehabilitate affordable units.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
3.3 Parking Standards Study Conduct a study to identify the most appropriate reductions in parking standards for affordable housing projects.	Comm. Dev. Dept.	N/A	Complete the study prior to the end of the planning period (June 30, 2008)	General Fund
<b>Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing</b>				
4.1 Mobile Home Park Ordinance Establish provisions which provide assistance to lower-income mobile home park households in the event of a park closure.	Comm. Dev. Dept.	N/A	2006	General Fund
4.2 Code Enforcement Continue commitment to ensuring prompt code compliance.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
4.3 Owner Rehabilitation Continue to apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner occupied low income households.	County of Orange and Comm. Dev. Dept.	20 low income households	Ongoing	CDBG and HOME Funds
4.4 Rental Rehabilitation (See 1.6 Committed Assistance Credits and 2.2 Housing Assistance Pilot Program)	County of Orange and Comm. Dev. Dept.	N/A	Ongoing	HOME funds, CDBG, In-Lieu fees

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

<b>Program</b>	<b>Responsible Agency</b>	<b>Quantified Objective</b>	<b>Time Schedule</b>	<b>Funding Source</b>
4.5 Neighborhood Conservation Continue the implementation of a system of monitoring neighborhood conditions such as the Community Improvement Program for the Lantern Village Area.	County of Orange and Comm. Dev. Dept.	N/A	Ongoing	General Fund, Capital Improvements Program (CIP), CDBG Funds
4.6 Condominium Conversions In the event of the adoption of a citywide Inclusionary Housing Program, including affordability requirements for condominium conversions, the City will update the condominium conversion ordinance accordingly	Comm. Dev. Dept.	N/A	Ongoing	General Fund
<b>Program Category #5: Promote Housing Opportunities for All Persons</b>				
5.1 CalHome First-Time Homebuyer Assistance Continue to participate in the County's CalHome application. Qualifying residents of participating cities may apply for silent second loans (See 2.4 Mortgage Assistance Program).	Comm. Dev. Dept.	N/A	Annually	HOME funds
5.2 Fair Housing Services Continue to provide a directory of contacts for housing assistance including the Fair Housing Council of Orange County.	Fair Housing Council of Orange County	N/A	Ongoing, subject to CDBG Funds	CDBG Funds
5.3 Senior Home Assessments The City provides free home assessments to all seniors to determine the level of assistance needed to maintain senior independence.	Comm. Dev. Dept.	N/A	Ongoing	General Fund

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

<b>Program</b>	<b>Responsible Agency</b>	<b>Quantified Objective</b>	<b>Time Schedule</b>	<b>Funding Source</b>
<b>Program Category #6: Preserve Lower Income Assisted Housing Developments</b>				
6.1 Affordable Housing Monitoring Include affordable housing monitoring as a condition of approval for projects with an affordable housing component.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
6.2 Conservation of Existing and Future Assisted Housing Continue to monitor the affordability terms of exiting units and any affordable units created during the remainder of the planning period.	Comm. Dev. Dept.	153 lower income units	Ongoing	General Fund
6.3 Section 8 Rental Assistance Continue to implement the participation agreement with the Orange County Housing Authority (OCHA) which provides rental assistance to very low income households.	Orange County Housing Authority	At least 30 very low income units	Ongoing	Section 8 Rental Assistance Fund (HUD)

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## Quantified Objectives

Quantified objectives, summarized in Table HES-4 below, are the number of housing units that the jurisdiction estimates can be constructed, rehabilitated, or conserved during the planning period. The new construction objective for vacant land assumes that of the remaining 24 acres of vacant residential land, approximately 75%, 18 acres, will be approved for development within the planning period. Such development will provide approximately 85 above moderate units and 36 moderate income units.

The new construction objective for underutilized land includes potential development four sites selected by the City. Development of the underutilized sites may result in the development of up to 597 units, with the potential to provide some affordable senior, single and multi-family units. The City, however, is primarily interested in seeking the construction of very low income housing on the underutilized sites. Accordingly, the City’s quantified objective for new construction on underutilized sites assumes approximately half (300) of the 597 units are constructed, with priority given to lower income housing. A total of 85 units may be constructed for very low income households, with the balance split between low (50 units), moderate (50), and above moderate (115) income households.

The rehabilitation objective of 20 units assumes that County CDBG and/or HOME funds will continue to be allocated to projects located in the City. Since the City does not directly control the expenditure of housing improvement funds, there is no way to ensure that funds are sufficient to support the rehabilitation of 20. During the planning period the City will investigate developing a partnership with a non-profit organization to rehabilitate additional units (See Program 1.6 Committed Assistance Credits).

The conservation objective refers to maintaining existing affordable housing through measures such as providing or continuing rent subsidies (e.g., Section 8 certificates/ vouchers) and implementing land use controls during the program period. The quantified objective includes providing Section 8 housing assistance to at least 30 households and preserving the 153 deed-restricted units already located within the City.

**TABLE HES-4  
QUANTIFIED OBJECTIVES SUMMARY  
CITY OF DANA POINT**

	Very Low	Low	Moderate	Above Moderate	Total
<b>New Construction</b>					
Constructed	0	50	49	244	343
Approved	0	0	0	164	164
Vacant	0	0	36	85	121
Underutilized	85	50	50	115	300
Second Units	0	3	0	0	3
<b>Total</b>	<b>85</b>	<b>103</b>	<b>135</b>	<b>608</b>	<b>931</b>
<b>RHNA</b>	<b>85</b>	<b>50</b>	<b>86</b>	<b>229</b>	<b>450</b>
Rehabilitation	0	20	0	0	20
Conservation	121	62	0	0	183

Source: The Planning Center, 2006

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## Introduction

### Purpose

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy relative to the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making, and sets forth an action program to implement housing goals for the State-designated planning period: January 1, 1998 through June 30, 2008. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family", as well as an expression of the concern of Dana Point residents for the attainment of a suitable living environment for every Dana Point household.

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

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

### Citizen Participation

During the course of preparing the Draft Housing Element, the City conducted a Housing Summit. Additional opportunities for Citizen Participation include the City of Dana Point Housing Summit, review period for the Draft Housing Element, and Public Hearings.

### Consistency with State Law

Jurisdictions within the Southern California Association of Governments (SCAG) region have extended the third planning period from June 30, 2005 to June 30, 2008 to correspond with the Regional Transportation Plan pursuant to Chapter 696, Statutes 2004 (AB 2158, Lowenthal). State housing law requires every city and county to prepare and adopt a Housing Element of the community's General Plan. The purpose of this update is to comply with the State housing law for the planning period from July 1, 1998 through June 30, 2008. Pursuant to the State housing law, Dana Point's Housing Element must include four major components:

- An assessment of the community's housing needs.
- An inventory of resources to meet needs and constraints that impede public and private sector efforts to meet the needs.
- A statement of the community's goals, quantified objectives and policies relative to the maintenance, preservation, improvement and development of housing.

- An implementation program which sets forth a five-year schedule of actions which the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element.

## General Plan Consistency

The Housing Element of the General Plan is only one segment of a City's comprehensive planning program. The California Government Code requires that General Plans contain an integrated, consistent set of goals and policies. As such, the Housing Element is affected by the other Elements of the General Plan. For example, the Land Use Element establishes the location, type, and density of residential development throughout the City.

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

## Organization of the Housing Element

The Housing Element consists of the *Housing Strategy* (beginning on page 3) and the *Community Profile* (beginning on page 27). The *Housing Strategy* describes the Regional Housing Needs Assessment, the City's goals, policies and implementation measures, and provides quantified objectives. The *Community Profile* contains an assessment of supporting background information consistent with the provisions of State housing law.

Government Code Section 65583 requires the Housing Element to include the following components:

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



# Housing Strategy

## Introduction

The *Housing Strategy* presents the goals, policies, and quantified objectives of the City for the 1998-2008 planning period. This section is based upon an evaluation of the City's existing housing conditions, current and future needs, and community input.

## Regional Housing Needs Assessment

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

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

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

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

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

## 1998-2008 Growth Needs

The City of Dana Point’s “fair share” of the region’s housing need had been determined to be 450 housing units during the period from January 1, 1998 through June 30, 2008. As indicated by Table HI-1, the allocated units have been divided into income categories.

**TABLE HI-1  
SHARE OF REGIONAL HOUSING NEEDS – 1998-2008  
AND BALANCE OF NEED  
CITY OF DANA POINT**

Income Category	Number	Percentage	Units Constructed	Balance
Very Low (0-50% of median)	85	19%	0	85
Low (51-80% of median)	50	11%	50 <sup>1</sup>	0
Moderate (81-120% of median)	86	19%	49	37
Above Moderate (120% + of median)	229	51%	244	0
<b>Total</b>	<b>450</b>	<b>100%</b>	<b>343</b>	<b>122</b>

1. Between January 1, 1998 and August 30, 2005 the City experienced the construction of 58 low income units, exceeding the RHNA assigned construction need for that income category by 8 units. The surplus units may satisfy the housing needs of moderate income households, as shown in the table above.

Source: SCAG RHNA, DataQuick

Between January 1998 and December 2005, 343 housing units were constructed. The constructed units exceed the RHNA construction need for above moderate and low income units, but do not satisfy the need for moderate and very low income units. Based upon the remaining need by income category, the City is still responsible for providing 122 housing units (85 units affordable to very low income households and 37 units affordable to moderate income households) within the current planning period. The housing type and affordability of the 343 newly constructed units are further explained in the Community Profile.

## Policy and Implementation Plan

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

- Providing adequate sites to achieve a variety and diversity of housing.
- Assisting in the development of affordable housing.

- Removing governmental constraints if necessary.
- Conserving the existing stock of affordable housing.
- Promoting equal housing opportunity.
- Preserving "at-risk" housing.

The City of Dana Point, in adopting the Housing Element, adopts the goals that follow as the framework for implementing its housing policies and programs over the ten-year time frame of the Element. A summary table, Table HI-2, is provided first, followed by goals, policies, quantified objectives, and program descriptions.

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**TABLE HI-2  
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
<b>Program Category #1: Identify Adequate Sites for a Variety of Housing Types</b>				
1.1 Land Use Element/Specific Plans Continue to implement residential land use policies as contained in the Land Use Element and adopted Specific Plans.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
1.2 Affordable Housing Development Program Identify sources of funding for land acquisition for the purpose of partnering with a private or non-profit organization to develop affordable housing.	Comm. Dev. Dept.	85 very low income units, 37 moderate income units	Ongoing	In-Lieu Fees, HOME, CDBG
1.3 Sites for Emergency Shelters and Transitional Housing Continue to permit transitional housing subject to discretionary approval in residential zones as described in the Land Use Element and Zoning Code.	Comm. Dev. Dept.	N/A	Ongoing	
1.4 Density Bonus Units Adopt density bonus provisions to comply with SB 1818 (Government Code Section 65915).	Comm. Dev. Dept.	N/A	To be adopted with the 1998-2008 Housing Element	General Fund
1.5 Second Units Continue to allow for the development of second dwelling units according to the provisions of Section 9.07.210 of the Zoning Code.	Comm. Dev. Dept.	3 very low income units	Ongoing	General Fund
1.6 Committed Assistance Credits Investigate developing a partnership with a non-profit organization to acquire and rehabilitate existing rental units.	Comm. Dev. Dept.	N/A	Complete investigation/study prior to the end of the planning period (June 30, 2008)	General Fund, In-Lieu Fees HOME, CDBG

**TABLE HI-2  
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

Program	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
Program Category #2: Assist in the Development of Adequate Housing to Meet the Needs of Lower-Income Households				
2.1 Citywide Inclusionary Housing Program Adopt a comprehensive Inclusionary Housing Program to establish a mandatory set-aside requirement for affordable units, new in-lieu fees, an Affordable Housing Program Fund, and criteria for affordable housing eligibility.	Comm. Dev. Dept.	N/A	2006	General Fund?
2.2 Housing Assistance Pilot Program Provide rental subsidies, rental deposits, mortgage assistance and relocation assistance to very low, low and moderate income households that have been displaced from Dana Point (within one year of the application completion date) due to circumstances beyond their control.	Comm. Dev. Dept.	N/A	Ongoing	In-Lieu Fees
2.3 Mortgage Credit Certificates A Federal Income Tax program that increases the loan amount offered to a qualifying homebuyer and reduced federal income taxes by 20% of the annual interest paid on the home mortgage.	County of Orange	N/A	Ongoing	County of Orange
2.4 Mortgage Assistance Program Provides silent second loans to qualifying very low and low income first-time homebuyers.	County of Orange	N/A	Ongoing	County of Orange
2.5 Coastal Zone Requirements Implement Government Code Section 65590 which requires one-for-one replacement of coastal zone affordable units within three years of demolition or conversion to market-rate.	Comm. Dev. Dept.	N/A	Ongoing	General Fund

**TABLE HI-2  
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

<b>Program</b>	<b>Responsible Agency</b>	<b>Quantified Objective</b>	<b>Time Schedule</b>	<b>Funding Source</b>
2.6 In-Lieu Fee Program Continue to implement an in-lieu fee program in the Monarch Beach and Headlands areas.	Comm. Dev. Dept.	N/A	Ongoing	In-Lieu Fees/ Project Proponent
<b>Program Category #3: Address and Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing</b>				
3.1 Zoning Code Continue to implement the provisions guiding residential development in the Zoning Code.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
3.2 Streamlined Approvals Expedite permit processing for project applicants that will build or rehabilitate affordable units.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
3.3 Parking Standards Study Conduct a study to identify the most appropriate reductions in parking standards for affordable housing projects.	Comm. Dev. Dept.	N/A	Complete the study prior to the end of the planning period (June 30, 2008)	General Fund
<b>Program Category #4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing</b>				
4.1 Mobile Home Park Ordinance Establish provisions which provide assistance to lower-income mobile home park households in the event of a park closure.	Comm. Dev. Dept.	N/A	2006	General Fund
4.2 Code Enforcement Continue commitment to ensuring prompt code compliance.	Comm. Dev. Dept.	N/A	Ongoing	General Fund

**TABLE HI-2  
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

<b>Program</b>	<b>Responsible Agency</b>	<b>Quantified Objective</b>	<b>Time Schedule</b>	<b>Funding Source</b>
4.3 Owner Rehabilitation Continue to apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner occupied low income households.	County of Orange and Comm. Dev. Dept.	20 low income households	Ongoing	CDBG and HOME Funds
4.4 Rental Rehabilitation (See 1.6 Committed Assistance Credits and 2.2 Housing Assistance Pilot Program)	County of Orange and Comm. Dev. Dept.	N/A	Ongoing	HOME funds, CDBG, In-Lieu fees
4.5 Neighborhood Conservation Continue the implementation of a system of monitoring neighborhood conditions such as the Community Improvement Program for the Lantern Village Area.	County of Orange and Comm. Dev. Dept.	N/A	Ongoing	General Fund, Capital Improvements Program (CIP), CDBG Funds
4.6 Condominium Conversions In the event of the adoption of a citywide Inclusionary Housing Program, including affordability requirements for condominium conversions, the City will update the condominium conversion ordinance accordingly	Comm. Dev. Dept.	N/A	Ongoing	General Fund
<b>Program Category #5: Promote Housing Opportunities for All Persons</b>				
5.1 CalHome First-Time Homebuyer Assistance Continue to participate in the County's CalHome application. Qualifying residents of participating cities may apply for silent second loans (See 2.4 Mortgage Assistance Program).	Comm. Dev. Dept.	N/A	Annually	HOME funds
5.2 Fair Housing Services Continue to provide a directory of contacts for housing assistance including the Fair Housing Council of Orange County.	Fair Housing Council of Orange County	N/A	Ongoing, subject to CDBG Funds	CDBG Funds

draft housing element (9-1-06)



**TABLE HI-2  
CITY OF DANA POINT HOUSING PROGRAM SUMMARY**

<b>Program</b>	<b>Responsible Agency</b>	<b>Quantified Objective</b>	<b>Time Schedule</b>	<b>Funding Source</b>
5.3 Senior Home Assessments The City provides free home assessments to all seniors to determine the level of assistance needed to maintain senior independence.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
<b>Program Category #6: Preserve Lower Income Assisted Housing Developments</b>				
6.1 Affordable Housing Monitoring Include affordable housing monitoring as a condition of approval for projects with an affordable housing component.	Comm. Dev. Dept.	N/A	Ongoing	General Fund
6.2 Conservation of Existing and Future Assisted Housing Continue to monitor the affordability terms of exiting units and any affordable units created during the remainder of the planning period.	Comm. Dev. Dept.	153 lower income units	Ongoing	General Fund
6.3 Section 8 Rental Assistance Continue to implement the participation agreement with the Orange County Housing Authority (OCHA) which provides rental assistance to very low income households.	Orange County Housing Authority	At least 30 very low income units	Ongoing	Section 8 Rental Assistance Fund (HUD)

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

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

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

The purpose of this Program Category is to describe the actions that the City will take to ensure that a variety of housing types can be accommodated including multifamily rental housing, factory-built housing, mobile homes, emergency shelters and transitional housing. The City's Land Use Element, Specific Plans and Zoning Code regulate the housing types permitted in the community.

**GOAL 1:**

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

**Policies**

- 1.1 Actively pursue opportunities to construct beyond levels identified by the RHNA.
- 1.2 Provide a variety of housing opportunities for all income levels of the City.
- 1.3 Coordinate new residential development with the provision of infrastructure and public services. (Coastal Act/30250)
- 1.4 Balance the need for public services and community resources and employment opportunities for future increases in population. (Coastal Act/30250)
- 1.5 Locate higher density residential development close to public transportation.

Quantified Objectives

Identify development opportunity sites for the remaining new construction need of 85 units affordable to very low income households and 37 units affordable to moderate income households.

Programs

**1.1 Land Use Element/Specific Plans**

During the program period, the City will continue to implement the adopted residential land use policies as contained in the Land Use Element and adopted Specific Plans. These policies provide for the development of a range of housing types and densities. Vacant land exists in the following Land Use Designations:

- 0-3.5 dwelling units per acre
- 3.5-7 dwelling units per acre

- 7-14 dwelling units per acre
- 14-22 dwelling units per acre
- Commercial/Residential

A detailed description of the City’s land use controls is found in the Community Profile.

### 1.2 Affordable Housing Development Program

The City is in the process of implementing a program to achieve the construction of new rental housing affordable to very low and low income households. The main elements of the program are land acquisition by the City and eventual sale to an affordable housing developer (either non- or for-profit). The following actions will be taken by the City to achieve the objectives of this program:

The City will assign housing grants coordination duties to the Economic Development Manager. The Economic Development Manager will identify all possible sources of funding for land acquisition. Potential sources include City In-Lieu Fees, County of Orange HOME and CDBG funds, Orange County Housing Authority operating reserves, and State funds. During the course of this activity the Economic Development Manager will estimate the amount of funding that could be obtained by the City for land acquisition.

Concurrent with or immediately following this activity, the City’s Community Development Department will complete a thorough evaluation of candidate vacant or underutilized sites for a 16 to 30-unit affordable housing development. In 2005 the City identified four underutilized sites with recycling or development potential (See Residential Land Inventory in the Community Profile). As of April 2006 the City acquired a vacant 3.3 gross acre (2.6 net acres) residential parcel referred to as Via Canon. The City is in talks with developers interested in developing market-rate and affordable units on the site. The City is also currently considering development options and land acquisition opportunities for the other underutilized sites. The estimated maximum potential unit yield of the underutilized sites is 597 units.

### 1.3 Sites for Emergency Shelters and Transitional Housing

The City will continue to implement the provisions of the Land Use Element and Zoning Code as they relate to sites for emergency shelters. The Land Use Element allows for Single Room Occupancy hotels, emergency shelters, and transitional housing under specified land use designations subject to discretionary approval. The Zoning Code permits transitional housing subject to discretionary approval in residential zones and emergency shelters subject to discretionary approval in residential and commercial zones.

### 1.4 Density Bonus Units

SB 1818 (Government Code Section 65915), effective January 1, 2005, amends State density bonus law to create a broad range of available density bonuses, increase the maximum density bonus from 25% to 35%, and provide a flat 20% density bonus for all senior housing rather than the previous 25% for 50% senior housing. For each 1% increase in low-income units above 10% the low income density bonus increases by 1.5%, for each 1% increase in very low-income units above 5% the very-low density bonus increases by 2.5%, and for every 1% increase in moderate income units above 10% the density bonus increases by 1%, each up to a maximum of 35%.

The City will adopt density bonus provisions to comply with SB 1818 and will continue to inform developers and other interested parties of density bonus provisions.

### 1.5 Second Units

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

In 2003 the City amended the Zoning Code to provide standards and procedures for the development of second dwelling units. Per Section 9.07.210 of the Zoning Code, a second unit is an attached or detached residential unit on the same parcel or parcels as the primary unit, which provides complete, independent living facilities for one or more persons. The unit includes permanent provisions for living, sleeping, eating, cooking, and sanitation.

It is projected that by 2008 at least 3 second units will be developed. In accordance with the City's Second Dwelling Unit Ordinance, these units will target low to moderate-income households and remain affordable for the life of the project. This objective is based on past development trends and efforts of the City to promote and encourage the development of second units.

### 1.6 Committed Assistance Credits

The housing element reform bill, AB 438, amended State housing law to permit cities to meet 25% of the "fair share" need by "committed assistance." In this context, "committed assistance" is defined as when a local government has entered into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that the units be made available for occupancy within two years of the execution of the agreement.

Cities can gain credit towards their RHNA by rehabilitating vacant units, preserving "at-risk" units, and placing long-term affordability restrictions on market rate units.

Specifically, the City may satisfy up to 25% of their RHNA by substituting existing units which will be made available or preserved through the provision of committed assistance to low- and very low-income households at affordable housing costs or affordable rents. To use this new provision of the law, the City's Housing Element must include a *program* that:

- 1) Identifies the specific, existing source of funds to be used to provide committed assistance and dedicate a portion of the funds for this purpose.
- 2) Describes the number of units to be provided for low- and very low-income households and demonstrates that the amount of funds dedicated is sufficient to provide the units at affordable costs or rents.

Only housing units to be substantially rehabilitated, converted from non-affordable to affordable by acquisition of the units or affordability covenants, or preserved at affordable housing costs by the

acquisition of the units or purchase of affordability covenants are eligible, and must be identified in the program description. To qualify, the housing units must meet very specific requirements.

#### *Sources of Funds*

In order to implement this program, the City will utilize four sources of funds:

- County of Orange HOME Funds
- City In-Lieu Fees (currently in place)
- County of Orange CDBG Funds
- Coastal Commission conditions and approvals that regulate private development of affordable housing

#### *Number of Units*

The City will investigate providing committed assistance funding for 10 units within the City.

#### *Program Implementation*

The City will seek to develop a public/private partnership with a qualified nonprofit organization to acquire and rehabilitate existing rental housing. More specifically, the City will plan to financially assist a nonprofit housing organization to acquire and rehabilitate substandard apartment housing and to ensure long-term affordability to lower income households. A brief description of this partnership program is given below:

- The existing building or buildings will likely be located in the Lantern Village or Doheny Village, areas of the City with several units or mobile homes in need of rehabilitation.
- The City and nonprofit organization will jointly estimate the acquisition and rehabilitation costs associated with different building sites in the City.
- The City and nonprofit will jointly estimate the amount of funds that the City will need to allocate to the program.
- The City will leverage its financial resources with those that the County of Orange is obligated to allocate to community based nonprofit housing corporations.
- The City and County will establish long-term affordability requirements.

Program Category #2:  
 Assist in the Development of Adequate Housing to Meet the Needs of Lower-Income Households

The City’s existing needs include 2,349 renter households that are cost burdened, expending more than 30% of their income toward housing. The City’s new construction need includes 85 very low income and 37 moderate income housing units, which can be met by developing underutilized land (see Program 1.2). The existing and new construction needs are explained in greater detail in the Community Profile.

**GOAL 2:**  
 .....  
 Assist in the provision of housing affordable to lower-income households.  
 .....

**Policies**

- 2.1 Establish a threshold for mandatory inclusion of affordable housing units in new residential development.
- 2.2 Establish guidelines for the collection and expenditure of housing in-lieu funds.
- 2.3 Support innovative public, private and non-profit efforts in the development and financing of affordable housing, particularly for lower income households, the elderly, large families, the physically impaired and single parent households.
- 2.4 Support the participation of Federal, State or local programs aimed at providing housing opportunities for low and moderate-income households.
- 2.5 Require that housing constructed for low and moderate-income households are not concentrated in any single portion of the City.
- 2.6 Implement requirements for providing affordable housing for employees of hotel and resort developments. (Coastal Act/30213)
- 2.7 Provide for mixed commercial/residential land uses to create additional housing opportunities.

Quantified Objectives

The objectives include the continuation of providing Section 8 rental assistance to at least 30 very low-income households. This is the number of very low-income households currently assisted by the Orange County Housing Authority.

Programs

The scope of actions usually includes methods of providing financial assistance. However, the resources available to the City are limited and include CDBG and HOME funds and in-lieu fees. To some degree, the City can "leverage" these resources with other financial resources such as tax exempt bond financing and tax credits. An alternative to providing direct assistance is establishing an inclusionary housing

program to mandate the construction of affordable units in proposed market-rate residential development projects.

### 2.1 Citywide Inclusionary Housing Program

The City seeks to formalize a citywide Inclusionary Housing Program to increase the production of lower-income workforce and senior/accessible units. The Program will identify the threshold for a mandatory requirement to reserve a percentage of housing units for lower-income households, establish new in-lieu fees, and streamline the approval process for projects with an affordable component. The City will establish criteria for affordable housing eligibility, giving preference to current and former Dana Point residents as well as current Dana Point workers. The Program may address condominium conversions, establishing affordability requirements or in-lieu fees for such projects.

Nonresidential development, such as commercial and industrial uses, will generate jobs as well as a need for local housing opportunities for employees. The City will investigate the relationship between nonresidential development and housing demand. Study findings may result in the adoption of a Nonresidential Development Linkage Fee assigned to new nonresidential development projects. Collected fees will be allocated to the Affordable Housing Program Fund.

In-lieu fees collected through the proposed Inclusionary Housing Program will be allocated to a dedicated Affordable Housing Program Fund. Additional funds may be collected through the sale of city-owned property. Expenditure of the Fund will be limited to supporting affordable housing programs.

### 2.2 Housing Assistance Pilot Program

The City intends to reopen the Housing Assistance Pilot Program as funding becomes available. In August 2005 the City of Dana Point established the Housing Assistance Pilot Program to provide aide to very low, low and moderate income households who had been displaced from a Dana Point residence within a year due to circumstances beyond their control. The program provided rental subsidies, rental deposits, mortgage assistance and relocation assistance. The City reviewed applications according to program guidelines and priorities established by the program coordinators. The City received 31 applications for the Housing Assistance Pilot Program. The first round of the Program which closed in September 2005, appropriated a total of \$100,000 between 17 Dana Point Residents.

### 2.3 Mortgage Credit Certificates

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

### 2.4 Mortgage Assistance Program

The Mortgage Assistance Program (MAP) provides silent second loans to assist very low and low income first-time homebuyers. The 3% simple interest, deferred payment loan has a term of 30 years or upon sale



or transfer of property and a maximum loan amount of \$40,000. The buyer must purchase a single family home, condominium or home within a planned unit development within the program area, including Dana Point, to occupy as a primary residence. The buyer must contribute a minimum 1% of the purchase price. The buyer's household income and home purchase price cannot exceed limits established by the County.

## 2.5 Coastal Zone Requirements

The City will continue to implement the requirements of Government Code Section 65590, regarding affordable units in the coastal zone. Section 65590 requires one-for-one replacement of affordable coastal zone units within three years of demolition or conversion to market-rate. Replacement units shall be located on the site of the previous structure or elsewhere within the coastal zone when feasible. Where the City determines it is not feasible to include the replacement units within the site, developers can satisfy the requirement by constructing the units within three miles of the coastal zone.

An applicant for conversion or demolition may also pay an in-lieu fee into to fund the replacement of the number of dwelling units which would otherwise have been required by this subdivision. As otherwise required by this subdivision, the replacement units shall be located within the coastal zone if feasible, or, if not feasible the units shall be located within three miles of the coastal zone, and shall be provided within three years from the conversion or demolition.

## 2.6 Existing In-Lieu Fee Program

The City has implemented an in-lieu fee program in two areas of the city, Monarch Beach and the Headlands. Currently, affordable housing in-lieu fees in other areas of the city are evaluated on a case-by-case basis. The City is in the process of creating a citywide Inclusionary Housing Program. See also Program 2.1, Citywide Inclusionary Housing Program.

### Monarch Beach Specific Plan

The Monarch Beach Specific Plan concluded that on-site affordable housing within the Specific Plan area was not appropriate based on the policies stated in the General Plan and that no land use designations in the Plan area have the appropriate densities to provide for very low and low income housing.

An in-lieu fee of \$540 per residential unit has been established to satisfy the Government Code's requirement of providing moderate income housing within the Coastal Zone. This figure was increased in 2005 for a 28-unit residential development which abuts the St. Regis Resort, referred to as Hotel Village North. To date, over \$283,000 in lieu fees have been collected as a results of development within the Monarch Beach Specific Plan area.

### Monarch Beach Housing Incentives Program (Employee Housing)

The Monarch Beach Resort Specific Plan, which is located in the Coastal Zone, incorporates a "Housing Initiatives Program" for very low and low income households. The Program has been designed to accomplish three goals:

- 1) Maximize employment of the local labor force.
- 2) Provide housing services management, training seminars, and information regarding rental and ownership responsibilities.

3) Housing cost reductions.

In accordance with this program, the St. Regis Resort provides a housing subsidy for qualifying employees. In 2005, 50 employees received a rental subsidy. In addition, life skill programs are offered monthly which provide guidance on tax preparation, goal setting, landlord/tenant rights, improving credit/budgeting, insurance, parenting skills, low cost health care program, domestic violence and alcohol and drug abuse counseling.

Headlands In-Lieu Fee

As part of the Headlands Development and Conservation Plan, an in-lieu fee of \$2,500 per unit was established for 118 units in-lieu of constructing affordable housing. This fee will be collected upon the construction of each unit and will provide a total contribution of \$295,000 to the City's housing reserve.

Headlands Development and Conservation Plan (Employee Housing)

The Headlands Development and Conservation Plan specifies that a minimum of 12 residential units within the project shall provide affordable housing for low or moderate income employees of individual lot owners. Program qualifications are defined in Section 50093 of the California Health and Safety Code. Projects not offering affordable employee housing units will be subject to an in-lieu fee of \$2,500 per missing affordable employee unit.

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

State housing law requires the inclusion of program actions to:

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

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

**GOAL 3:**

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

**Policies**

- 3.1 Encourage incentives to assist in the development of affordable housing such as: 1) reducing permit processing time and waiving or reducing applicable permit fees; 2) on-site density bonuses when appropriate; 3) tax-exempt financing; 4) City participation in on- or off-site public improvements; and/or 5) flexibility in zoning or development standards, such as reducing parking requirements if a study demonstrates that less parking is needed because of the income, car ownership and special needs of the population that would reside in the proposed affordable development.
- 3.2 Evaluate housing cost increases resulting from any new City requirements.
- 3.3 Consider flexibility in development standards to allow for single room occupant facilities for low-income individuals. (Coastal Act/30213)
- 3.4 Implement the provisions of the City's Zoning Ordinance that permit the development of transitional and emergency housing in specified zones.

Quantified Objectives

Quantified objectives for housing units by income group can not be established for this Program Category.

Programs

**3.1 Zoning Code**

The following provisions are included in the Zoning Code.

- Affordable housing is promoted in the mixed-use districts through increased density.
- Second units are affordable to low or moderate income households and are allowed where a single family dwelling unit exists on a lot zoned for such purposes.
- Single Room Occupancy (SRO) hotels are conditionally permitted in areas of the City designated for commercial development.
- Emergency shelters are allowed in multi-family residential zones and commercial zones by Conditional Use Permit.
- Appropriate parking requirements are established for second units and senior housing.
- Manufactured housing is allowed in several single family and multi-family zones.

### 3.2 Streamlined Approvals

Projects that include construction or rehabilitation of affordable housing will continue to be given priority processing through close coordination with the City.

### 3.3 Parking Standards Study

The existing Zoning Code includes parking standards for second dwelling units and senior housing. The City will perform a study of parking standards in order to identify appropriate reduced parking standards for affordable housing units. The study may be completed by 2008.

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

According to the State Housing Law, the City's housing program must include actions to:

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

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

According to the Southern California Association of Governments (SCAG), there are approximately 505 overcrowded housing units in the City's housing stock. In 2000, 23.4% of housing units were 30 or more years old. These statistics, which are fully explained in the Community Profile, are indicators of the need to continue code enforcement and housing rehabilitation programs.

**GOAL 4:**

.....  
 Conserve and improve the existing stock of affordable housing.  
 .....

Policies

- 4.1 Establish provisions which provide assistance to lower-income mobile home park households in the event of a park closure.
- 4.2 Support a code enforcement program to help maintain the physical condition and appearance of neighborhood areas.
- 4.3 Support a code enforcement program to bring substandard buildings up to code.
- 4.4 Encourage the retention of existing single-family neighborhoods and mobile home parks which are economically and physically sound.
- 4.5 Provide neighborhood conservation and residential rehabilitation programs that offer financial and technical assistance to owners of lower income housing property to enable correction of housing deficiencies.

Quantified Objectives

Provide funding and technical assistance for the rehabilitation of 50 units.

## Programs

### **4.1 Mobile Home Park Ordinance**

City staff will develop a Mobile Home Park Ordinance to establish provisions for assistance to lower-income mobile home park households in the event of a park closure.

### **4.2 Code Enforcement**

The City's current Code Enforcement Program will continue to be implemented during the 1998-2008 planning period. The City has a strong commitment to ensure prompt code compliance for tenants and property owners and the area's residents.

Three Code Enforcement Officers are assigned to process code violations. The City also will continue to implement a proactive code enforcement program. Instead of reacting to complaints, the City's Code Enforcement Officers will continue to canvas streets to monitor compliance.

As in the past, it is anticipated that many citations during the program period will result in improvements to residential property. The program results in buildings meeting the City's code regulations and providing a safe living environment.

In some cases, those cited may use rehabilitation loans provided by the County of Orange. The City's Code Enforcement Officers will continue to provide the appropriate contacts with the County of Orange rehabilitation program staff.

### **4.3 Owner Rehabilitation**

The City will continue to apply to the County of Orange for CDBG and HOME Funds. Under the Neighborhood Preservation Program, the County offers funding for housing rehabilitation focused on owner occupied single-family homes and mobile homes. The funds are distributed on a competitive basis. The program can provide rehabilitation assistance to owner occupied properties for low income households by:

- Providing reduced interest rates.
- Expanding loan eligibility.
- Matching funds from banks.
- Expedited loan processing.

The City will continue to promote this program and to advertise the availability of funding through the City newsletter and contacts with local realtors.

### **4.4 Rental Rehabilitation**

The County offers rental rehabilitation funding for mobile homes. See also 1.6 Committed Assistance Credits and 2.1 Affordable Housing Pilot Assistance Program.

#### 4.5 Neighborhood Conservation

This program will involve the continued implementation of a system of monitoring neighborhood conditions (i.e., structures, public amenities such as sidewalks) and utilize General Funds, CDBG funds and the Code Enforcement Program to maintain the integrity of these neighborhoods. For example, a Community Improvement Program for the Lantern Village Area was initiated following completion of the "Lantern Village Action Plan" in May 1994.

The City will continue to apply to the County of Orange for CDBG funds for improvements to existing streets. The improvements could include repair or replacement of concrete curb, sidewalk, curb/gutter and cross gutters. Roadway renovation techniques include total reconstruction, slurry seal, and asphalt overlays. These projects will ensure safe, structurally sound, and functionally adequate facilities to improve target area neighborhoods. CDBG funding supported the improvements to storm drains and the construction of the Lantern Village Community Park.

The City also has a Capital Improvements Program (CIP) that helps to revitalize infrastructure.

#### 4.6 Condominium Conversions

The City has adopted requirements for condominium conversions within the Zoning Code. During the 1998-2008 program period the City will continue to implement the Zoning Code regulations governing the conversion of apartments to condominiums. In the event of the adoption of a citywide Inclusionary Housing Program, including affordability requirements or other provisions for condominium conversions, the City will update the condominium conversion ordinance accordingly. See Program 2.1 Citywide Inclusionary Housing Program.

The conversion of rental units into condominium ownership may result in the displacement of existing tenants. Some tenants might be unable to buy their units because monthly payments will be substantially greater than the previous rent; others might lack the downpayment.

The City will need to balance the public benefit of affordable rental housing with the conversion to ownership housing. In the past, the City has approved condominium conversion applications. The approved projects provided landscape, site drainage, trash storage, aesthetic, and parking improvements. The approved projects also provided for a relocation plan and housing units that will sell for less than the average price of two-bedroom condominiums located in Dana Point. During the program period, the City will work with local realtors to market this program. In addition, the City will use flyers to inform apartment property owners of the availability of the program.

**Program Category #5: Promote Housing Opportunities for All Persons**

The City's housing program must include actions to:

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

**GOAL 5:**  
.....  
**Ensure and promote housing opportunities for all population groups.**  
.....

**Policies**

- 5.1 Create and support opportunities to assist first-time homebuyers.
- 5.2 Encourage support services for the elderly through the provision of housing services related to in-home care, meal programs, and counseling.
- 5.3 Work with area social service providers in addressing the needs of the homeless population.

Quantified Objectives

Quantified objectives cannot be established for this Program Category.

Programs

**5.1 CalHome First-Time Homebuyer Assistance**

Dana Point was part of the successful 2004 CalHome application to State HCD for first time homebuyer assistance of \$750,000. The State allowed the County to apply for funds for those cities participating in their CDBG program that provided a letter of interest. First-time homebuyers who qualify and wish to purchase a home in Dana Point can apply for those funds (up to \$40,000 in silent second loans).

**5.2 Fair Housing Services**

The County of Orange allocates funds to the Orange County Fair Housing Council on behalf of the non-entitlement cities, such as Dana Point, that participate in the County's Urban County CDBG application. The Fair Housing Council provides the following types of services: housing discrimination response, landlord-tenant relations, housing information and counseling, and community education programs.

The City has created a "Directory" of contacts for housing related assistance. A Section within the "Directory" provides contact telephone numbers in Orange County where persons may inquire about Equal or Fair Housing. In addition to the Community Development Department staff member, Code Enforcement Officers and Building Inspectors will refer persons to agencies providing fair housing services.

**5.3 Senior Home Assessments**

The City provides free home assessments to all seniors to determine the level of assistance needed to maintain senior independence.



**Program Category #6: Preserve Lower Income Assisted Housing Developments**

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

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

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

In addition, this Program Category also describes other actions of the City to preserve the affordability of the existing housing supply. In particular, these actions contribute to a reduction in the cost of housing for low-income households. As of April 2006 there are four rental housing developments containing 153 rent-restricted units within the City.

**GOAL 6:**

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

- 6.1 Monitor and protect the supply of affordable housing by enforcing existing deed restrictions, subsidizing units that convert to market-rate, restricting the sale of future affordable units, restricting condominium conversions, and supporting programs for the rehabilitation of affordable housing.
- 6.2 Facilitate the purchase by existing tenants of rental units converted to condominium ownership where conversions are considered appropriate.
- 6.3 Conserve affordable housing opportunities in the City through implementation of State requirements for replacement of low and moderate-income housing.
- 6.4 Ensure the long-term affordability of future affordable housing developments.

Quantified Objectives

Preserve the affordability of the existing 153 rent restricted units.

Programs

**6.1 Affordable Housing Monitoring**

The City will include affordable housing monitoring as a condition of approval for projects with an affordable housing component. Monitoring may include identifying the location, size, type, and sales price of affordable units as well as other means of furthering the City's understanding of their affordable housing stock.

## 6.2 Conservation of Existing and Future Assisted Housing

The City will continue to monitor the affordability terms of existing and future assisted housing. Four existing developments in the City include rent restricted housing units: Harbor Pointe, 40 units; Monarch Coast Apartments, 84 units; and Domingo/Doheny Park Road, 24 units; The Fountains, 5 units.

In 1992 a landslide damaged one of the buildings at Monarch Coast Apartments, resulting in the complete loss of 32 dwelling units. In January 2004, the City approved a Coastal Development Permit (CDP) allowing the construction of 30 replacement units (resulting in 448 total units). The CDP was due to expire in February 2006. City staff was asked by the property owner, William Lyon Company, to extend the CDP and in response staff felt it would only be appropriate to do so in exchange for an agreement to create affordable housing units at the project. The existing 84 affordable units at the Monarch Coast Apartments are required to be so designated until 2015.

In March of 2006 the City Council authorized the City Manager to execute an Affordable Housing Agreement with William Lyon Company to provide 5% of the total units for low income households and another 5% for moderate income households. Ten percent of the total units will have deed restrictions recorded against them requiring that as they are sold they be kept as affordable units. The agreement results in the preservation of 40 assisted units, previously expected to convert to market-rate in 2015, in perpetuity. In addition, the agreement provides that William Lyon Company will prepare a dispersal map showing where the affordable units will be located, which will be subject to City approval. This will enable the City to ensure that the affordable units are dispersed evenly and appropriately throughout the project.

## 6.3 Section 8 Rental Assistance

The City will continue to implement the participation agreement with the Orange County Housing Authority (OCHA). As of April 2006, OCHA provided rental assistance to 31 households of Dana Point. The Section 8 program provides rental assistance to very low-income families and elderly persons who spend more than 30% of their income on rent. The rental assistance is the difference between the excess of 30% of the monthly income and the federally approved "fair market rent".

Currently there are two means of obtaining Section 8 rental assistance: certificates and vouchers. Under the certificate program, the landlord must enter into a contract with OCHA which limits the total rent for the unit involved to a federally approved "fair market rent" level. Under the voucher program, the landlord need not agree to limit the rent level; however, the tenant must then pay the difference between the federally approved "fair market rent" level and the actual rent. In both instances, the subsidy is paid directly to the landlord. The Housing Authority provides all local administration, including qualification of the households, and qualification and inspection of the rental units. All funding is from the Federal government; the City has no direct or indirect expenses. The City will continue to refer needy families to the Orange County Housing Authority and inform realtors of the program's availability.

# Community Profile

## Introduction

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

## Population Trends and Characteristics

### Population Growth

The City of Dana Point is one of 33 cities located in Orange County. As indicated in Table H-1, the County’s population rapidly grew from 2.4 million in 1990 to 2.8 million in 2000, an increase of 18%. It is anticipated that the County population will reach 3.3 million by 2010, a 16% increase from the 2000 population. Growth in the City of Dana Point has been significantly slower than the County, due largely to the built-out nature of the city. Between 1990 and 2000 Dana Point’s population increased by 9%, or 3,214 persons. The Southern California Council of Governments anticipates that Dana Point will add another 3,631 persons by 2010, an increase of 10% from 2000.

**TABLE H-1  
POPULATION GROWTH FROM 1990 TO 2010  
COUNTY OF ORANGE AND CITY OF DANA POINT**

Year	Orange County		Dana Point	
	Population	% Increase	Population	% Increase
1990	2,410,556	-----	31,896	-----
1995	2,590,100	7.4%	34,100	6.9%
2000	2,846,289	9.9%	34,851	2.2%
2005	3,103,377	9.0%	36,765	5.5%
2010	3,291,628	6.1%	38,482	4.7%

Sources: 1990 and 2000 - Census; 1995 and 2005 - DOF; 2010 - SCAG RTP.

### Age Composition

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

In 2000, the majority of the population (51%) falls within the “prime working” population subgroup, which also correlates to the “preschool” and “school” subgroups, representing another 23% of the population. In general, these families create additional demand for home ownership opportunities. The

large percentage in the “school” subgroup may also lead to future demand for rental housing opportunities affordable to young adults.

### Race and Ethnicity

Although the non-white population increased by 41% from 1990 to 2000, the City of Dana Point remains primarily white. According to the 2000 Census 86.9% of the City’s population is white. It should be noted that persons of Hispanic Origin are included within the various ethnic categories, and may be of any race.

### Employment

According to the California State Employment Development Department (EDD) there were 9,172 jobs within the City of Dana Point in January 2005. Approximately half of the jobs within the City are in the “accommodation and food services” and “retail trade” sectors (38.6% and 11.6%, respectively). Jobs in those sectors are expected to increase slightly following the anticipated construction of a hotel and various commercial uses in the Headlands and Town Center planning areas. Although both projects incorporate residential uses, job creation could create additional demand for affordable housing.

**TABLE H-2  
TOP INDUSTRIES IN DANA POINT BY EMPLOYMENT IN 2005**

<b>Industry</b>	<b>Number</b>	<b>Percent</b>
Accommodation and Food Services	3,556	38.6%
Retail Trade	1,065	11.6%
Health Care and Social Assistance	712	7.7%
Construction	540	5.9%
Professional, Scientific, and Technical Services	496	5.4%
Government	465	5.0%
Waste Management and Remediation Service	462	5.0%
Other Services (except Public Administration)	437	4.7%
Educational Services	274	3.0%
Arts, Entertainment, and Recreation	266	2.9%
All Other Industries	899	9.8%
<b>Total</b>	<b>9,172</b>	<b>100.0%</b>

Source: California State Employment Development Department (EDD)

FIGURE H-1 AGE COMPOSITION IN DANA POINT

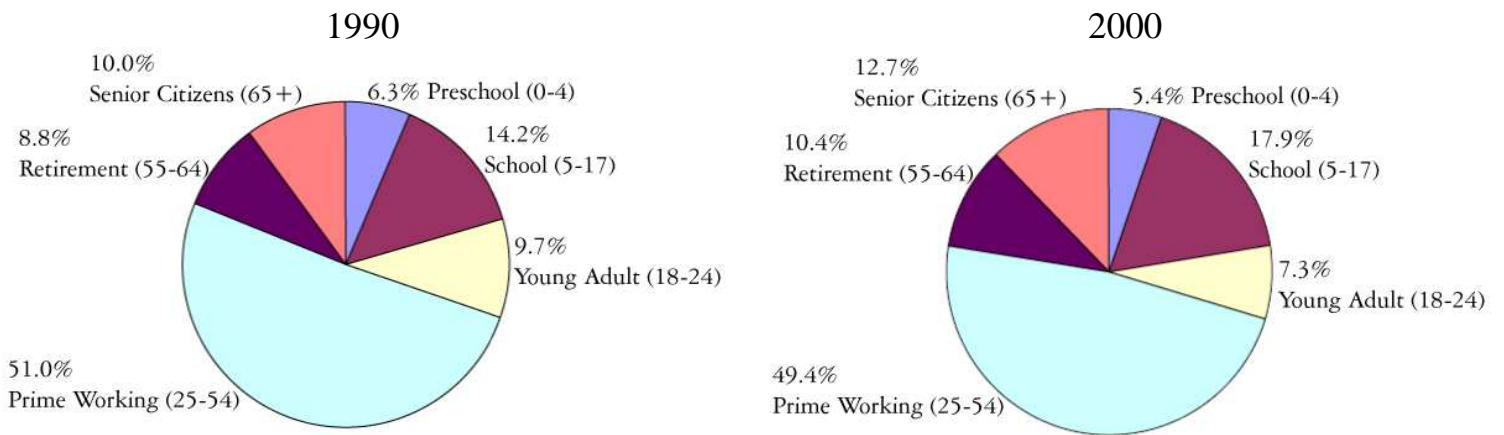
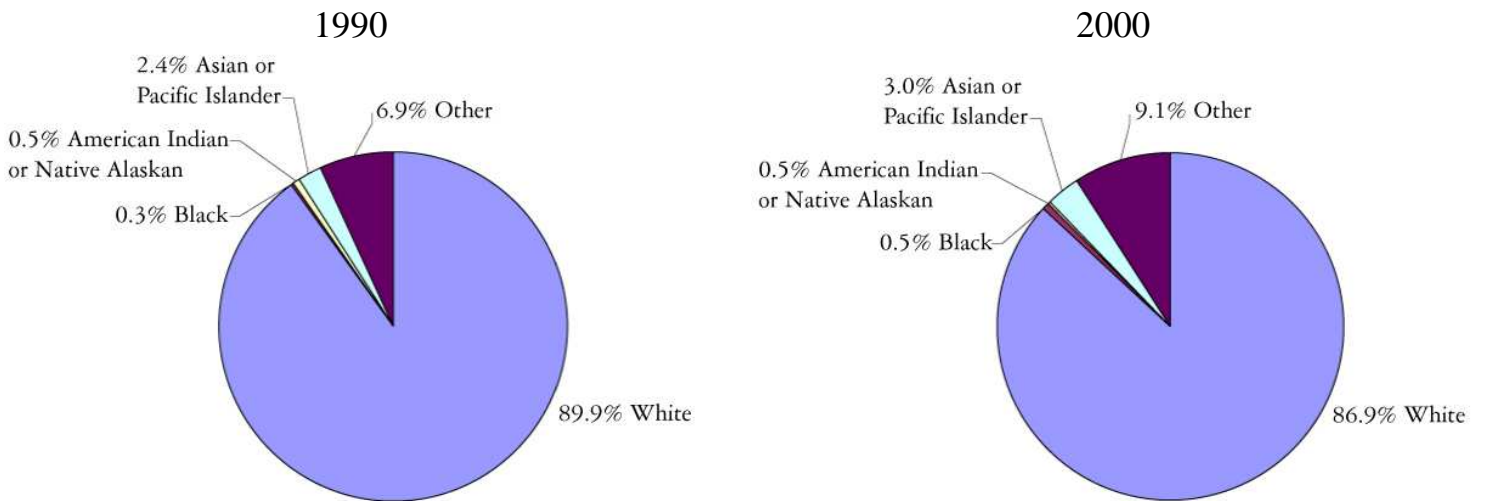


FIGURE H-2 RACIAL AND ETHNIC COMPOSITION IN DANA POINT



Source: 1990 and 2000 Census

## Household Characteristics

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

### Household Growth Trends

The City added 1,074 housing units between 1990 and 2005, growing to an estimated 15,740 units in 2005. Housing units have increased slower than the City’s population growth, averaging only 71 units per year or one unit added for every 4.5 persons added. Given that the household size in 2000 was 2.4 persons, the housing trend between 1990 and 2005 indicates a growth in household size and potential for some overcrowded units.

Additionally, the majority of households with 5 or more persons reside in rental units. These households may include non-related adults sharing a rental home, however, given the City’s age distribution and household types it likely that most of the 5+ person households are large families who cannot afford to own a home.

**TABLE H-3  
HOUSING GROWTH TRENDS 1990-2010  
CITY OF DANA POINT**

Year	Estimated Dwelling Units	Cumulative Increase	Percentage Increase
1990	14,666	-----	-----
1995	15,464	789	5.4%
2000	15,682	218	1.4%
2005	15,740	58	0.4%
2010	16,495	755	4.8%

Source: 1990 and 2000 - Census; 1995 and 2005 – DOF (2005 estimate adjusted to reflect mobile home unit count provided by the City of Dana Point); 2010 - SCAG RTP

The majority of housing units added between 1990 and 2005 were single-family detached, while multifamily housing added only a couple of units per year. The most commonly added attached housing unit type was in developments of 5 or more units, which includes apartments and condominiums. Apartments are renter occupied and can be considered more affordable for lower income residents. Condominiums, however, are owner occupied are generally highly priced in a beach community such as Dana Point. Those condominiums that are made available for rent are used as seasonal or recreational housing units.

**TABLE H-4  
HOUSING STOCK COMPOSITION IN 1990 AND 2005  
CITY OF DANA POINT**

Unit Type	1990		2005	
	Units	Percent	Units	Percent
1 Unit, detached	6,834	47%	7,868	50%
1 unit, attached	2,244	15%	2,266	14%
2 to 4 units	2,755	19%	2,798	18%
5+ units	2,435	17%	2,607	16%
Mobile homes	314	2%	169	2%
Other	84	1%	0	0%
<b>Total</b>	<b>14,666</b>	<b>100%</b>	<b>15,740</b>	<b>100%</b>

Source: Census 1990, 2005 mobile home estimate provided by the City of Dana Point, other 2005 estimates provided by the California State Department of Finance

### Household Type

As shown in Table H-5, the City’s households are comprised primarily of three different types: married couples with children under 18 years (20%), no children under 18 years (32%) and people who live alone. The majority of households in the City are occupied by married-couple families living without the presence of young children. This category is likely to include couples in the “young adult” and “prime working” population subgroups, as well as retired couples and senior couples. Retired and senior couples may be primarily residing in large homes they once occupied with their children, whereas young couples are more likely to occupy apartments and other small rental units. However, young childless couples may also create a demand for home ownership opportunities as they desire investment opportunities and consider having children.

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

**TABLE H-5  
HOUSEHOLD TYPE IN 2000  
CITY OF DANA POINT**

Married Household		Single Parent Household		Non-Family Household		All Households
with children under 18 years	no children under 18 years	with children under 18 years	no children under 18 years	Not Living Alone	Living Alone	
2,928	4,607	995	756	1,362	3,801	14,449
20%	32%	7%	5%	9%	26%	100%

Source: 2000 Census

Tenure

The 2000 Census indicates that just over 60% of the City's housing units are owner occupied. Most of the owner households are single family detached and single-family attached housing units, as reported in Table H-6. Only 12.1% of all occupied single family detached housing units are renter occupied. Renter households reside primarily in multifamily structures of two to four units. The large number of renters in duplex to fourplex structures can indicate a need for first time homebuyer assistance. For instance, families who do not have sufficient space in the apartment housing nor funds to purchase a home are likely occupants of multifamily structures. Nevertheless, rental housing remains a valuable resource for many singles and young couples seeking to live within Dana Point.

**TABLE H-6  
HOUSING STOCK BY TYPE AND TENURE IN 2000  
CITY OF DANA POINT**

Type of Unit	Owner		Renter		Total	
	Units	%	Units	%	Units	%
1, detached	6,295	88%	867	12%	7,662	49%
1, attached	1,419	70%	604	30%	2,261	14%
2 to 4 units	484	19%	2,135	82%	2,790	18%
5 to 9 units	200	18%	932	82%	1,309	8%
10 units+	244	21%	926	79%	1,259	8%
Mobile homes	186	70%	80	30%	280	2%
Other	21	68%	10	32%	88	1%
<b>Total</b>	<b>8,849</b>	<b>61%</b>	<b>5,554</b>	<b>39%</b>	<b>15,649</b>	<b>100%</b>

Source: Census 2000

Vacancy Rates

The vacancy rate is a measure of the general availability of housing. It also indicates how well the housing units meet the current housing market demand. A low vacancy rate may serve to increase market rents and housing costs, as shortages tend to result in higher prices and may further limit the choices of households in finding adequate housing. A low vacancy rate suggests that households may have difficulty finding housing within their price range, resulting in overpayment and overcrowding. A high vacancy rate may indicate either the existence of a high number of units undesirable for occupancy, or an oversupply of housing units. The availability of vacant housing units provides households with choices on different unit types to accommodate changing needs.

Excluding seasonal, recreational, and occasional use homes, the 2000 Census indicated a vacancy rate of 3.2% for the City of Dana Point. This vacancy rate is within the normal range of 3.0% and 5.0%. A vacancy rate within this range is considered enough to ensure the continued upkeep of rental properties without escalating housing costs.



## Housing Conditions

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

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

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

According to the 2000 Census, there were 8 owner units and 58 renter units without complete kitchen facilities. There were 32 renter units without complete plumbing facilities, of which 22 were inhabited by households considered overcrowded (more than one occupant per room). There were 43 owner units and 92 renter units without any heating source, 30 owner units and 14 renter units that burn wood for heating, and 15 owner units and 10 renter units that used some other non-traditional modes of heating sources. These figures indicate that only a small proportion of units in the City reflect substandard infrastructure and utility conditions.

### *Age of Housing Stock*

The proportion of the housing stock that is older than 30 years can also act as an indicator of the magnitude of minor and major rehabilitation needs. The majority of the City's housing supply was constructed prior to incorporation. Table H-7 indicates that as of 2000, an estimated 33.3% of the City's housing stock was over 35 years old. Fifty-six percent of the City's housing stock existing in 2000 will be over 30 years old by 2010. A nearly equal amount of owners and renters occupy the City's older housing stock. In 1990, about 30% of all owner households lived in homes that were 30+ years old compared to 32% of all renter households.

**TABLE H-7  
AGE OF HOUSING STOCK IN 2000 BY YEAR BUILT  
CITY OF DANA POINT**

Year Built	Units	%
1939 or Earlier	104	1%
1940 to 1949	233	2%
1950 to 1959	933	6%
1960 to 1969	2,382	15%
1970 to 1979	5,044	32%
1980 to 1989	4,800	31%
1990 to 1994	1,552	10%
1995 to 1998	462	3.0%
1999 to March 2000	139	1%
Total	15,649	100%

Source: Census 2000

*Code Enforcement Data*

Based on code enforcement data generated in 2000, it is estimated that 3,000 housing units are in need of minor, moderate or substantial rehabilitation. The most frequent code violations included property maintenance problems such as lack of paint; poor landscaping; and deteriorated structures. About one-half of these housing units are located in Lantern Village. Most of the Lantern Village housing units are located in small, multi-family structures.

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

Household Income

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

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

According to SCAG estimates, approximately 22% of Dana Point households have incomes of less than 80% of the County median income—1,717 renter and 1,195 owner households, respectively. The majority of lower-income households are renter households, indicating a need for affordable rental opportunities.

**TABLE H-8  
HOUSEHOLD INCOME DISTRIBUTION IN 1999  
CITY OF DANA POINT**

Income Level	Renter Households	Owner Households	Total Households	% Distribution
Extremely Low (0-30%)	550	430	980	7%
Very Low (30-50%)	535	352	886	7%
Low (50-80%)	632	413	1,044	8%
Moderate (80-95%)	482	391	872	6%
Above Moderate (95%+)	3,387	6,411	9,798	72%
<b>Total</b>	<b>5,584</b>	<b>7,995</b>	<b>13,579</b>	<b>100%</b>

Source: SCAG RHNA 99

## Housing Inventory and Market Conditions

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

### Housing Costs and Affordability

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

State housing policy defines housing affordability for very low, low and moderate income households as no more than 30% of median household income. Table H-9 identifies the maximum affordable rents and purchase prices by income category based on 30% of income expended for renters and 32% of income expended for owners. It is assumed that home owners can expend a larger percentage of income for housing because of the inherent advantages of homeownership that preserves capital, such as the option of selling the home, appreciation, and tax deductions. The cost of home ownership assumes a 30-year mortgage with a 5% down payment, 7% interest rate, 1.25% property tax rate, as well as an allocation for insurance and association fees.

**TABLE H-9  
AFFORDABLE RENT AND HOME PURCHASE PRICE 2000 AND 2005  
CITY OF DANA POINT**

<b>2000</b>			
Income Category	Annual Income <sup>1</sup>	Maximum Affordable Rent Payment <sup>2</sup>	Estimated Maximum Affordable Purchase Price <sup>3</sup>
Very Low (50%)	\$34,800	\$870	\$91,000
Low (51-80%)	\$35,496- 55,680	\$1,392	\$167,000
Moderate (81-120%)	\$56,376- 83,520	\$2,088	\$267,000
Above Moderate (>120%)	>\$83,520	>\$2,088	>\$267,000
Median	\$69,600		
<b>2005</b>			
Income Category	Annual Income <sup>1</sup>	Maximum Affordable Rent Payment <sup>2</sup>	Estimated Maximum Affordable Purchase Price <sup>3</sup>
Very Low (50%)	\$37,850	\$946	\$102,000
Low (51-80%)	\$38,607- 60,560	\$1,514	\$184,000
Moderate (81-120%)	\$61,317-90,840	\$2,271	\$294,000
Above Moderate (>120%)	>\$90,840	>\$2,271	>\$294,000
Median	\$75,700		

<sup>1</sup> Based on HUD income limits for an Orange County family of four.  
<sup>2</sup> Calculated as 30% of income divided by 12 months.  
<sup>3</sup> Assumes 32% of income expended for housing, 5% down payment, 7% interest rate, and 1.25% property tax rate.  
 Source: The Planning Center

*Affordability of Ownership Units*

Existing and new home prices in Dana Point have continued to rise, following the trend seen throughout the nation of housing prices pushed higher by a continuous demand. This is particularly true for a built-out coastal community such as Dana Point, where undeveloped land is rare and valued much higher than in inland communities. Table H-10 shows the distribution of existing home values from the 2000 Census.

The 2000 Census reported an existing median home value of \$381,400 in Dana Point. The data indicates that 40% of existing homes are valued at or above \$400,000, including 5.7% that are valued at \$1 million or more. According to the 2000 Census and as presented in Table H-11, 35% of all ownership households in Dana Point experienced overpayment. There were an estimated 2,578 owner households with housing costs equaling 30% or more of their income. More important is the fact that nearly half of these households were lower income.

As shown in Table H-12, recent new home sales data indicates that new housing purchase opportunities in the City continue to be unavailable for very low income households. An estimated 343 new homes were constructed in the City between 1998 and 2005. New homes constructed between these years were largely sold at prices exceeding \$500,000. For new homes sold in 2005, the median sales price reached over \$1 million.

Using maximum affordability limits based on the HUD median income for Orange County (adjusted by year), approximately 17% of the new stock was affordable to low income families, and an additional 12% was affordable to moderate income households. Those in the above moderate-income category are served well by these new homes, with approximately 71% of them affordable to only above moderate income households.

**TABLE H-10  
EXISTING HOUSING VALUES 1998-2005  
CITY OF DANA POINT**

Property Value	Existing Homes in 2000	
	Number	%
Less than \$100,000	326	4%
\$100,000 to \$124,999	84	1%
\$125,000 to \$149,999	169	2%
\$150,000 to \$174,000	169	2%
\$175,000 to \$199,999	217	3%
\$200,000 to \$249,000	864	10%
\$250,000 to \$299,999	1,038	12%
\$300,000 to \$399,999	2,383	27%
\$400,000 to \$499,999	1,537	17%
\$500,000 or more	2,062	23%
<b>Total</b>	<b>8,849</b>	<b>100.0%</b>

Source: 2000 Census and DataQuick

**TABLE H-11  
COST BURDENED OWNER HOUSEHOLDS BY INCOME IN 2000  
CITY OF DANA POINT**

Income <sup>1</sup>	Owner Households <sup>2</sup>	Number Overpaying	% Overpaying
\$0 to \$35,000	1,016	595	59%
\$35,000 to \$50,000	839	538	64%
\$50,000 to \$75,000	1,480	742	50%
Greater than \$75,000	4,123	703	17%
<b>Total</b>	<b>7,458</b>	<b>2,578</b>	<b>35%</b>

<sup>1</sup> Relative to the 2000 median income for Orange County of \$69,600, the income categories presented are roughly equivalent to the very low, low, moderate, and above moderate income categories. However, due to the collection and presentation methods of the Census data, precise matches were not possible.

<sup>2</sup> The total households figure represents the total number of households measured by the Census for housing cost information as a percentage of household income.

Source: Census 2000

**TABLE H-12  
AFFORDABILITY OF NEW HOME SALES FROM 1998 TO 2005  
CITY OF DANA POINT**

Income Category	Number of Sales	% of Sales
Very Low (50%)	0	0%
Low (51-80%)	58 <sup>1</sup>	17%
Moderate (81-120%)	41	12%
Above Moderate (>120%)	244	71%
<b>Total</b>	<b>343</b>	<b>100%</b>

1. Between January 1, 1998 and August 30, 2005 the City experienced the construction of 58 low income units, exceeding the RHNA assigned construction need for that income category by 8 units. The surplus units may satisfy the housing needs of moderate income households.  
 Source: DataQuick, HUD income limits for Orange County 1998 – 2005, The Planning Center  
 Figures subject to rounding. Sales data and income distribution based upon DataQuick sales of homes between 1998 and 2005.

Based on this data, buying a new home in the City of Dana Point is an unlikely option for very low and low income households and without substantial financial assistance and the involvement of the City. The current homeownership market does not serve lower income households. The existing stock of resale units will provide some home ownership opportunities for lower income households, although the existing affordable stock will be limited due to the City’s highly desirable location, shortage of vacant residential land, and other market factors resulting in escalating housing costs.

*Affordability of Rental Units*

The 2000 Census reports the median gross rent of all rental units in the City at \$1,139. Rental prices have increased more slowly than sale prices, although relatively few rental properties have been recently constructed in Dana Point. As shown in Table H-13, 33% of the units have a gross monthly rent between \$500 and \$999, while the majority of units, 65%, have a gross monthly rent of \$1000 or more.

A comparison of the rental affordability limits presented in Table H-9 and the maximum affordable rent payments presented in Table H-13 indicates that, in 2000, up to 32% of two-bedroom and up to 10% of three or more bedroom rental units were potentially affordable for very low income households. However, according to the 2000 Census and as presented in Table H-14, 42% of all rental households in Dana Point experienced overpayment. There were an estimated 2,349 rental households with housing costs equaling 30% or more of their income. More important is the fact that nearly 90% of these households were lower income.

Nevertheless, rental units have proven to be far more affordable to lower income households. Rental units require less land and can be built at higher densities than many ownership products. Additionally, rental units do not require the same level of amenities as is expected in ownership developments. The construction of additional rental units represents a key step in providing affordable housing opportunities for current and future lower income households. One rental assistance program available through the City’s participation with the Orange County Housing Authority (OCHA) is the Section 8 program. As of April 2006, the program assisted 31 Dana Point households.

**TABLE H-13  
GROSS MONTHLY RENT BY NUMBER OF BEDROOMS IN 2000  
CITY OF DANA POINT**

Gross Monthly Rent	Studio	1 Bedroom	2 Bedroom	3 or More Bedrooms	Percent of Total
Less than \$500	14	35	17	31	2%
\$500 to 999	169	751	765	93	33%
\$1000 or More	60	780	1,640	1,083	65%
<b>Total</b>	<b>243</b>	<b>1,566</b>	<b>2,422</b>	<b>1,213</b>	<b>100%</b>

Note: Table does not include 110 rental units with no cash rent.  
Source: Census 2000

**TABLE H-14  
COST BURDENED RENTAL HOUSEHOLDS BY INCOME IN 2000  
CITY OF DANA POINT**

Income <sup>1</sup>	Rental Households <sup>2</sup>	Number Overpaying	% Overpaying
\$0 to \$35,000	1,778	1,518	85%
\$35,000 to \$50,000	1,089	545	50%
\$50,000 to \$75,000	1,261	259	21%
Greater than \$75,000	1,426	27	2%
<b>Total</b>	<b>5,554</b>	<b>2,349</b>	<b>42%</b>

<sup>1</sup> Relative to the 2000 median income for Orange County of \$69,600, the income categories presented are roughly equivalent to the very low, low, moderate, and above moderate income categories. However, due to the collection and presentation methods of the Census data, precise matches were not possible.

<sup>2</sup> The total households figure represents the total number of households measured by the Census for housing cost information as a percentage of household income.

Source: Census 2000

## Housing Needs

In addition to the social and economic needs of its residents, the City must also respond to the physical and geographical growth needs that result from population and economic expansion. The regulatory mechanism that guides a jurisdiction in purposeful, balanced growth is the Regional Housing Needs Assessment (RHNA).

### Existing Needs

The portion of the RHNA dealing with existing housing needs addresses overpayment and overcrowding.

#### Overpayment

Overpayment refers to low income renters and homeowners who must pay more than 30% of their gross incomes for housing. Eventually this high cost of housing causes individuals with fixed incomes, particularly the elderly and lower income families, to spend a disproportionate percentage of their income for housing. This may cause a series of related financial problems which may result in a deterioration of

housing stock because costs associated with maintenance must be sacrificed for more immediate expenses such as food, clothing, health care, and utilities. It may also result in the selection of inappropriately sized units which do not suit the space or amenity needs of the household.

According to the 2000 Census, 38% of all households in Dana Point experienced overpayment. Expectedly, very low income households experienced the highest rate of overpayment, with more than 2,100 of the 2,794 very low income households (those earning up to \$35,000 per year) spending 30% or more of their income on housing. Additionally, over half of households earning between \$35,000 and \$50,000 (considered low income households) overpay for housing. As the income levels pass \$50,000, the overpayment rates drops from one-half to just over one-third. Past \$75,000, overpayment rates drop significantly, particularly for rental households.

Note: due to the reporting method of the Census, households who spend exactly 30% of their income on housing costs are also included in these figures, although they are not considered to be overpaying for housing. The number of units spending exactly 30% of their income is not considered significant.

**TABLE H-15  
COST BURDENED HOUSEHOLDS BY INCOME LEVEL AND TENURE IN 2000  
CITY OF DANA POINT**

Income <sup>1</sup>	Owner Households		Renters Households		All Households <sup>2</sup>	
	Number	%	Number	%	Number	%
\$0 to \$35,000	595	59%	1,518	85%	2,113	76%
\$35,000 to \$50,000	538	64%	545	50%	1,083	56%
\$50,000 to \$75,000	742	50%	259	21%	1,001	37%
Greater than \$75,000	703	17%	27	2%	730	13%
<b>Total</b>	<b>2,578</b>	<b>35%</b>	<b>2,349</b>	<b>42%</b>	<b>4,927</b>	<b>38%</b>

<sup>1</sup> Relative to the 2000 median income for Orange County of \$69,600, the income categories presented are roughly equivalent to the very low, low, moderate, and above moderate income categories. However, due to the collection and presentation methods of the Census data, precise matches were not possible.

<sup>2</sup> The total households figure represents the total number of households measured by the Census for housing cost information as a percentage of household income.

Source: Census 2000

*Overcrowding*

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

Both State and Federal Housing Law defines overcrowded housing units as those in which the ratio of persons-to-rooms exceeds 1.0. Severe overcrowding is measured by the number of housing units with 1.51



or more persons per room. The rooms considered in this equation exclude bathrooms, kitchens, and hallways, but includes other rooms such as living and dining rooms. An overcrowded housing unit does not necessarily imply one of inadequate physical condition.

According to a SCAG estimate, there are 505 overcrowded households in Dana Point, representing less than five percent of all households. The overwhelming majority of overcrowded units were occupied by rental households, with the highest rates of overcrowding found in very low income households (earning 0 to 50% of the median income). These households represent nearly half of all overcrowded units. Otherwise, overcrowding is not considered to be a serious issue.

**TABLE H-16  
OVERCROWDED HOUSEHOLDS BY TENURE IN 1999  
CITY OF DANA POINT**

Income Level (% of Median)	Owner Households		Renter Households		All Households	
	Number	% of Total	Number	% of Total	Number	% of Total
Less than 30%	6	1%	101	18%	107	11%
30 to 50%	0	0%	104	19%	104	12%
50 to 80%	0	0%	104	16%	104	10%
80 to 95%	0	0%	60	12%	60	7%
> 95%	31	6%	101	3%	132	1%
<b>Total</b>	<b>37</b>	<b>7%</b>	<b>469</b>	<b>8%</b>	<b>505</b>	<b>4%</b>

Source: SCAG RHNA 1999

### Special Needs Groups

Certain population groups are considered to have special housing needs. These groups include: handicapped persons; the elderly; large households; farm workers; female householders; and homeless persons and persons in need of emergency shelter.

In many cases, the needs of these population groups are met in housing specifically designed for them. The needs assessment data shows that none of these groups constitute a large segment of the City's population. This condition, in turn, may mean that the economies of scale do not exist to facilitate the development of housing designed for the unique needs of these populations. As a result, the City's affordable housing programs will need to be sensitive to the needs of these groups as well as the general low-income population.

#### *Handicapped Persons*

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

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

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

According to the Association for Retarded Citizens (ARC), a national organization for retarded and disabled citizens, this population is estimated to be about 1 to 3% of the total population. Based on the median of these two percentages, it is estimated that 697 Dana Point residents are developmentally disabled. An estimated 149 developmentally disabled people reside in lower income households.

Based on national prevalence rates, one percent of the adult population (18 years+) has a severe mental illness on the basis of diagnosis, duration and disability. Approximately 278 (1.0% of total number of adults) Dana Point adults have a condition that meets the definition of severe mental disability. According to SCAG, approximately 21.4% of the City's households have incomes below 80% of the median income. As a result, it is estimated that about 59 severely mentally disabled persons live in lower income households.

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

To further address the needs of disabled residents the City has added ADA coordination responsibilities to the role of the Certified Building Official. The City of Dana Point seeks to provide people with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing. Additionally, the City's Building Department helps residents with the retrofitting of their homes. Preliminary on-site inspection can be requested by homeowners seeking advice on Building Code requirements when modifying their home.

Condominium conversions in Dana Point require a relocation plan that comprehensively identifies all the steps which will be taken to assure the successful proposed relocation of each tenant with the minimum disruption to their lives. The Municipal Code requires that the relocation plan give particular consideration to the elderly, handicapped, families with children, and other tenants who may encounter difficulty in finding a new residence.

The City's Municipal Code requires that all parking lots include at least one handicapped parking stall. The number of required handicapped stalls increases as the number of standard parking stalls increases. Handicapped parking stalls are required to be between four and six feet wider than standard parking stalls. One in every eight handicapped parking stalls, and always at least one handicapped stall, shall have

a minimum dimension of 17 feet by 18 feet (9 foot wide parking stall and 8 foot wide access area by 18 feet deep) and shall have appropriate signage designating the stall "van accessible."

The City permits a wide variety of uses to assist and care for the handicapped. Uses such as community care facilities, convalescent facilities, and residential care facilities for the elderly are permitted in any residential district with a conditional use permit (CUP). These uses are also permitted with a CUP in any Commercial/Residential or Professional/Residential district. These uses act as unique commercial uses and have special requirements for employee parking, visitor parking, and service access for delivery vehicles (e.g., for delivery of food and medical equipment). These uses must be appropriately designed to be compatible with surrounding uses, particularly residential uses. Group homes—any State-licensed residential care facility for six or fewer persons—are permitted by right in any residential zone.

*Elderly Population and Households*

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

The City permits “Senior Citizen Housing,” defined as licensed housing for persons 62 years of age or older, or unlicensed housing for persons 55 years of age or older, including such housing facilities as retirement villas, apartments, and condominiums, but not including state licensed rest homes, group homes, or convalescent hospitals, which are separately regulated. Senior citizen housing can provide a source of affordable housing as it is permitted at densities up to 30 units per acre and enjoys reduced parking requirements (only required to provide one covered and assigned stall, plus one-half of a guest stall per dwelling unit).

As of 2000, there were an estimated 5,278 persons who are 62 years in age or older residing in Dana Point. The ratio of females to males in this age group is 1.12 (2,872 females, 2,574 males). Table H-17 reports on the age of householder by tenure distribution for the City. There are an estimated 2,979 senior households in the 65 to 75 years and 75+ age groups. The majority of Dana Point’s senior households are in the 65–74 age bracket—1,570 of the 2,979 households—and approximately 13% of householders are 75 years or older. Of the total senior households older than 65 years in age, 89% are owners and 11% are renters.

According to Table H-18, 70% of all seniors 65+ years in age live in families. An estimated 17% of all seniors in this age group are women living alone. An estimated 3% of the seniors 65+ years in age, in non-family households live in group quarters.

Some elderly persons need supportive housing assistance if they are disabled and/or frail. According to the data in Table H-19, there are an estimated 1,280 seniors (age 65+) with disabilities out of a total of 4,442 seniors. An estimated 26% of senior men had one or more disabilities compared to 32% of the women in the same age group.

**TABLE H-17  
AGE OF HOUSEHOLDER BY TENURE IN 2000  
CITY OF DANA POINT**

Age of Householder	Owner	%	Renter	%	Total
15 to 24 years	60	16%	328	85%	388
25 to 34 years	575	26%	1,654	74%	2,229
35 to 44 years	1,593	51%	1,563	50%	3,156
45 to 54 years	2,351	68%	1,108	32%	3,459
55 to 64 years	1,631	74%	561	26%	2,192
65 to 74 years	1,414	90%	156	10%	1,570
75 years +	1,225	87%	184	13%	1,409
<b>Total</b>	<b>8,849</b>	<b>61%</b>	<b>5,554</b>	<b>39%</b>	<b>14,403</b>

Note: Figures subject to rounding.  
Source: Census 2000

**TABLE H-18  
HOUSEHOLD STATUS FOR PERSONS OVER  
THE AGE OF 65 IN 2000  
CITY OF DANA POINT**

Household Status	Number	Percent
<b>In Family Households</b>		
Male householder	1,430	32%
Female householder	264	6%
Spouse	1,177	26%
Other Relative	227	5%
Non-relatives	0	0%
<b>Non-Family Households</b>		
Male householder, living alone	216	5%
Male householder, not living alone	85	2%
Female householder, living alone	767	17%
Female householder, not living alone	33	1%
Non-relatives	119	3%
In group quarters	124	3%
<b>Total</b>	<b>4,442</b>	<b>100%</b>

Note: Figures subject to rounding.  
Source: Census 2000

**TABLE H-19  
LIMITATIONS OF THE SENIOR (65+) POPULATION IN 2000  
CITY OF DANA POINT**

Status	Male	Female	Total
<b>With One Type of Limitation</b>	<b>352</b>	<b>393</b>	<b>745</b>
Sensory Limitation	168	30	198
Physical Limitation	130	295	425
Mental Limitation	16	0	16
Self-Care Limitation	0	0	0
Go-Outside-Home Limitation	38	68	106
<b>With Two or More Types of Limitations</b>	<b>158</b>	<b>377</b>	<b>535</b>
Includes Self-Care Limitation	63	154	217
Does Not Include Self-Care Limitation	95	223	318
<b>Total Senior Disabled</b>	<b>510</b>	<b>770</b>	<b>1,280</b>

Note: Figures subject to rounding.  
Source: Census 2000

*Large Households*

In 2000, Dana Point had an estimated 14,403 total households, of which 1,044 were defined as large households—those consisting of five or more persons. These large households accounted for 7% of the City's total households as indicated by the data in Table H-20. Large households experience a need for more space at affordable housing costs. In 2000 about 50% of all large family households resided in renter-occupied dwellings.

**TABLE H-20  
HOUSEHOLDS BY HOUSEHOLD SIZE AND TENURE IN 2000  
CITY OF DANA POINT**

Household Size	Owner		Renter		Total	
	Number	%	Number	%	Number	%
1 person	2,112	56%	1,677	44%	3,789	26%
2 persons	4,030	69%	1,854	31%	5,884	41%
3 persons	1,175	58%	861	42%	2,036	14%
4 persons	1,017	62%	633	38%	1,650	12%
5 persons	385	64%	221	36%	606	4%
6 persons	101	40%	155	61%	256	2%
7 persons	29	16%	153	84%	182	1%
<b>Total</b>	<b>8,849</b>	<b>61%</b>	<b>5,554</b>	<b>39%</b>	<b>14,403</b>	<b>100%</b>

Source: Census 2000

### *Farm Workers*

Low wages and the seasonal nature of many agriculture jobs cause the special needs of farm workers. According to the 2000 Census there are an estimated 53 Dana Point residents employed in the “agriculture, forestry, fishing, and hunting” sector. The need for housing generated by farm workers is estimated to be nominal and can be adequately addressed by the City's affordability programs.

### *Single Parent Householders*

According to the 2000 Census, 7% of householders in the City are single parents with children under 18 years of age. Of those single parent householders, 5% are female and 2.0% are male. These households are single-income households likely to have a need for lower income rental and home ownership opportunities.

### *Homeless and Those in Need of Emergency Shelter*

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

A homeless individual is defined as a youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children. A homeless family is defined as a family that includes at least one parent or guardian and one child under the age of 18, a pregnant woman, or a person in the process of securing legal custody of a person under the age of 18 who is homeless.

Other subpopulations of the homeless include persons with service needs related to severe mental illness (SMI) only; alcohol/other drug abuse (AODA) only; both SMI and AODA; domestic violence; AIDS/related diseases; and other special service needs.

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

- **Outreach/Needs Assessment:** a Continuum of Care begins with a point of entry in which the needs of a homeless individual or family are assessed. In most communities, the intake and assessment component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system should include a strong outreach component.
- **Emergency Shelter:** there must be an emergency shelter assessment effort that provides an immediate alternative to the street and can identify an individual's or family's needs. According to the County's 2004 Continuum of Care application to HUD for supportive housing funds identifies a countywide need for almost 14,500 emergency shelter beds.
- **Transitional Housing:** Transitional or rehabilitative services for those who need them. Such services include substance abuse treatment, short-term mental health services, and independent living skills. Appropriate case management should be accessed to ensure that persons receive necessary services; for example, those children attend school regularly. The County's 2004 Continuum of Care application to HUD for supportive housing funds identifies a countywide need for approximately 17,000 additional transitional beds.

- **Permanent Supportive Housing:** Once a needs assessment is completed, the person/family may be referred to permanent housing or to transitional housing where supportive services are provided to prepare them for independent living. For example, a homeless person with a substance abuse problem may be referred to a transitional rehabilitation program before being assisted with permanent housing. Some individuals, particularly persons with chronic disabilities, may require ongoing supportive services once they move into permanent housing. According to the County's 2004 Continuum of Care application to HUD for supportive housing funds, there is an existing countywide need for 106,000 permanent support service housing spaces.
- **Permanent Housing:** Permanent housing at affordable housing costs should be available as previously homeless persons make the transition to self-sufficiency.

The County's 2004 Continuum of Care for the Homeless Gaps Analysis has provided the following estimates of persons and families that comprise homeless subpopulations. These estimates are summarized below:

- It is estimated that there are 7,700 chronically homeless persons in Orange County.
- There are 6,300 homeless Chronic Substance Abusers in Orange County's streets and shelters.
- It is estimated that there are 2,100 Seriously Mentally Ill persons among Orange County's homeless. As with the homeless substance abusers, this sub-population often requires proactive outreach programs in order for clients to be assessed and served.
- It is estimated that 2,100 HIV/AIDS afflicted homeless individuals live in Orange County.
- It is difficult to estimate the number of victims of domestic violence in the County since many cases go unreported. It is estimated that 7,000 homeless, battered spouses (and their children) live in the County at any point in time.

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

The City's Zoning Code allows emergency shelters (including transitional housing) in all zones, subject to a conditional use permit (CUP). The Zoning Code does not state special provisions or requirements for emergency shelters. In conjunction with emergency shelters, the Zoning Code allows supportive services such as food, counseling and access to other social services. In establishing conditions for all uses requiring a CUP, the City seeks to ensure the health and safety of the use and surrounding uses. The factors that are usually considered include parking, noise, and operational features of the use.

Table H-21 identifies the homeless shelters that serve Dana Point and the rest of Orange County. Services and facilities that serve the south Orange County area and/or are in close proximity to Dana Point are described in the following list.

- **McCullough Ministries:** This non-profit organization operates the Adopt-H-Neighbor program, an outreach and emergency service for south and central Orange County homeless, mentally

disabled and needy persons. Funds will be used for project and support costs including, but not limited to operating expenses, rent, insurance, utilities and supplies.

- **Mental Health Association of Orange County-Outreach Services:** This non-profit organization will use CDBG funds to provide mobile outreach services for emotionally disabled homeless. Such services may include but are not limited to assistance for temporary shelter, outreach and referral of this special needs group for necessary transitional programs. Funds will also be used for project and support costs.
- **Salvation Army/Family Services/South Orange County:** The Salvation Army is located in San Clemente.
- **Corazon:** Located in Mission Viejo, this volunteer group delivers groceries, for the homeless and needy families throughout Orange County.
- **ESA/The Rose:** Inexpensive merchandise for people with limited income. Clothing and household merchandise for those with no money. Blankets, sleeping bags and tents for the homeless.
- **Friendship Shelter:** Located in Laguna Beach and serving south Orange County, the facility provides shelter and a comprehensive program to assist single men and women to get back on their feet again.
- **Community Services Program (CSP):** This non-profit organization provides emergency shelter and counseling to youth and their families in south County.
- **Ecumenical (Episcopal) Service Alliance (ESA)/Anchor House:** Located in San Clemente, this facility provides transitional housing up to three months for women with children.
- **ESA/San Clemente/Community Service Center:** The Center offers food bags, including brown bag lunch during office hours. These services are provided when funds are available -- rent, mortgage and utility assistance; transportation (bus tickets); transitional housing; information and referral; and counseling.

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



**TABLE H-21  
ORANGE COUNTY HOMELESS SHELTERS**

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

**TABLE H-21  
ORANGE COUNTY HOMELESS SHELTERS**

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

**TABLE H-21  
ORANGE COUNTY HOMELESS SHELTERS**

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

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## Housing Constraints and Resources

### Governmental Factors

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

Housing Element Law requires an analysis of the following governmental factors:

- Land use controls (Land Use Element and Zoning)
- Building codes and their enforcement
- Site improvements
- Fees and other exactions
- Local processing and permit procedures

### Land Use Controls

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

#### *General Plan Land Use Element*

State law requires each city to have a General Plan which establishes policy guidelines for future development. The Land Use Element identifies the location, distribution, and density of land uses throughout the City. The Land Use Element describes five residential land uses and one mixed, commercial and residential land use, ranging in density from 3.5 to 30 dwelling units per acre for the all-residential designations and 10 dwelling units per acre for the mixed-use designation. These categories allow for a variety of housing types to accommodate a range of owner and rental housing opportunities. The program provided by the General Plan Land Use Element establishes five goals for future land development within the City. These goals facilitate:

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

**TABLE H-22  
GENERAL PLAN RESIDENTIAL LAND USE CATEGORIES  
CITY OF DANA POINT**

Designation	Description
Residential 0-3.5	Primarily detached single family homes.
Residential 3.5-7	Primarily detached and attached single family homes which may include duplexes, condominiums and townhomes.
Residential 7-14	Primarily attached single family homes and multi-family dwellings such as apartments.
Residential 14-22	Primarily attached single family homes and multi-family dwellings such as apartments.
Residential 22-30	Primarily attached single family homes and multi-family dwellings such as apartments.
Commercial/Residential	The standard of ten dwelling units per net acres is allowed when residential development is combined in the same building or parcel as commercial retail or office uses.

Source: City of Dana Point General Plan Land Use Element

*Zoning Code*

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

The City’s Zoning Code regulates community development by establishing allowable uses and development standards for 13 residential zones in four density categories. Additionally, a Planned Residential Development (PRD) overlay zone ensures that new development can be built with similar, more flexible standards (such as setbacks and minimum lot size) as those of development existing at the time of incorporation. Residential uses are permitted in the City’s mixed-use zones and specific residential uses, including Single Room Occupancy units and residential care facilities, are conditionally permitted in commercial and industrial/business zones. The residential development potential in non-residential zones, however, is low considering the City does not have redevelopment powers.

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

A summary description of each zone permitting residential uses is given in Table H-23. The summary description identifies the principal housing types permitted in each zone. Table H-24 indicates the specific housing types that are allowed in some form in each residential zone. The Zoning Code provides for a variety of housing types to accommodate a range of owner and rental housing opportunities including housing for special needs groups. Table H-25 lists the minimum acceptable standard for development within the City’s residential districts necessary to assure quality development and attractive local residential areas without hindering the production of affordable housing. The City’s development standards are not considered to be a constraint to affordable housing.

**TABLE H-23  
SUMMARY OF ZONING DISTRICTS PERMITTING RESIDENTIAL USES  
CITY OF DANA POINT**

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

<sup>1</sup> Maximum dwellings per net acre of land.

<sup>2</sup> Residential development in commercial and industrial districts shall comply with the Floor Area Ratio (FAR) of the zoning district.

Source: Dana Point Municipal Code, Chapters 9.09, 9.11, 9.13 and 9.17

**TABLE H-26  
PERMITTED RESIDENTIAL USES BY ZONING DISTRICT  
CITY OF DANA POINT**

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

**Notes:**

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

A<sup>1</sup> = Accessory Use, permitted as part of a mixed-use project

P = Permitted Use, permitted by right

P<sup>1</sup> = Permitted Use, permitted by right to replace an existing single family unit and subject to the standards of the RSF 7 district or as part of a mixed-use project

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

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

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

Source: Dana Point Municipal Code, Chapter 9.09



**TABLE H-25**  
**SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS**  
**CITY OF DANA POINT**

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

**TABLE H-25**  
**SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS**  
**CITY OF DANA POINT**

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

**TABLE H-25  
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS  
CITY OF DANA POINT**

Development Standards (1)	Residential Zoning Districts		
	RSF 22	RD 14	RMF 7
(a) Minimum Lot Size: (2)	2,000 sf	5,000 sf	15,000 sf
(b) Minimum Lot Width - (2)			
Standard Lot:	40 ft	45 ft	60 ft
Cul-De-Sac Lot (at front setback line):	25 ft	30 ft	30 ft
Flag Lot (for access extension):	N/A	25 ft	25 ft
(c) Minimum Lot Depth: (2)	50 ft	100 ft	100 ft
(d) Maximum Lot Coverage:	60%	50%	50%
(e) Minimum Land Area Per Unit: (3)	1,591 sf	2,500 sf	5,000 sf
(f) Maximum Height (4):	28 ft/ 2 stories	28 ft/ 2 stories	28 ft/ 2 stories
(g) Minimum Front Yard Setback - (5)			
From Ultimate Public Street ROW line:	7.5 ft	20 ft	20 ft
Flag Lot (from connection with access extension):	7.5 ft	15 ft	15 ft
(h) Minimum Side Yard Setback - (5)			
Interior Side:	4 ft	4 ft	5 ft
Exterior Side:	4 ft	10 ft	10 ft
Flag Lot: (6)	4 ft	4 ft	5 ft
(i) Minimum Rear Yard Setback - (5)			
Standard Lot:	7.5 ft	15 ft	15 ft
Flag Lot and Cul-De-Sac Lot:	7.5 ft	15 ft	15 ft
Adjacent to Alley or Street (from ROW line):	7.5 ft	10 ft	10 ft
(j) Minimum Open Space(Private and Common):			
Private	250 sf	20% net ac	400 sf/du
Common	None	N/A	30% net ac
(k) Minimum Landscape Coverage:	20%	15%	25%
(l) Minimum Building Separation (between primary and accessory buildings on the same lot):	8 ft	10 ft	10 ft
	RMF 14	RMF 22	RMF 30
(a) Minimum Lot Size: (2)	7,500 sf	4,800 sf	4,800 sf
(b) Minimum Lot Width - (2)			
Standard Lot:	45 ft	45 ft	45 ft
Cul-De-Sac Lot (at front setback line):	25 ft	25 ft	25 ft
Flag Lot (for access extension):	25 ft	25 ft	25 ft
(c) Minimum Lot Depth: (2)	100 ft	90 ft	90 ft
(d) Maximum Lot Coverage:	60%	60%	60%

**TABLE H-25  
SUMMARY OF RESIDENTIAL ZONE DEVELOPMENT STANDARDS  
CITY OF DANA POINT**

Development Standards (1)	Residential Zoning Districts		
(e) Minimum Land Area Per Unit: (3)	2,600 sf	1,591 sf	1,167 sf
(f) Maximum Height (4):	28 ft/ 2 stories	28 ft/2 stories	28 ft/2 stories
(g) Minimum Front Yard Setback - (5) From Ultimate Public Street ROW line:	20 ft	20 ft	20 ft
Flag Lot (from connection with access extension):	15 ft	15 ft	15 ft
(h) Minimum Side Yard Setback - (5) Interior Side:	5 ft	10 ft	15 ft
Exterior Side:	10 ft	10 ft	15 ft
Flag Lot: (6)	15 ft	10 ft	15 ft
(i) Minimum Rear Yard Setback - (5) Standard Lot:	15 ft	20 ft	20 ft
Flag Lot and Cul-De-Sac Lot:	15 ft	N/A	N/A
Adjacent to Alley or Street (from ROW line):	10 ft	15 ft	15 ft
(j) Minimum Open Space(Private and Common): Private	200 sf/du	200 sf/du	100 sf du
Common	30% net ac	25% net ac	20% net ac
(k) Minimum Landscape Coverage:	25%	20%	15%
(l) Minimum Building Separation (between primary and accessory buildings on the same lot):	10 ft	10 ft	10 ft

(1) See Chapter 9.75 for definitions and illustrations of development standards.  
(2) Development standard applies to any proposed subdivision of land. These standards do not apply to existing lots where no subdivision is proposed nor to proposed condominiums or other common lot subdivisions.  
(3) Land Area per Dwelling Unit may not be rounded up. (Example: 14,250 square feet/2,500 square feet of land per dwelling unit = 5.7 dwelling units which equals 5 dwelling units, not 6 dwelling units.)  
(4) Subject to the measurement and design criteria in Section 9.05.110(a).  
(5) For existing lots less than fifty (50) feet wide and/or less than one hundred (100) feet deep, see Section 9.05.190 for reduced front, side and rear building setbacks.  
(6) If the side yard of a flag lot is adjacent to the rear yard of a residentially zoned lot, that side yard setback shall be a minimum of ten (10) feet.  
(7) Additional rear yard building setback from a bluff top may be required by Section 9.27.030.  
(8) For RBR 12 and RBRD 18, maximum building height is twenty-eight (28) feet as measured eighteen (18) inches above the Flood Plain Overlay 3 (FP-3) requirement or Beach Road which ever is higher. Mezzanines may be allowed subject to compliance with the applicable provisions of the Uniform Building Code.  
(9) See Section 9.09.040(a) for special building setbacks and standards for maximum projections into required yards applicable to properties on Beach Road.  
(10) Setback for the first floor as measured from the right-of-way line of Beach Road. The second floor may project a maximum of five (5) feet into the required front yard setback.  
(11) A minimum of ten (10) percent of that portion of the lot area bounded by the side property lines, the Beach Road property line and the structure stringline.  
(Added by Ord. 93-16, 11/23/93; amended by Ord. 94-09, 5/24/94; Ord. 94-21, 12/13/94; Ord. 96-10, 8/13/96; Ord. 96-13, 11/26/96; amended during 8/99 supplement)  
Source: Dana Point Municipal Code, Chapter 9.09

*Parking Requirements*

Parking requirements in the City of Dana Point are similar to those imposed by other cities in Orange County. Although the parking requirements do not directly constrain the development of housing, parking facilities are required to be located on the same lot, therefore reducing the amount of available lot area for housing.

Parking requirements generally relate to the housing type and number of bedrooms or units. Some uses, however, require fewer parking spaces, such as granny flats, second units and senior housing facilities. To facilitate the production of affordable housing, therefore, the City maintains reduced parking standards for these uses. The City also permits shared parking between adjoining residential and commercial uses.

Furthermore, the Housing Element includes a policy that would permit a reduction in required parking for affordable housing developments. The reduction in parking would be permitted if a study demonstrates that less parking is needed because of the income, car ownership and special needs of the population that would reside in the proposed development.

**TABLE H-26  
MINIMUM NUMBER OF REQUIRED PARKING STALLS BY USE  
CITY OF DANA POINT**

Use	Required Number of Stalls		
<b>Single Family</b>			
Single-family, detached:			
Up to 4 bedrooms	2 covered stalls		
Over 4 bedrooms	2 covered stalls + 1 covered stall for every two bedrooms over 4 bedrooms		
Single-family, detached on shallow or narrow lots (less than 50 feet wide and 100 feet deep)	Two (2) assigned and covered stalls within a garage per dwelling; or  Two (2) assigned and covered stalls within a garage (setback 5 to 9 feet) per dwelling. The garage must be equipped with a garage door opener and a roll-up garage door.		
Single-family, attached	Two (2) assigned and covered parking stalls within a garage or parking structure, plus 0.3 visitor stalls unassigned per dwelling unit.		
Mobilehome Park	1 covered and assigned stall, plus 0.5 visitor stalls unassigned per dwelling unit.		
Second Unit	1 covered (non-tandem)		
<b>Multi-Family</b>			
Multi-family units (including Timeshares):	Stalls per Unit:		
	Covered <sup>(1)</sup>	Uncovered <sup>(1)</sup>	Visitor
1 bedroom or less	1.0	0.5	0.2
2 bedroom	1.0	1.0	0.2
3 bedrooms	2.0	0.5	0.2
More than 3 bedrooms	2.0	0.5 <sup>(2)</sup>	0.2

**TABLE H-26  
MINIMUM NUMBER OF REQUIRED PARKING STALLS BY USE  
CITY OF DANA POINT**

Use	Required Number of Stalls
	<p>Notes:</p> <ol style="list-style-type: none"> <li>1. Covered stalls shall be assigned; uncovered stalls shall not be assigned.</li> <li>2. Plus 0.5 uncovered stalls per additional bedroom in excess of 3.</li> </ol>
Duplex	4-car garage (with minimum 40' x 20' interior floor space) and 1 additional stall per duplex
Duplex on lot less than 50' wide	<p>Two (2) covered and assigned parking stalls within a garage per dwelling unit; or</p> <p>Two (2) covered and assigned parking stalls within a garage for one (1) dwelling unit; and one (1) covered and assigned parking stall within a garage and one (1) uncovered tandem stall for the second dwelling unit, subject to the approval of a minor Conditional Use Permit by the Planning Commission and in accordance with the following standards:</p> <ol style="list-style-type: none"> <li>a. Prior to issuance of building permits, the recordation of a tandem parking agreement and management plan with the title for the property shall be provided to the satisfaction of the Director of Community Development.</li> <li>b. Prior to issuance of Certification of Occupancy, at least one large 24-inch box tree shall be planted in the front yard setback or other alternative decorative paving and landscaping to screen the street views.</li> <li>c. The setback and design of the garage and the driveway shall provide adequate articulation and structural details to the garages and front elevation.</li> </ol>
<b>Age Restricted or Special Needs Housing</b>	
Age Restricted Single or Multiple Family Project	Same as single-family and multiple family listed above
Convalescent Hospital	1 stall for every 4 beds plus parking for on-site employee housing
Granny Flat	1 covered (non-tandem)
Senior Citizen Housing Complex	1 covered and assigned stall, plus ½ guest stall per dwelling unit, plus 1 stall for the resident manager
Senior Congregate	1.25 stalls per unit (may be reduced to 0.67 stall per unit subject to Conditional Use Permit to reflect presence of special transportation services or other unique characteristics)

Source: Dana Point Municipal Code, Chapter 9.35

*Density Bonus*

The State of California enacted significant changes to the state’s density bonus law, which went into effect on January 1, 2005. The new law (chaptered as Government Code Section 65915-65918), requires jurisdictions to grant a density bonus of 20% above the maximum permitted density if a development provides at least 5% of the units at rates that are affordable to very low income households or 10% of the units at rates that are affordable to low income households. If 10% of condominium or planned development units are affordable to moderate income households, then the project is eligible to receive a 5% density bonus.

In addition, there is a sliding scale that requires additional density bonuses above the 20% threshold (up to a maximum density bonus of 35%):

- an additional 2.5% density bonus for each additional increase of 1% Very Low income units above the initial 5% threshold;
- a density increase of 1.5% for each additional 1% increase in Low income units above the initial 10% threshold; and
- a 1% density increase for each 1% increase in Moderate income units above the initial 10% threshold.

Additionally, jurisdictions must grant concessions or incentives reducing development standards, depending on the percentage of affordable units provided. Concessions and incentives include reductions in zoning standards, other development standards, design requirements, mixed use zoning, and any other incentive that would reduce costs for the developer. Any project that meets the minimum criteria for a density bonus is entitled to at least one concession and may be entitle for as many as three concessions depending upon the amount of affordable housing provided.

The new law also reduced parking standards for the entire development project for projects eligible for a density bonus. The new standards are stated below. These numbers are inclusive of guest parking and handicapped parking and may be tandem or uncovered (but cannot be on-street).

- zero to one bedroom: one on-site parking space
- two to three bedrooms: two onsite parking spaces
- four or more bedrooms: two and one-half on-site parking spaces.

*Second Dwelling Unit Requirements*

In accordance with state mandated requirements, the City of Dana Point allows for the development of second dwelling units and “Granny Flats.” According to the Zoning Code a second unit is an attached or detached residential unit, including complete and independent living facilities for one or two persons, on the same parcel as the primary unit (a “granny flat” is intended for occupancy by persons who are 62 years of age or older pursuant to Government Code Section 65852.1).

A second dwelling unit may only be established on a lot of an existing single family home that is zoned for single family residential development. Additional development standards and conditions are provided in the Zoning Code (Chapter 9.07.210), including the requirement that second dwelling units must be

affordable to persons of low and moderate income, and remain affordable for the life of the project. The life of the project shall be determined as the length of time the second dwelling unit is occupied.

### *Single Room Occupancy*

The City of Dana Point conditionally permits the development of single room occupancy (SRO) projects in multi-family residential, mixed-use and commercial districts (see Table H-24). The Zoning Code requires rates for the rental of units in a SRO project to be restricted so that 50% of the units in the project are affordable to persons of very low income and 30% of the units are affordable to persons of low income. Twenty (20) percent of the units may be unrestricted.

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

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

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

### *Coastal Act Policies*

State law requires one-for-one replacement of affordable units as conditioned by coastal development permits that are demolished or converted to market-rate units. The law also requires the inclusion of affordable units in new development in the Coastal Zone. Where the City determines it is not feasible to include affordable replacement units, developers can satisfy the requirement by constructing the units within three miles of the coastal zone. Additional policies governing housing in the Coastal Zone can be found in California Government Code Section 65590.

An applicant for conversion or demolition may also pay an in-lieu fee into to fund the replacement of the number of dwelling units which would otherwise have been required by this subdivision. As otherwise required by this subdivision, the replacement units shall be located within the coastal zone if feasible, or, if not feasible the units shall be located within three miles of the coastal zone, and shall be provided within three years from the conversion or demolition.

### Building Codes

Building and safety codes adopted by the City are considered to be necessary to protect public, health, safety and welfare. However, these codes have the potential to increase the cost of housing construction and maintenance. The City of Dana Point has adopted the 1997 edition of the Uniform Building Code (UBC) along with amendments specific to California that make the UBC the 2001 California Building Code (CBC). Other development codes enforced by the City include the most recent editions of the California Housing, Electrical, Fire, Plumbing, Mechanical, and Administrative Codes.



## Site Improvements

Residential developers are required to provide the improvements necessary to enable the use of developed sites and to pay for a pro-rata share of off-site improvements. Most of the City's vacant land, however, is located in the Headlands Area. The Headlands will not contain affordable housing and is therefore not constrained by site improvement requirements. Other residential development potential in the City is of an infill character and necessary infrastructure systems are already in place and in good condition. The need for extensive site improvements is limited in the City and should not be considered a constraint to affordable housing.

Residential developers pay fees for school facilities; park and recreation facilities; transportation fees; transportation corridor fees; and connections to capital facilities such as water, sewer and drainage facilities.

## Development Fees

A variety of fees and assessments are charged by the City and other agencies to cover the cost of processing development permits and providing local services. These fees are necessary to ensure quality development review and adequate public services. However, development fees and exactions are passed down to the home owner or renter, therefore affecting housing affordability. A comparison of development fees of local jurisdictions was performed to determine if development fees in the City of Dana Point present excessive barriers to affordable housing development. The City is in the process of conducting a fee study to ensure fees are appropriate. The study may result in adjustments to the fees.

The Building Industry Association of Orange County (BIA/OC) periodically completes a survey of fees associated with new residential development. This survey is completed for each city in Orange County, and can be used to compare the fee structure of different cities. Table H-27 presents a summary of the Dana Points fee structure, according to a 2005 BIA/OC survey.

According to the 2005 survey, the City's fee structure was neither the highest, nor the lowest in the four south Orange County cities of Dana Point, Laguna Niguel, Mission Viejo and San Juan Capistrano. Some of the most common fees associated with a new residential development are summarized in Table H-28.

While most cities collect fees on a cumulative basis (i.e., multiple fees for each entitlement sought for any given project), Dana Point charges only the single highest fees for entitlements that are processed concurrently. For example, should a project require a General Plan Amendment, Zone Change and Tentative Tract Map, rather than charging all three fees, only the highest fee for the General Plan amendment would be charged. This provides for lower over-all fees to the developer. According to the BIA survey, none of the other four cities provided this reduction in fee amounts.

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

Other fees are imposed to mitigate potential impacts created by new development. These fees are typically referred to as development impact fees. These fees may include: traffic impact fees, school fees, drainage

fees, park and recreation fees, sewer fees, library fees, and police and fire fees. These types of fees vary widely from city to city and within areas of a given city. Some of these fees may be imposed directly by a city (e.g. park, library, and police) or collected by a city for another entity (e.g. traffic fees).

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

Overall, the fee structure in Dana Point does not inhibit or hinder residential development and is not considered to be a constraint.

**TABLE H-27  
BIA/OC DEVELOPMENT FEE SURVEY  
CITY OF DANA POINT**

City of Dana Point 33282 Golden Lantern • Dana Point, CA 92629 • (949) 248-9890		
Fee Category	Per Unit Rate	Notes
<b>Environmental</b>		
Categorical Exemption	.86	\$43 (County filing fee)
Initial Determination	\$43	Included with Project Review
Negative Declaration	\$45.38	\$2,269 for Mitigated Negative Declaration
Environmental Assessment		Included in project review
EIR Processing	\$42/hr	Actual cost of processing plus 10% contingency
Local Coastal Plan	\$111	\$5,571 (same as General Plan Amendment)
<b>Planning</b>		
General Plan Amendment	\$111	\$5,571
Zone Change		Based on hourly rate
Tentative Tract Map	\$68.02	\$3,401
Site Plan Review		\$300 Preliminary plan review
Lot Line Adjustment		Engineering fee only
Area Plan	\$111	Specific Plan \$5,571
Conditional Use Permits/ Variances	\$47	\$2,355 CUP (major), \$392 CUP (minor), \$844 Variance
<b>Building Edition</b>		
Building – CBC 1998	\$1,559	Per UBC
Plan Check	\$1,091	% varies on valuation
Electrical – CEC 1998	\$60	Per equipment + \$15.00 Permit Issuance Fee
Mechanical	\$42	Per equipment + \$15.00 Permit Issuance Fee
Plumbing	\$84	Per equipment + \$15.00 Permit Issuance Fee

**TABLE H-27  
BIA/OC DEVELOPMENT FEE SURVEY  
CITY OF DANA POINT**

City of Dana Point 33282 Golden Lantern • Dana Point, CA 92629 • (949) 248-9890		
Fee Category	Per Unit Rate	Notes
<b>Engineering &amp; Subdivision</b>		
Final Tract Map	\$104,777	Total for tract based on total valuation of detailed tract submittal
Sewer		Per applicable agency schedule
Water		Per applicable agency schedule
Storm Drain/ Water Quality		Included as part of tract submittal fees
Street Improvements/ Offsite Plan Check		Included as part of tract submittal fees
Grading		Included as part of tract submittal fees
Elevation Plan		Included as part of building submittal
Lot Line Adjustment	\$216 application fee plus \$55 per parcel	As a stand alone Lot Line Adjustment (not part of a tract submittal)
Building Addressing	\$25 application fee plus \$63 per address	\$3,175
Surface Drainage		Included as part of tract submittal fees
<b>Capital Facilities &amp; Connections</b>		
Water		Per applicable agency schedule
Sewer		Per applicable agency schedule Dist 3; Dist 2 = \$2.350/du
Sanitation Dist Annexation		Per benefit assessment district
Drainage	\$162	\$810 per acre maximum (varies based on facility)
Transportation Corridor	\$2,996	San Joaquin Hills "B" \$2,996 & Foothill/Eastern "A" \$4,272 (per unit rate for single family development)
CARITS	\$1,668	\$83,400 total
<b>School Facilities</b>		
Capistrano Unified	\$8,675	\$3.47 per s.f.
<b>Office Fees</b>		
City Park and Recreation	\$4,641	
General Government Fee	\$22	Per trip based on average trips per day generated
Transportation Fee	\$480	Per trip based on peak hour trips per day generated
Fire Protection	\$67	\$335per gross acre

Note:  
Dana Point charges only the highest of these fees when processing a project with more than one permit. As such, the General Plan Amendment was to be the only fee required.  
Fee survey assumes a hypothetical tentative tract map for a 50 unit subdivision.  
Source: 2005 BIA/OC Development Fee Survey

**TABLE H-28  
SOUTH COUNTY CITIES COMPARISON OF DEVELOPMENT FEES**

	Dana Point	Laguna Niguel	Mission Viejo	San Juan Capistrano
General Plan Amendment	\$5,571	\$5,000 (D)	\$3,300	\$5,000 (D)
Zone Change	\$37-\$49/hr.	\$5,000 (D)	\$3,300	\$5,000 (D)
Tentative Tract Map	\$3,401	\$3,925	\$5,500	\$5,000 (D)
CUP/Variance	Varies*	\$3,800 (D)	N/A	CUP: \$2,500 (D) Zoning Variance: \$750

\*Varies according to type of project:

Variance = \$844

CUP Minor = \$392

CUP Major = \$2,355

(D)= Deposit

All other fees are flat rate, one-time fees

Fee survey assumes a tentative tract map for a hypothetical 50 unit subdivision

Source: 2005 BIA/OC Development Fee Survey

## Local Processing and Permit Procedures

The City of Dana Point’s development review process is designed to accommodate development. However, the process is costly and can contribute to limiting the affordability of housing development. In the City there are two levels of decisions-making bodies that govern the development review process: Planning Commission and City Council. The City has Coastal Commission permit authority for most of its jurisdiction, thereby avoiding dual processing by the City and Coastal Commission.

For a typical site plan submittal planning staff evaluates the proposal and then the project proceeds to the Building Division plan check. The average time for processing and permit procedure is estimated at two to four weeks if a project does not require discretionary action. Applications requiring discretionary review, such as a Conditional Use Permit, can lengthen the project review time.

Discretionary actions may require approximately eight additional weeks of review. This time frame is highly dependent on the applicant's accurate and timely response to City staff comments. City staff responds with written comments within 30 days of submittal of project application. Discretionary actions require the preparation of a Staff report that is presented for public review and comment. A public hearing is then held at which the project is approved, conditionally approved, or denied by the City Council and/or Planning Commission. As an incentive for producing affordable housing, the City expedites the permitting process of affordable projects by moving such projects ahead of those without an affordable component.

## Non-Governmental Constraints

A local housing element incorporates an analysis of potential and actual non-governmental constraints including:

- Environmental Constraints
- Infrastructure Constraints
- Vacant Residential Land
- Land Prices
- Construction Costs
- Financing

## Environmental Constraints

The City has identified areas affected by environmental hazards where land development should be carefully controlled. The following environmental constraints may impact future housing development in the City.

### *Geologic Hazards*

Local geologic conditions vary throughout the City and can even differ from lot to lot, creating the need to study each development proposal individually.

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

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

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

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

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

### Infrastructure Constraints

Since the City of Dana Point is relatively built-out, the existing infrastructure is extensive and has adequate capacity to support anticipated population and new residential development growth. The delivery of public services and facilities to these sites is discussed within the Public Facilities and Growth Management Element. Development of the specific plan areas will be consistent with plans for the public services and facilities needed to support the projects.

#### *Water and Wastewater*

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

#### *Energy Conservation*

The City has promoted energy conservation for residential uses on both educational and regulatory levels. The City supports local utilities in their efforts to provide public information and technical assistance to developers and homeowners regarding energy conservation measures and programs.

On a regulatory level, the City enforces the State Energy Conservation Standards (Title 24, California Administrative Code). These standards incorporated into the City's Building Code provide a great deal of flexibility for individual builders to achieve a minimum "energy budget" through the use of various performance standards. These requirements apply to all new residential and commercial construction as well as remodeling and rehabilitation construction only where square footage is added. Compliance with Title 24 of the California Administrative Code on the use of energy efficient appliances and insulation has reduced energy demand stemming from new residential development.

Additionally, there are more opportunities for conserving energy in new and existing homes. While the construction of energy efficient buildings does not necessarily lower the purchase price of housing, housing

with energy conservation features should result in reduced monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can result in a reduction in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits; retrofit to dual components or piggyback the use of evaporative coolers with air conditioning systems; installation or retrofitting of more efficient appliances, and mechanical or solar energy systems; and building design and orientation which incorporate energy-conservation considerations.

## Residential Land Resources

To properly plan for the remainder of the current planning period and future housing needs, undeveloped and underutilized land available for housing within existing urban boundaries has been inventoried.

### *Availability of Sites for Housing*

An important component of the Dana Point Housing Element is the identification of remaining sites and future housing development opportunities in the 1998 to 2008 planning period. Opportunities for residential development in the City fall into one of two categories:

Constructed Units: Residential development constructed and sold on or after January 1, 1998;

Vacant Potential: Vacant or underutilized land that is designated for, permits, or may be approved for residential use (includes units approved on or after January 1, 1998; infill; and mixed-use development).

### *Constructed Units – 1998 to 2005*

According to new home sales information provided by DataQuick, between January 1, 1998 and August 30, 2005 an estimated 343 housing units were constructed and sold in Dana Point. The affordability assumptions were adjusted to correlate with maximum sales prices based on the Orange County Area Median Income (AMI) of the year of sale.

For example, for new units sold in 1998, the AMI was \$65,800 for a family of four. From this number the maximum affordable expenditure is calculated for each income category. Very low income households earn up to 50% of the AMI, or \$32,900. Low income households earn up to 80% of the AMI, or \$52,640. Moderate income households earn up to 120% of the AMI, or \$78,960, and above moderate income households earn more than \$78,960.

From these incomes, maximum affordable sales price information can be calculated. (The Housing Costs and Affordability discussion of this Element explains the methodology used to achieve these calculations.) A moderate income household in 1998 would be able to afford a purchase price of \$251,000. Therefore, any homes constructed and sold in 1998 for \$251,000 or less can be considered affordable to moderate income households and be counted towards the City's RHNA new construction obligations. The maximum affordable sales price for selected years are listed below—for simplicity, only benchmark years where significant changes in AMI occurred are shown.

**TABLE H-29  
AFFORDABILITY OF NEW HOMES 1998  
CITY OF DANA POINT**

Income Category	Maximum Purchase Price
Very Low (50%)	\$84,000
Low (80%)	\$156,000
Moderate (120%)	\$251,000
Above Moderate (>120%)	>\$251,000

Note: Based on the 1998 Orange County median income of \$65,800.  
Source: DataQuick, HUD 1998, The Planning Center

**TABLE H-30  
AFFORDABILITY OF NEW HOMES 2000  
CITY OF DANA POINT**

Income Category	Maximum Purchase Price
Very Low (50%)	\$91,000
Low (51-80%)	\$167,000
Moderate (81-120%)	\$267,000
Above Moderate (>120%)	>\$267,000

Note: Based on the 2000 Orange County median income of \$69,600.  
Source: DataQuick, HUD 2000, The Planning Center

**TABLE H-31  
AFFORDABILITY OF NEW HOMES 2002  
CITY OF DANA POINT**

Income Category	Maximum Purchase Price
Very Low (50%)	\$102,000
Low (51-80%)	\$184,000
Moderate (81-120%)	\$294,000
Above Moderate (>120%)	>\$294,000

Note: Based on the 2002 Orange County median income of \$75,600.  
Source: DataQuick, HUD 2002, The Planning Center

**TABLE H-32  
AFFORDABILITY OF NEW HOMES 2005  
CITY OF DANA POINT**

Income Category	Maximum Purchase Price
Very Low (0-50%)	\$102,000
Low (51-80%)	\$184,000
Moderate (81-120%)	\$294,000
Above Moderate (>120%)	>\$294,000

Note: Based on the 2005 Orange County median income of \$75,700.  
Source: DataQuick, HUD 2005, The Planning Center



Home construction between January 1, 1998 and December 2005 provided nearly all of the total units needed to meet the City’s RHNA. All of the low income units and approximately three quarters of the moderate and above moderate units have been constructed and sold.

Although the constructed and approved units exceed the RHNA allocation for above moderate and satisfies the need for low income units, the new units do not satisfy very low and moderate income unit needs. The City is still responsible for accommodating 85 units affordable to very low income households and 37 units affordable to moderate income households within the current planning period (a total of 122 units).

**TABLE H-33  
BALANCE OF CONSTRUCTION NEED  
CITY OF DANA POINT**

Income Category	RHNA	Units Constructed	Balance
Very Low (0-50%)	85	0	85
Low (51-80%)	50	50 <sup>1</sup>	0
Moderate (81-120%)	86	49	37
Above Moderate (>120%)	229	244	0
<b>Total</b>	<b>450</b>	<b>343</b>	<b>122</b>

1. Between January 1, 1998 and August 30, 2005 the City experienced the construction of 58 low income units, exceeding the RHNA assigned construction need for that income category by 8 units. The surplus units may satisfy the housing needs of moderate income households, as shown in the table above.

Source: RHNA 99, DataQuick

*Approved Units*

The City’s Headlands Development and Conservation Plan includes 118 approved units, all expected to be affordable to above moderate income households. In-lieu fees totaling \$295,000 (\$2,500 per unit) shall be paid into a City fund to be used for developing, preserving and maintaining affordable units.

As part of the Monarch Beach Specific Plan 46 residential units have been approved adjacent to the St. Regis Resort. Construction is expected to be completed by the end of 2007. In-lieu fees for the units are expected to total \$149,720 (\$540 for 18 units, \$5,000 for 28 units).

*Vacant Residential Land*

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

To more accurately calculate potential unit yields, only vacant parcels meeting the minimum lot size requirement for their respective zoning designation were considered to be developable. Approximately 24 vacant residential acres outside of the City’s specific planning areas were identified as having development potential. The existing housing stock indicates that most residential development is occurring at the highest allowable densities. Assuming future development occurs at densities reflective of past

development, the vacant acreage could accommodate about 181 units comprised of approximately 131 single family units and 49 multi-family units, as shown in Table H-34.

Based upon analysis of the most recent new home sales figures, the majority of market rate units will be affordable only to above moderate income households. Of the potential units approximately 70%, or 127, will be affordable only to above moderate income households. The development of vacant parcels in zones with very small minimum lot sizes and high densities will provide approximately 54 units affordable to moderate income households. In the past new home sales provided some units affordable to low income households, however, recent new home sales information indicates that the increasing cost of housing, caused in part by the desirability of coastal living and decreasing availability of land, will not provide any units affordable to lower income households.

**TABLE H-34  
VACANT RESIDENTIAL LAND POTENTIAL UNIT YIELDS  
CITY OF DANA POINT**

Zoning Designation	Minimum Lot Size	Sum of Vacant Acres	Standard Density	Potential Unit Yield
RSF 3	12,000	1.3	3	4
RSF 4	8,700	6.7	4	27
RSF 7	5,000	11.0	7	77
RSF 12	3,000	1.1	12	13
RSF 22	2,000	0.5	20	10
RD 14	5,000	2.0	14	28
RMF 14	7,500	1.3	14	18
RMF 22	4,800	0.2	22	4
<b>Total</b>	--	<b>24.1</b>	--	<b>181</b>

Source: Vacant Residential Land Inventory, The Planning Center, 2006

*Underutilized Land*

The extremely high cost of land, limited supply of developable vacant land, and desirability of this coastal community requires Dana Point to look for housing opportunities in existing underutilized parcels. The City is dedicated to encouraging additional housing opportunities and has identified four underutilized areas appropriate for residential development. Underutilized parcels are defined as land that is developed or utilized at less than full potential. According to state law underutilized sites may address a portion of the regional housing need if the element describes the additional realistic development potential. Table H-35 shows these sites have the potential to collectively provide 597 units. The underutilized land suitability analysis must describe the methodology used to establish development potential including:

- Recent development trends. The analysis should describe the jurisdiction’s current recycling or redevelopment trends and track record in encouraging and facilitating such uses.
- Recent market conditions. The analysis should describe if the market is ripe for redevelopment or reuse.
- The extent to which existing uses may constitute an impediment to additional residential development. The analysis should describe the condition or age of any existing development,

describe the potential for such uses to be discontinued and replaced with housing, or provide a clear indication of whether housing could be added to the existing use. Also, the analysis should evaluate whether the reuse or redevelopment of the site would require lot consolidation.

- Existing or proposed incentives. The analysis should describe any existing or planned financial assistance or regulatory relief offered to facilitate or encourage more intensive residential development on an underutilized site.

### Recent Underutilized Land Development Trends and Market Conditions

As previously mentioned, Dana Point’s high land costs and lack of vacant land necessitates the reuse or redevelopment of underutilized sites. Although much of the City is built out, the City has experienced residential development on underutilized land in the Headlands Development and Conservation Plan area and successfully collected affordable housing in-lieu fees. Additionally, the City has consistently approved residential development at the highest allowable densities, allowing the City to maximize development opportunities. Dana Point is also in the process of generating a Specific Plan for the central commercial area of the City to introduce high density housing opportunities in a mixed-use setting. The City’s coastal location and the limited supply of vacant land make reuse and new development of underutilized parcels a favorable option for the development community.

**TABLE H-35  
POTENTIAL UNIT YIELD OF UNDERUTILIZED SITES  
CITY OF DANA POINT**

Site	Proposed Zoning Designation	Acres <sup>1</sup>	Standard Density	Potential Unit Yield
Dana Point Town Center <sup>2</sup>	Specific Plan	73	--	276
Former Marina Mobile Home Estates	RMF <u>22</u>	7.1	<u>22</u>	<u>156</u>
Capistrano Unified School District	Com. Facility	4.5	30	135
Via Canon <sup>3</sup>	RMF 14	2.6	14	30
Total	--	87.2	--	<u>597</u>

Notes:

1 The size of the Town Center site is a gross estimate; sizes of the other sites are expressed in net acres.

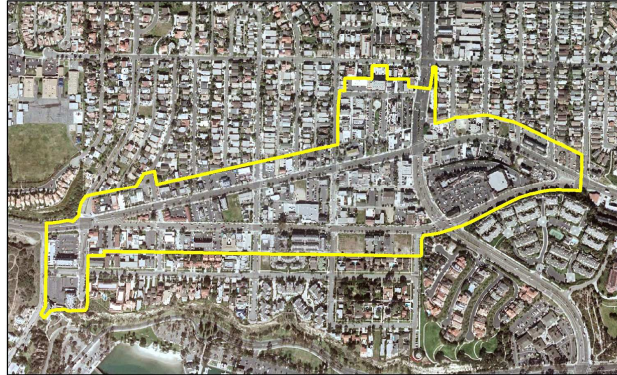
2 Estimated units based on vacant lots and potential turn over of underutilized parcels. The Specific Plan is still under development and may or may not prescribe precise density levels.

3 The development potential was reduced to reflect topographic constraints of the Via Canon site.

Source: The Planning Center, 2006

*Underutilized Site 1 (Town Center)*

**FIGURE H-3 UNDERUTILIZED SITE 1**



**Existing Uses**

The Town Center consists of approximately 73 acres between Blue Lantern and Copper Lantern Streets, fronting or in between the Pacific Coast Highway (PCH) and Del Prado. In recognizing the true potential of this area, the City has generated a Specific Plan to facilitate the new development and addition of residential uses to this area.

The Draft Dana Point Town Center Plan describes a variety of existing retail and service uses including surf and sports shops, plant nurseries, florists, restaurants, food markets, a post office, offices and financial institutions. Nine structures in the Plan area date back to the 1920s. The Plan recognizes the area has several underutilized and vacant parcels and identifies important issues including the limited amount of housing in the downtown and lack of critical mass. A market analysis conducted of the Town Center noted significant underutilized retail potential, making the area an ideal location for upper-level residential development. The Town Center area has potential to become a vibrant cultural, civic and commercial city center. The specific plan will ensure compatibility between proposed uses and existing uses.

**Proposed Uses**

The Town Center Plan, expected to be adopted in Fall 2006, will amend the zoning ordinance to establish land uses and densities that will provide a mix of land uses and additional housing opportunities. A unique set of development standards will be created to enable residential development. Based on the availability of vacant land and turnover of underutilized lots it is estimated that an additional 276 units would be created in the Town Center. Based on the City's existing in-lieu fees practices, it is assumed that development in the Town Center will generate monies that can be spent on affordable housing.

The Town Center Plan proposes mixed-use development with residential uses on upper-levels throughout the Plan area. Special emphasis has been placed on Del Prado, which has the great number of vacant parcels and is expected to be more desirable for residential uses based on slower vehicles speeds and potential ocean views. Based on an analysis of vacant and underutilized properties, it is estimated that 30 acres have the greatest development potential within the Town Center.

## Development Incentives and Requirements

Existing setback requirements, height limitations, parking requirements, and uniform zoning in the Town Center planning area have resulted in development that does not create a vibrant, pedestrian-oriented business environment. To allow for a more interesting streetscape and increased housing opportunities, development standards have been proposed including establishing reduced setbacks from street frontages, increasing the maximum height limit from 35 to 40 feet, allowing 4-story buildings, establishing an In-Lieu Fee Parking Program, and rezoning for mixed-use development. Building mass will be regulated by development standards, such as setbacks, residential open space, parking and minimum unit size. Based on prototypes, an average density of 30 units per acre is anticipated.

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

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

**FIGURE H-4 UNDERUTILIZED SITE 2**



## Existing Uses

Located at 34202 Del Obispo Street; immediately north of Pacific Coast Highway, the 8.7 gross acre (7.1 net acre), 90-unit Dana Point Marina Mobile Home Estates was closed by choice of the property owner in 2005, and the coaches have been removed. The property is currently zoned for Coastal Recreation. The South Orange County Wastewater Authority (SOCWA) wastewater treatment facility is directly north of the site, the San Juan Creek is directly east, commercial uses are located west and south of the site across Del Obispo Street and Pacific Coast Highway, and Doheny State Beach is located south of the property, across Pacific Coast Highway. The surrounding uses are not considered to be a significant constraint to the development of the site. The property's proximity to the beach provides a desirable amenity and would facilitate the construction of housing.

## Proposed Uses

The property owner is interested in developing the site for residential uses or mixed commercial and residential use. At the June 28, 2006 City Council meeting, a representative of Doheny Estates, LLC presented a request for a General Plan Amendment to change the zoning to Residential Multi-Family 22 dwelling units acre. At 22 units per acre, the site could accommodate up to 156 dwelling units.

The City Council approved the applicant's request to initiate the General Plan Amendment which authorizes staff to work with the property owner in developing a project concept and submittal of an application. Discussions with the applicant have addressed the need for incorporating affordable housing on-site, which will likely include for-sale units. The specific number and level of affordable housing units has not been determined. The project is located in the Coastal Zone and is subject to mandatory affordable housing requirements described in California Government Code Section 65590.

## Development Incentives and Requirements

The applicant has expressed the intent to apply a Planned Residential Development Overlay to the site to allow for reductions in lot size, width, depth, and setbacks; and increases in maximum lot coverage and floor area ratio. Lot consolidation is not necessary for development to occur.

*Underutilized Site 3 (Capistrano Unified School District)*

**FIGURE H-5 UNDERUTILIZED SITE 3**



## Existing Uses

Located at 26126 Victoria Boulevard, immediately south of the intersection of Victoria Boulevard and Sepulveda Avenue, and north of Pacific Coast Highway, this 5.6 gross acre (4.5 net acre) site is currently being used as a vehicle storage yard for the Capistrano Unified School District. There is also a small office building and other maintenance facilities including fuel pumps on site. Discussions with school representatives indicated that the fuel storage facility had been updated and met the current standards. The school district indicated they would commission a "Phase 1" environmental analysis, which could result in the need for a "Phase 2" Site Assessment, depending upon what is found.

The surrounding parcels are zoned Commercial/Residential. Existing adjacent development includes a fire station, professional offices and residential uses, including a 24-unit rent restricted residential project

specifically built to accommodate large families. Highway 1 is located south of the property. The existing uses are considered to be compatible with future residential development.

### Proposed Uses

The existing land use designation could support senior housing. Although size of the structure would be limited by a maximum FAR of 1.1 and a maximum of 3 stories, a density of 30 dwelling units per acre could potentially be achieved. At this density the site could accommodate a maximum of 135 senior housing units. The City is currently in contact with the CUSD over the possibility of acquiring the site.

### Development Incentives and Requirements

Future development of the property is likely to occur through a public and private partnership. The City may consider a variety of affordable housing incentives such as reductions in lot size, width, depth, and setbacks; and increases in maximum lot coverage and floor area ratio. Development of the site for multi-family housing without limiting the use to senior housing would require a zone change and General Plan amendment. The project is located in the Coastal Zone and is subject to mandatory affordable housing requirements described in California Government Code Section 65590.

#### *Underutilized Site 4 (Via Canon)*

**FIGURE H-6 UNDERUTILIZED SITE 4**



### Existing Use

Located at 26315 Via Canon, north of Via Capistrano and south of Via Fortuna, the site is a vacant 3.3 gross acre (2.6 net acre) parcel owned by the City. The site is surrounded by single family and multi-family residential development. Accordingly, the introduction of additional residential development is considered to be compatible.

### Proposed Use

The City has been approached by several parties, and may partner with or sell the property to a private developer or non-profit group. The City is considering zoning the property as Residential Multi-Family 14. The RMF-14 zone would allow for a maximum of 46 units, however it is estimated that the site could only accommodate approximately 30 units due to topographic constraints. The City Council has discussed

the potential sale of the property for development to use the funds for affordable housing programs or affordable housing development elsewhere in the City. Although the site is not located within the Coastal Zone, the City may require the inclusion of affordable units as a condition of sale.

### Development Incentives and Requirements

The City may apply a Planned Residential Development Overlay to the site to allow for reductions in lot size, width, depth, and setbacks; and increases in maximum lot coverage and floor area ratio. Although the site is not located within the Coastal Zone, the City may require the inclusion of affordable units as a condition of sale.

#### *Potential for Lower Income Housing*

To accurately assess the potential viability of the vacant and underutilized residential sites suitable for lower income housing, the Jamboree Housing Corporation (JHC) and the Southern California Housing Development Corporation (SCHDC) were consulted. Both corporations are nonprofit housing development companies that build, preserve, and maintain affordable rental housing for lower-income households. They identified several qualifying factors for successful housing projects.

First and foremost, the parcel size must be able to accommodate a minimum of 50 units per project site, without parcel consolidation. This project size enables the developer to retain on-site management staff, an element considered key to the long-term success and acceptance of the project. Density is a factor when dictated by the parcel size and land price to achieve the minimum project size of 50 units. In this sense, parcel size and density levels work together; larger parcels can accommodate lower densities while smaller parcels will need a higher density. For example, a two-acre parcel will need a density level of at least 25 units per acre, while a three-acre parcel will only need a density level of 16.6 units per acre.



**Mendocino at Talega, San Clemente**  
Photo courtesy of Jamboree Housing Corporation

A project developed and owned by a local affordable housing developer is presented as evidence of these qualifiers in the high cost coastal communities of Orange County. With a grand opening in 2003, Mendocino at Talega is a 100% affordable, 186-unit community (18.6 units per acre) consisting of two- and three-bedroom family apartments in the City of San Clemente, California. The units are affordable to families whose income falls between 40% and 60% of the County Area Median Income.

The 10-acre site was donated by the developer and financing for Mendocino at Talega included \$13.77 million in tax-exempt bonds issued by the County of Orange and purchased by U.S. Bank; a \$4.5 million loan from the State of California Multifamily Housing Program; a \$2.7 million loan from the Orange County Department of Housing and Community Development; \$5.2 million in Low Income Housing Tax Credit equity, purchased by Lend Lease; an \$837,000 loan from the Affordable Housing Program of the Federal Home Loan Bank of San Francisco; a \$613,000 loan from the City of San Clemente; and a \$660,000 predevelopment loan from the Low Income Housing Fund (LIHF).



Mendocino at Talega demonstrates that the City’s underutilized sites that permit densities of at least 18 units per acre and achieve a minimum project size of 50 units could accommodate affordable housing. Accordingly, amongst underutilized lands within Dana Point, the Town Center, the former Dana Point Marina Mobile Home Estates site, and the Capistrano Unified School District bus yard site could all accommodate development of very low and low income housing.

Additionally, as stated previously, the potential sale of the Via Canon property could generate funds for affordable housing programs or affordable housing development on the underutilized sites. The City, as stated above, is also investigating the acquisition of the Capistrano Unified School District site. This site, if placed under City ownership, could greatly assist the production of lower income housing in Dana Point. With a combined development potential of 567 units on the three aforementioned underutilized sites, the City of Dana Point has sufficient land to accommodate the remaining RHNA allocation of 85 units affordable to very low income households.

### Price of Land

Typically land costs increase as land availability decreases. With a very limited amount of available land the cost of land is a major constraint to housing production in Dana Point. In addition, the desirability of this coastal community, ocean views, and other local amenities drive prices up. The most recent transactions for vacant, residentially zoned land within the City range from approximately \$100 to \$290 per square foot.

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

### Cost of Construction

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

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

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

## Financing

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

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage down payment requirements.

First time homebuyers are the group impacted the most by financing requirements. Mortgage interest rates for new home purchases ranged from 5%–7% for a fixed rate 30 year loan between 2000 and 2005, with an average rate of 6% in 2005. Lower initial rates are available with Graduated Payment Mortgages (GPMs), Adjustable Rate Mortgages (ARMs), and Buy-Down Mortgages. However, variable interest rate mortgages on affordable homes may increase to the point of interest rates exceeding the cost of living adjustments, which is a constraint on the affordability.

Although rates are currently fairly low, they can change significantly and substantially impact the affordability of the housing stock. Flexible loan programs, such as those for first-time homebuyers, can offer down payment requirements between 0% and 20%. Such programs provide a method to bridge the gap between a required down payment and potential homeowner’s available funds.

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

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

## Preservation of At-Risk Units

State Housing Element Law requires the analysis of government-assisted housing that is eligible to change from Low-Income housing to market rate housing during the next ten years. The reasons why government assisted housing might convert to market rate include expiring subsidies, mortgage prepayments, and expiration of affordability restrictions. State law also requires the development of programs aimed at the preservation of at-risk units. The following must be included in each housing element as part of its preservation analysis:

- An inventory of assisted housing units that are at-risk of converting to market rate within ten years.
- An analysis of the costs of preserving and/or replacing these units.

- Resources that could be used to preserve the at-risk units.
- Program efforts for preservation of at-risk units.
- Quantified objectives for the number of at-risk units to be preserved during the housing element planning period.

Use restrictions, as defined by State law, means any federal, state or local statute, regulation, ordinance or contract which as a condition of receipt of any housing assistance, establishes maximum limitations on tenant income as a condition of eligibility for occupancy. State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance, to an assisted housing development.

Affordable projects not financed by the City include The Fountains, a senior community that includes 5 affordable units and the Domingo/Doheny Park Road project. In 1983 the Orange County Community Housing Corporation built the Domingo/Doheny Park Road rent-restricted project specifically for large families. The project consists of 24 three bedroom units for very low-income households. The length of affordability is for the life of the project. Therefore, this project is not at-risk of conversion during the extended 2000-2018 time period (10 years after the end of the planning period).

The City has two bond financed projects that have rent affordability restrictions. According the Orange County Executive Office, these two projects have the following restrictions:

*Harbor Pointe*

*\$13 million bond issue; issue D – 1992*

*Qualified Project Period – longer of 15 years or as long as bonds are outstanding*

*Earliest date of conversion is December 2012*

*Bond maturity in late 2022*

*20 Units (10% affordable to very low income)*

*20 Units (10% affordable to lower income)*

*Monarch Coast Apartments*

*\$31.8 million bond; issue C – 1999*

*Refunding of bonds occurred in 1999*

*Qualified Project Period - Earliest date of conversion was 2015*

*84 Units*

As mentioned in Program 6.2 Conservation of Existing and Future Assisted Housing, the existing 84 affordable units at the Monarch Coast Apartments were required to be so designated until 2015. In March of 2006 the City Council authorized the City Manager to execute an Affordable Housing Agreement with William Lyon Company to provide 5% of the total units for low income households and another 5% for moderate income households. Ten percent of the total units will have deed restrictions recorded against them requiring that as they are sold they be kept as affordable units. The agreement results in the preservation of 40 assisted units (previously expected to convert to market-rate in 2015) in perpetuity. In addition, the agreement provides that William Lyon Company will prepare a dispersal map showing where the affordable units will be located, which will be subject to City approval. This will enable the City to ensure that the affordable units are dispersed evenly and appropriately throughout the project.

## Progress Report

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

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

### Appropriateness of the Prior Housing Element Goals, Objectives and Policies

The State housing goal is: *"The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order."* To contribute to the attainment of the State housing goal, the previous Housing Element contained several goals and policy statements. Some of the policy statements contained quantified objectives.

The Housing Element Update includes revised goals, objectives and policies. A review of the results of the prior element indicate that the revisions are necessary and appropriate.

Section 65583 (b) of the Government Code requires that a housing element include:

*"A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing."*

State housing law identifies six specific housing need categories that must be included in the City's housing program:

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

*The new Housing Element has incorporated goals, policies and objectives that correspond to each of the State mandated categories.*

## Effectiveness of Housing Programs

Table H-37 identifies all of the housing programs included in the prior Housing Element. Several programs are not included in the revised Housing Element. The rationale for not including certain existing programs in the Housing Element Update are noted in the following list:

- **Elderly/Handicapped:** The most current description of the State housing programs includes no reference to this program. Therefore, this program has been discontinued.
- **Reverse Mortgages:** Reverse mortgages for the elderly are a complex and personal decision of the senior homeowner. It is more appropriate to let the elderly and their financial advisers decide whether reverse mortgages makes sense for them rather than have the City indirectly support this approach.
- **Limited Equity Cooperatives:** LEC are not used frequently as a form of ownership. They have been used in conjunction with senior housing, particularly Section 202 elderly housing. Given the type of vacant land remaining in the City, it appears unlikely that a sponsor or developer could feasibly pursue this form of financing/ownership.
- **Child Care:** Child-care in many communities is an acute need and single parents are a special needs group. However, incentives for child care facilities are not a housing program. Of all the City's households, 27% had children and 6.6% were single parent households with children.
- **Energy Conservation:** This program does not appear to be a "housing" program within the meaning of the six categories. This action is included in that part of the element dealing with energy conservation opportunities.
- **Housing Programs Administration:** This discussion is included in that section of the Housing Element describing the Program Implementation and Agency Responsible for implementation.
- **Other County Programs:** This discussion is included in that section of the Housing Element describing the Program Implementation and Agency Responsible for implementation.

**TABLE H-36  
MATRIX OF PRIOR HOUSING ELEMENT PROGRAMS**

<b>Conservation and Improvement of Affordable Housing</b>	
1.	Residential Rehabilitation Program
2.	Rental Rehabilitation Program
3.	Elderly/Handicapped Grant Program
4.	Section 8 Housing Certificates and Vouchers
5.	Conservation of Existing and Future Affordable Housing
6.	Code Enforcement
7.	Shared Housing
8.	Condominium Conversions
9.	Reverse Mortgages
10.	Mobile Home Park Assistance Program
<b>Adequate Sites</b>	
11.	Land Use Element
12.	Sites for Homeless Shelters
13.	Land Banking
<b>Affordable Housing Development</b>	
14.	Non-profit Housing Development Corporation
15.	Density Bonus
16.	Mortgage Revenue Bond Financing
17.	Equity Sharing
18.	Limited Equity Cooperatives
19.	Second Units
20.	Coastal Zone Requirements
21.	Housing for Visitor Serving Use Employees
<b>Governmental Constraints</b>	
22.	Zoning Ordinance
23.	Streamlined Approvals
<b>Fair Housing</b>	
24.	Equal Housing Opportunity Services
<b>Housing Related Services</b>	
25.	Job Referrals
26.	Child Care
<b>Energy Conservation</b>	
27.	Energy Conservation/Solar Energy Program
28.	Housing Programs Administration
29.	Other County Administered Programs
30.	Neighborhood Conservation Program

## Implementation Progress

HCD indicates that the review and revision should include a comparison of the actual results of the earlier element with its goals, objectives, policies and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of government constraints). This part of the Progress Report presents a discussion of the effectiveness in meeting stated objectives.

The prior element was evaluated for purposes of identifying the stated quantified objectives. These objectives are listed below:

- Residential Rehabilitation Program: attempt to secure 20 loans and grants annually
- Rental Rehabilitation Program: achieve the rehabilitation of 10 units annually
- Elderly/Handicapped Grant Program: rehabilitate 5 units annually
- Section 8 Housing Certificates and Vouchers: maintain existing certificates and vouchers and seek additional ones.
- Shared Housing: match between 20 and 30 low income residents annually (Senior Citizen Homesharing Program, Orange County Senior Services)

During the life of the prior Housing Element, the following progress was attained.

- Three units per year were improved through the Residential Rehabilitation Program.
- Two units per year were improved through the Rental Rehabilitation Program.
- Zero units were improved through the Elderly/Handicapped Program. The Program is not included in this Element.
- As of April 1996, OCHA provided Section 8 rental assistance to 40 residents of Dana Point. Since then, the number of assisted households has decreased to 31 (April 2006).
- Orange County Senior Services no longer operates a homesharing program.