



City of Dana Point General Plan 2021–2029 Housing Element

Proposed revisions based on discussion in August 2022 with HCD reviewer; all previous changes from June 2022 draft are accepted; see June 2022 tracked version to see other changes compared to the Element adopted in February 2022

- Deletions shown in red strikethrough
- Additions shown in blue underline

Public Review Draft - August 2022

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Introduction

Purpose

The Housing Element of the Dana Point General Plan identifies and establishes the City's strategy for 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 an action program to implement housing goals for the state-designated eight-year planning period: October 15, 2021, through October 15, 2029. 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 that every Dana Point household has a suitable living environment.

The City's housing strategy is based on a comprehensive evaluation of existing housing programs and policies; an analysis of the City's population, economy, and housing characteristics; an assessment of fair housing issues; 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, promotion of fair housing for all residents, and the maintenance of the existing affordable housing stock. The Housing Element has also been designed to meet the legislative requirements of state housing laws in California Government Code Section 65580, et. al.

Consistency with State Law

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 current planning period (2021 to 2029). Pursuant to state housing law, Dana Point's Housing Element must include five major components:

- An assessment of the community's housing needs.
- An assessment of and strategies to affirmatively further fair housing.
- An inventory of resources to meet those needs and the constraints that impede public and private sector efforts to meet them.
- A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.
- An implementation program that describes a schedule of actions that 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. The housing element is thus affected by the other elements of the general plan: for example, the land use element, which 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.

Citizen Participation

Public outreach for the current planning period occurred in late 2019, 2020, and the first half of 2021, through contact with residents, business owners, developers, other governmental agencies, and nonprofit organizations. Outreach efforts presented information and provided open forums for sharing input regarding the City's housing needs and programs.

Incorporating Community Input

The outreach efforts described below resulted in a collection of input from residents, affordable housing advocates, and housing developers. Their contributions shaped the ultimate outcome of the housing goals and strategies for the City of Dana Point. As such, the Housing Element describes a variety of programs and available resources that demonstrate the City's commitment to furthering housing opportunities within its jurisdiction.

First and foremost, the City seeks to expand housing access for low- and moderate-income households in the area. The combined implementation of Programs 2.5 and 2.6 will increase the availability of funding for the development of new affordable units. The City also regularly evaluates its residential development fees and parking standards to remove constraints on housing production through programs 3.1 and 3.2. Additionally, Program 1.3 will result in the adoption of a new Accessory Dwelling Unit ordinance that promotes the units as an attractive housing option.

The City also intends to better support the needs of vulnerable populations, such as individuals experiencing homelessness. Program 2.4 aims to build off the success of the conversion of a market-rate apartment to a 17-unit permanent transitional housing facility by exploring additional conversion opportunities with the same or similar partner organizations. Programs 3.6 and 3.7 expand the zones where supportive housing and homeless resource centers may be located, increasing the capacity for these services.

In addition to its efforts to encourage the production of new affordable and supportive housing, the City reaffirms its commitment to preserving and improving the condition of its

existing affordable housing supply. Programs 4.1, 4.2, and 4.3 prioritize available funding for the rehabilitation of owner-occupied and rental housing, and the revitalization of public infrastructure such as roads, sidewalks, and curbs. These neighborhood-scale initiatives can dramatically improve quality of life.

Finally, public input supporting additional City efforts to affirmatively further fair housing led to a key action in Program 6.2 to support to actively recruit residents from neighborhoods in low resource areas to serve or participate on local and/or regional boards, committees, and other local government bodies. Key stakeholders also asked for the City’s support in increasing the use of housing vouchers, which is reflected in Program 2.1 on rental assistance.

Public Meetings

Consolidated Plan. The City of Dana Point collaborated with the County of Orange on the preparation of the 2020-2024 Consolidated Plan, which identifies the housing and community development needs in the Urban County (Orange County and 13 participating cities) and sets forth a strategic plan for addressing the identified needs through various federal housing programs. Outreach for the Consolidated Plan included five community meetings in October and November 2019 (the closest meeting to Dana Point was held in the Laguna Hills Community Center) and a focus group meeting in November 2019 with nonprofits and government agencies.

Highlights of community input received that is relevant to Dana Point include the need for home buying education and assistance, affordable senior housing (given their fixed income), and homeless shelters in the south county areas, and affordable childcare.

Local Community Meetings. The following meetings were held in Spring 2021, advertised through the City’s website and social media platform, with additional promotion through key stakeholders (those interviewed).

- Planning Commission Study Session (3/22/21): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, highlights of new laws (including affirmatively furthering fair housing)
- Youth Board Workshop (4/1/21): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs
- City Council Briefing (4/20/21): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, highlights of new laws (including affirmatively furthering fair housing)
- Virtual Public Workshop (5/20/21): Overview, walk through of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, review of current housing programs and potential changes, highlights of new laws (including affirmatively furthering fair housing)

- Planning Commission Meeting (5/24/21): Review of current housing programs, review of public input received to date, and walk through of proposed changes to programs
- Pop-up Community Workshop (6/5/21): Discussion of Doheny Village Plan/zoning, short term rentals, code enforcement, affordable housing, and public safety
- City Council Meeting (6/15/21): Review of draft element, current housing programs, review of public input received to date, findings of fair housing assessment, and walk through of proposed changes to programs
- Planning Commission Public Hearing (TBD): review and consideration of Draft Housing Element for recommendation to the City Council
- City Council Public Adoption Hearing (TBD): review and consideration of Draft Housing Element for adoption

Community Surveys

Consolidated Plan. As part of the County of Orange 2020-2024 Consolidated Plan, a trilingual (English/Spanish/Vietnamese) public survey was distributed in February and March 2020 in digital and hard copy formats and advertised through multiple newspapers (in each of the three languages) and postcards. The survey asked respondents to rank the importance of the needs for community facilities, community services, special needs populations, business development and jobs, residential infrastructure, neighborhood services, and affordable housing.

Dana Point Housing Element. In early 2021, an online survey was distributed that asked community members for input on housing issues currently facing the City and priorities for housing policies and programs moving forward. The survey collected 60 responses, of which 24 respondents were affiliated with an organization related to housing and/or the provision of a wide range supportive services. Survey respondents indicated that addressing the needs of people employed in the service industry and individuals experiencing homelessness were top priorities. Fittingly, the development of housing for lower and moderate-income households and offering fair housing services were ranked highest for future goals and activities. The strategies that emerged as top priorities were to adopt an inclusionary housing ordinance and to develop transitional, supportive, and emergency shelters for vulnerable individuals.

Public Workshops

Virtual Workshop. On May 20, 2021, the City of Dana Point held a virtual workshop to further discuss the housing element with members of the public. The workshop was advertised through the City's website, Facebook, NextDoor, and through direct invitations to local housing advocates, nonprofits, developers, faith-based organizations, schools, the Chamber of Commerce, Senior Services, local major employers, and anyone who asked to be notified of Housing Element events. The workshop provided an opportunity for the City

to explain the RHNA, explain why affordable housing is important in Dana Point, and ask for input from the community on existing and future housing needs. The City invited a wide variety of stakeholders to encourage participation from a cross-section of the community.



COMMUNITY WORKSHOP

HOUSING & PUBLIC SAFETY

The City of Dana Point is working on its 2021-2029 Housing Element and Safety Element of the City's General Plan. The Housing Element update will address the City's housing needs. The Safety Element update will ensure compliance with new State mandates for wildfire, climate adaptation, and resiliency.

Please join us at our upcoming Community Workshop to learn about the contents of the update and the State's requirements. The online meeting will focus on:

- Citywide housing needs and services within Dana Point
- Opportunities to provide housing at all income levels in the community
- Identifying constraints associated with building and accessing housing

WHEN: THURSDAY, MAY 20, 2022 @ 6:00 PM
WHERE: ONLINE VIA ZOOM
WEBSITE: WWW.DANAPPOINT.ORG/RESIDENTS/HOUSING/WORKSHOP

All who outcome to provide feedback by completing the City's Housing Needs Survey by Friday, May 20th. The survey can be found online: <https://www.surveymonkey.com/r/096-1001487000>

For questions, please contact: Belinda Daines, Project Manager
 By email: bdaines@danapoint.org or by phone at 949-240-9370

Fair Housing & Opp Sites

- » City largely built out
- » Town Center and Doheny Village primary areas of growth
- » May focus ADUs and potential rehab/conversion in areas of moderate or high resource

Trending from moderate to high resource

Low resource: Less access to transit and high-performing schools, plus substantial amounts of overpayment

2021 Housing & Safety Elements Update

Public comments collected during the meeting centered around information presented from the draft programs and technical reports. Many questions asked for clarification on definitions, processes, and responsibilities, specifically relating to housing and support services for individuals experiencing homelessness. The provision of affordable housing was also a common theme. Workshop attendees inquired about the adoption of an inclusionary housing ordinance and the how the City tracks ADU affordability and availability. Overall, the comments largely echoed the sentiments reflected in the online survey results.

Pop Up Workshop. On Saturday, June 5, the City of Dana Point hosted a Pop-Up Community Workshop with interactive information booths on various City planning topics, including the 2021-2029 Housing Element Update, Public Safety Element Update, Doheny Village Plan, short-term rentals, and code enforcement. The workshop was held outdoors at a public parking lot with more than 100 visitors in attendance. The event was led by City staff and volunteer groups including the Doheny Village Merchants' Association, Dana Point Volunteers in Police Services, and the City's Community Emergency Response Team. A comprehensive media campaign was launched to promote the Community Workshop through the City's social media platforms and Dana Point Times digital ads and articles. Furthermore, event flyers were distributed in Doheny Village in both English and Spanish.

The Housing Element booth featured information about the City's 6th Cycle RHNA, affordability thresholds for income, rent, and purchase, as well as pin boards inquiring where in the City should the allocation for housing units be located. Attendees were encouraged to take the City's Housing Priorities Survey online, which was accessible via QR code or the laptop available at the booth.



Public Review of Draft Document

The City prepared and released draft versions of the Housing Element for public review and comment in May and June 2021 prior to distribution to the California Department of Housing and Community Development (HCD) for official review. The City posted a subsequent draft in October showing changes made based upon comments made by HCD staff. The draft documents were posted on the City’s website with direct outreach to key stakeholders (those interviewed) to ensure awareness and opportunity for comment.

Click for links to DRAFT Housing Element sections:

- [Community Profile and Evaluation of Previous Housing Strategies](#)
- [Housing Constraints and Residential Land Resources](#)
- [Housing Strategy](#)
- [SCAG Pre-Certified Local Housing Data Report](#)

[2021-2029 Housing Element and Public Safety Element Update](#)

The City received a letter from Tapestry and Welcome Neighbors Home Initiative that recommended (in summary) that the City provide more specific dates and commitments in the housing programs, increase focus on assisting extremely low income households, and adopt a citywide inclusionary housing ordinance. The City revised the draft element to

directly address and incorporate the majority of their recommendations. The Planning Commission and City Council both discussed options to expand inclusionary housing citywide at public meetings and expressed a preference to study the effectiveness of the City’s current approach of applying inclusionary housing as required per the Mello Act or on projects seeking a substantial increase in development rights over existing conditions, and the potential implications and effectiveness of a citywide application (see Program 2.5). A second letter was received inquiring about past housing production, the feasibility of the proposed sites inventory, and additional incentives or programs that should be considered by the City. A detailed response letter was issued by the City on how the draft element addresses the issues raised and why the City retained its proposed approach.

The City also received a letter on behalf of the Southwest Regional Council of Carpenters that addressed the element’s adequacy in addressing state housing law. The City believes it has complied with state housing law and coordinated with staff from the California Department of Housing and Community Development through the certification process to confirm the City’s conformance with state housing law requirements.

[In response to comments from HCD, the City posted revisions on its website with direct outreach to key stakeholders and interested parties to ensure awareness and opportunity for comment, with a substantial set of revisions posted between July 6 and July 13, 2022, and a minor set of revisions posted between August 5 and August 12, 2022, and received no comments from the public.](#)

Summary of Stakeholder Interviews

In the second half of 2020 through early 2021, the City engaged with 10 local and regional organizations that advocate for or provide services related to affordable housing and/or special needs groups. Input from these organizations furthered the City’s understanding of the housing needs and constraints facing Dana Point and other nearby coastal communities. A brief list of stakeholders interviewed and issues raised is provided below, with additional detail on stakeholder input provided following a summary of how the City incorporated community input.

- *Fair housing and special needs:* Orange County Housing Authority, Regional Center of Orange County / Innovative Housing Opportunities, and Regional Office of Fair Housing and Equal Opportunity
 - Limited availability of adequate housing opportunities for people with developmental disabilities.
 - Prolonged development timeline for supportive housing increases cost burden.
 - CEQA, financial, political, and community engagement present challenges.
 - Most supportive housing developments require at least 60 units per project to successfully compete for tax credits.

- Funding sources can require conflicting regulations, meaning some individuals may be excluded from services.
- Flexibility in development code would allow for more creative ways to integrate supportive housing into existing community.
- Funding is tied to tax revenue, so recessions can severely hamper production.
- *Affordable housing and homelessness:* Family Assistance Ministries, Friendship Shelter, Mercy House, The Kennedy Commission, and Welcoming Neighbors Home
 - More chronically homeless individuals in South Orange County compared to national average.
 - COVID exacerbated the issue, as service providers rushed to get homeless individuals into shelters.
 - Funding sources can require conflicting regulations, meaning some individuals may be excluded from services.
 - Lack of support and regional coordination stalemates progress towards finding solutions.
 - Combining housing and wraparound services is critical but costs are increasing dramatically.
 - Silver Lantern project is an example of how cities can adapt existing development to provide housing and services for homeless individuals.
 - Cities need to adopt pro-housing policies that make approval processes ministerial, rather than discretionary.
 - Cities need policies that proactively incentivize affordable housing.
 - Limited workforce housing in Orange County despite large service sector.
 - Periods of economic recessions (like COVID) place even more housing pressure on service sector workers.
 - Collaboration between community organizations and public agencies can facilitate responsible affordable housing development.
 - Limited affordable housing options (single family vs. multi-family) and opportunities for ownership.
 - Special attention needs to be paid in low-resource areas with concentrations of housing & economic issues.
 - Cities must prioritize placing affordable housing in high-resource areas that currently lack affordable housing.
 - Cities must invest in quality-of-life improvements (infrastructure, parks, etc.) in neighborhoods with existing affordable housing.
 - Misconceptions about affordable housing prevent its production.

- Community organizations can help find housing for low-income households if cities can facilitate the connection.
- Greatest need is for pathway(s) out of affordable housing and into homeownership.
- *Economic development and market rate housing:* Building Industry Association of Southern California, Orange Council Business Council, and OC Realtors
 - Hard and soft costs have increased, making housing production more expensive all around.
 - Project streamlining has not proven to be as effective as promised.
 - Orange County needs housing products for all buyers: entry level, workforce housing, ADUs, and affordable.
 - Younger generation priced out of the market; this influences businesses that remain.
 - Underutilized commercial centers are viable opportunities for housing development.
 - Single family housing is in highest demand, but preference for ownership opens the door for condominiums.
 - Primary issue is severely constrained supply that only increased building can remedy.
 - Most desirable entry level housing products in South Orange County range from 18-23 units per acre.
 - COVID temporarily halted housing production but shift to work from home lead to a buying boom that has left developers trying to catch up.

Expanded Summaries of Stakeholder Interviews

Community Organizations

Orange Council Business Council

Challenges and barriers: OCBC shared a data chart titled, “California Housing Supply” which shows that the state needs 180,000 permits issued to meet the population and job growth of housing demand. The state has not met their supply goal since 2015. There are a few explanations why that that housing supply has not been met.

- At the state level, goals and priorities for climate change are antithesis to housing goals. If goals for climate change and housing were connected, many social, economic, and environmental issues would be addressed and resolved. For example, SB 743 does great to push for transit usage to reduce vehicular congestion, but even

with transit-oriented development, the cost of housing will increase and price out populations who need housing the most.

- There is no economic development strategy at the state level to attract builders to California. The rest of nation is going through a housing boom. There is more of an incentive for developers to get a larger return rate in other states than in California. Additionally, there is often little political support for local governments to do the right things and push for housing projects in if local residents voice opposition.
- CEQA has caused challenges, delays and controversies that impede on housing production.
- Orange County has an aging population remaining in single-family homes because they want to stay in their community. This causes a shortage of housing for the growing workforce that may have to commute long distances.

Opportunities:

- OCBC published a study on the changing nature of retail and how the reuse of retail sites may address systemic flaws of housing. Repurposing excess retail space can be a possible solution to the lack of workforce housing. A major trend in both Orange County and across the country is the conversion of shopping malls into mixed-use developments that combine housing, retail, dining, and entertainment. Local examples of this shift include Bella Terra in Huntington Beach and the Platinum Triangle in Anaheim.
- OCBC created an alternative approach to the RHNA methodology based on a criteria that incorporates expected job growth, share of housing construction, increase in housing density, and job-to-housing ratio. The 2019-2020 Workforce Housing Scorecard forecasts OC's housing market from today until 2045.
- Jurisdictions should think of housing needs regionally rather than as individual communities. Historically, Orange County always recovers faster from a recession or depression than Los Angeles County, proving the opportunity for Orange County to be the leaders of helping solve the housing crisis.

Housing types and densities:

- The greatest demand is single-family detached housing, but these projects are less likely to be approved. Jurisdictions should work on how single-family communities can integrate young families and older families. There is an opportunity to look for innovative housing types. An example is what they are building at the Great Park in Irvine with European-style homes. Emilie Haddad at Five Point is also building homes with no garages but fleet of Tesla's. This could make price of housing more cost effective.

- As far as housing density is concerned, all densities work. Orange County needs a mix of housing to give options for all types of people.

COVID impacts:

- Due to the pandemic, the conversation has shifted in slowing down housing production. Success is not about more funding for housing but about addressing systemic changes. The pandemic has revealed system flaws in accessible housing and California can no longer ignore this.

Mercy House

Mercy House provides housing and comprehensive supportive services for a variety of homeless populations which includes families, adult men and women, mothers and their children, persons living with HIV/AIDS, individuals overcoming substance addictions, and individuals who are physically and mentally disabled. Mercy House makes referrals to South County clients to shelters in Laguna Beach and San Clemente.

The South County Street Outreach Program is a regional approach funded by HEAP and City partners to address homelessness. Program services include engagement, completing housing assessments to enter CES, connecting individuals to the system of care for physical or mental services, drug and alcohol rehabilitation, housing, and other social services such as General Relief, CAL Fresh, and Medi-Cal.

Challenges: The biggest barrier is finding more places to house people. There is not a lot of supportive housing in south county nor political support for homeless shelters. In south county, the price of housing is much higher than cities like Santa Ana, or Anaheim, which makes it more difficult to secure housing in south county for homeless. Sometimes homeless in south county do not want to be housed in north county because they do not want to leave their community.

Opportunities: Through partnerships, Mercy House has been able to provide for permanent supportive housing for people experiencing chronic homelessness and low-income housing. They partnered with developers, city and county agencies, and other community organizations to plan for housing in much needed areas.

COVID impacts: Although most street homeless are not getting exposed to COVID-19 because they are likely outside and to themselves, there have been outbreaks in the shelters.

Kennedy Commission & Welcoming Neighbors Home

The Kennedy Commission is a community-based non-profit that works with residents and community organizations to increase the production of homes affordable to lower income households in Orange County. Welcoming Neighbors Home is a local group that advocates for homelessness and affordable housing.

Housing barriers/unmet needs: Expressed concern that jurisdictions are not prioritizing affordable housing, evident in the lack of concrete policies and programs for affordable housing. In Orange County, all cities but Santa Ana and Irvine are approving very low amounts of affordable housing units. Feels that jurisdictions miss opportunities for facilitating more affordable housing when they upzone properties.

Opportunities and concerns:

- The Housing Element process can help identify appropriate sites for residential development.
- Another strategy for improving housing production is using land use incentives to create value in land and help attract developers.
- There needs to be an opportunity to create a broader vision for the type of affordable housing needed for specific communities.
- There is a need for workforce housing since Orange County has a large service sector due to the beach resorts and tourism.
- Funding and partnerships between community organizations and public agencies can help facilitate responsible development and address broader issues.

Housing preferences: For the population that Kennedy Commission works with, there is not a housing preference but rather any type of living situation that is affordable. Multifamily housing is more cost effective and feasible.

Equity and fair housing: There need to be requirements for affordable housing in areas that lack affordable housing and that have limited resources to help low-income families. In areas that affordable housing has been implemented, cities need to make or encourage investments that improve residents' quality of life and greater affordability.

COVID impacts: The pandemic has revealed a very clear housing crisis. The disparities we see are greater concentration of overcrowded units. Orange County has a higher number of jobs focused on service sector like hotels and resort areas, but there are no protections or moratoriums for renters.

- The public and decision makers need to be better informed about the need for affordable housing, and to correct the misconceptions of what affordable housing looks like and who needs it (not just indigent slum housing).
- Housing needs for Dana Point include aging seniors and the working poor.

Homelessness

- The list of available homeless services is very sparse for residents in and around Dana Point.
- Suggested that neighboring cities, San Clemente and San Juan Capistrano, may be interested in coordinating on providing emergency shelter in the general area.
- Clients served by Welcoming Neighbors Home expressed that they cannot find housing that accepts their HUD vouchers in Dana Point and elsewhere in south county, which increases instances of homelessness or people being underhoused.
- An alarming number of children from Dana Point public schools report being homeless, according to Welcoming Neighbors Home.

Doheny Village zoning

- Concerned that zoning changes in the Doheny Village area may remove the ability to build SROs and congregate care facilities. Wants to ensure that requirements or thresholds are in place for the City to replace any existing affordable housing.

Suggested strategies and tools

- Inclusionary housing
- Commercial linkage fees
- Employee housing, similar to what was done in the past for Monarch Beach Resort.
- Adopt anti-displacement policies
- Consider land use as an incentive for affordable housing, e.g., do not rezone and intensify unless some substantial amount of affordable housing is included --- otherwise, the City is losing any leverage it might have to create affordable housing.
- More aggressive outreach to and promotion of affordable developers
- Adaptive reuse ordinance to facilitate more affordable housing, especially given the decline in office and retail sectors.

Family Assistance Ministries

Family Assistance Ministries (FAM) is a faith-based charitable non-profit organization assisting those in need in Orange County (particularly the southern county) with resources for food, shelter, and personalized supportive counsel and aid, helping clients bridge the gap from dependency to self-sufficiency.

Services provided: FAM has a total of 10 permanent housing units in areas of Rancho Santa Margarita which are maxed out year-round. A grant provide by HUD pays for the rent and services of permanent housing. FAM provides emergency shelters for families with young children and for single woman. The shelter in San Clemente has 12 total units and 38 total beds available, of which 90-95% of beds are used throughout the year. There is a 92% success rate of clients who move from an emergency shelter into permanent housing.

FAM has a food pantry in San Clemente and satellite models in other cities such as Laguna Hills, Dana Point, and San Juan Capistrano. Food is distributed once a week at these stations and clients receive a supplemental allotment of about a week worth of food. Each household receives 100 pounds of food.

Common referral services are made to Social Services, CalWorks or CalFresh. For mental health needs, refers are made to Child Guidance Center. For employment needs, referrals are made to One Stops. Other support services include monetary assistance for housing. Pre-COVID the eligibility for rental assistance was based on income verification and there was a capacity of 80 clients per year. During COVID, the eligibility criteria has changed and made more flexible. From July 2019 to June 2020, FAM helped over 200 clients or households obtain rental assistance. FAM’s funding sources include CDBG and private dollars; 65 percent of all revenue for FAM is funded through private donations.

Housing barriers/needs: There is not enough supply of housing to meet the demands. There also needs to be a general understanding that there are less expensive units that exist but are not available for very long. There is no central place someone can go to and get directed for finding affordable housing.

Opportunities and concerns: An opportunity for improving access to housing is to continue communications and partnerships amongst public agencies and community organizations. Organizations like FAM can be integrated into programs to leverage housing accessibility and help with the public acceptance of new housing.

Housing preferences: Clients prefer a range of housing types. Two-bedroom homes for families is most in demand but harder to find for larger families. Single room occupancy would be best for seniors who likely do not want to share a room.

Housing conditions: Housing conditions in south county are more adequate than other areas of the county. Although it is more expensive, there is a need to provide housing for the workforce, so they are not commuting long distances. The permanent housing units provided by FAM is in adequate condition and are located in areas that are safe, near major bus routes, and include a fair number of amenities.

Equity and fair housing: Policy that intentionally includes inclusive housing and mixed-use development is more palpable than strategies like in-lieu fees, which fall short of providing for adequate affordable housing. For affordable housing, cities need to ensure there is integration within the community while also supporting homeownership for

families to eventually move into market rate housing. Families Forward is an example of an organization that helps clients transition from affordable housing to market rate housing.

COVID impacts: Since the pandemic has increased housing insecurity, FAM has partnered with the County on Project Room Key, a program intended to house homeless individuals. FAM can refer clients that have tested positive for COVID or that have been exposed to hotels. There is capacity for 10 clients or households at a time. Since May, FAM has had capacity to house 17 households, but could house more if they had more staff available. \$750,000 has been allocated with an additional \$1 million to be provided in 2021.

Building Industry

OC Realtors

The mission of the Orange County Realtors is to provide education, services, and resources to members and to advocate the protection of real property rights. OC Realtors maintains robust political relationships with local, state, and federal officials in order to promote responsible policy. This influence positions members to be the voice for real estate issues in Orange County and beyond.

Housing barriers/needs: Some barriers to housing development include high costs to build; project streamlining takes too long and builds up costs; and NIMBYs who do not like change in the community.

There is a high housing demand, and all types of housing is needed in Orange County. We need entry level housing, workforce housing, ADUS, and affordable housing to address the needs.

The younger generation is priced out of the market or can no longer afford it live in the community they grew up in. The long terms consequence is reflected on the tax base and types of business remaining, among other issues.

Opportunities and concerns: Commercial property is under a massive shift in value and use that could provide for more residential development. Cities need a housing plan that is effective and achievable to reuse vacant malls and retail sites. Also, the RHNA methodology is not effective in projecting housing needs; the methodology needs to look into commercial and vacancy factors.

Housing preferences: Single family housing is the highest demand, but we also need condos for first time buyers. People want to own their own homes and not rent. There will always be resistance to higher density, but all types of density can work for affordable housing if done well.

Housing conditions: Real estate values in the county are high and they retain their value. Housing quality and aging stock is good, but it is a matter of supply. We need to build more of everything because everything is in demand.

Innovative Housing Opportunities

Innovative Housing Opportunities (IHO) is a non-profit affordable housing developer and serves as a housing consultant to Regional Center of OC (RCOC). RCOC is a service provider for people with developmental disabilities and offers resources and support for independent living.

Housing barriers and opportunities: There is limited housing in Orange County adequate for people with developmental disabilities. Since there is no standard definition of what disability means, residents with mental disabilities do not receive the type of support needed. IHO help families connect with the OC Housing Authority for housing opportunities and helps clients connect to fair housing agencies with landlord issues.

As a developer, IHO reports that it takes about 4-7 years in various Orange County jurisdictions to get a project built and the cost that accumulated during the timeline is a burden. There are also challenges with CEQA, political support, and financing assistance.

IHO reports that sometimes funders require conflicting regulations that prevent them from providing services to the people who need it the most. Recommends that the agencies and organizations that approve funding support should coordinate on all projects before issuing funds.

Housing density: IHO needs at least 60 housing units per project to be a successful project. Anything less than that amount will not be competitive in tax credit applications.

Equity: Communities would support affordable housing if there were options for creativity and flexibility. Developers can introduce mixed income and mixed population. Cities can also work with homebuyer program to talk about incentives and help transition families in affordable housing to market rate housing.

When affordable housing is built, cities need to consider the benefits for existing residents and help improve the quality of life without triggering gentrification.

COVID impact: Since most funding for affordable housing is based on tax revenue, business closures have an impact of funding for affordable housing. Cities are at risk of losing units that are planned, but not for those units in production. Elected officials need to plan how to not lose possible future housing units.

Building Industry Association of Southern California

The Building Industry Association of Southern California (BIA/SC) is a non-profit trade association representing companies affiliated within the homebuilding industry throughout southern California. An active board of directors and 9 volunteer committees, made up of leaders from local builders, trade contractors and businesses associated within the real estate industry, lead BIA/OC in its mission to champion housing as the foundation of vibrant and sustainable communities.

Barriers: The biggest barrier to accelerating housing production is the lack of political support. Affordable housing production significantly slowed since redevelopment law went away. Cities used to buy properties and work with developers to build affordable housing. Today there is more housing being produced for moderate income because there is no incentive to build for affordable. Local government should have a significant role to help aggregate the housing development process by working closely with developers. Finally, political leaders need to champion pro-housing policies and support developers to accelerate housing production.

Opportunities: Opportunities to increase housing production include streamlining CEQA guidelines, allowing for higher densities and reducing parking standards. A successful mixed use project requires that the retail zone already be successful, and the area be more urban than traditional OC jurisdictions. Otherwise, mixed use development will not be very feasible. There are also opportunities to build communities with mixed income if cities assisted with assembling and aggregating properties together.

COVID impacts: The COVID-19 pandemic had mixed impacts on housing production. At first housing production stopped. Once people understood that they could live anywhere and work from home, it had a positive effect. Housing sales have jumped, and the housing boom has taken off. Now developers are trying to build as fast as possible.

Homeless Service Provider

Friendship Shelter

The Friendship Shelter is a not-for-profit organization founded in 1988 to provide year-round shelter and rehabilitation to homeless adults. Today, Friendship Shelter provides a full complement of services to the most vulnerable homeless people in southern Orange County and is focused on finding the appropriate permanent housing solution for each individual.

Capacity: Friendship Shelter provides beds in emergency and permanent supportive housing throughout southern Orange County. The main source of funding for this program is through HUD, and the Mental Health Services Act supports programming and services for transitional youth. The 17-unit apartment complex on Silver Lantern in Dana Point is now permanent supportive housing with onsite supportive services. Friendship Shelter collaborated with Caritas Corporation, a non-profit in the building industry, to redevelop an existing building and convert into permanent housing for 17 individuals who were chronically homeless.

Friendship shelter also operates a facility for people with housing vouchers (14 beds) and two emergency shelters outside of Dana Point. The Alternative Sleeping Location is in the Canyon in Laguna Beach and has 40 beds available, and 5 overflow beds. The Bridge Housing Program on Pacific Coast Highway in Laguna Beach has 30 beds. The shelters are funded by various sources such as the City of Laguna Beach, County funding, private

foundations, federal funding, and a contract with Mission Hospital for 6 beds for their homeless discharges.

Trends in homelessness data: Friendship Shelter surveyed 100 people experiencing homelessness and found that 56 respondents stated that they came to southern Orange County for the weather conditions. The survey also found that more people experiencing chronic homelessness are in South Orange County (40-45%), compared to the nation average.

Challenges: Securing funding for a program is the biggest challenge. Friendship Shelter needs to use various funds to fund a program, but some grants have specific requirements that may be in direct conflict with requirements for another grant.

There is a stigma with homelessness that people experiencing homelessness are dangerous and NIMBY's use this message to reject any proposed shelters in their community. When politicians fail to approve a homeless shelter, they are preventing people with special needs or with disabilities the right to housing, making it a civil rights issue. Furthermore, individual cities are not working together to solve the homelessness crisis as a region, but rather as separate entities.

For Friendship Shelter to properly serve people experiencing homelessness, it is not just providing shelter but the means to help people become more self-sustained. Not only are the rising costs for building housing a challenge for Friendship Shelter but so are the costs for providing supportive services that is needed for the population that they serve.

Opportunities: Southern Orange County can transform blighted commercial property into residential housing. Additionally, the Silver Lantern project is an example of a creative partnership utilizing an existing residential building and that required no city council approval or land use change. If the City could simplify the development process so that more over the counter assistance was provided rather than city council approval, it would speed up the process of providing shelter to the homeless. A commitment to pro-housing policies and goals would also help simplify the development process that only one policy vote is required rather than a vote for every proposed development.

Community Profile

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. Information is drawn from the most current data available, including a variety of trusted sources: the United States Census (Census), American Community Survey (ACS), California Department of Finance (DOF), and Southern California Association of Governments (SCAG). The data, even when from the same overall source, may occasionally appear inconsistent and are subject to rounding. The differences are not significant and have been vetted to ensure the analysis remains valid.

Population Trends and Characteristics

Population Growth

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 almost 18%. By 2010 the county population grew to 3 million, a 6% increase from the 2000 population. In comparison, between 1990 and 2000 Dana Point’s population increased by 9%, or 3,214 persons. By 2010, the population decreased by 1,500 people to 33,351, decreasing further to approximately 33,146 in 2020. While the countywide population has continued to grow since 2000, Dana Point’s population has fluctuated, trading short spurts of growth with short periods of decline. Growth in the Dana Point has been significantly slower than in the county due largely to the built-out nature of the City.

Age Composition

Age composition is an important factor in determining housing demands. The median age in Dana Point is 50.5 compared to 44.8 in 2010 (see Table H-2). This trend indicates that residents are aging in place and there may be a need for more affordable senior housing opportunities to enable residents to remain in Dana Point while downsizing into smaller housing units that may be better suited to their needs and require less maintenance.

Race and Ethnicity

According to the 2019 ACS 5-year estimates, the City of Dana Point remains primarily white, not of Hispanic ethnicity (74%) in racial and ethnic composition, though the city has experienced incremental increases in the non-white population since 2010. The 2019 ACS estimates that 17.6% of the City’s population is Hispanic or Latino. It should be noted that persons of Hispanic origin are included within the various ethnic categories and may be of any race. Table H-3 displays the breakdown of Dana Point residents by race and ethnicity compared to the countywide proportions.

**TABLE H-1
POPULATION GROWTH FROM 1990 TO 2020**

Year	Dana Point		Orange County	
	Population	% Increase	Population	% Increase
1990	31,896	-----	2,410,668	-----
1995	34,083	6.9%	2,590,109	7.40%
2000	35,110	3.0%	2,831,799	9.30%
2005	34,550	-1.6%	2,948,135	4.10%
2010	33,351	-3.0%	2,990,805	1.50%
2015	33,881	1.6%	3,155,578	5.50%
2020	33,146	-2.1%	3,194,332	1.20%

Source: DOF Population Estimates 1990-2000, 2000-2010, 2010-2020

**TABLE H-2
POPULATION IN DANA POINT BY AGE GROUP BY SEX, 2019**

Age Group	Dana Point		Orange County	
	Female	Male	Female	Male
Under 5	2.1%	1.9%	2.9%	3.0%
5 to 19	5.2%	6.3%	8.0%	8.3%
20 to 24	2.3%	2.3%	4.6%	4.7%
25 to 34	5.0%	4.5%	7.0%	7.4%
35 to 44	5.7%	4.9%	6.6%	6.4%
45 to 54	9.1%	8.7%	7.2%	7.0%
55 to 64	9.4%	8.8%	6.4%	6.1%
65 to 74	7.5%	6.8%	4.4%	3.8%
75 to 84	3.6%	3.2%	2.4%	1.9%
85 and older	1.6%	1.2%	1.2%	0.7%
Total	51.4%	48.6%	50.6%	49.4%
Median Age	51.1 years	50.1 years	39.3 years	36.7 years

Source: 2019 ACS 5-Year Estimates, Table B01001

**TABLE H-3
POPULATION BY RACE AND ETHNICITY IN DANA POINT, 2019**

Race Alone	Dana Point	Orange County
Hispanic or Latino (of any race)	17.6%	34.1%
White (not Hispanic)	74.1%	40.6%
Black or African American	1.4%	1.6%
American Indian and Alaska Native	0.1%	0.2%
Asian	3.6%	20.3%
Native Hawaiian and Other Pacific Islander	0.1%	0.3%
Other	3.1%	3.0%

Source: 2019 ACS 5-Year Estimates, Table DP05

Employment in the City

The Census reports that there were 11,000 jobs within the City of Dana Point in 2018. More than half of the jobs within the City (see Table H-4) are in the “accommodation and food services” and “retail trade” sectors (39% and 13%, respectively). Residents of Dana Point work in an array of industries (see Table H-5), with employment in educational services, retail, professional, scientific, and technical services as well as health care and social assistance being the most common. The “accommodation and food services” and “retail trade” sectors employ about 22% of residents collectively, which indicates that the City attracts its workforce in these sectors from outside Dana Point.

Jobs in the service sectors are the largest employers due to popular recreational activities, hotels, and resort facilities in the City. While cities throughout California are experiencing a general decline of retail sales associated with a greater proportion of shopping being conducted online, cities like Dana Point contain more experiential shopping opportunities associated with a tourist and resort-oriented destination. Jobs in the aforementioned sectors are expected to remain somewhat constant or increase slightly in overall number as additional hotels and various commercial uses (stand-alone and mixed-use) in the Harbor, Doheny Village, and Town Center planning areas. The average wages for occupations associated with accommodation, food services, and retail jobs would generally qualify as lower income and the job creation in these sectors could create additional demand for affordable housing.

Wages

The California Employment Development Department provides the following wage information (see Table H-6). Wage data follows the larger labor market; therefore, the major occupational category wages are for the entire Orange County region. More than 85 percent of these occupations have mean annual wages that are categorized as low income based on 2019 income limits of \$83,600 for a family of four.

**TABLE H-4
JOBS IN DANA POINT BY INDUSTRY, 2018**

Industry	Number	Percent
Agriculture, Forestry, Fishing and Hunting	6	<1%
Mining, Quarrying, and Oil and Gas Extraction	0	0%
Utilities	3	<1%
Construction	547	5.0%
Manufacturing	126	1.1%
Wholesale Trade	191	1.7%
Retail Trade	1,428	13.0%
Transportation and Warehousing	99	<1%
Information	59	<1%
Finance and Insurance	161	1.5%

**TABLE H-4
JOBS IN DANA POINT BY INDUSTRY, 2018**

Industry	Number	Percent
Real Estate and Rental and Leasing	35	3.0%
Professional, Scientific, and Technical Services	624	5.7%
Management of Companies and Enterprises	4	0.0%
Admin & Support, Waste Mgmt / Remediation	624	4.5%
Educational Services	458	4.2%
Health Care and Social Assistance	1,346	12.2%
Arts, Entertainment, and Recreation	329	3.0%
Accommodation and Food Services	24,270	38.8%
Other Services (excluding Public Administration)	431	3.9%
Public Administration	87	<1%
Total	11,000	100%

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics 2018

**TABLE H-5
CIVILIAN EMPLOYMENT OF DANA POINT RESIDENTS BY INDUSTRY, 2018**

Industry	Number	Percent
Agriculture, Forestry, Fishing and Hunting	88	<1%
Mining, Quarrying, and Oil and Gas Extraction	6	<1%
Utilities	77	<1%
Construction	772	5.4%
Manufacturing	878	6.2%
Wholesale Trade	753	5.3%
Retail Trade	1,373	9.7%
Transportation and Warehousing	328	2.3%
Information	419	3.0%
Finance and Insurance	702	5.0%
Real Estate and Rental and Leasing	401	2.8%
Professional, Scientific, and Technical Services	1,463	10.3%
Management of Companies and Enterprises	247	1.7%
Admin & Support, Waste Mgmt / Remediation	892	6.3%
Educational Services	1,211	8.5%
Health Care and Social Assistance	1,631	11.5%
Arts, Entertainment, and Recreation	343	2.4%
Accommodation and Food Services	1,782	12.6%
Other Services (excluding Public Administration)	460	3.2%
Public Administration	355	2.5%
Total	14,181	100%

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics 2018

**TABLE H-6
WAGES IN ORANGE COUNTY FOR MAJOR OCCUPATIONAL CATEGORIES, 2020**

Occupational Category	Average Wage		Income Category by Household Size (assumes 1 wage earner/household)		
	Hourly	Annual	1	2	3
Architecture and Engineering	\$47.79	\$99,403	Above Mod	Mod	Mod
Arts, Design, Sports, Media	\$31.55	\$65,612	Low	Low	Low
Building/Grounds Maint	\$17.25	\$35,880	Very Low	Very Low	Very Low
Business/Financial Operations	\$38.52	\$80,107	Mod	Low	Low
Community and Social Services	\$28.18	\$58,617	Low	Low	Low
Computer and Mathematical	\$46.18	\$96,051	Above Mod	Mod	Mod
Construction and Extraction	\$30.10	\$62,616	Low	Low	Low
Education, Training, Library	\$34.73	\$72,247	Mod	Low	Low
Farming, Fishing, and Forestry	\$16.77	\$34,876	Very Low	Very Low	Very Low
Food Preparation/Service	\$15.68	\$32,613	Very Low	Very Low	Ex Low
Healthcare Practitioners/Tech	\$48.62	\$101,125	Above Mod	Above Mod	Mod
Healthcare Support	\$16.73	\$34,790	Low	Low	Very Low
Installation, Maint./Repair	\$27.21	\$56,597	Low	Low	Very Low
Legal Occupations	\$70.68	\$147,030	Above Mod	Above Mod	Above Mod
Life, Physical, Social Science	\$40.67	\$84,611	Mod	Mod	Low
Management Occupations	\$66.93	\$139,225	Above Mod	Above Mod	Above Mod
Office and Admin Support	\$22.69	\$47,191	Low	Very Low	Low
Personal Care and Service	\$16.70	\$34,725	Very Low	Very Low	Very Low
Production Service	\$20.28	\$42,181	Very Low	Very Low	Very Low
Protective Service	\$27.78	\$57,788	Low	Low	Low
Sales and Related	\$24.71	\$51,402	Low	Low	Very Low
Trans. and Material Moving	\$18.27	\$38,010	Very Low	Very Low	Very Low

Source: California EDD, Occupational Employment and Wage (2020, 1st Quarter) Data, Anaheim-Santa Ana-Irvine Metropolitan Area.

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 they are related or not.

Household Growth Trends

According to the California Department of Finance (DOF), in 2020, 14,113 households (occupied residences) resided in Dana Point. The City added 200 housing units between 2015 and 2020, growing to an estimated 16,172 units in 2020. Table H-7 displays the overall housing growth since 2000. As housing development has plateaued, so too has household size. Since 2010, the average household size has remained relatively constant though and sits at 2.3 persons per household in 2019.

The majority of housing units added between 2010 and 2020 were single-family detached and attached units. Table H-8 breaks down the housing growth by number of units by unit type. As land has become more valuable, the planned and recently entitled housing projects are primarily attached and multifamily housing products. Multifamily rental housing can offer more affordable housing prices, though rents for new housing are generally high in a beach community such as Dana Point.

**TABLE H-7
HOUSING GROWTH TRENDS IN DANA POINT 2000-2020**

Year	Estimated Dwelling Units	Cumulative Increase	Percentage Increase
2000	15,644	---	---
2005	15,885	241	1.54%
2010	15,933	48	0.30%
2015	15,972	39	0.24%
2020	16,172	200	1.28%

Source: DOF Population and Housing Estimates, 2000, 2000-10, 2010-20

**TABLE H-8
HOUSING STOCK COMPOSITION IN DANA POINT IN 2010 AND 2020**

Unit Type	2010		2020	
	Units	Percent	Units	Percent
1 unit, detached	8,706	54.6%	8,801	54.4%
1 unit, attached	1,995	12.5%	2,074	12.8%
2 to 4 units	2,633	16.5%	2,676	16.5%
5+ units	2,372	14.9%	2,372	14.7%
Mobile homes	232	1.5%	249	1.5%
Total	15,938	100%	16,172	100%

Source: 2010 and 2020 DOF Population and Housing Estimates

Household Type

As shown in Table H-9 for 2019, the City’s households comprise primarily three types: married couples with no children (36%), people living alone (32%), and married couples with children under 18 years (15%). The majority of households in the City are occupied by married-couple families without 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 homeownership 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.

Tenure

The 2019 ACS indicates that 64% 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 shown in Table H-10. Throughout its history, Dana Point offered hotels and other formalized seasonal housing for tourists and local visitors. Since 2016, the City has had a moratorium on short term rentals which has stabilized the impact of residential dwellings being rented out to visitors and decreasing the availability of long-term housing.

Renter households reside primarily in duplex, triplex, and fourplex units. While the large number of renters in such structures can indicate a need for first-time homebuyer assistance, rental housing is also a valuable resource for singles and couples seeking to live in Dana Point.

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 increase market rents and housing costs because shortages tend to result in higher prices and may further limit the choices of households seeking adequate housing. A high vacancy rate may indicate either the existence of a high number of units that may be 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 ACS 2019 5-year estimates indicate a vacancy rate of 5.3% for rental units and 0.7% for ownership units for the City of

Dana Point. The rental vacancy rate is considered adequate to ensure the continued upkeep of rental properties, while the ownership vacancy rate indicates an undersupply of ownership units compared to demand. According to the DOF, Dana Point’s overall vacancy rate was 12.7% in 2020, which is typical of beach communities that includes seasonal homes used by residents and/or visitors.

**TABLE H-9
HOUSEHOLD TYPE IN DANA POINT IN 2000, 2010, AND 2019**

Year	Married Household		Male-Headed Household		Female-Headed Household		Non-Family Household		All Households
	with children < 18 years	no children < 18 years	with children < 18 years	no children < 18 years	with children < 18 years	no children < 18 years	Not Living Alone	Living Alone	
2000	2,804	4,628	297	284	686	587	1,415	3,755	14,456
	19%	32%	2%	2%	5%	4%	10%	26%	100%
2010	2,331	4,571	280	365	560	672	1,391	4,012	14,182
	16%	32%	2%	3%	4%	5%	10%	28%	100%
2019	2,214	5,314	260	272	188	746	1,206	4,705	14,905
	15%	36%	2%	2%	1%	5%	8%	32%	100%

Source: 2000 and 2010 Census, 2019 ACS 5-Year Estimates, Table DP02. Note: Households are occupied housing units.

**TABLE H-10
HOUSING STOCK IN DANA POINT BY TYPE AND TENURE, 2019**

Type of Unit	2019 Owner		2019 Renter		2019 Total	
	Units	Percent	Units	Percent	Units	Percent
1, detached	6,935	73%	1,314	24%	8,267	55%
1, attached	1,504	16%	626	12%	2,130	14%
2 to 4 units	377	4%	1,764	33%	1,141	8%
5 to 9 units	245	3%	666	12%	911	6%
10 units+	385	4%	870	16%	1,255	8%
Mobile homes/other	63	1%	156	3%	219	1%
Total	9,509	64%	5,396	36%	14,905	100%

Source: 2019 ACS 5-Year Estimates, Table B25032

Housing Conditions

Housing is considered substandard when physical conditions are below the minimum standards of living, which are 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 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 indicates substandard conditions. There are a number of ways to evaluate the condition of the existing housing stock.

Presence of key facilities. According to the 2019 ACS 5-year estimates, there were 10 owner units and 188 renter units without complete kitchen facilities. There were 16 renter units without complete plumbing facilities. Households in Dana Point use a variety of heating sources: 75% use utility gas, 20% use electricity, a little more than 1% do not use a fuel source, and a little more than 1% use an alternative fuel. These figures indicate that only a small proportion of units in the City reflect substandard infrastructure and utility conditions: a tenth of a percent of ownership units and just over three percent of rental units.

Age of Housing Stock. The proportion of the housing stock that is older than 30 years can also indicate the extent of minor and major rehabilitation needs. The majority of the City's housing supply was constructed prior to incorporation in 1989. Table H-11 indicates that as of 2019, over 60% of the City's housing stock was over 30 years old. Approximately 57% of owners and 60% of renters occupy the City's older housing stock.

**TABLE H-11
AGE OF HOUSING STOCK IN DANA POINT BY YEAR BUILT, 2019**

Year Built	Units	Percent
1939 or Earlier	201	1%
1940 to 1949	201	1%
1950 to 1959	1,233	7%
1960 to 1969	2,683	15%
1970 to 1979	5,568	31%
1980 to 1989	5,277	30%
1990 to 1999	1,794	10%
2000 to 2009	706	4%
2010 to 2013	25	0.1%
Built 2014 or later	177	1%
Total	17,865	100%

Source: 2019 ACS 5-Year Estimates, Table B25034

Code Enforcement. The City of Dana Point employs four full time Code Enforcement staff. The Code Enforcement Officers each oversee a unique portion of town, where they can focus on neighborhood improvement. The officers get to know their area and understand which owners need to rehabilitate and upgrade their properties. Since 2013, a total of 38 cases of substandard housing conditions were identified and addressed by Code Enforcement, all of which were resolved within 6 to 12 months. The primary issues were lack of working water facilities, damage caused by fire, and hoarding. Code Enforcement also noted that issues were more prevalent in the Lantern District and Capistrano Beach neighborhoods. In 2020, the Code Enforcement team issued 66 notices of violation for residential property maintenance. Of these cases all but three were rectified by the owner without further enforcement. The three outlying properties are currently going through the building permit plan check process to upgrade their houses having been prompted by citations and additional enforcement measures by the City of Dana Point.

In addition to housing rehabilitation needs, there are also housing units in need of replacement. In the last six years of the recent housing cycle (2014-2020), the City Code Enforcement Division declared six homes dangerous and substandard. Three of the homes were declared dangerous and substandard due to a fire. All six homes have been rehabilitated. Other 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.

Overall, the housing stock in Dana Point is well maintained. Property owners and renters take pride in the condition of their homes and few major issues exist in Dana Point. City staff estimate that there are 10 to 15 homes that are in need of substantial rehabilitation (less than a tenth of a percent of the City's housing stock).

Household Income

The California Department of Housing and Community Development establishes annual income limits across four categories to establish housing affordability thresholds. 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 (see Table H-12), approximately 37% of Dana Point households have incomes of less than 80% of the County median income: a maximum of \$66,000 (1-person household), \$76,000 (2-person household), and \$86,000 (3-person household) in 2019. The majority of lower-income households are renters, indicating a need for affordable rental opportunities.

**TABLE H-12
HOUSEHOLD INCOME DISTRIBUTION IN DANA POINT**

Income Level	Total Households	% Distribution
Very Low (0–50%)	3,098	21%
Low (50–80%)	2,376	16%
Moderate (80–120%)	2,234	15%
Above Moderate (120%+)	6,908	47%
Total	14,616	100%

Source: SCAG 2021-2029 RHNA Methodology

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

The affordability of housing concerns the balance between a household’s financial means and the cost of adequate housing and amenities. The costs of homeownership 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 as housing costs equaling no more than 30% of a household’s annual income, although the equity and tax benefits of homeownership may permit a higher percentage of income (e.g., 35%) to be used for moderate income housing costs. Table H-13 identifies the maximum affordable rents and purchase prices by income category for a one-person, two-person, and four-person household based on 2020 state income limits.

The cost of homeownership assumes a 30-year mortgage with a 10% down payment and allocations for annual real estate taxes, insurance, and utilities. Note that the various local, state, and federal housing programs may require different calculations of maximum affordable rent or purchase prices.

**TABLE H-13
AFFORDABLE RENT AND HOME PURCHASE PRICE IN DANA POINT**

Income Category	Annual Income Limit ¹	Maximum Affordable	
		Rent Payment ²	Purchase Price ³
One-Person Household			
Extremely Low (up to 30%)	\$26,950	\$674	\$84,100
Very Low (31%-50%)	\$44,850	\$1,121	\$176,000
Low (51-80%)	\$71,750	\$1,794	\$314,000
Median Income	\$72,100	\$1,803	\$315,800
Moderate (80 to 120%)	\$86,500	\$2,163	\$389,700
Two-Person Household			
Extremely Low (up to 30%)	\$30,800	\$770	\$103,900
Very Low (31%-50%)	\$51,250	\$1,281	\$208,800
Low (51-80%)	\$82,000	\$2,050	\$366,600
Median Income	\$82,400	\$2,060	\$368,600
Moderate (80 to 120%)	\$98,900	\$2,473	\$453,300
Four-Person Household			
Extremely Low (up to 30%)	\$38,450	\$961	\$143,100
Very Low (31%-50%)	\$64,050	\$1,601	\$279,600
Low (51-80%)	\$102,450	\$2,561	\$471,500
Median Income	\$103,000	\$2,575	\$474,300
Moderate (80 to 120%)	\$123,600	\$3,090	\$580,000

Source: PlaceWorks and Zillow, 2020

1. Annual income limits based on California State income limits for 2020.

2. Calculated as 30% of income divided by 12 months; assumes set-asides for utilities.

3. Includes 10% down payment provided by the owner, 30-year period, 4% APR, 1.1% property tax, and set-asides for monthly debt, utilities, real estate taxes, and homeowners insurance.

Affordability of Ownership Units

Existing and new home prices in Dana Point are steadily rising as the community moves further and further from the recession of the late-2000s. Although home prices in Orange County’s coastal communities generally were not as severely impacted as those in inland communities, foreclosures and short sales significantly increased, which weakened the local housing market. According to Realtor.com, Redfin, and Zillow, the median home sales price in Dana Point was between \$850,000 and \$1 million at the end of 2019. Mortgage rates, however, have steadily declined from 8% in 2000 to less than 5% in 2010 to an average of rate of 3.7 percent for a 30-year fixed loan in 2020. These lower rates offset some portion of the increases in housing costs occurring over the same time period.

However, the overall cost of buying a new home in the City of Dana Point will remain an unlikely option for lower and moderate-income households without substantial financial assistance. The existing stock of resale units will provide some homeownership opportunities for moderate income households, particularly for smaller units in older areas of the community and in condominium projects.

Affordability of Rental Units

The 2015–2019 ACS reports the median gross rent of all rental units in the City at \$2,061. While rental prices have increased more slowly than sale prices, relatively few rental properties have been recently constructed in Dana Point. In 2019, the average apartment rent was \$1,663 for a one bedroom, \$2,088 for a two bedroom, and \$2,795 for a 3-bedroom condo or single-family home (ACS Table B25031).

A comparison of market prices with the rental affordability limits presented in Table H-13 indicates that the rental market could easily serve the moderate and above moderate-income households, with some existing rental units priced low enough for some 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 moderate-income households. For lower income households, two rental assistance programs are available. Through the City’s participation with the Orange County Housing Authority (OCHA) and the Section 8 program, 24 Dana Point households receive assistance as of December 2020. Additionally, the Housing Initiative Program operated by Mary Erickson Community Housing, in collaboration with the Waldorf Astoria Monarch Beach, provides rental assistance to hotel employees. In 2020, approximately 37 employees received assistance.

Perceived Housing Affordability

The periodic (2014 through 2019), Community Health Needs Assessments conducted by Mission Hospital provided South Orange County residents and organizations multiple opportunities to participate in focus group sessions. In addition to topics such as physical and mental health, the focus groups discussed housing and homelessness. For many, the combination of increasing rent prices and stagnating wages/salaries has created an increasingly common situation where multiple low-income individuals and families are living under the same roof. The assessments revealed that even finding affordable units is challenging, and those that exist are often of lower-quality and in need of repairs.

The City obtained addition input from an interview with Welcoming Neighbors Home (WNH), an initiative of the Tapestry Unitarian Universalist Congregation focused on serving and advocating for people experiencing homelessness in the area in and around southern Orange County. The WNH representatives indicated that a number of those they serve cannot find landlords who will accept HUD vouchers, increasing the difficulty of finding housing and increasing the likelihood and duration of homelessness.

Inventory of Income-Restricted Units

City records identified three projects currently providing 98 units of affordable housing, all of which are preserved in perpetuity. The income-restricted units anticipated to be built as part of the Victoria Boulevard Apartments project would also be preserved in perpetuity.

Domingo/Doheny Park Road: The Orange County Community Housing Corporation built the Domingo/Doheny Park Road rent-restricted project in 1983 specifically for large families. The project consists of 24 three-bedroom units for very low-income households. Affordability is for the life of the project, thereby eliminating any risk of conversion by 2031.

South Cove: At completion, the new residential development will add a total of 168 flats and townhouses for purchase, with 17 reserved for income qualified buyers. The 17 units will be preserved in perpetuity for households in the moderate-income threshold (110 percent of median household income). Sixteen of the 17 are currently built and occupied, with the 17th unit expected to be built within the next two years. With affordability preserved in perpetuity, there is no risk of conversion by 2031.

Monarch Coast Apartments: Out of 418 units, the Monarch Coast Apartments provides 40 one- and two-bedroom units for lower income households. Half of these are restricted for very low income households and half are restricted for low income households as guided by HUD fair market rents. These units were originally financed by a \$31.8 million bond in 1999 and will be preserved in perpetuity, thereby eliminating any risk of conversion by 2031.

Silver Lantern Apartments: A total of 17 housing units are owned by the Caritas Corporation and operated by the Friendship Shelter as permanent supportive housing for those experiencing chronic homelessness. The complex was originally rented at market rates above the low income threshold and is now converted to rent at levels affordable to extremely low income households (up to 30 percent of median household income). The units were originally financed in 2017 using a combination of state funds and revenue bonds and will remain affordable in perpetuity.

State housing element law requires the analysis of government-assisted housing that is eligible to change from lower income housing to market rate housing within 10 years after the beginning of the planning period (2031). As none of the units described in the previous paragraphs are at risk of converting to market rate by 2031, no analysis of preserving at-risk units is required.

Housing Needs

The following analysis of current City housing conditions presents housing needs and concerns relative to various segments of the population. Several factors will influence the

degree of demand or need for new housing and housing assistance in Dana Point in coming years. The three major categories of existing need considered in this element include:

- Overpayment refers to renters and homeowners who pay more than 30% of their gross incomes for shelter.
- Overcrowding occurs when lower income households cannot afford adequately sized housing and move into a smaller housing unit housing for available money. This may result in overcrowding where more than one person per room occupies a housing unit.
- Special needs are those associated with relatively unusual occupations or demographic groups that call for very specific program responses, such as preservation of residential hotels or the development of four-bedroom apartments. State law specifically requires analysis of the special housing needs of the elderly, the disabled, single-parent households, large families, farm workers, and homeless persons.

Overpayment

Overpayment is generally defined as a renter household spending more than 30 percent or an owner household spending more than 35% of gross monthly household income on rent or a mortgage. 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 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 that do not suit the space or amenity needs of the household.

The 2019 American Community Survey (ACS) estimates that there are 54% of renter and 37 percent of owner-occupied households in Dana Point experience some level of overpayment (see Table H-14). Additional information from the ACS indicates that the vast majority (80 percent) of the City's 1,667 renter households that earn less than \$50,000 spent over 50 percent of their income on rent, with roughly two-thirds of such households paying at least \$1,500 per month in rent. As of 2018, HUD data estimates that 2,165 low income rental households experience moderate overpayment, with 1,395 of these experiencing severe overpayment. An estimated 1,870 low income owner households experience moderate overpayment, with 1,505 of these experiencing severe overpayment.

**TABLE H-14
OVERPAYMENT IN DANA POINT BY TENURE, 2019**

Tenure	Moderate Overpayment (30% to 49% Renter, 35% to 49% Owner)		Severe Overpayment (>50% for Renter or Owner)		Overpaying Households	
	Number of Households	% of Total	Number of Households	% of Total	Number of Households	% of Total
Renter	1,386	26%	1,544	29%	2,930	54%
Owner	1,608	18%	1,952	22%	3,560	40%
Total	2,994	20%	3,496	23%	6,490	43%

Source: SCAG 2014–2021 RHNA Methodology, 2019 ACS 5-Year Estimates, Table B25070

Overcrowding

In response to higher housing prices, lower income households often settle for smaller, less adequate housing that results in overcrowding. Overcrowding strains physical facilities and can lead to unsatisfying or even unhealthy living environments.

Both state and federal housing law define overcrowded housing units as those in which there are more persons than rooms. Severe overcrowding is measured by the number of housing units with 1.51 or more persons per room. The rooms do not include 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 2019 ACS 5-year estimates (see Table H-15), there are 284 overcrowded rental households in Dana Point, representing roughly 5% of all rental households. Overcrowding is virtually nonexistent in ownership households. Despite the City’s high housing costs, it appears that most lower income households are willing to pay a larger percentage of their income to avoid living in overcrowded conditions.

**TABLE H-15
OVERCROWDED HOUSEHOLDS IN DANA POINT, 2019**

Overcrowded Owner Households		Overcrowded Renter Households		All Overcrowded Households	
Number	% of Total	Number	% of Total	Number	% of Total
27	< .01%	284	5%	311	2.1%

Source: 2020 SCAG RHNA Methodology, 2019 ACS 5-Year Estimates, Table B25014. Note: Overcrowding is defined as more than 1.01 persons per room

Special Needs Groups

Certain population groups are considered to have special housing needs. These groups include disabled persons, the elderly, large households, farm workers, female householders, extremely low-income households, 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 City publishes a Housing Resources Directory (available on the City’s website and periodically updated) to assist Dana Point residents in finding affordable housing and related support. The directory describes programs operated by the City and other agencies and lists appropriate contact information. Many of these programs serve the special needs populations such as the disabled, homeless, and those in need of transitional housing.

Disabled 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 impairment." The disabled 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 may be 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

The State Department of Developmental Services provides community-based services to developmentally disabled persons through contracted regional centers. The Regional Center Orange County (RCOC) is charged by the State of California with the care of people with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments. RCOC serves approximately between 50 and 125 people a year in Dana Point with a developmental disability.

According to the 2019 ACS approximately 3,220 residents in Dana Point have at least one disability: 159 children, 1,064 adults, and 1,997 elderly. The ACS collects data on people with a disability in six categories: difficulty with hearing, vision, a cognitive impairment, ambulatory ability, self-care, and independent living. Residents living with a disability may be diagnosed with more than one disability—and so the number of individuals reported by disability is greater than the actual number of individuals with a disability. Table H-16 demonstrates the numbers of persons in each age group that have one or more disability. Less than 5% of adults (age 18–64) in the City are affected by a disability. The greatest challenges for disabled adults are cognitive impairment and living with an ambulatory

difficulty. About 25% of elderly residents (age 65 and over) are impacted by a disability, with the greatest difficulty in ambulatory ability and living independently.

**TABLE H-16
PREVALENCE OF DISABILITIES IN DANA POINT BY AGE, 2019**

Disability Type	Under 18 years	18 to 34 Years	35 to 64 Years	65 Years and over	Total
With a hearing difficulty	64	19	210	811	1,104
With a vision difficulty	31	42	61	361	495
With a cognitive difficulty	95	153	381	567	1,196
With an ambulatory difficulty	31	50	284	1,197	1,562
With a self-care difficulty	20	64	250	450	784
With an independent living difficulty	0	105	284	786	1,175
Individuals with one or more disability	159	281	783	1,997	3,220
Total individuals	5,227	4,776	15,724	8,042	33,769

Source: 2019 ACS 5-Year Estimates, Table S1810

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 conditionally 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)—in the highest density residential single-family zone (RSF 22), several residential multifamily zones (RMF 7, 14, 22, and 30), and in mixed-use zones (Commercial/Residential and Professional/Residential). Senior citizen housing can provide a source of affordable housing because 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 2019, there were an estimated 11,209 persons who were 60 or older residing in Dana Point and the ratio of females to males in this age group is 1.1. Table H-17 reports on the age of householder by tenure distribution for the City. There are an estimated 3,652 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-year bracket—1,980 of the 3,652 households—and approximately 13% out of all householders are 75 years or older. Of the total senior households older than 65 years, 85% are owners and 15% are renters.

**TABLE H-17
ELDERLY HOUSEHOLDERS IN DANA POINT BY TENURE IN 2010 AND 2019**

Age of Householder	2010					2019				
	Owner	%	Renter	%	Total	Owner	%	Renter	%	Total
65 to 74	1,712	55%	268	48%	1,980	2,291	53%	751	73%	3,042
75+	1,379	45%	293	52%	1,672	2,009	47%	273	27%	2,282
Total	3,091	100%	561	100%	3,652	4,300	100%	1,024	100%	5,324

Source: 2019 ACS 5-Year Estimates, Table B25116

The high percentage of senior homeowners may indicate a need for programs that assist seniors in maintaining their homes and facilitate independent living. The Dana Point Senior Center conducts free senior home assessments and provides case management to foster safe independent living. The Dana Point Senior Center performs an average of eight senior home assessments per year and performed 74 home checks for the participants of meal delivery to ensure their living conditions remain above standard. Other Senior Center programs that facilitate independent living include meal delivery, no-cost Medicare and insurance counseling, no-cost legal consultation, visual aide consultation for low-vision seniors, and social activities. According to Table H-18, 70% of all seniors 65+ years live in families. Approximately 27% of Dana Point seniors live in nonfamily households, with 98% of these living alone. An estimated 21% of all seniors in this age group are women living alone. Seniors who live alone may greatly benefit from the free home assessment and social activities organized by the Dana Point Senior Center. Activities include a group lunch each weekday as well as special luncheons, twilight dinners and day-long outings each month.

**TABLE H-18
HOUSEHOLD STATUS FOR PERSONS OVER THE AGE OF 65 IN DANA POINT, 2019**

Household Status	Number	Percent
In Family Households		
Male householder	2,085	26%
Female householder	898	11%
Spouse	2,209	28%
Parent	72	<1%
Other Relative	124	2%
Nonrelatives	56	<1%
Nonfamily Households		
Male householder, living alone	767	10%
Male householder, not living alone	177	2%
Female householder, living alone	1,258	16%
Female householder, not living alone	139	2%
Nonrelatives	190	2%
In group quarters	67	<1%
Total	8,042	100%

Source: 2019 ACS 5-Year Estimates, Table B09020

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 1,997 seniors (age 65+) with disabilities out of a total of 7,7986 (24%). Disabled seniors may need assisted living facilities or basic support services in order to maintain independence. For seniors ages 60 and over whose limited mobility impairs shopping and cooking, the Dana Point Senior Center will deliver three meals each weekday for a donation of \$7.50 dollars per day. Transportation is also a critical concern for many seniors, particularly those who are disabled. The Orange County Transportation Authority operates the nonemergency South County Senior Transportation Program to provide South County residents aged 60 years and over with free transportation to and from the Community / Senior Center. AgeWell Senior Services provides non-emergency medical transportation in Orange County for \$2 a ride.

Less than 2% of the seniors 65+ years in nonfamily households live in group quarters. Group quarters include state-licensed residential care facilities for six or fewer persons. These facilities are permitted by right in any residential zone within Dana Point. In 2021, the California Department of Social Services Community Care Licensing Services reported four small residential care facilities with a collective capacity to house 24 persons in Dana Point. The City also has two large residential care facilities with the ability to serve 164 persons. The nearby cities of San Clemente, Laguna Niguel, and San Juan Capistrano also provide additional means for seniors to remain in the area. The combined cities offer 74 residential care facilities, providing over 1,000 beds in South Orange County.

Dana Point seniors also greatly benefit from the resources made available by the County of Orange Office on Aging, the lead advocate for seniors residing in Orange County communities. The goals of the Office on Aging include improving transportation, health and safety, and access to affordable housing for the county’s elderly population. The Office on Aging operates the InfoVan, a traveling library of outreach materials for seniors and their caregivers that makes scheduled stops throughout the county. Another resource is the Office on Aging’s website, which provides an extensive database of useful information, such as guides for financial and legal matters, nutrition and exercise, safety, prescription medicine, diseases and conditions, and transportation.

**TABLE H-19
LIMITATIONS OF THE SENIOR (65+) POPULATION IN DANA POINT, 2019**

Status	Total	% of Seniors
Hearing Difficulty	811	10%
Vision Difficulty	361	4%
Cognitive Difficulty	567	7%
Ambulatory Difficulty	1,197	15%
Self-Care Difficulty	450	6%
Independent Living Difficulty	786	10%
Total Senior Disabled	1,997	25%
Total Senior Population	8,042	100%

Source: 2019 ACS 5-Year Estimates, Table S1810

Large Households

In 2019, Dana Point had an estimated 14,905 total households, of which 633 were defined as large households—five or more persons. These large households accounted for 4% of the City's total households, as indicated by the data in Table H-20. Approximately 4% (256) of the City's owner households and 7% (377) of the City's renter households are large households. Large households need more space at affordable housing costs.

**TABLE H-20
HOUSEHOLDS IN DANA POINT BY HOUSEHOLD SIZE AND TENURE, 2019**

Household Size	Owner		Renter		Total	
	Number	%	Number	%	Number	%
1 person	2,714	29%	1,992	37%	4,706	32%
2 persons	4,455	47%	1,551	29%	6,006	40%
3 persons	1,190	13%	875	16%	2,065	14%
4 persons	894	9%	601	11%	1,495	10%
5 persons	159	2%	243	5%	402	3%
6 persons	48	<1%	125	2%	173	1%
7 persons	49	<1%	9	<1%	58	<1%
Total	9,509	64%	5,396	36%	14,905	100%

Source: 2019 ACS 5-Year Estimates, Table B25009

Farm Workers

Low wages and the seasonal nature of many agriculture jobs create special needs for farm workers. According to the U.S. Census Bureau Longitudinal Employer-Household Dynamics, there are an estimated 88 Dana Point residents employed in the “agriculture, forestry, fishing, and hunting” sector, many of which are fishermen likely due to the Dana Point Harbor and easily accessible ocean. The need for housing generated by farm workers is estimated to be nominal and can be adequately addressed by the City's affordability programs, particularly in the expansion of opportunities for Single Resident Occupancy hotels in the Town Center and Doheny Village planning areas and Community Facilities zone.

Single-Parent Householders

According to the ACS 2019 5-year estimates, 3% of family householders in the City are single parents with children under 18 years of age. Of those single-parent householders, 42% are female and 58% are male. Female-headed households are considered a special needs group because of reported lower incomes than their male counterparts. There are approximately 6,641 households in Dana Point are headed by an individual without a spouse or partner. Of these, 3,920 are female-headed households and 137 have children. These single-income households may have a need for lower and moderate-income rental and homeownership opportunities.

Extremely Low Income Households

Extremely low-income households are defined as those earning no more than 30% of the area median income. According to the latest available Comprehensive Housing Affordability Strategy data (2018), approximately 1,750 existing households in Dana Point were categorized as extremely low-income households (ELI). Of these households, 850 were renter and 585 were ownership occupied. Many of these extremely low-income households are likely seniors, who are no longer working and are living on a fixed income.

Roughly 74% of renter ELI households (630) spent more than 50% of their income on housing costs (any renter ELI households that spent more than 30% also spent more than 50% of their income). A small number (between 10 and 38) may be living without complete plumbing facilities, and roughly 150 may also live without complete kitchen facilities. Roughly 91% of ownership ELI households spent more than 30% of their income on housing costs (530), with nearly all (470) spending 50% of their income on housing costs. Very few, if any, ownership units are without complete plumbing or kitchen facilities.

The future housing need for extremely low-income households can be estimated (per state law) at one-half of the City's very low-income housing allocation. The City's very low-income housing allocation for the 2021–2029 planning period is 147 units, resulting in projected need of 73 extremely low-income households.

Such households could be on the verge of becoming homeless. An extremely low-income household with annual income up to \$38,450 would be able to spend up to \$961 per month before overpaying for housing. A two-person household with annual income up to \$30,800 would only be able to spend up to \$770 per month before overpaying for housing.

This population can be most effectively served by Section 8 Housing Certificates and Vouchers and through the construction of second units, small apartments, single room occupancy units, and could benefit from low-cost senior housing. Public input does, however, indicate that it is difficult to find landlords who will accept HUD vouchers, increasing the difficulty of finding housing and increasing the likelihood and duration of homelessness. The Dana Point Town Center Plan, Community Facilities Zone, and Village-Commercial/ Residential Zone in Doheny Village conditionally permit high density housing, including SROs.

Homeless and Those in Need of Transitional or Emergency Shelter

Definition of Homelessness

Homeless persons and families lack a fixed, regular, and adequate nighttime residence; their primary nighttime residence is a supervised, publicly or privately operated shelter designed to provide temporary living accommodations, such as welfare hotels, congregate shelters, and transitional housing for those with mental health issues; 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 persons.

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 experiencing chronic homelessness, mental health issues, substance use, physical disability, domestic violence, HIV/AIDS, and/or a development disability. Many homeless individuals fall into one or more of these subpopulations.

Continuum of Care

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:** The County's 2019 Point in Time (PIT) Survey indicates on a countywide basis that 3,961 individuals and 110 families were experiencing unsheltered homelessness, with shelters experiencing average occupancy rates of 79%.
- **Transitional Housing:** Transitional housing provides rehabilitative services such as substance abuse treatment, short-term mental health services, and independent living skill classes. Appropriate case management should be accessed to ensure that persons receive necessary services. According to the County PIT Survey, transitional housing facilities experienced an average countywide occupancy rate of 78% in 2019.
- **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.

Countywide Assessment

The County of Orange conducts a countywide housing needs assessment every other year. Needs assessments, point-in-time counts, and gap analysis are not conducted on a city-by-city basis. Instead, information is combined from local organizations that serve the homeless. One organization may respond to the needs of homeless persons originating from several cities; thus, the County's reports provide a countywide overview of the homeless and not any information specific to the City of Dana Point.

The County's 2019 Point in Time (PIT) Report (aka Homeless Census & Survey) provides the following estimates of persons and families that compose homeless subpopulations in the South Service Planning Area, which encompasses Dana Point. The South Service Planning Area stretches from Highway 261 in Irvine to the County line, and spans from the Pacific Ocean east to the County line, excluding Newport Beach. Estimates are summarized below:

- It is estimated that on any given day there are 763 homeless persons in the South Service Planning Area. More than 30 percent of these individuals experience homelessness as part of a family, with children making up slightly more than 20 percent of all homeless persons.
- Roughly 71 percent of all homeless individuals are unsheltered, including 68 minors and 65 victims of domestic abuse. Furthermore, chronically homeless individuals constitute 33 percent of the homeless population.
- Of the homeless surveyed in the South Service Planning Area, many indicated that they had a disabling condition. These conditions include a physical or developmental disability, mental illness, substance use issues, and HIV/AIDS. Mental health issues, physical disabilities, and substance use issues were most prevalent.

It is difficult to estimate the number of victims of domestic violence in the County since many cases go unreported. Within the network of service providers in the county, several programs specialize in services for homeless subpopulations. Through proactive outreach or referrals, homeless individuals and families may reach any component 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.

Homelessness in Dana Point

The transient nature of the homeless population makes obtaining a firm count difficult. The countywide Point in Time (PIT) count of homeless people, which does not provide data specific to Dana Point, indicates a steady increase across the county in homelessness since 2013. In 2017 the PIT counted 286 homeless persons in South Orange County, which many believe to be an underestimate. In 2015, Dana Point commissioned its own homeless count, which found 35 visible homeless persons living in Dana Point. In 2019, the PIT count found 538 throughout the South Service Planning Area and 32 visible homeless persons living in Dana Point, with the number decreasing to 422 and 27 such persons, respectively, according to the recently completed 2022 PIT (note the 2020 and 2021 PIT efforts were not conducted due to the COVID-19 pandemic).

To estimate the size of its homeless population, Dana Point also relies on the number of known individuals who have been assessed by Dana Point's outreach worker. Those numbers fluctuate. In September 2016, there were 43 clients, in August 2017 there were 59 and by December 2017 there were 46 active homeless clients reported by the City outreach worker. In 2020, there was a monthly average of 20 homeless clients reported by the City outreach worker. These figures do not count those homeless persons who avoid contact

with the outreach workers or who are service-resistant. Likely, there is an additional population, who are unstably housed living in vehicles or couch surfing. Of those active clients, the median age is over 50, two thirds are male and the length of time living on the streets is five to six years. In 2020, the total number of individuals contacted by the City’s outreach team was 87. The number of interactions, which includes calls, meetings, collaborations, and linkages to other service providers was 456. In 2020, 48 individuals were housed.

Doheny State Beach and Doheny Village are also often frequented by homeless persons, as both areas offer a variety of services and/or amenities. In addition to overnight camping permits, Doheny State Beach sells low-cost day use passes that include restroom and shower access. The beach is also used by Welcome INN (Interfaith Needs Network) to provide free food daily, conduct outreach twice a week (by iHope staff coordinators), and provide a pop-up medical station once a month. Underutilized industrial areas in Doheny Village serve as impromptu overnight parking for RVs and cars, with the Family Assistance Ministries providing satellite outreach services every Friday afternoon by appointment at San Felipe de Jesus Catholic Church.

Dana Point Homeless Task Force and Work Plan

In April 2014, the Dana Point City Council established the Dana Point Homeless Task Force. In its first few years, the Task Force embarked on data collection, establishment of a Homeless Liaison Officer and entered a contract with Mercy House for part-time outreach and housing strategies. In the summer of 2017, the Task Force was reorganized and developed a draft Work Plan driven by the following purpose statement: “By working jointly with our neighboring cities, the County of Orange, and other engaged public agencies, and working through non-profit organizations that provide services to the homeless, create a sustainable, measurable program to eliminate the necessity of homelessness in the Dana Point regional area.”

The City recognizes that the complete elimination of homelessness in the near future is unlikely, so it is aiming realistically to reduce the number of homeless individuals living on Dana Point’s streets by facilitating their transition into stable housing, self-sufficiency, or the return to a home-based support network. Professional Street Outreach, a Reconnection Program, and Emergency Services for the individuals and families are the primary activities undertaken to reach this outcome.

The City recognizes several challenges to its efforts to reduce homelessness. The primary barrier to housing the homeless is a lack of available affordable housing options and supportive housing in the county. The City will be actively working to help identify and/or contribute to the establishment of housing options. The Association of California Cities – Orange County Chapter has convened a steering committee comprised of city representatives to identify potential locations for housing, identify any issues or impediments, and financing for potential developments. One of the main goals of the steering committee is to approach funding distributed at State and Federal levels as a region, rather than as individual communities. The strategy’s purpose is to convince

decision makers that homelessness in Orange County should get a greater share of funds than has traditionally been allocated.

2018 Community Survey

In early December 2018, the City conducted a week-long survey that solicited feedback from members of the community. A total of 791 responses were collected via online and over-the-phone interviews. The survey covered a variety of relevant topics, but homelessness was one of the most prominent discussion points for many respondents.

When asked an open-ended question about the most serious issue facing the City, 41% of respondents cited homelessness. Furthermore, 65% of respondents indicated that homelessness was either a very serious or extremely serious problem, making it the highest-ranked issue from a provided list of options. Approximately 82% of respondents indicated that addressing the number of individuals experiencing homelessness was either a very important or extremely important service provided by the City, but only 29% were satisfied with the City's management of the issue so far. Interestingly, the proportion of individuals satisfied with the City's response represents a 11% increase over 2017.

Dovetailing off these results, 80% of respondents conveyed that a homeless liaison officer was a medium or high priority for public safety spending, making it the fourth highest-ranking on the list of eight options. The desire for increased funding to address the homelessness issue was echoed by 32% of residents in an open-ended, follow-up question. For comparison, the next highest response was cited by only 18% of respondents.

Zoning for Various Facilities and Housing

Emergency shelters of up to 20 beds are permitted by right in the Community Facilities (CF) zone. There are 56.6 acres of CF, of which one acre is currently vacant (the site slated for the Victoria Boulevard Specific Plan is excluded). Emergency shelters for a maximum of 10 beds are permitted by right as an accessory use in places of worship or up to 20 beds with a conditional use permit. There are multiple sites throughout the City located in the Community Facilities (CF) zoning district in which emergency shelters are permitted up to 20 beds per facility. Emergency shelters are also permitted as an accessory use to churches with a limit of 10 beds per facility. The City arrived at the 10- and 20-bed figures based on a survey of local churches regarding their capacity and the local need based on City staff's ongoing work and coordination with people experiencing homelessness and countywide point-in-time surveys. Additionally, the City contacted Family Assistance Ministries (FAM), which operates two emergency shelters in San Clemente (Gilchrist House and FAMily Houses), and also operates the homeless prevention services program for Aliso Viejo (in collaboration with South County Outreach). FAM confirmed that a 20-bed emergency shelter is feasible and the threshold for by right development does not pose a constraint.

The City has a potential realistic capacity in CF zoned and church properties to accommodate at least 160 beds citywide. Smaller scale facilities in various parts of the City would be more favorable to the community rather than a single, larger facility impacting one area. The City also communicated with a local service provider who indicated that a

larger shelter (more than 20 beds) was not needed in this part of the county and that motel vouchers with supportive services are more effective for emergency shelter.

The City evaluated whether the 20-bed threshold was a constraint by conducting research on other emergency shelters throughout California. The City gathered information on both initial development costs and ongoing operational costs to assess whether there is a specific bed count that exhibits an economy of scale. There does appear to be an economy of scale that favors larger emergency shelter facilities for the initial development costs, though the price of land still plays the largest role. Two facilities that eliminate the role of land costs can be found in Los Angeles (both shelters on city-owned parking lots): the 45-bed El Puente shelter (\$53,333) and 72-bed Schrader shelter (\$45,833/bed).¹

In terms of operational costs, however, there does not appear to be any economy of scale in favor of larger shelters. The 32-bed FAMILY House in San Clemente reported annual operational costs of \$248,738 or \$7,773 per bed.² The annual operational costs for the 45-bed El Puente Shelter is reported to be \$28,000 per year³ and the 72-bed Schrader shelter is reported to be \$21,900 per bed per year.⁴ In comparison, the Alpha Project's 324-bed Bridge Shelter in San Diego at \$19,000 per bed per year.⁵

New approaches to emergency shelters do not indicate an economy of scale either in terms of operational costs. In response to a desire for greater privacy and security as well as the current need to build non-congregate housing for the unsheltered, some entities are building "pallet homes". These are one-room structures made of aluminum and composite materials and equipped with a bed, lighting, and electricity and heating. Meals and showers are provided in a separate, central building. The 20-unit shelter in Lompoc is being built at a cost of \$53,500 per bed, with annual operational costs of \$22,500 per unit⁶ while the 33-unit shelter in Santa Barbara is being built at a cost of \$42,400 per bed with annual operating costs of \$30,303 per unit⁷.

Overall, while an economy of scale does seem to be present for initial development costs, it appears that facilities may become more cost-efficient at smaller scales. Given that ongoing

¹ LeGras, ~ Christopher. "Out of Control Spending and Lack of Oversight Impedes Progress in L.A.'s Homeless Crisis." The All Aspect Report, March 20, 2020. <https://allaspectreport.com/2019/12/03/l-a-politicians-arent-serious-about-solving-the-homeless-crisis-cost-of-venice-beach-bridge-housing-proves-it/>.

² Family Assistance Ministries 2019-2020 Community Development Block Grant Application Package, City of Rancho Santa Margarita (Page 2 of Form 990 (2017), Item 4c).

³ "The High Price of Bridge Housing Patrols." Los Angeles Downtown News - The Voice of Downtown Los Angeles, May 6, 2019. http://www.ladowntownnews.com/opinion/the-high-price-of-bridge-housing-patrols/article_a66302fa-6df5-11e9-9de1-f3da9308da5c.html.

⁴ City of Los Angeles, State Homeless Emergency Aid Program (HEAP) - First Quarterly Expenditure Report and Funding Recommendations. CAO File No. 0220-05151-0113, page 6, April 23, 2019.

⁵ "San Diego's Bridge Housing Program." Housing Innovation Collaborative, November 5, 2021. <https://housinginnovation.co/deal/san-diego-bridge-housing/>.

⁶ Noozhawk. "Pallet Houses for Homeless People Set up in Lompoc; Similar Project Coming to Santa Barbara." Noozhawk.com Santa Barbara & Goleta Local News. Accessed January 18, 2022. https://www.noozhawk.com/article/pallet_houses_for_homeless_people_set_up_in_lompoc_20210827.

⁷ "Santa Barbara." DignityMoves. Accessed January 18, 2022. <https://dignitymoves.org/santa-barbara/>.

operational costs can far outweigh initial development costs over a period of years, the City finds that small and large facilities have their individual benefits. While larger facilities can serve more people in a single shelter, smaller facilities are not only potentially more cost effective in terms of annual operating costs, but also require less land and smaller facilities (key in a land-constrained city like Dana Point). Accordingly, the City does not find that the 20-bed threshold for by-right emergency shelters is a constraint.

In accordance with recent changes to state law (Government Code Section 65662, enacted through Assembly Bill 101, 2019), low barrier navigation centers must be allowed by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses. Low barrier navigation centers are defined as a housing-first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. “Low Barrier” means best practices to reduce barriers to entry, and may include, but is not limited to, the following: (1) the presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth; (2) pets; (3) the storage of possessions; and (4) privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms. The City, as part of its Housing Strategy, will update its Zoning Code to be consistent with state law.

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.

There are several options for providing emergency shelters in Dana Point, ranging from new construction to small modifications to existing facilities. Places of worship often have volunteer committees that serve the homeless and provide supportive services for people in transition to self-sufficiency. Such places of worship may be well positioned to provide emergency shelter. As previously stated, the Zoning Code allows emergency shelters providing up to 10 beds as accessory uses to places of worship without a conditional use permit or other discretionary permit. There are approximately 11 places of worship in Dana Point. By allowing new emergency shelters in the CF zone, conversion of existing buildings in the CF zone to shelters, and accessory shelters in places of worship, the City has the potential to accommodate 100 or more emergency shelter beds.

Transitional housing and supportive housing are permitted as a residential use in Dana Point. They are only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. Facilities of this nature offer an interim home for homeless individual and families as they transition into permanent and maintainable housing.

In 2017, the City entered into a joint powers agreement to issue \$67.5 million in revenue bonds for the Caritas Corporation to finance the acquisition and improvement of an

existing apartment complex and operate it as a permanent supportive housing complex for those experiencing homelessness. Known as the Silver Lantern, the complex is operated by the Friendship Shelter and offers 17 rental units for extremely low income households.

Resources in and around Dana Point

Homeless persons in the City of Dana Point and its environs are served by a variety of South Orange County organizations. Table H-21 identifies the organizations and homeless shelters and facilities in or close to Dana Point.

- **Toby’s House:** Toby’s House is a nonprofit organization with two transitional housing facilities in Dana Point that serve homeless, pregnant women and their children under age five. Toby’s House provides expectant mothers with shelter, prenatal care, life skills courses, and access to childcare so they may work, go to school, or complete a job training program.
- **Laura’s House:** A state-approved domestic violence agency serving South Orange County battered women and children. Laura’s House provides housing, counseling, and legal services.
- **Mental Health Association of Orange County-Outreach Services:** This nonprofit organization uses CDBG funds to provide mobile outreach services for emotionally disabled homeless. Services may include assistance for temporary shelter, outreach, and referral for transitional programs.
- **Salvation Army/Family Services/South Orange County:** The Salvation Army food, utility assistance, transportation, clothing, and household item distribution center serving South County communities is in San Clemente, approximately five miles from the city center of Dana Point.
- **Friendship Shelter:** Located in Laguna Beach and serving south Orange County, the facility provides shelter and a program to assist single men and women get back on their feet.
- **Community Services Program (CSP):** This nonprofit organization provides emergency shelter and counseling to youth and their families in south Orange County.
- **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; info/referral; and counseling.
- **South County Outreach:** This nonprofit organization provides condominium housing for homeless families in South Orange County. Facilities are located in Lake Forest, Laguna Niguel, and Mission Viejo. Services include groceries, cleaning supplies, career coaching, computer training, legal counseling, consumer credit counseling, and psychological counseling.

- **Gilchrist House:** Owned and operated by Family Assistance Ministries (FAM), this organization provides a transitional shelter for single women and women with children under the age of one in San Clemente. FAM also provides a food pantry, rental and utility assistance, workforce development, and free nurse visits at churches throughout South Orange County.
- **The Teen Project:** Located in Lake Forest, this group provides transitional housing for emancipated foster youth ages 18 to 24.
- **Our Father’s Table:** Assists those experiencing chronic homelessness and connects them to services and agencies with the goal of ending their cycle of homelessness.

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

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

	Shelter	Location	Organization	Population Served	Max Stay	Charge
1	Alternative Sleeping Location Day Program	Laguna Beach	Friendship Shelter	Singles	30 days	\$-- (no fee)
2	Armories	Santa Ana; Fullerton	City Net	Open (Adults)	n/a	\$-- (no fee)
3	Bethany Women’s Shelter	Santa Ana	Mercy House Living Centers	Single Women	6 mos.	Sliding Scale
4	Beverly’s House	Santa Ana	Orangewood Foundation	18–24 yr old women	n/a	n/a
5	Casa Youth Shelter	Los Alamitos	Casa Youth	At Risk Teens 12–17	n/a	\$-- (no fee)
6	Domestic Violence Emergency Shelter	Confidential	Human Options	Survivors of domestic violence	45 days	24 at \$4.00/day
7	Domestic Violence Emergency Shelter	Seal Beach	Interval Housing	Survivors of domestic violence and their children	n/a	\$-- (no fee)
8	Domestic Violence Transitional Shelter	Seal Beach	Interval Housing	Survivors of domestic violence and their children	n/a	\$-- (no fee)
9	Eli Home	Seal Beach	Eli Home	Women w/kids 12 years or younger	n/a	Sliding Scale
10	Emergency Maternity Shelter	Orange	Casa Teresa	Preg. Adults	n/a	\$--(no fee)
11	Family Promise of Orange County,	Confidential	Family Promise of	Couples w/children 18 and	2 mos.	\$-- (no fee)

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

	Shelter	Location	Organization	Population Served	Max Stay	Charge
	Inc.		Orange County	under		
12	Gerry House	Santa Ana	Straight Talk Clinic, Inc.	Adult Substance Users/HIV/AIDSs	90 days	Sliding Scale (accepts MediCal)
13	Hannah's House	Orange	Casa Teresa	Singles/Pregnant	n/a	n/a
14	H.I.S. House	Placentia	Homeless Intervention Shelter-OC	Families/Singles	4 mos.	n/a
15	House of Hope	n/a	Orange County Rescue Mission	Single Women or Women w/kids	18 mos.	\$--
16	La Mesa Emergency Shelter	Anaheim	Illumination Foundation	Singles, couples, and/or families	n/a	\$-- (no fee)
17	Laura's House	Garden Grove	Laura's House	Survivors of domestic violence	30-45 days	n/a
18	Laurel House	Tustin	Orange County Rescue Mission	Teen girls 12-17	6-18 mos.	Sliding Scale
19	Mary's Path	Santa Ana	Teen Shelter	Preg. Teens	n/a	\$--
20	Joseph House	Santa Ana	Mercy House	Single Men	24 mos.	\$350/mo
21	New Vista	Fullerton	Pathways of Hope	Families	30-45 days	\$--
22	Precious Life Shelter	Confidential	Precious Life	Preg. Adults	30 days	\$--
23	Regina House	Confidential	Mercy House	Single Women w/kids	30-90 days	\$--
24	Rising Tide Communities	Tustin	Orangewood Foundation	Foster Youth 18 and older	n/a	\$200/month with a \$50 increase every 3 mos.
25	Salvation Army Hospitality House	Santa Ana	Salvation Army	Homeless men	21 days every 45 days	\$--
26	Salvation Army Human Trafficking Interim Housing	Confidential	Salvation Army	Human trafficking victims rescued by HTTF	n/a	n/a
27	Salvation Army Transitional Housing Program	Confidential	Salvation Army	At risk families	n/a	n/a
28	Second Step	Confidential	Human Options	Survivors of domestic violence	12 mos.	1/3 income
29	South County Outreach	Lake Forest; Laguna	South County Outreach	Families	Avg. 6-9	Rent that does not

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

	Shelter	Location	Organization	Population Served	Max Stay	Charge
		Nigel; Mission Viejo			mos.	exceed 30% of the family's income
30	The Link	Santa Ana	Illumination Foundation	Singles, couples, and/or families		\$-- (no fee)
31	The Sheepfold Transitional Shelter	Orange	The Sheepfold	Survivors of domestic violence and their children	6 mos.	\$-- (no fee)
32	Thomas House	Garden Grove	Thomas House Family Shelter	Families	n/a	0 for 6 mos./20% income
33	Veterans First	Santa Ana	Veterans First of Orange County	Veterans	n/a	25% of income
34	Vietnamese League	Garden Grove	Vietnamese League of Orange County	Asian refugees	n/a	n/a

Fair Housing Assessment

As of September 2018, state law enacted through Assembly Bill 686 (AB 686) requires that all housing elements due on or after January 1, 2021, contain an assessment of fair housing consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015.

Under state law, AFFH means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

AB 686 requires the City, and all jurisdictions in the state, to complete three major requirements as part of the housing element update:

- Include a program that affirmatively furthers fair housing and promotes housing opportunities throughout the community for protected classes.
- Conduct an assessment of fair housing that includes summary of fair housing issues, an analysis of available federal, state, and local data and local knowledge to identify patterns of segregation or other barriers to fair housing, and prioritization of contributing factors to fair housing issues.
- Prepare the Housing Element land inventory and identification of sites through the lens of affirmatively furthering fair housing.

In order to comply with AB 686, the City has completed the following outreach and analysis.

Public Outreach Specific to Fair Housing

While another section describes the overall citizen participation in the production of this Housing Element, the following summarizes the outreach activities related specifically to fair housing. The topic of how to affirmatively further fair housing was identified at each meeting held in Dana Point, through the City’s housing survey, and during key stakeholder interviews.

The City’s eight-question survey asked community members for input on housing issues currently facing the City and priorities for housing policies and programs moving forward. Three of the eight questions included options to explicitly rank fair housing as a high priority housing goal (ranked as one of the top two priorities by 40 percent), housing service (ranked as one of the top three priorities by 42 percent), and housing program (ranked as one of the top three priorities by 20 percent).

Through the various stakeholder interviews, the City received input for more affordable housing in areas that lack affordable housing and that have limited resources to help low-income families. In areas that affordable housing has been implemented, stakeholders

indicated that the City needs to invest in the residents’ quality of life. Affordable housing projects are considered a catalyst for improving quality of life, followed by new investments and improvements from existing or future residents, businesses, and organizations. Data was also obtained from the Regional Office of Fair Housing and Equal Opportunity to better understand fair housing issues in Dana Point.

As part of Program 6.2 (Affirmatively Furthering Fair Housing), the City will work with the Orange County Fair Housing Council to actively recruit residents from neighborhoods in low resource areas to serve or participate on local and/or regional boards, committees, and other local government bodies.

Technical Assessment of Fair Housing

The California Government Code Section 65583(10)(A)(ii) requires the City of Dana Point to analyze disparities in access to opportunity, areas of segregation, racially or ethnically concentrated areas of poverty, and disproportionate housing needs, including displacement risk. The California Department of Housing and Community Development (HCD) released a technical memorandum and compliance checklist in April 2021 to guide jurisdictions on addressing this requirement in housing elements.

HCD’s checklist identifies the following five areas that must be analyzed using local and regional patterns/trends, local data and knowledge, and other relevant factors followed by a conclusion and summary of issues.

- Fair housing enforcement and capacity
- Segregation and integration
- Racially/ethnically concentrated areas of poverty (R/ECAP)
- Access to opportunity
- Disparate housing needs & displacement risk

A foundational set of local and regional data is the opportunity area maps prepared by the California Tax Credit Committee (TCAC). A discussion of these maps for the City of Dana Point and the surrounding region is presented prior to the five areas of discussion.

TCAC Opportunity Area Maps

The TCAC opportunity area map identifies areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. Specifically, the TCAC Opportunity Map (see Figures H-1 and H-2) uses a composite score based on education, economic, and environmental indicators to categorize areas as highest resource, high resource, moderate (rapidly changing) resource, moderate resource, low resource, and areas with high segregation and poverty.

Based on this methodology, areas with more positive outcomes in these categories will be designated as higher resource opportunity areas, and areas with less positive outcomes in these categories will be designated as low resource opportunity areas. According to TCAC Opportunity Map, Dana Point contains a mixture of all resource areas but there are no areas of high segregation and poverty.

- **Highest resource areas:** The two areas are split by Pacific Coast Highway in the northwesternmost part of the city, predominantly made up of single-family homes and expansive green spaces adjacent to other highest/high resource areas in Laguna Niguel and Laguna Beach. This designation is likely the result of the quantity and proximity of parks and open spaces, very high home values and incomes, and access to high performing public schools and subregional employment opportunities.
- **Moderate (rapidly changing) resource area:** This area is rapidly changing to a high resource area and encompasses much of the western part of the city, along the coastline between the Dana Point Harbor and highest resource area. This designation is likely the result of the quantity and proximity of parks and open spaces, high home values and incomes, and access to high performing public schools and subregional employment opportunities (though slightly farther compared to the highest resource areas).
- **Moderate resource areas:** This area covers a large portion of the north-central part of the city as well as the northern edge along the city's eastern boundary. In the north-central area, the development pattern is predominantly single-family residential, though with smaller lot sizes and lower home values (compared to the highest resource areas), with commercial shopping centers integrated within the residential subdivisions. The area in the southeastern part of Dana Point along the city boundary is part of census tracts that are primarily in the City of San Clemente and thus reflect that city's moderate resource assessment.
- **Low resource areas:** The low resource areas are primarily medium and high density residential areas and single family residential areas with small lot sizes (leading to comparatively lower home values), and areas with a high concentration of commercial development. Low resource areas typically have access to lower performing schools and are near facilities listed as environmental hazards such as landfills in adjacent cities, Interstate 5, and San Juan Creek (listed as an impaired waterway under the Clean Water Act for levels of bacteria, phosphorus, and nitrogen). Dana Points' low resource areas also coincide with areas of lower median income (below the 2020 state median income of \$87,100), as well as areas with a high percentage of cost-burdened renters.
- **High segregation and poverty.** Based on the TCAC methodology, Dana Point does not have areas of high segregation and poverty. In an area of high segregation and poverty, at least 30 percent of the population is below the federal poverty level, and patterns of racial segregation exist.

- **Historical influences.** Development in the Dana Point area began in the early 1930s with the original “Lantern” neighborhoods and Capistrano Beach area constructed for small homes and vacation spots along the coast. Substantial development elsewhere did not occur until the decades following World War II. Between World War II and the City’s incorporation in 1989, pre-incorporation specific plans shaped the development of Dana Point. Since incorporation, two specific plans were adopted: Monarch Beach in 1992 and the Headlands in 2004. The City adopted new zoning for the Town Center area to allow for a greater mix and intensity of uses in 2008. The City adopted new zoning for the Doheny Village area in July 2021.

The low resource areas are closely aligned with the oldest areas in the City that have the smallest lot sizes and oldest housing stock. These areas were also developed as more remote vacation spots along the coast well before Orange County’s urbanization and the establishment of major employment centers south of Santa Ana. This history has resulted in the low resource areas offering some of the most affordable and diverse housing in Dana Point and the subregional coastal area.

- **Regional comparison.** Compared to the Orange County region (see Figure H-2), Dana Point has a similar amount and distribution of resource areas as nearby San Juan Capistrano, Lake Forest, and Laguna Hills. Dana Point has no areas of high segregation and poverty unlike some areas in the northern part of the county.

Enforcement and Outreach Capacity

The County of Orange allocates funds to the Fair Housing Council of Orange County on behalf of the non-entitlement cities, such as Dana Point. 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 created a directory of contacts for housing-related assistance, including contact telephone numbers in Orange County and website links where persons may inquire about equal or fair housing. The City will partner with the Fair Housing Council of Orange County, Legal Aid, and other non-profit housing groups to maintain the directory. The City also provides a link to the housing information programs and the directory of contacts on the City’s website.

The City reviewed data related to public housing buildings, the use of housing choice vouchers, and reported fair housing and equal opportunity inquiries to evaluate fair housing issues and enforcement and outreach capacity in Dana Point.

Public Housing & Housing Choice Voucher Use

Based on data U.S. Department of Housing and Urban Development (HUD), there are currently no public housing buildings in Dana Point. The percent of rental households using housing choice vouchers, a HUD program which provides financial assistance to certain eligible populations, is relatively low, with 9 percent as the highest rate in any census tract (Figure H-3). The 9 percent rate is in a moderate resource area on the eastern edge of the city, while the central portion of the city that coincide with low resource areas exhibits

rates below 5 percent. Larger, denser cities in northern Orange County such as Westminster and Garden Grove experience higher use of housing choice vouchers than Dana Point. Dana Point has similar rates of housing choice voucher use to larger cities in central Orange County like Irvine and Mission Viejo, as well as neighboring coastal communities like San Clemente and Newport Beach.

Fair Housing Inquires and Complaints

The office of Fair Housing and Equal Opportunity (FHEO) within HUD is responsible for administering and enforcing federal fair housing laws. Reports of discrimination covered under fair housing laws can be filed with local and regional HUD offices. When filed, all reports are reviewed as fair housing inquiries. A HUD official reviews each inquiry to determine if an inquiry will then be converted into an official fair housing discrimination complaint. While not all inquiries are converted into fair housing discrimination complaints, they can provide a resource for jurisdictions to identify concerns of potential discrimination.

The City analyzed fair housing inquiries provided by the Region Nine HUD office from 2013 to March 2021. In that time frame, Dana Point received 12 total FHEO inquiries. Of those twelve inquiries, nine were related to a general discrimination factor, one inquiry was related to discrimination based on national origin, one inquiry was related to discrimination based on familial status, and one inquiry was related to discrimination based on disability status. Of the twelve total cases, five were found by HUD to have no valid discrimination issue.

As a ratio, from 2013 to 2021 there were 0.35 FHEO inquiries filed per 1,000 people in Dana Point, which is comparable to the region at large. Similar rates of FHEO inquiries are shown in San Clemente, Newport Beach, Irvine, Huntington Beach, and Anaheim, while cities like Mission Viejo, Costa Mesa, and Fountain Valley show slightly lower rates (Figure H-4).

Conclusion and Summary of Issues

The City relies upon coordination with the Fair Housing Council of Orange County for outreach and enforcement related to fair housing. The use of housing choice vouchers is not widespread, with vouchers used by less than five percent of rental households on average (maximum of nine percent in any given census tract). The number of complaints of housing discrimination is low (0.35 inquiries per 1,000 people), consistent with many of the surrounding communities and the overall county. Public input received during outreach activities indicates strong community support to eliminate housing discrimination and continue working with the Fair Housing Council.

Patterns of Segregation and Integration

To assess patterns of segregation and integration, the City analyzed four characteristics: race and ethnicity, income, linguistic isolation, familial status, and disability status as of

2019 (mapping relies on 2018 data related to the racial diversity index). This information is displayed in Figures H-5 to H-16.

Race and Ethnicity

The City uses 2010 and 2018 Diversity Index maps (Figures H-5 and H-6) produced by Esri to better understand patterns of racial or ethnic segregation and integration. The diversity analysis assigns a diversity score based on the probability that two persons within a block group will be of differing races and ethnicities, with higher scores signaling greater levels of integration and lower scores indicating greater levels of segregation.

The citywide racial and ethnic composition has remained essentially the same since 2010, with the majority of Dana Points' population in 2019 identifying as White (74 percent), 18 percent identifying as Hispanic, four percent identifying as Asian, and approximately four percent multiracial. The number of people that identified as Black/African American or Native American has been and remains very small (~0.01 percent), with no census tract displaying higher or lower rates. In comparison, the racial/ethnic makeup of Orange County was 40 percent White, 22 percent Asian, 34 percent Hispanic, four percent multiracial.

Between 2010 and 2019 in Dana Point, the rate of diversity increased and expanded across census tracts in the central, northern, and southeastern parts of the city. The areas with increases in rates of diversity occurred in both low and moderate resource areas. In the western part of the city, where resources are noted as moderate (rapidly changing), or ranked as highest, the rate of diversity remained the same. Changes in census block group boundaries that now follow Salt Creek make rates of diversity appear to have contracted, but the actual rates are the same.

Hispanic and Latino communities in Dana Point are somewhat more geographically concentrated in census tracts near the center of the city, where high density housing is more predominant and access to public transportation (bus stops) along PCH is more readily available than in the northern portions of the city. Predominantly white communities tend to be those census tracts that are coastal adjacent. This trend is seen in coastal communities throughout the county, where 80% or more of residents in certain census tracts along the coast identify as White in cities such as Dana Point, Laguna Beach, and Newport Beach.

Viewed over a longer timeframe, demographics are shifting in a more diverse direction in the City (87% White alone in 2000 vs 75% White alone in 2020). The primary increase is in the multi-racial community, which increased from 3% in 2000 and 2010 to over 13% in 2020. This trend is seen throughout Orange County, as jurisdictions from Mission Viejo to Buena Park saw an overall increase in non-white and multi-racial populations between 2010 and 2020.

However, coastal communities are still not as diverse as their inland counterparts. Surrounding cities, including San Clemente, Laguna Niguel, and Laguna Beach, tend to have

lower diversity in comparison to inland cities, like Lake Forest and Laguna Hills. Larger and denser cities in northern Orange County, such as Garden Grove, Anaheim, and Buena Park, remain highly diverse. In cities like these, over 80% of residents in many census tracts identifying as a race or ethnicity other than White. The county at large has higher percentages of other racial and ethnic groups, like American Indian or Alaskan Natives, Asian, Black, and Hispanic/Latino groups, in comparison to the city of Dana Point.

Contributing factors to this overall trend includes the dramatic difference in housing cost, both for rental and ownership, in coastal communities as compared to inland communities that contained greater amounts of developable land and lower cost multi-family and single family housing. The Location Affordability Index (HUD, 2016), demonstrates the impact of housing affordability. Median cost of rent in Dana Point is between \$1,500 dollars to approximately \$2,800 dollars in the most expensive areas of the city. Comparatively, renters in Westminster and Santa Ana can find median rent costs as low as \$969 dollars.

The high cost of housing in coastal communities such a Dana Point could serve as a significant housing barrier in these communities. In general, the housing in south county jurisdictions was too expensive for many non-White households. Historically, the lack of diversity and segregation throughout many cities across the nation can be tied to the federal government’s outlining areas with sizable non-White (especially Black/African American) populations in red ink on maps. These redlined areas were indications of supposed poor credit risk and, as a result, banks and other mortgage lenders commonly rejected loans for creditworthy borrowers based solely on their race or where they lived.

Although the practice was outlawed through the adoption of the Fair Housing Act (title VIII of the Civil Rights Act of 1968), the decades of discrimination prevented people of certain races and ethnicities from buying homes at all or buying homes that would appreciate substantially in value, which prevented them from generating wealth and passing along that wealth to their children (a concept called generational equity). Thus, while the majority of Dana Point’s housing stock was built after redlining was already outlawed, only a small percentage of minority households could afford to live in coastal communities.

Redlining and discrimination through local lending practices may have taken place, as evidenced by the state’s legal actions to revoke the license of a local mortgage company based on claimed use of zip codes to deter investment in predominantly Black neighborhoods. While Dana Point did not have a significant Black/African American population, and there is no direct evidence that the City can find to indicate discrimination took place in lending practices, the pattern of discrimination occurring formally and informally throughout other parts of southern California region indicates that acquiring a home in Dana Point was likely made less accessible for people of color. The City of Dana Point was not incorporated until 1989, and land use planning was under the authority of the County of Orange. This portion of the County was largely designated for very low density and master planned development, which generates housing opportunities that are less affordable. Given the income disparity between White and non-White populations in

the late 1900s (when much of the housing was built), it is reasonable to conclude that pricing prevented many people of color from being able to buy a home in Dana Point.

Income

To understand the degree of integration or segregation by income, the City evaluated poverty rates at the census tract level and median incomes at the census block level. As of 2010, several census tracts reported poverty rates between 10 and 20 percent (Figure H-7). By 2019, the overall poverty rate in Dana Point was approximately five percent and poverty rates were below 10 percent in every census tract (Figure H-8).

Median household incomes reflect more distinct patterns, where census block groups (Figure H-9) with the lowest median income (up to the 2020 California state median income of \$87,100) are concentrated in low resource areas. These areas correspond to the census tracts with the lowest median monthly housing costs (between \$1,500 and \$2,000), based on 2019 Census data. Elsewhere in the city, median incomes (well above \$87,100) and median monthly housing costs (up to \$3,000) are much higher. Census block groups in and around the Doheny Village area report the lowest median income levels (below \$55,000) and the lowest median monthly housing cost (\$1,484), likely influenced by the presence of the two mobile home parks in Dana Point and two mobile home parks in the same census block group in San Juan Capistrano.

Overall, the residents of Dana Point and the surrounding areas have very high median incomes, particularly moving westward toward the coast. This contrasts drastically with north Orange County, particularly the denser, larger cities of Santa Ana, Garden Grove, and Anaheim.

Linguistic Isolation

The City uses data from CalEnviroScreen version 4.0 mapping the percentage of households with limited English speaking abilities (Figure H-10) to understand patterns of linguistic isolation. According to the 2019 American Community Survey (ACS) 5-year estimates, only two percent of Dana Point households were reported as limited English-speaking households. Of the 350 households with limited English-speaking skills, 153 speak Spanish and 197 speak a different language. The one census tract in Dana Point that reports more than four percent of households with limited English-speaking skills overlaps with the jurisdictional boundary of and may be influenced by residents living in San Juan Capistrano. The census tract to the north that is entirely within that City of San Juan Capistrano exhibits a very high rate (17 percent) of households with limited English-speaking skills.

Overall, there does not appear to be patterns of linguistic isolation in Dana Point due to the very high levels of English speaking abilities by residents. Rates of linguistic isolation are low throughout southern Orange County, with jurisdictions like San Clemente, Dana Point, Aliso Viejo, Laguna Niguel, and Laguna Beach seeing little or no linguistic isolation. Rates increase moving north towards the larger and more diverse cities like Santa Ana and Garden Grove.

Familial Status

The City uses data from the 2019 ACS at the census tract level to understand the pattern of family and non-family households. The majority of people in Dana Point are married couples, with over 40 percent identifying as adults over the age of 18 living with a spouse (Figure H-11), and less than 20 percent of the population identifying as adults over the age of 18 living alone (Figure H-12). This pattern is found throughout the city and the figures for most census tracts vary little (e.g., the census tracts showing the highest rates of people living alone on Figure 12 are only 1 to 2 percent higher than the lowest category threshold).

Children under the age of 18 in Dana Point largely live in married couple households (Figure 13), with over 40 percent of all children in Dana Point living in a married couple households, and less than 20 percent of all children in Dana living in single parent, female-headed households (Figure H-14). This pattern is fairly consistent throughout the city, though the northern-central part of Dana Point contains the greatest percentage of single-parent households (led by female or male parents).

Dana Point shows similar familial status demographics to many jurisdictions in southern Orange County. Cities like Laguna Niguel, San Juan Capistrano, and San Clemente generally demonstrate a low percentage of adults under the age of 18 living alone, and low rates of children living in single-parent, female-headed households. Conversely, other cities within the region like Anaheim, Garden Grove, and Santa Ana demonstrate lower rates of adults over 18 living with a spouse, and higher rates of single-parent households.

Disability Status

The City uses Census data (2010/19) to understand the extent and distribution of residents reporting a disability (Figures H-15 and H-16). Since 2010, the percentage of persons with a disability increased citywide, spreading from two to six census tracts. The six census tracts overlap with low, moderate, and highest resource areas. This pattern is likely the result of residents aging in place, suffering from disabilities as they grow into their 60s and beyond. This pattern is seen across the region as whole, with residents throughout Orange County and elsewhere in the region growing older and reporting more rates of disability.

Conclusion and Summary of Issues

There is no significant evidence of segregation or concentration of households based on linguistic isolation, familial status, or disability status, and rates are either consistent with or better than regional figures. However, there is some evidence of concentrations of census tracts with lower income levels compared to citywide. Additionally, while Dana Point has not changed much in its citywide racial or ethnic makeup over the years and the City (74% White) is less diverse than the County as a whole (40% White), greater diversity, meaning more racial and ethnic groups, is found to be increasing in many census tracts, meaning that more people are able to live in more places. This includes increasing levels of diversity in moderate resource areas. While incomes generally went up overall throughout Dana Point, lower income households are located in the central part of the city, which

coincides with some of the most affordable places to live due in part to the areas' older and smaller housing options.

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP)

To help identify areas with racially or ethnically concentrated areas of poverty, HUD developed a definition for racially/ethnically concentrated areas of poverty, or R/ECAPs. HUD defines a R/ECAP at the census tract level, as an area in which the poverty rate exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. In addition, the area must have a non-white population of 50 percent or more. Census tracts with this poverty rate, that also satisfy the racial/ethnic concentration threshold, are deemed R/ECAPs.

Using this methodology, the City of Dana Point does not have any census tracts identified as a R/ECAP. There are few R/ECAP areas in the region at large, with only two jurisdictions in Orange County (Santa Ana and Irvine) containing census tracts identified as R/ECAPs. Santa Ana and Irvine are both larger and more diverse jurisdictions compared to Dana Point and other southern Orange County cities.

Another method of evaluating patterns of income concentration along racial lines is to identify racially concentrated areas of affluence (RCAA). While there is no regulatory definition for identifying RCAAs, HUD published an article in 2019 titled "Racially Concentrated Areas of Affluence: A Preliminary Investigation". In this article, the authors found that while "low-wealth communities of color have been thoroughly... portrayed as the most recognizable example of racial and income segregation in the United States, relatively little attention has been given to the other side of the segregation dynamic—the affluent, White community."

The authors hypothesized that, in the same way that there can be disadvantages for people of color that are living in poverty and are isolated/concentrated, there can be distinct advantages for people living in neighborhoods that are extremely affluent. They also cited previous research indicating that areas of significantly higher affluence that are racially mixed or primarily non-White exhibited a more even distribution of advantages (e.g., good schools and higher property values). In comparison, very affluent areas that are almost or entirely White in racial composition tend to concentrate advantages more intensely.

The authors sought to mirror the dimensions and methods that make up the R/ECAP definition and to think of both R/ECAPs and RCAAs as two ends of the same continuum. Accordingly, they defined an RCAA as a census tract in which 80 percent or more of the population is White and has a median income that is roughly double that national median (in their study \$125,000 was about double the 2016 national median household income of \$60,309).

Based on a median household income in 2019 of \$77,774 for the Los Angeles-Long Beach-Anaheim metropolitan statistical area, an RCAA is a census tract in which 80 percent or

more of the population is White and has a median income of \$155,000. Using this metric, there are no census tracts that qualify as an RCAA in Dana Point, no such census tracts throughout the entirety of Orange County, and few throughout the entire SCAG region.

Some evidence of concentration begins to emerge once an RCAA is defined as a census tract where both:

- the percentage of White population is 1.5 times higher than the average percentage of total White population for all census tracts in the SCAG region (48 vs 32 percent); and
- the median household income is 1.5 times higher than the median household income for the SCAG region (\$122,268 vs \$81,512).

It is important to note that this definition is consistent with methodology preferred by HCD, in which a location quotient (1.5 times higher than the average) provides better baseline of comparison across the entire SCAG region and helps to control for extreme outliers compared to a flat rate percentage (80 percent or greater or more than 200% higher).

There are three census tracts in Dana Point that meet these criteria and can be considered RCAAs (see Figure H-17). One census tract identified as a RCAA is within Dana Point's highest resource area. Within this census tract, 87 percent of the population identifies as White (2020 Census), giving a location quotient of 2.7 comparative to the SCAG region. The SCAG Region AMI for 2020 is \$81,512 dollars. This census tract has a median income of \$177, 344, more than 2 times that of the SCAG AMI. Most of the census tract lies geographically in Laguna Beach and houses the exclusive 29-acre private Laguna Beach Community of Three Arch Bay, a large reason this census tract is identified as a RCAA. The geographic area of this census tract that does fall within Dana Point City limits is built out by single family housing, as well as the Monarch Bay Beach Club. This small geographic section of Dana Point is only a slight contribution to the overall income level of the census tract as a whole and is not representative of inequal spatial distributions of income or racial concentrations, as the majority of the census tract lies outside of Dana Point City limits and houses a well-known affluent area from another jurisdiction.

The census tract immediately below is identified a moderate resource area that is rapidly changing and is also a RCAA, with a location quotient of 2.6 (82 percent White per 2020 Census) and a median income of \$140,918. This census tract encompasses the Monarch Beach Resort Specific Plan, a master planned community originally adopted in February of 1992. The area of Monarch Beach Resort is a built-out community which includes a 5-star resort and golf course, and upwards of 200 single family homes. The Monarch Bay Master planned area provided single family housing opportunities that were expensive at the time of development in the 1990s, and have maintained that value throughout time, marking a historic pattern of a high "cost of entry" to housing in this area.

The final RCAA in Dana Point is a census tract that follows the west side of Del Obispo Street from PCH to Camino Del Avion, spanning much of the length of Dana Point, with a location quotient of 2.3 (74 percent White per 2020 Census) and a median income of \$125,

347. This census tract is identified by TCAC as a Low Resource area, and has been fully developed with single family homes, a large catholic church complex, and multi-family senior living center. The majority of this census tract is existing single-family homes, though at a higher density than seen in the RCAA in northern Dana Point, where lot sizes are more expansive.

The City’s opportunity for integrating housing for various economic levels in these census tracts is the addition of ADUs on existing lots, as sites in these census tracts are already occupied by existing single family housing that is unlikely to turn over into a more traditional style of multifamily housing. The addition of ADUs to existing single family lots within these RCAAs provides an opportunity for the City to increase housing opportunities to a more racially and economically diverse population.

Regionally, there are multiple RCAAs identified throughout Orange County. The highest concentration of RCAAs is seen in southern Orange County, and in coastal jurisdictions throughout the county. This trend mimics spatial patterns identified in distribution for median income and percent of non-white population, as expected for the defined criteria of a RCAA. South Orange County and coastal jurisdictions tend to have larger concentrations of residents who identify as White, as well as larger median incomes than larger and more dense jurisdictions to the north, in large part due to the discrepancy in housing costs between coastal communities and non-coastal communities that has been discussed at length in the analysis.

A contributing factor to the concentration of White residents throughout southern Orange County is the proximity to the Marine Corps Base Camp Pendleton (Camp Pendleton). All commissioned officers, all enlisted non-commissioned officers (grade E-6 and above), as well as all enlisted marines who are currently married, are eligible to live outside of Camp Pendleton in civilian housing of their choosing. The proximity of many southern Orange County jurisdictions to Camp Pendleton provides ample opportunity for eligible active-duty Marines and their families to live in these communities and commute to Camp Pendleton. As of April 2021, Camp Pendleton has 42,000 active duty service members with 38,000 family members (spouses and children), 73% percent of which live off base. There are approximately 77,000 retired military personnel who reside within a 50-mile radius of Camp Pendleton. The military community has a tremendous impact on southern Orange County communities, with many Marines and their families calling southern Orange County jurisdictions “home”. Demographic data provided by the USMC in June of 2017 shows that at that time, 64% of the Marine Corps identified as White (50,880 service members). This large number of service members and their families, and the proximity to Camp Pendleton is certainly a contributing factor for the higher concentrations of White populations seen in southern Orange County jurisdictions like Dana Point, which is only a 12-minute commute to the nearest gated entry to Camp Pendleton at the Cristianitos entrance gate.

Access to Opportunity

Public Schools

Dana Point is served by Capistrano Unified Public School District. Capistrano Unified School District serves a large swath of southern Orange County including Laguna Niguel, Mission Viejo, San Clemente, and San Juan Capistrano. Residents are served by multiple schools at each level, with three public school sites in Dana Point: Dana Hills High and Richard Henry Dana Elementary in central Dana Point, and Palisades Elementary in southern Dana Point. The following data is drawn from an independent nonprofit GreatSchools.org dedicated to researching and rating schools at every level. The data is sourced from 2018 and 2019 demographic data, California Assessment of Student Performance and Progress data, and 2019 graduation rates and California public university entrance requirements provided by the California Department of Education.

- **High Schools.** Dana Point residents generally attend one of two high schools, with Dana Hills High located in central Dana Point and serving the western half of the city, and San Juan Hills High located north of Dana Point and serving the area east of the San Juan Creek Channel. Both schools rank as above average (8 out of 10) and have similar levels of ethnicity (28 to 33 percent Hispanic). Lower income students achieve graduation rates above 90 percent at both schools, though San Juan Hills graduates more lower income students (50 percent) eligible for California public universities compared to Dana Hills (37 percent). Overall, families and their students in Dana Point have access to high quality high school education.
- **Middle Schools.** Dana Point residents generally attend one of three middle schools, all located outside the city. Niguel Hills is northwest of the city and serves the northwestern part of Dana Point. Marco Forster is just north of the city serves the central part of Dana Point. Shorecliffs High is east of Capistrano Beach serves the area east of the San Juan Creek Channel. Marco Forster is ranked as average (6/10) while Niguel Hills and Shorecliffs are ranked above average (7/10). Marco Forster has a higher percentage (65 percent) of Hispanic students compared to Niguel Hills (28 percent) and Shorecliffs (26 percent). Low-income and underserved students at Shorecliffs are performing about as well as other students in the state, but this school still exhibits some achievement gaps compared to all other students in the school. The gap is greater at both Niguel Hills and Marco Forster and indicates that low-income and underserved students may be falling behind students at the schools and across the state. Overall, the three schools are relatively comparable.
- **Elementary Schools.** Dana Point residents are served by numerous elementary schools both within and outside the city. The schools that serve the northwestern part of Dana Point (Moulton and John Malcom) both rank very high (8 and 9 out of 10, respectively). The schools that serve the rest of the city are ranked as average (all 5 out of 10), including Richard Henry Dana and Palisades located in the city. Richard Henry Dana operates a dual language immersion system and serves a largely (91

percent) Hispanic student population. A majority of students (61 percent) at Palisades identify as Hispanic. In both schools, low-income and underserved students may be falling behind students at the schools and across the state.

- Overall Education Opportunities.** The data indicate that while all residents of Dana Point have access to a quality public high school education (average or above), the low-income and underserved students continue to struggle. The discrepancy between school resources appears to be greatest at the elementary school level. This aligns with the Educational Index score of the 2021 TCAC Opportunity maps, which shows areas of less positive educational outcome in the lower resource areas in central and south Dana Point, with the educational index scores improving moving north and west towards the moderate and highest resource areas. According to the Public School Review, a public school evaluation site, Orange County has a total of 622 public schools serving 486,179 students. The county has one of the highest concentrations of top ranked public schools in the state of California. The top ranked schools are located in northern Orange County, in the cities of Cypress, La Palma, and Los Alamitos. The county has a 74 percent multicultural enrollment rate, slightly lower compared to the state’s enrollment rate of 77 percent.

In September 2020, the City entered into a memorandum of understanding with Orange County United Way to provide financial literacy coaching and education (Sparkpoint OC), case management, and wrap-around services to parents of Richard Henry Dana Elementary school and residents of Dana Point. The goal is for families to be equipped to overcome barriers to stable housing, focusing on enhancing economic security so that students have the stability needed to succeed in school.

A review of the pilot program’s performance was conducted in 2021 and the City and United Way deemed the program to be successful. The program met its goal of reaching 100 families, and 28 were connected to local services to keep the support coming after completion of the program, and 54 families were loaned laptops to facilitate budget management. The program will now be offered on a permanent basis with 25 to 30 families enrolled each quarter. Eligibility is limited to families that earn roughly \$30,000 annually or less with children at Richard Henry Dana Elementary School and families who live in south Orange County.

Transit

Local and regional bus service is provided by the Orange County Transit Authority (OCTA). Routes that operate in Dana Point include line 90, with north/south stops along Golden Lantern Street, line 91 with north/south stops along Del Obispo Street, and line 1 with scattered stops along Pacific Coast Highway. Line 91 runs through central Dana Point, a low resource area within the city, and provides access to the Laguna Hills Transportation Center. Line 1 runs through the higher resource areas of Dana Point and provides access to the Laguna Beach Bus Station. There are no lines within Dana Point that offer 15-minute weekday rush hour frequency, which is offered in north and west Orange County. Standard fare for OC Bus is \$2 to board and \$5 for a one-day pass (unlimited transfers). Seniors,

individuals with disabilities, and youth are eligible for discounted fares; and unlimited 30-day passes are available for \$69.

Rail service is provided by Metrolink, a train system offering connections across southern California, with service Monday through Friday from roughly 4 AM to 8 PM and a reduced schedule on weekends. The nearest Metrolink train stations are in neighboring cities of San Juan Capistrano and San Clemente. Both stations are close to low resource areas. Compared to regional bus service, Metrolink offers quicker (though more expensive) access to the destinations and employment centers throughout southern California. A standard one-way fare between San Juan Capistrano and Irvine will cost \$6 and take 14 to 17 minutes depending on departure time. Discounts are available for a seven-day (\$42) and monthly (\$168) pass, as well as those who are seniors, students, youths, active military, disabled, or on Medicare.

Overall, there are more transit options in the low resource areas in central and southeastern Dana Point. The moderate (rapidly changing) and highest resource areas have the least amount of access to transit, though incomes in these areas are the highest and the residents are the least dependent on transit. There is a small percentage, two percent, of Dana Point households that rely on public transportation, while a large percentage, 98 percent, of households have access to at least one vehicle as of 2019.

If affordable housing options, such as ADUs, are constructed in the moderate (rapidly changing) and highest resource areas, the lack of transit could be a limitation on the ability of lower income households to access employment opportunities, essential services, and retail facilities. Additionally, the lack of transit in these areas would reduce the competitiveness under grant and tax-incentive programs for an income-restricted housing development, which could thereby inhibit the expansion of lower income housing options. Unfortunately, the current and future ridership levels throughout these large geographic areas is too low (even if multiple transit-dependent housing developments were constructed), for OCTA to justify a two-mile extension of lines 85 or 87 from their Laguna Niguel stations. An extension of line 1, which runs along Pacific Coast Highway, would be shorter, but this line runs from Long Beach to San Clemente and its alignment would not likely be changed by OCTA for the additional incremental ridership created by new housing options in northwest Dana Point.

Economic/Employment Opportunities

The jobs proximity index produced by HUD quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a metropolitan statistical area, with larger employment centers weighted more heavily. The map (Figure H-18) indicates that most Dana Point residents are far from employment centers. This is not surprising as most of southern Orange County was developed late in the 20th century as bedroom and resort communities. The majority of economic and employment opportunities were historically in a handful of northern Orange County cities and urban centers in Los Angeles County.

The area near Dana Point harbor is deemed to have the closest proximity of residents to jobs, due in part to employment opportunities associated with the Harbor and resort areas. The closest major employment center is the business park cluster in San Clemente. Residents in Dana Point have access to bus service and Metrolink to travel to larger urban job centers like Irvine, Santa Ana, and Costa Mesa. According to Data USA, the average Dana Point citizen commutes to work alone by car, with an average commute time of 24 minutes. This commute rate and status is comparable to other south county jurisdictions, with average commute times of 25 minutes, 23 minutes, and 28 minutes for Laguna Niguel, Laguna Woods, and Mission Viejo, respectively. Jurisdictions in northern Orange County are generally closer, though there are still areas, such as Huntington Beach and Garden Grove, that are much larger and closer to Los Angeles County, that are similarly far away from employment opportunities.

Environmental Conditions

In February 2021, the California Office for Environmental Health Hazard Assessment (COEHHA) released the fourth version of CalEnviroScreen, a tool that uses environmental, health, and socioeconomic indicators to map and compare community’s environmental scores. A community with a high score has higher levels of pollution and other negative environmental indicators. All census tracts in Dana Point have relatively low scores underneath the 40th percentile, indicating that the population and pollution indicators for Dana Point are better than 60% of the state. The areas in Dana Point with the Highest environmental risk factors are in the Low resource areas in central and southern Dana Point. Factors influencing the higher environmental risk scores in Dana Point’s low resource areas include the proximity to facilities listed as environmental hazards such as the Prima Deshecha landfill in adjacent cities, air pollution from proximity to Interstate 5, and proximity to San Juan Creek (listed as an impaired waterway under the Clean Water Act for levels of bacteria, phosphorus, and nitrogen). These factors and others contribute to the slightly higher environmental risk scores seen in these areas, although overall risk scores remain low. In general, scores remain low throughout most of southern Orange County, as this area contains vast swaths of residential and open space and few industrial uses. Scores instinctively increase moving towards the urbanized north of Orange County, with jurisdictions like Anaheim, Stanton, and Santa Ana experiencing increased environmental risk through exposure to greater levels of air pollution, water pollution, and traffic.

Conclusion and Summary of Issues

The historical development of Dana Point as a resort and bedroom community located far from the heavily urbanized areas of northern Orange County and southern Los Angeles County cities has limited access to substantial transit and employment opportunities. Additionally, the Marine Corps Base Camp Pendleton separates Dana Point and other south county cities from northern San Diego County cities, while Saddleback Mountain separates the south county area from the western Riverside County cities. Transit and employment opportunities are more accessible in the City’s lower and moderate resource areas. Mixed

use development in the Town Center and Doheny Village areas may bring more job opportunities.

While the performance of public schools serving residents of Dana Point is average or better, the elementary schools that serve central and southeastern (lower resource areas) do not perform as well, particularly for lower-income or underserved students. The gap between such students and more affluent students continues through the middle and high schools that serve all of Dana Point and surrounding communities. While exposure to pollution is greater for areas abutting Interstate 5, the state’s overall environmental risk assessment indicates that all areas of Dana Point are in the upper 40th percentile compared to every census tract in California.

Disproportionate Housing Need & Displacement

To assess patterns of disproportionate housing need, the City analyzed four characteristics at the census tract level: overcrowding, housing affordability, displacement risk, and the condition of current housing stock. This information is displayed in Figures H-19 to H-24.

Overcrowding

Using data available from the California Health and Human Services Agency, the City analyzed rates of overcrowding (> 1.0 persons per room in a household) at the census tract level in 2010 (Figure H-19). Based on this data provided by the state, all census tracts within the City fall underneath the statewide average (8.2 percent) of overcrowding. Reviewing data from the American Community Survey for 2016-2020 indicates that there is still little overcrowding in Dana Point (2.1 percent overall, <1 percent for ownership households and just over 4 percent for renter households). The rates of overcrowding for rental households in Dana Point is concentrated in four census block groups, with all other block groups exhibiting zero overcrowding. In the Doheny Village area, the census block group that is in both Dana Point and San Juan Capistrano contains 20 rental households (8 percent rate of overcrowding) that are overcrowded, but it is unclear (due to a lack of data at the census block level) whether these households are in Dana Point or San Juan Capistrano. In the Monarch Beach part of the City, the census block group that contains the Villas at Monarch Beach and Monarch Beach Resort (the two rental properties in the block group), exhibits the highest rate of overcrowding at 24 percent. However, these two rental properties rent for roughly \$3,000 to \$18,000 per month, indicating that occupants are choosing to live in smaller units as larger housing could easily be found nearby at comparable (or lesser) rents. In the Lantern Village area, two census block groups exhibit overcrowding rates. In the area bound by Pacific Coast Highway (PCH), La Cresta Drive, Blue Lantern, and Golden Lantern, 30 rental households (6 percent rate of overcrowding) contain 2 or more occupants per room (only instance of overcrowding; all other households contain less than one person per room). In the area bound by PCH, Selva Road, Golden Lantern, and Copper Lantern, 91 rental households experience overcrowding (14 percent rate of overcrowding), with 58 of these households experiencing severe overcrowding (1.51 or more persons per room).

Dana Point experiences similar rates of household overcrowding to neighboring cities like San Clemente, Laguna Beach, and Laguna Niguel. These coastal communities display lower rates of household overcrowding than the denser and larger cities in northern Orange County like Santa Ana, Garden Grove, and Anaheim. Orange County has an estimated 9.1 percent overcrowding rate, greater than the statewide average of 8.2 percent. Extremely low-income and very low-income residents have the highest rates (14.6 percent) of overcrowded households countywide. The racial and ethnic groups most affected by overcrowding are the Latino (20.1 percent) and Native Hawaiian Other Pacific Islander (14.6 percent) populations county wide. According to the 2016-2020 ACS, the countywide rate of overcrowding in rental households is 15.6 percent and the rate of severe overcrowding is 6.1 percent.

Housing Affordability

The City evaluated housing affordability by examining rates of overpayment for housing using tract level data available from the 2010 through 2019 ACS. Households that pay 30 percent or more of their income for gross rent (contract rent plus tenant-paid utilities) or mortgage costs are considered to overpay for housing. Households that pay 50 percent or more toward such housing costs are considered to severely overpay for housing.

As of 2016 data from HUD, a moderate majority (61 percent) of housing in Dana Point was owner-occupied, but the city contains a large number of rental households spread throughout many census tracts in Dana Point. The highest percentage of rental housing (62 percent) is found in the census tract that overlaps with the Lantern Village, Town Center, and Dana Point Harbor areas (Figure H-20). The next highest percentage (43 percent) is found in the census tract immediately to the north. Elsewhere in the city, the percentage of rental housing generally runs between 28 and 34 percent. Dana Point demonstrates similar rates of rental households to neighboring cities like San Clemente and Laguna Beach. With some exceptions, the balance of southern Orange County cities exhibits smaller shares of rental households, which is expected based on the subregion's historical pattern of master planning vast areas with single family housing. The older and more urbanized northern part of Orange County exhibits higher rates of rental households.

Rates of overpayment by Dana Point renter households in 2010 were high (40 to 50 percent) but fairly consistent across the city. One tract in northern portion of the city exhibited very high rates (87 percent). By 2019, rates of overpayment remained high but the extreme rates of overpayment in the northern part of the city fell. While median income in this tract is very high (over \$125,000), the 15 percent of homes that are renter occupied experience the highest rates (68 percent) of overpayment in the city (Figure H-21). Nearly half (45 percent) of rental households in the census tract west of the San Juan Creek experience severe overpayment (Figure H-22).

Despite these high rates of overpayment, rental households do not appear to use Housing Choice Vouchers at a high rate. According to HUD program data, no more than two percent of rental households use these vouchers in all but one census tract in the city. In the census tract that is primarily within San Clemente, nine percent of rental households use vouchers.

The rate of overpayment in ownership households (Figure H-23) is less severe and ranged from 38 to 65 percent across the city in 2019 (comparable to the range in 2010 of 43 to 62 percent). In 2010, the rate of overpayment in ownership households was more evenly distributed but highest (62 percent) in census tracts that overlap with the Capistrano Beach area, while in 2019, the highest rates (65 percent) are in the census tract that overlaps with the Lantern Village, Town Center, and Dana Point Harbor areas.

Dana Point exhibits lower rates of overpaying renter households compared to the neighboring cities of San Juan Capistrano, Laguna Niguel, and San Clemente (rates in these cities range from 60 to 80 percent), and similar rates of overpaying ownership households. Despite assumptions associated with being a coastal community, rates of cost burdened renter and ownership households in Dana Point are comparable to that of larger cities in northern Orange County. Overall, approximately 56.5 percent of Orange County renter households are paying more than 30 percent of their income on rent alone. This is only slightly less than the city of Dana Point where approximately 57.3 percent of renter households spend more than 30 percent of their income on rent alone as of 2019.

Displacement Risk

The creation of new housing opportunities, mixed-use developments, infrastructure upgrades, and other public and private investments is often desired by the community and city. However, such investments and improvements generally lead to an increase in property values and market rents. Lower income residents, particularly those who overpay for housing, are vulnerable to displacement. Based on new public or private improvements, property owners of existing rental properties may seek to raise monthly rents beyond levels that current tenants are already stretching to pay.

Alternatively, property owners (particularly those who own a property that is aging and/or in need of substantial repairs), may see an opportunity to sell at an increased price to a developer who may then replace existing housing with new, usually more intense and expensive housing. With the exception of certain housing in the coastal zone, existing tenants would be unprotected and displaced from their homes without any relocation assistance.

New multifamily housing is likely to be built in the Town Center and Doheny Village areas. These two areas are within census tracts that exhibit high rates of overpayment by renters and are adjacent to the census tracts that exhibit the greatest level of overpayment and severe overpayment. The new housing has the potential to increase housing prices in surrounding census tracts, which could lead to an increased displacement risk for tenants in existing rental housing.

The risk is further increased in rental housing that is more than 40 years old. Nearly all of the rental housing in the census tracts that contain the greatest potential for new housing (Town Center and Doheny Village) was built prior to 1980 according to the 2019 ACS 5-year estimates. Rates of overpayment for rental households in these census tracts was 58 and 47 percent, respectively. The census tract that overlays with the Lantern Village, Town

Center, and Dana Point Harbor areas identified as a vulnerable community based on characteristics such as a high percentage of very low income residents (51 percent), renters (62 percent), and very low income renters that are severely cost burdened (24 percent).

Additionally, in the census tract to the west of San Juan Creek exhibits the highest rate of severe overpayment, roughly 60 percent of the rental units were built prior to 1980. The census tract immediately to the west of that census tract exhibits the highest rate (68 percent) of overpayment in rental households and nearly all housing units were built prior to 1980.

It is unclear whether any units with tenants that are overpaying for housing are in complexes that have been well-maintained or that are reaching the end of their useful life. However, there are no rent-control measures in effect in the city or county. The characteristics of the housing and rates of overpayment indicate that tenants in the four census tracts described above (Figure H-24) likely have a higher risk of displacement compared to elsewhere in the city.

Condition of Current Housing Stock

Results from the ACS Comprehensive Affordable Housing Strategy (CHAS) data on substandard housing from 2013-2017 reveal that only one percent of all households in Dana Point were without a complete kitchen or complete plumbing. These figures indicate that only a small proportion of units in the city reflect substandard infrastructure and utility conditions. This is much better compared to the regional figure, which is still low at roughly five percent. Although the instances of substandard housing are low (just 38 instances reported between 2013 and 2022; all resolved within 6 to 12 months), the most common locations for these instances are the Lantern District and Capistrano Beach neighborhoods.

According to 2019 ACS 5-year estimates, approximately 85 percent of the city's available housing stock was over 30 years old (built prior to 1990). The majority of housing (60 percent) was built between 1970 and 1989 (40 to 50 years ago). Housing stock that is older than 30 years can indicate a need for an emphasis on rehabilitation needs, particularly for lower income homeowners and aging rental housing. Comparatively, 77 percent of Orange County's housing was built before 1989, meaning more than three quarters of the county's housing stock is over 30 years old. The majority of Orange County's housing stock was built between 1960 and 1989, indicating an aging housing stock even over the 30 year threshold. The city of Dana Point mirrors the overall county's housing development trends, as well as its aging housing stock and potential rehabilitation needs.

Homelessness:

The countywide Point in Time (PIT) count of homeless persons reports the number of sheltered and unsheltered homeless persons on a single night during the last 10 days of January in Orange County. Since 2013, PIT reports demonstrate a steady increase in homelessness across the county. The 2019 PIT recorded 763 sheltered and unsheltered

homelessness persons in south Orange County, of which 32 were recorded in Dana Point. The 2022 PIT reported figures that dropped by over 23 percent (585 and 27, respectively). Of the 27 visible such homeless persons counted in Dana Point in the 2022 PIT, all were unsheltered. The 2020 and 2021 PIT counts were postponed due to the COVID-19 Pandemic.

The most common locations for homeless persons in Dana Point is Doheny State Beach and underutilized industrial areas in the Doheny Village area. These parts of the city contain facilities (e.g., overnight camping permits and day passes for restroom and shower access) or are served by local faith-based organizations (e.g., daily food and monthly medical stations).

Homelessness remains a serious issue of concern for Dana Point residents and the City has undertaken various efforts to address homelessness, including conducting community surveys and having dedicated staff (a homeless outreach professional, a Homeless Liaison Officer (HLO), and public works staff) to interact, assess, and work with homeless individuals living in the City in order to better provide access to appropriate resources. The City also works with the local residents, businesses, homeless and housing nonprofits, and the County to coordinate resources and responses. From this work, the City estimates a decrease from 46 homeless individuals in 2017 to 23 homeless individuals in February of 2021. This decrease does not include homeless individuals who refused to work with the City’s homeless outreach staff. The City also recognizes that individuals and families facing housing instability may reside in their vehicles or “couch-surf” (living with friends or family members, often temporarily and without a permanent bedroom) and therefore may not be represented in the overall counts. The City aims to create and progress innovative approaches to address the serious homelessness and housing instability issues at the local and regional level.

Conclusions and Summary of Issues

Housing in Dana Point is typically uncrowded and in good condition, though attention may be needed to ensure those homes that are aging are well maintained. It is expensive to live in Dana Point, particularly for those households with incomes below the state median average. While there are many rental households that may choose to overpay for housing close to the ocean (e.g., young professionals just starting their careers), there are likely many other rental households who struggle while spending 30 percent or more on housing costs. New housing opportunities, if affordable, will benefit such households, while new market-rate housing may lead to increased risk of displacement for those rental households spending more than 50 percent of their income on housing. Homelessness remains an issue facing the City of Dana Point as well as the greater southern California region. While the City estimates a decline in the City’s homeless population since 2017, there remains concerns to be addressed for homeless and housing insecure individuals. The City consistently updates its Community Work Plan to Address Homelessness, which outlines the City’s actions and collaboration efforts with local stakeholders to address and eliminate homelessness in Dana Point.

Sites Inventory and Fair Housing Factors

The location of housing in relation to resources and opportunities is integral to addressing disparities in housing needs and opportunity and to fostering inclusive communities where all residents have access to opportunity. This is particularly important for lower-income households. AB 686 added a new requirement for housing elements to analyze the location of lower-income sites in relation to fair housing factors to determine whether the sites inventory further entrenches existing fair housing issues.

When patterns of fair housing issues do overlap with sites identified in the inventory (parcels with pipeline projects, parcels that are vacant, and parcels that are considered underutilized), the City is obligated to establish strategies to mitigate and improve conditions contributing to fair housing issues. What follows is an analysis of the distribution of the City's sites inventory by income category compared to citywide patterns, in the context of the fair housing issues discussed earlier in the Fair Housing Assessment.

Factors with no Concentration with or without Sites Inventory

The City confirmed that the following fair housing factors either exhibited no particular pattern or evidence of significant concentration across the city at the census tract or block group level (as analyzed).

- Public housing & housing choice vouchers
- Fair housing and complaints
- Linguistic isolation
- Familial status
- Disability status
- Racially or ethnically concentrated areas of poverty
- School performance
- Transit access
- Economic/employment opportunities
- Environmental conditions
- Overcrowding
- Substandard housing

The housing affordability factor (percentage of renters that overpay for housing) does demonstrate a pattern where overpayment is higher in two census tracts (west of San Juan Creek and north of PCH). However, the City's sites inventory does not include any parcels that are in these census tracts, and therefore the City is not exacerbating issues associated with overpayment.

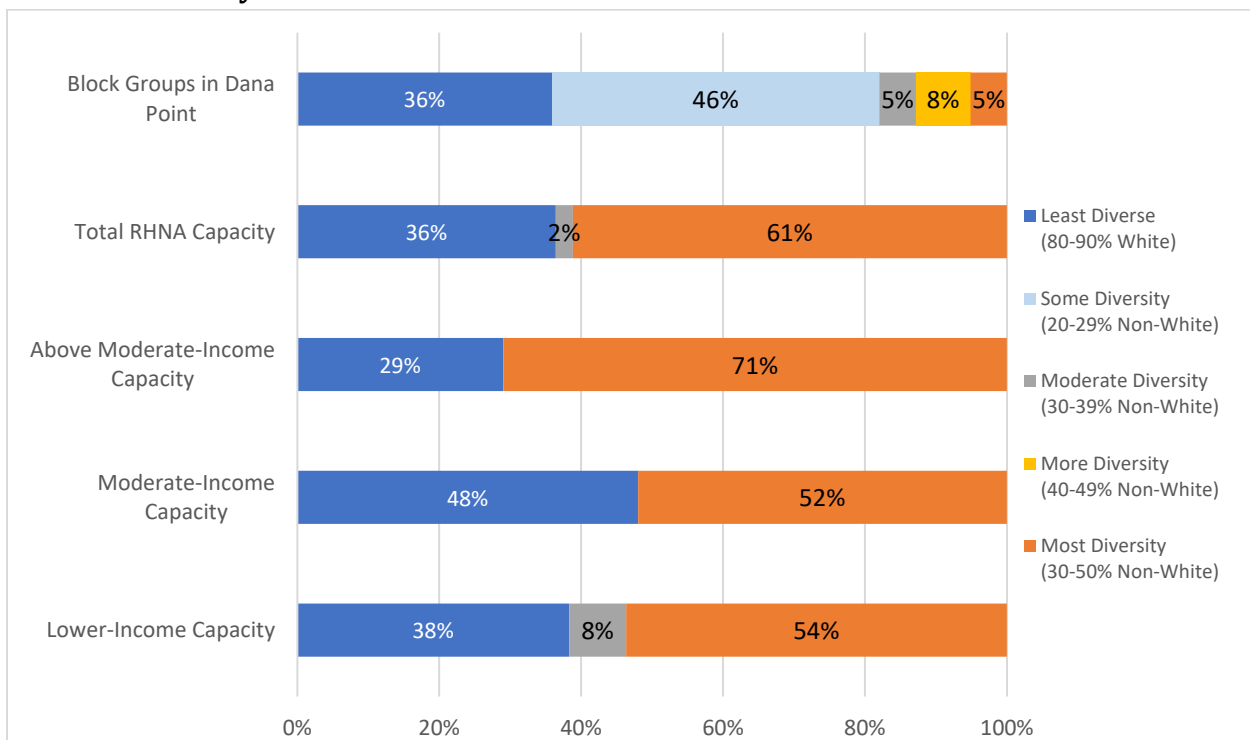
Factors with Evidence of Concentration and Comparison to Sites Inventory

The remaining fair housing factors studied (race and ethnicity, income, displacement risk, and TCAC opportunity areas), demonstrate some type of significant pattern or degree of concentration. The charts and narrative presented below help to illustrate and understand the degree to which the City’s sites inventory (particularly for lower income sites) exacerbate current conditions. This information is used by the City to guide the creation and implementation of housing strategies that strive to improve conditions related to the fair housing factor. These strategies are presented in the discussion of contributing factors and/or in the City’s Housing Strategy.

Race and Ethnicity

As previously stated, the majority of Dana Points’ population in 2019 identifying as White (74 percent), 18 percent identifying as Hispanic, four percent identifying as Asian, and approximately four percent multiracial. Chart H-1 illustrates the general distribution of residents by race and ethnicity citywide by census block group (top bar) compared to the racial and ethnic diversity of the block groups that contain the sites listed in the City’s inventory to address the RHNA allocation (lower bars).

Chart H-1 Race and Ethnicity: Comparison of RHNA Capacity Distribution and Citywide Distribution



Source: 2018 ACS

The distribution of lower income capacity is distributed into three census block groups: 060590423.131 (Town Center), 060590422.011 (Doheny Village), and 060590422.052 (Capistrano Beach, though the one parcel in this area is treated as if it were part of block group 060590422.054 based on the City boundaries (as it is in the 2020 Census)). Compared to the citywide average, about 8 percent of the lower income capacity is in an area that is roughly consistent with the citywide average, 38 percent is in an area that is less diverse, and 54 percent is in an area that is substantially more diverse. The sites inventory also distributes 52 to 71 percent of moderate and above moderate income unit capacity into an area that is substantially more diverse.

While the racial and ethnic makeup of future residents is unknown and cannot be (nor should it be) controlled by the City, data from the US Census and a variety of other survey data indicates that White (non-Hispanic/Latino) households tend to earn higher incomes compared to Hispanic/Latino and multiracial households in Dana Point and across southern California. Accordingly, when lower income sites are placed in areas that contain the largest percentage of non-White households, the potential concern is that such sites will primarily host additional non-White households and further concentrate patterns of racial and/or ethnic concentration.

Fortunately, sites in the inventory larger than one acre have the capacity to accommodate housing affordable to multiple income categories. The City’s largest housing development in the pipeline, Victoria Apartments, is reserving 15 percent of its total units for lower and moderate income households. Per Policy 6.6 in the Housing Strategy, the City will continue to encourage and facilitate mixed-income housing developments to promote more diversity throughout all parts of Dana Point.

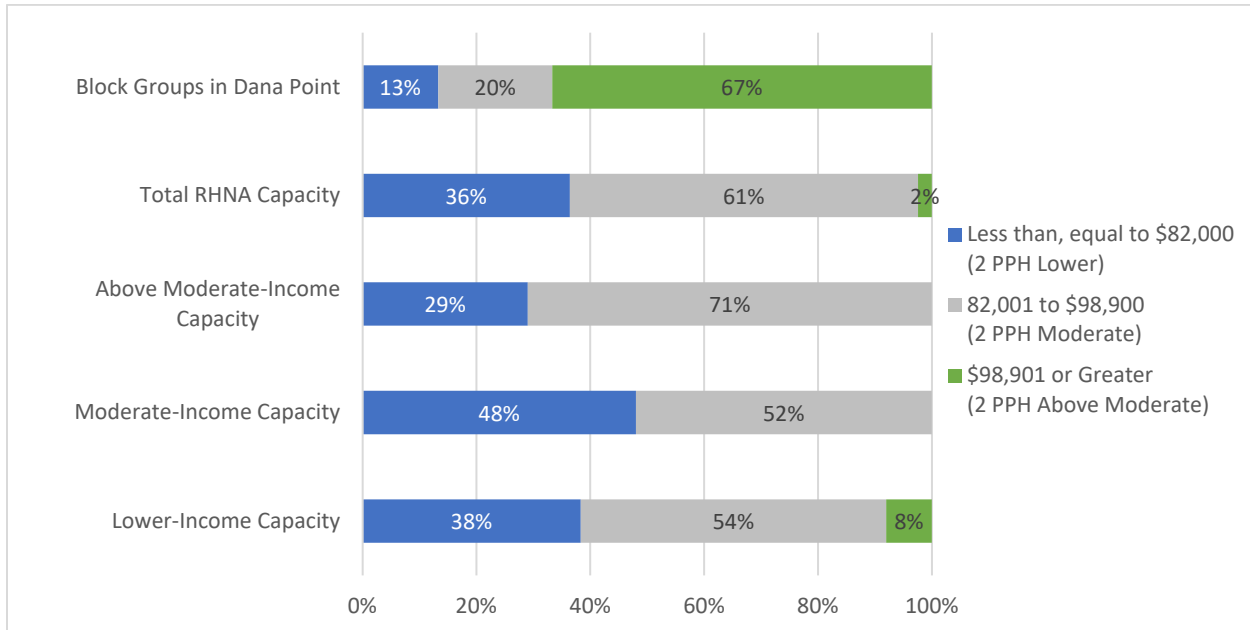
Income

Based on the City’s average household size of 2.3 and the corresponding affordability thresholds for a household with 2 persons, roughly two-thirds of the block groups in Dana Point have a median income above \$98,900 (above moderate income). Another 20 percent of block groups correspond to moderate income and the remaining 13 percent of block groups correspond to lower income. This information is displayed as the top bar in Chart H-2, with the lower bars illustrating the distribution of block groups by median income that contain the sites listed in the City’s inventory to address the RHNA allocation.

The distribution of lower income capacity is distributed into three census block groups: 060590423.131 (Town Center), 060590422.011 (Doheny Village), and 060590422.052 (Capistrano Beach, though the one parcel in this area is treated as if it were part of block group 060590422.054 based on the City boundaries). The Town Center and Doheny Village census block groups have median incomes that are considered lower income. Compared to the citywide distribution, about 8 percent of the lower income capacity is in an area with a median income that is categorized as above moderate, 54 percent is in an area with a median income that is categorized as moderate, and 38 percent is in an area with a median income that is categorized as lower income. The sites inventory also distributes 29 to 48

percent of moderate and above moderate income units into areas with a median income that is categorized as lower income.

Chart H-2 Income: Comparison of RHNA Capacity Distribution and Citywide Distribution



Source: 2015-2019 ACS; 2 PPH – 2 persons per household or a two-person household

There are benefits and drawbacks to focusing the majority of sites that could support housing that is affordable to lower income households in areas with a median income that is categorized as lower income. For example, in areas that that contain lower income renters that are currently overpaying for housing, new affordable units may directly help reduce rates of overpayment and enable a resident to obtain affordable housing while remaining within their current neighborhood. However, if existing renters do not occupy the new lower income units and lower income housing sites are not offered throughout the community, the existing patterns where lower income households are concentrated will only become more concentrated. Per Policy 6.6 in the Housing Strategy, the City will continue to encourage and facilitate mixed-income housing developments to promote more diversity throughout all parts of Dana Point. Per Policy 6.7 in the Housing Strategy, the City will actively advertise new income-restricted units to eligible households in Dana Point (particularly those living within the same census tract as the new units), in part to ensure that new affordable housing built in lower income parts of the City are beneficial and do not exacerbate current patterns.

Displacement Risk

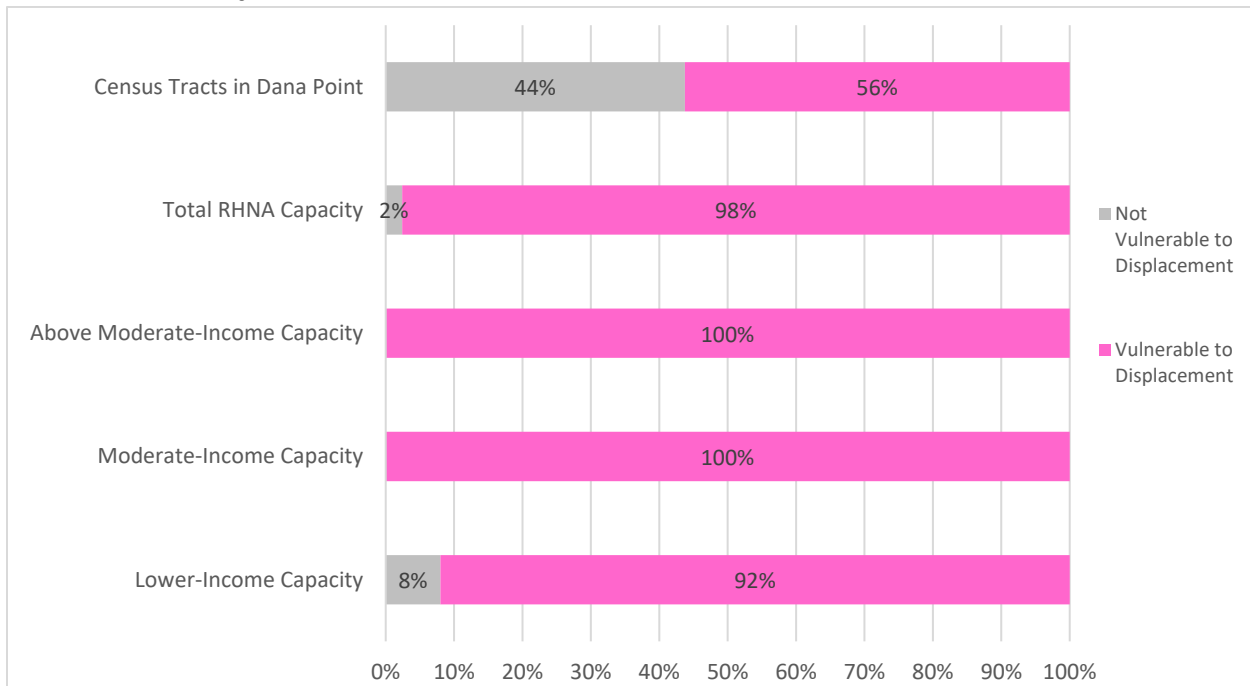
As previously stated, new multifamily housing is likely to be built in the Town Center and Doheny Village areas. These two areas are within census tracts that exhibit high rates of overpayment by renters and are adjacent to the census tracts that exhibit the greatest level

of overpayment and severe overpayment. The new housing has the potential to increase housing prices in surrounding census tracts, which could lead to an increased displacement risk for tenants in existing rental housing.

The risk is further increased in rental housing that is more than 40 years old. Nearly all of the rental housing in the census tracts that contain the greatest potential for new housing (Town Center and Doheny Village) was built prior to 1980 according to the 2019 ACS 5-year estimates. Rates of overpayment for rental households in these census tracts was 58 and 47 percent, respectively. The census tract that overlays with the Lantern Village, Town Center, and Dana Point Harbor areas identified as a vulnerable community based on characteristics such as a high percentage of very low income residents (51 percent), renters (62 percent), and very low income renters that are severely cost burdened (24 percent).

Chart H-3 illustrates the proportion of census tracts identified as containing rental housing and tenants that could be at risk of displacement citywide (top bar), with the lower bars illustrating the vulnerability assessment for census tracts that contain the sites listed in the City’s inventory to address the RHNA allocation.

Chart H-3 Displacement Risk: Comparison of RHNA Capacity Distribution and Citywide Distribution



Source: Urban Displacement Project, UC Berkely 2020; PlaceWorks, 2021

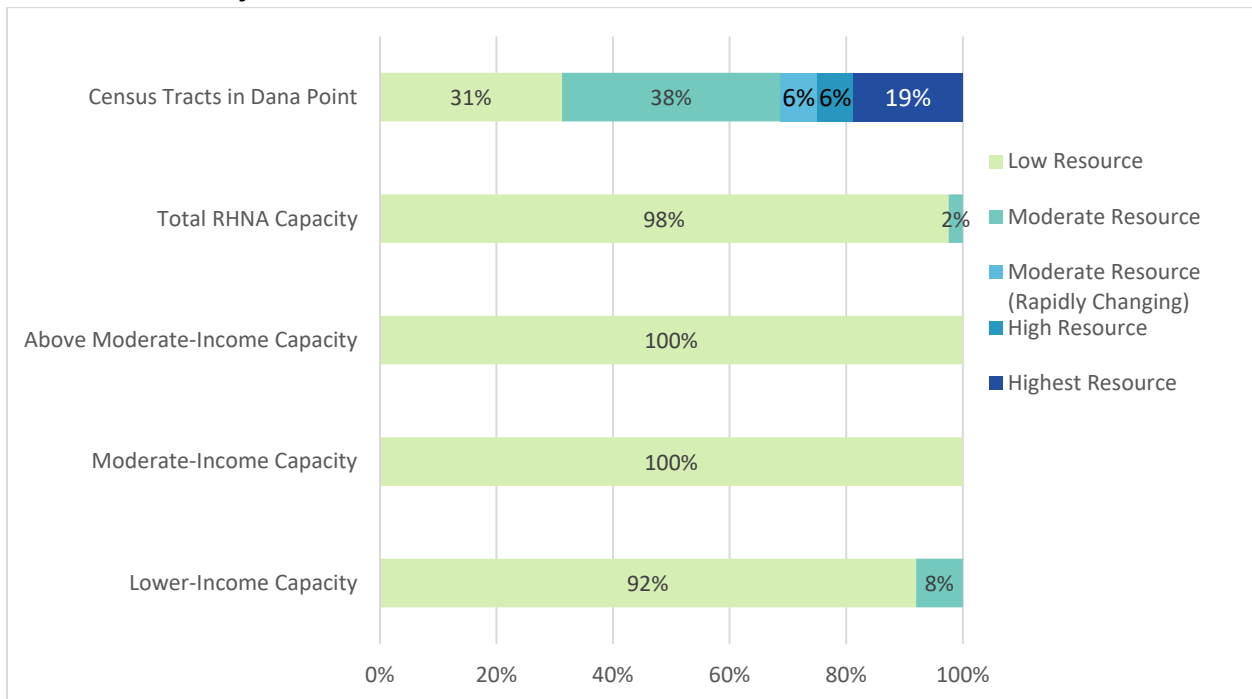
Nearly all (98 percent) of the new housing sites are in census tracts that may have a higher risk of displacement for renters. This is due primarily to the fact that the sites that are currently zoned and best positioned to support new housing aligned with the RHNA

allocation is in areas where higher density residential zoning occurs, which is associated with rental housing options. While Dana Point does have some moderate or higher density zoning in census tracts not considered to have a risk of displacement, the majority of housing in such census tracts is owned by the occupants. The City plans to conduct additional planning and evaluation in an upcoming General Plan update to identify additional sites that are outside of the Town Center and Doheny Village areas to broaden the citywide distribution of new rental and higher density ownership housing and reduce the risk of displacement for existing renters.

TCAC Opportunity Areas

As previously stated, the TCAC opportunity maps display (by census tract) a cumulative assessment of the characteristics that have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. Census tracts with more positive outcomes are designated as higher resource opportunity areas, and areas with less positive outcomes in these categories are designated as low resource opportunity areas. Chart H-4 illustrates the citywide proportion of census tracts by resource classification (top bar), with the lower bars illustrating the resource classification for census tracts that contain the sites listed in the City’s inventory to address the RHNA allocation.

Chart H-4 Opportunity Areas: Comparison of RHNA Capacity Distribution and Citywide Distribution



Source: California Tax Credit Allocation Committee, 2020

Nearly all of the housing opportunity sites are in low resource areas, with the site owned by SCWD in a moderate resource area. While the Town Center and Doheny Village areas are considered to be within low resource areas, new housing options in these areas would actually have better access to resources such as transit, open space, essential shops and services, and jobs compared to the moderate and higher resource areas of the City, due in large part to the residential nature of the moderate and high resource areas, being almost entirely built out with single family homes. In the past, affordability was defined as households being able to spend less than 30 percent of their budget on housing, but many now define it as spending less than 45 percent on housing and transportation combined. That definition recognizes the high cost (financial and time) associated with housing located in an isolated area far from transit options, employment opportunities, and essential shops and services. The chosen housing opportunity sites allow for integration of income levels in future development, with sites accommodating all levels of income found within close proximity to each other in the Town Center and Doheny Village areas. Additionally, the introduction of new housing with occupants at any income level will only strengthen the support of public transit usage and ensure more residents are closer to job opportunities. Additionally, the new housing sites are immediately adjacent to census tracts experiencing the highest rates of overpayment, and existing residents could qualify for future income-restricted units without moving away from their existing social and service networks.

The housing opportunity sites in the Town Center provide access to bus routes along Pacific Coast Highway and Golden Lantern Street. The Town Center also offers a walkable environment filled with essential shops and services as well as immediate access to numerous parks and beaches along the coast, and the ability to walk to the nearby elementary school. In the Doheny Village area, the housing opportunity sites enjoy access to several bus routes stops along Pacific Coast Highway and are within a 15- to 20-minute walk of an elementary school (with the route using quiet residential roads). The sites are also within walking distance to Costco and numerous essential shops and services. The vacant SCWD-owned site in is within a moderate resource area and is within a 10- to 15-minute walk of two grocery stores, dozens of shops and services, and professional job opportunities. Other locations in Dana Point may be classified as moderate or higher resource areas, but those areas lack some of the key assets enjoyed by the selected housing opportunity sites: the ability to walk to transit stops, shops and services, parks, open spaces, and schools.

The primary reasons for the TCAC classification of the Town Center and Doheny Village areas as low resource areas are the presence of low income households, water pollution levels in the San Juan Creek Channel, and the evaluation scores of the two elementary schools. The water pollution levels in the Channel represents exposure to pollution for those who enter the nearby waterway and ocean, but do not elevate any exposure to pollution for those residing in the primary or adjacent census tract. The presence of low income households is an issue that overlaps with and is discussed in prior pages regarding household income. The City is continuing its relationship with the United Way to improve life skills and educational performance at Richard Henry Dana Elementary School.

Contributing Factors

Based on public outreach and the technical assessment of fair housing in Dana Point, Table H-22 identifies the factors that contribute or are the most likely to contribute to fair housing issues. Aside from the issues identified in the technical analysis, potential contributing factors include community opposition to affordable housing, lack of regional cooperation, and lack of public or private investment in affordable housing options.

**TABLE H-22
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

Patterns of Segregation and Integration / Disproportionate Need & Displacement
<p>Contributing Factors (High Priority)</p> <p>Income and Diversity: The majority of new housing sites are in census tracts that represent areas of potential concentration of lower median incomes and diversity, with new lower income opportunity sites potentially exacerbating existing patterns.</p> <p>Overpayment: A large percentage of rental households in Dana Point spend more than 30 and 50 percent of household income on monthly rent and utilities. There may also be a stigma associated with the use of Housing Vouchers, both by property owners and tenants.</p> <p>Low rates of housing voucher use: Despite high rates of overpayment for rental households, the use of housing vouchers is low.</p> <p>Displacement risk: The introduction of new housing into census tracts where renters overpay or severely overpay for housing could increase the risk of displacing existing lower income rental households.</p>
<p>Meaningful Actions, Metrics, and Milestones</p> <p>See Goals 2 and 6 as well as programs:</p> <ul style="list-style-type: none"> - 2.1 Rental Assistance - 2.5 In-Lieu Fee Program - 6.2 Affirmatively Furthering Fair Housing <p>Through activities associated with the above programs, the City will work to decrease rates of overpayment and displacement risk, and break down the stigma, expand awareness of benefits, and increase usage of housing vouchers (both for tenants and landlords). Actions to be done as part of implementing programs 2.1, 2.4, 2.5, and 6.2, based on the timeline and metrics listed below.</p> <p>Timeline/Milestones</p> <p>2022: Coordinate with OCHA to generate a detailed understanding of where overpayment rates and displacement risks are highest in the city (as of latest available Census data), where vouchers are and are not used, and how many tenants could potentially qualify at each multifamily property in target areas</p> <p>2022: Coordinate with Orange County United Way on the WelcomeHomeOC program to identify opportunities to assist Dana Point residents</p> <p>2022: Apply affirmative advertising policy (Policy 6.7) to income-restricted units to be built in the Victoria Apartments development in the Doheny Village area. Apply the policy to all future income-restricted projects, as permitted by state and/or federal funding programs.</p> <p>2023: Coordinate with OCHA to develop an outreach plan and materials to communicate the benefits of vouchers and tenant rights regarding just cause evictions, limitations on rent increases, and replacement housing requirements if any existing residential units would be removed, based on</p>

**TABLE H-22
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

- state law
- 2023: Complete study of options to augment/adjust current in-lieu fee program for possible application of funds for those overpaying and/or at risk of displacement; evaluate how the City can prioritize or facilitate mixed-income housing through potential use of in-lieu fees or other resources (e.g., determine which federal and state grant or loan programs are structured to score mixed-income projects as more competitive compared to 100 percent lower income developments)
- 2024: Distribute outreach materials through means that reach target populations (e.g., those receiving subsidized school lunches). Conduct direct outreach to 10 properties (tenants and owners) in census tracts illustrating high rates of rental overpayment, and conduct mailer outreach to all renter occupied units and rental property owners in the Town Center and Doheny Village census tracts
- 2024: Bring forth appropriate in-lieu fee provisions for adoption
- 2024: Establish strategies to use City resources (technical support and/or in-lieu fees as appropriate) to encourage mixed-income housing developments

Metric

- Expand voucher use by 50 tenants by 2024
- New in-lieu fee provisions adopted by 2024, with new strategies developed to facilitate mixed-income housing developments (with a priority for locating developments in census tracts that would improve existing patterns of concentration related to income and diversity)
- Expanded awareness and education for all renter households and rental property owners in census tracts illustrating high rates of rental overpayment and the Town Center and Doheny Village census tracts
- Affirmative advertising policy (Policy 6.7) applied to income-restricted units to be built in the Victoria Apartments development in the Doheny Village area, as well as all future income-restricted projects, as permitted by state and/or federal funding programs

Access to Opportunity

Contributing Factors (High Priority)

School Performance. Disadvantaged students at schools serving Dana Point residents may be falling behind other students in the school and compared to those across the state. Both elementary schools in Dana Point are ranked much lower compared to other elementary schools that serve Dana Point residents.

Meaningful Actions, Metrics, and Milestones

See Goal 6 as well as program:

- 6.2 Affirmatively Furthering Fair Housing

Through activities associated with the above programs, the City will work to improve educational outcomes for lower income and underserved students at schools in or serving Dana Point. Actions to be done as part of implementing program 6.2, based on the timeline and metrics listed below.

Timeline/Milestones

- 2022: Continue annual assessment of effectiveness of Sparkpoint OC with Orange County United Way
- 2022: Continue to negotiate with the Victoria Apartments property owner to dedicate substantial funds toward schools in Dana Point, specifically Palisades Elementary and Dana Hills High School, (which serves residents in the low resource areas)
- 2023: Coordinate with United Way to continue and or expand Sparkpoint effort on annual basis, with modifications to provide better or more effective assistance and/or to reach more families

**TABLE H-22
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

2025: Coordinate with United Way to expand Sparkpoint effort to Palisades Elementary School

Metric(s)

- Provide 800 families and community members without kids with literacy skills and wrap-around services by 2029 (25 to 30 per quarter or 100 per year) through the Sparkpoint program
- Increased income, enhanced assets, reduced debt, increased housing stability, and improvements in education outcomes for children and employment outcomes for adults
- Agreement to dedicate substantial funds toward facility improvements to Dana Hills High School by 2023
- Educational scores in TCAC Opportunity Maps improve from 6 or below to at least 20 by 2026 in census tracts in Dana Point that are designated low resource areas

Contributing Factors (Medium Priority)

Additional housing options. The City lacks a substantial number of suitable housing sites in moderate / high / highest opportunity areas; many of these areas are largely build out with single family homes.

Meaningful Actions, Metrics, and Milestones

See Goal 1 as well as programs:

- 1.1 Adequate sites
- 1.3 Accessory Dwelling Units

Through activities associated with the above programs, the City will work to expand the number of sites available and the number of ADUs built in moderate, high, and highest resource areas. Actions to be done as part of implementing programs 1.1 and 1.3, based on the timeline and metrics listed below.

Timeline/Milestones

- 2022: Initiate coordination with OCCOG REAP effort to evaluate and identify appropriate pre-approved ADU site plans
- 2023: Adopt appropriate pre-approved ADU site plans
- 2023: Initiate a general plan update with an explicit objective to identify additional housing opportunities in moderate, high, and highest resource areas, with additional emphasis on census tracts that can help improve patterns of greater diversity, promote a broader distribution of households with a range of incomes, and lowers displacement risk
- 2023: Coordinate with the OCHA to inform Housing Choice Voucher holders about their residential options in moderate, high, and highest resource areas
- 2023: In coordination with research being conducted at the State level, pursue opportunities to incentivize and provide funding assistance for homeowners to provide affordable units under SB 9 provisions (adopted by ordinance in February 2022)

Metrics

- Permit 25 ADUs in moderate, high, and/or highest resources areas by 2024
- Initiate general plan update by 2023 with the intent to adopt by 2025, seek changes in land use that increase housing capacity by 100 to 500 units in moderate, high, and highest resource areas (as designated by TCAC in 2023 or 2024, whichever is available at the time of land use planning)
- Communicate options to move into moderate or better resource areas to 100 percent of housing choice voucher holders currently living in low resource areas in Dana Point by 2023
- Permit 10 units per SB 9 provisions in high or highest resource areas by 2029

Additional Contributing Factors

**TABLE H-22
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

Contributing Factors (High Priority)

Lack of regional coordination and lack of public/private investment. Dana Point and surrounding cities generally address the need and solutions for affordable housing and homeless shelters in an independent manner, which causes them to compete against one another for funds and eliminates opportunities to pool resources.

Potential community opposition. While there is little community opposition to a proposed affordable project (e.g., there was community support for Silver Lantern), additional regional collaboration can help to mitigate community opposition that may arise in the future (whether an affordable housing project or homeless shelter).

Meaningful Actions, Metrics, and Milestones

See Goal 6 as well as program:

- 2.6 Orange County Housing Finance Trust
- 6.2 Affirmatively Furthering Fair Housing

Through activities associated with the above programs, the City will work to provide critical gap funding for the development of affordable housing, homeless housing, and supportive services solutions for those in need that reside, work, or go to school in in Dana Point and throughout the county. Actions to be done as part of implementing programs 2.6 and 6.2, based on the timeline and metrics listed below.

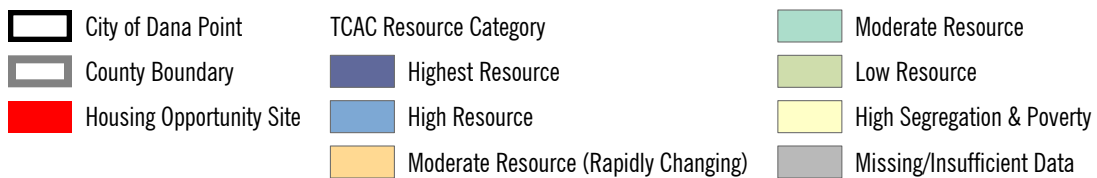
Timeline/Milestones

- 2022: Coordinate through the Orange County Housing Finance Trust (OCHFT) on the use of funding sources (e.g., REAP) and potential to apply for additional funding
- 2022: Coordinate through OCHFT on year two notice of funding availability (NOFA), and subsequent NOFAs for years three, four, and five; advocate for the use of funds in Dana Point as appropriate and in surrounding jurisdictions when such location would yield better benefits (more units, deeper level of subsidy, more target populations, etc.)
- 2024: Assist in the update of the OCHFT five-year strategic plan

Metric(s)

- 2,700 new permanent supportive housing units by 2025 (aggregate across all member jurisdictions):
500 homeless families, 1,000 chronically homeless households, and 1,200 homeless individuals

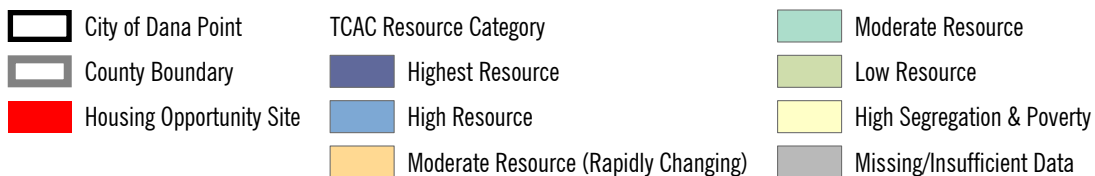
TCAC OPPORTUNITY AREAS (2021, CITY) - TRACT LEVEL



Source: (TCAC, City of Dana Point, ESRI, PlaceWorks)

Figure H-1

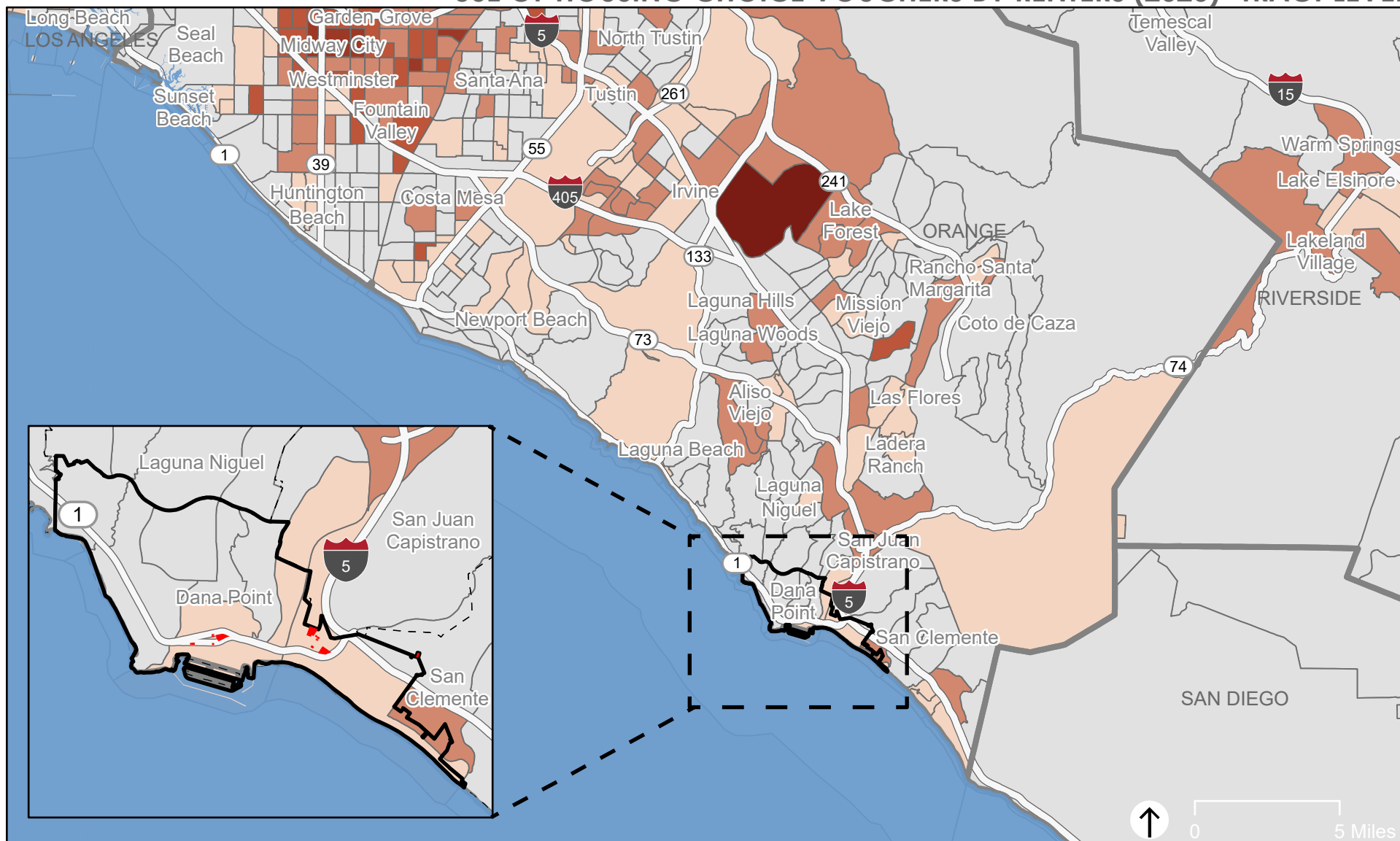
TCAC OPPORTUNITY AREAS (2021, REGIONAL) - TRACT LEVEL



Source: (TCAC, City of Dana Point, ESRI, PlaceWorks)

Figure H-2

USE OF HOUSING CHOICE VOUCHERS BY RENTERS (2020)- TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

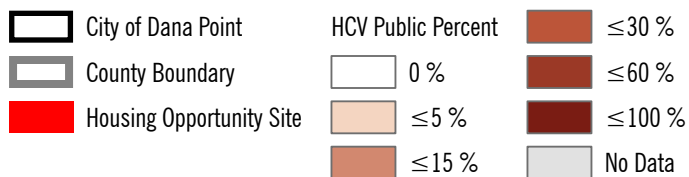
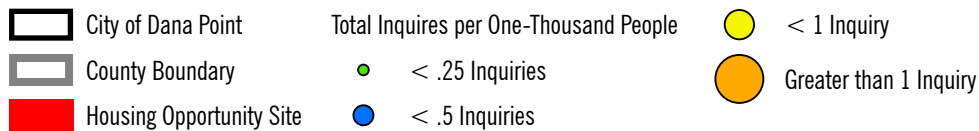
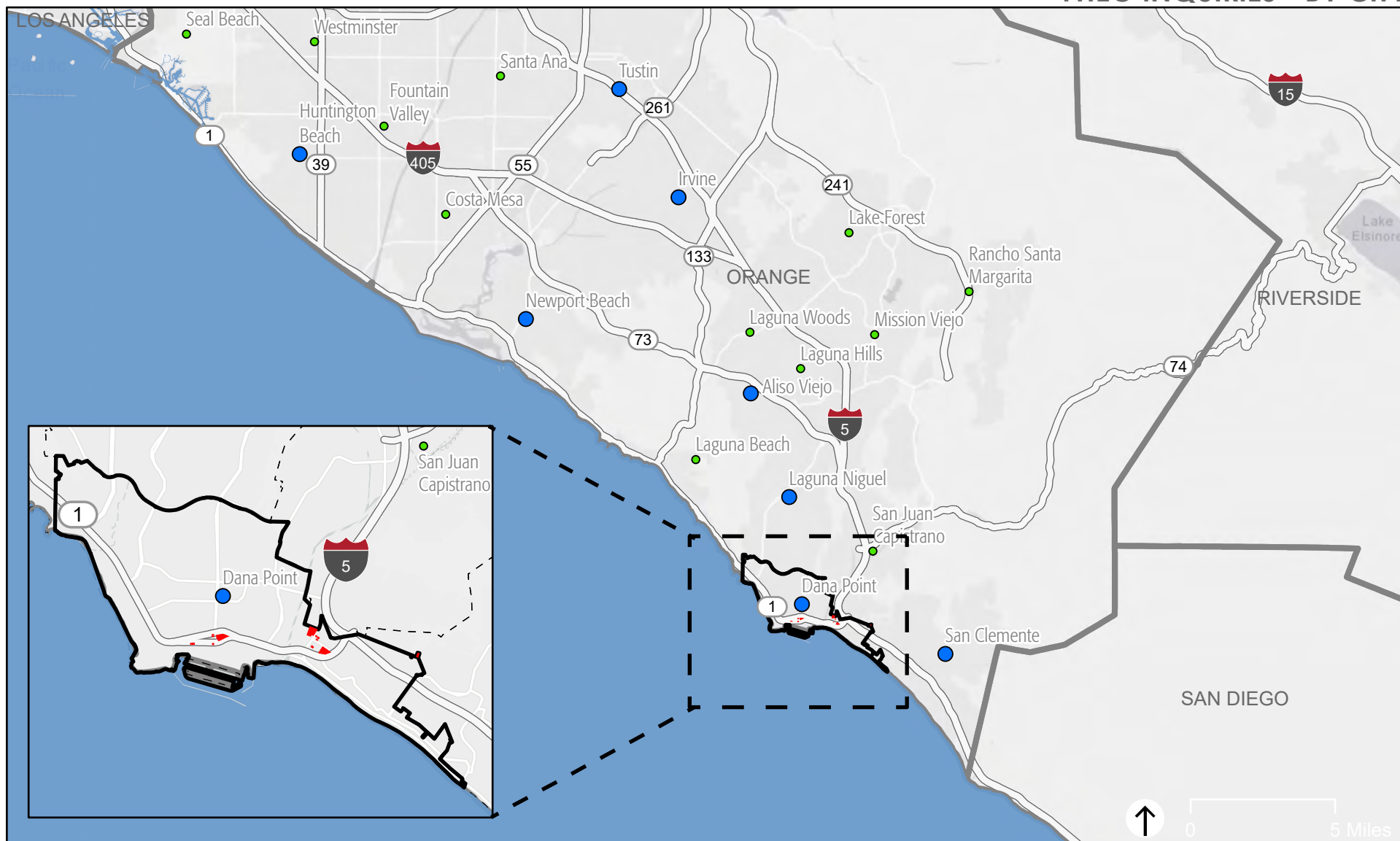


Figure H-3

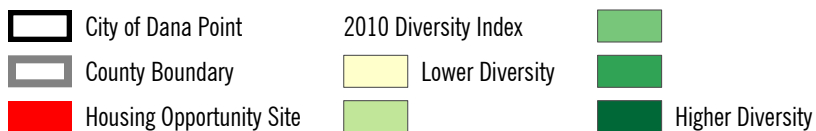
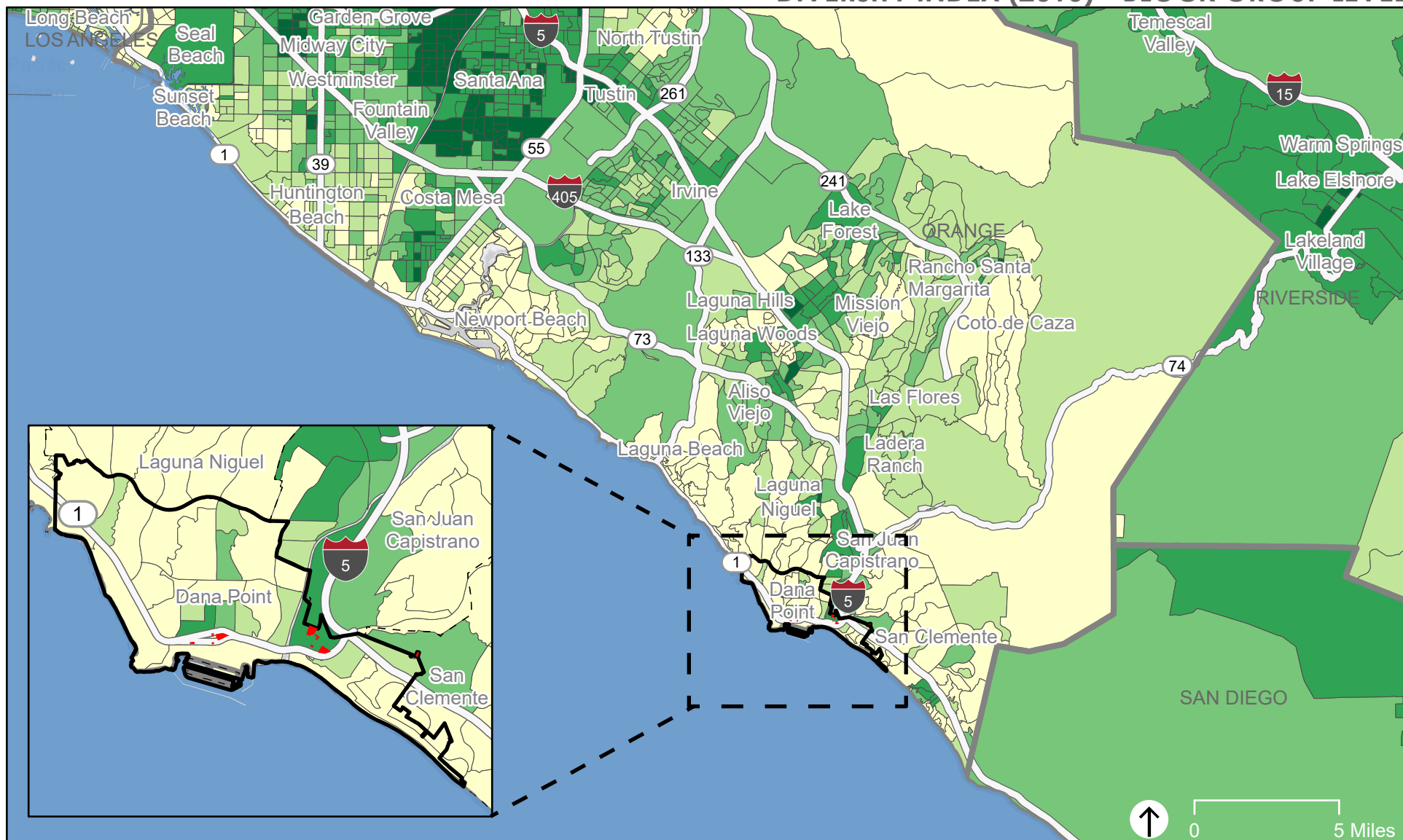
FHEO INQUIRIES - BY CITY



Source: (HUD, City of Dana Point, ESRI, PlaceWorks)

Figure H-4

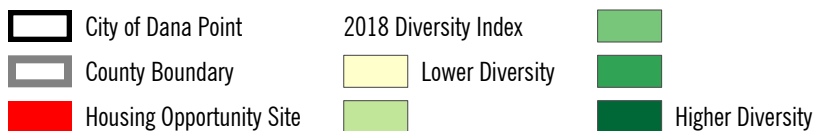
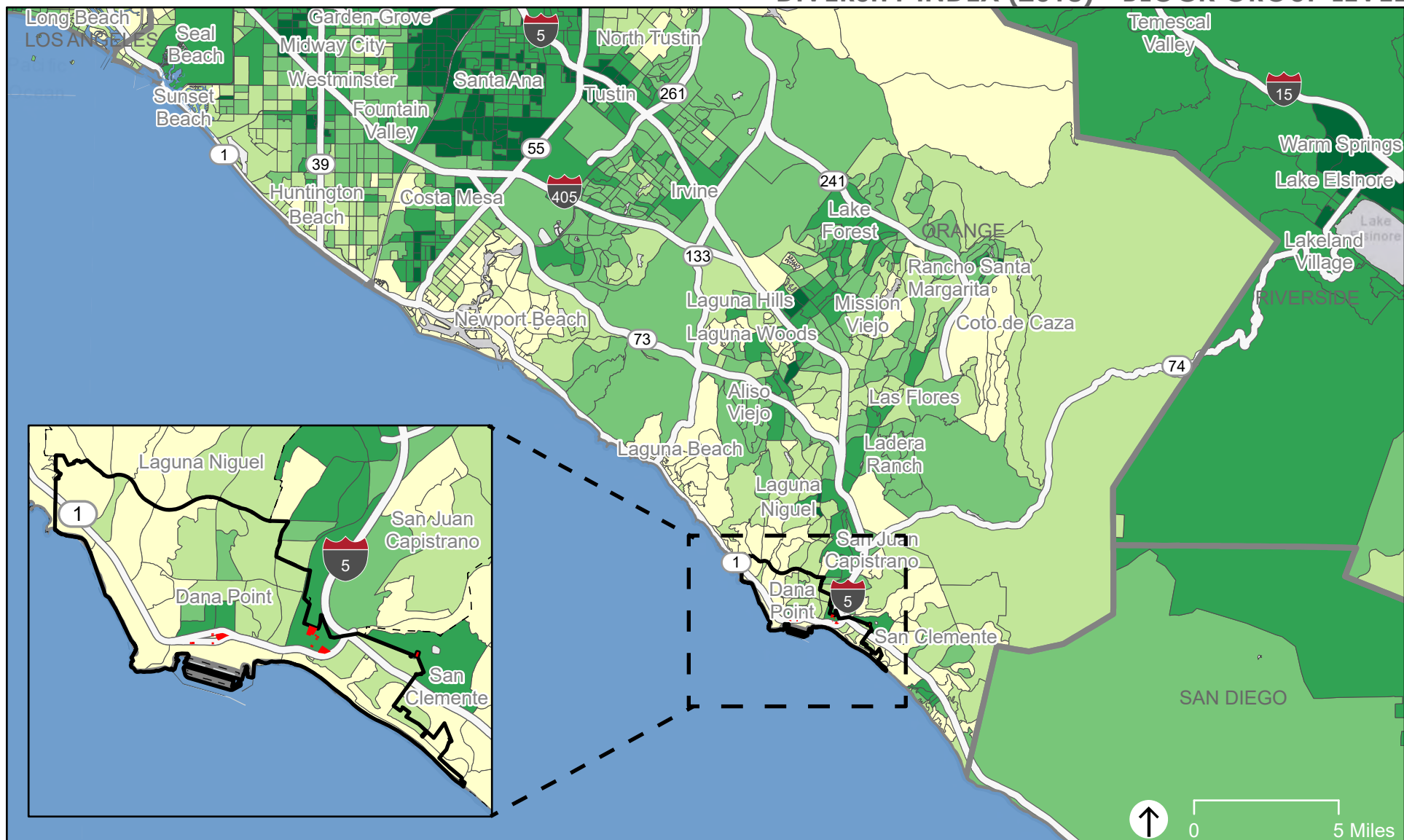
DIVERSITY INDEX (2010) - BLOCK GROUP LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-5

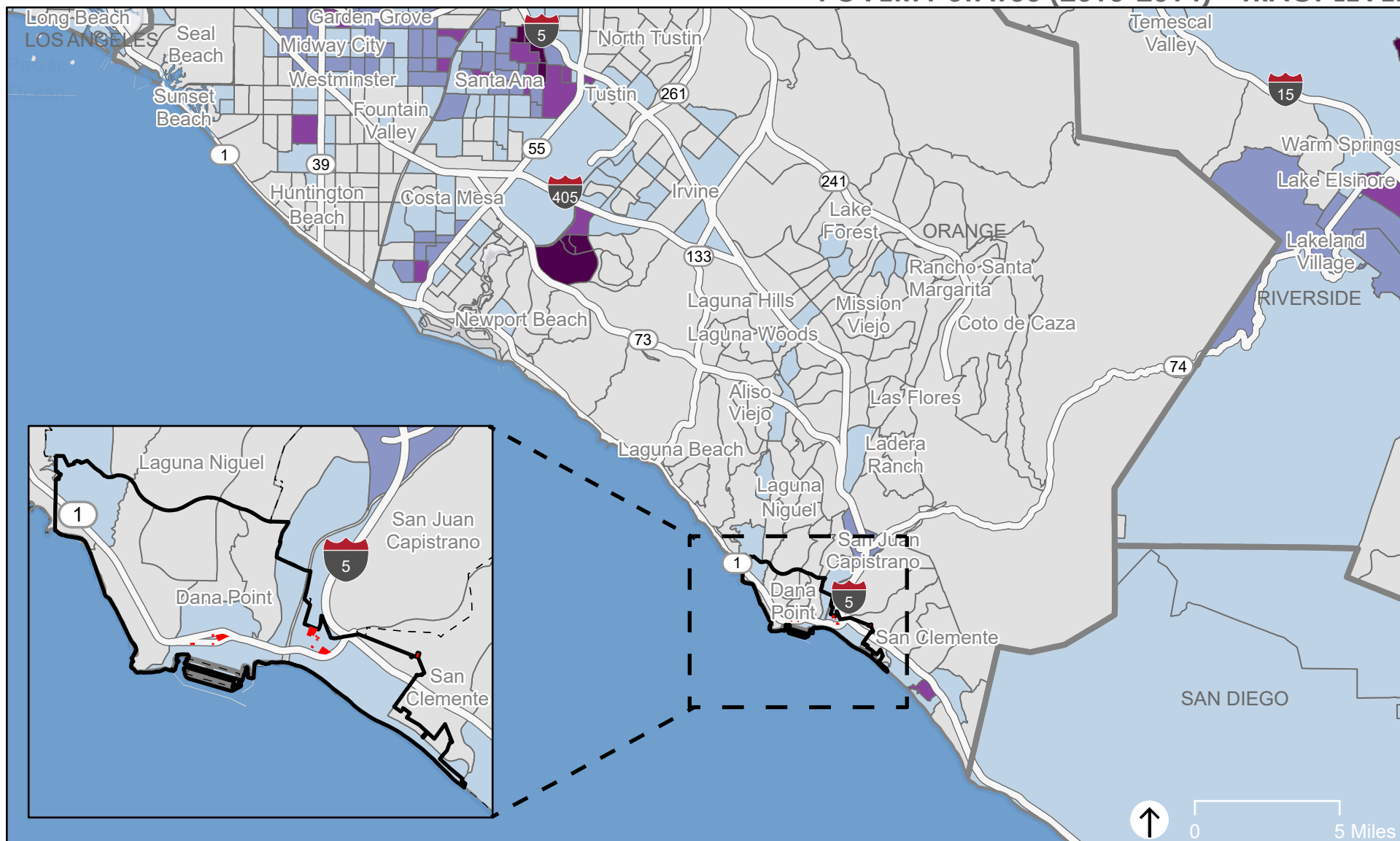
DIVERSITY INDEX (2018) - BLOCK GROUP LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-6

POVERTY STATUS (2010-2014) - TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

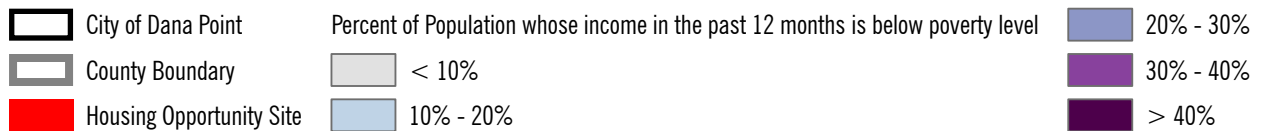
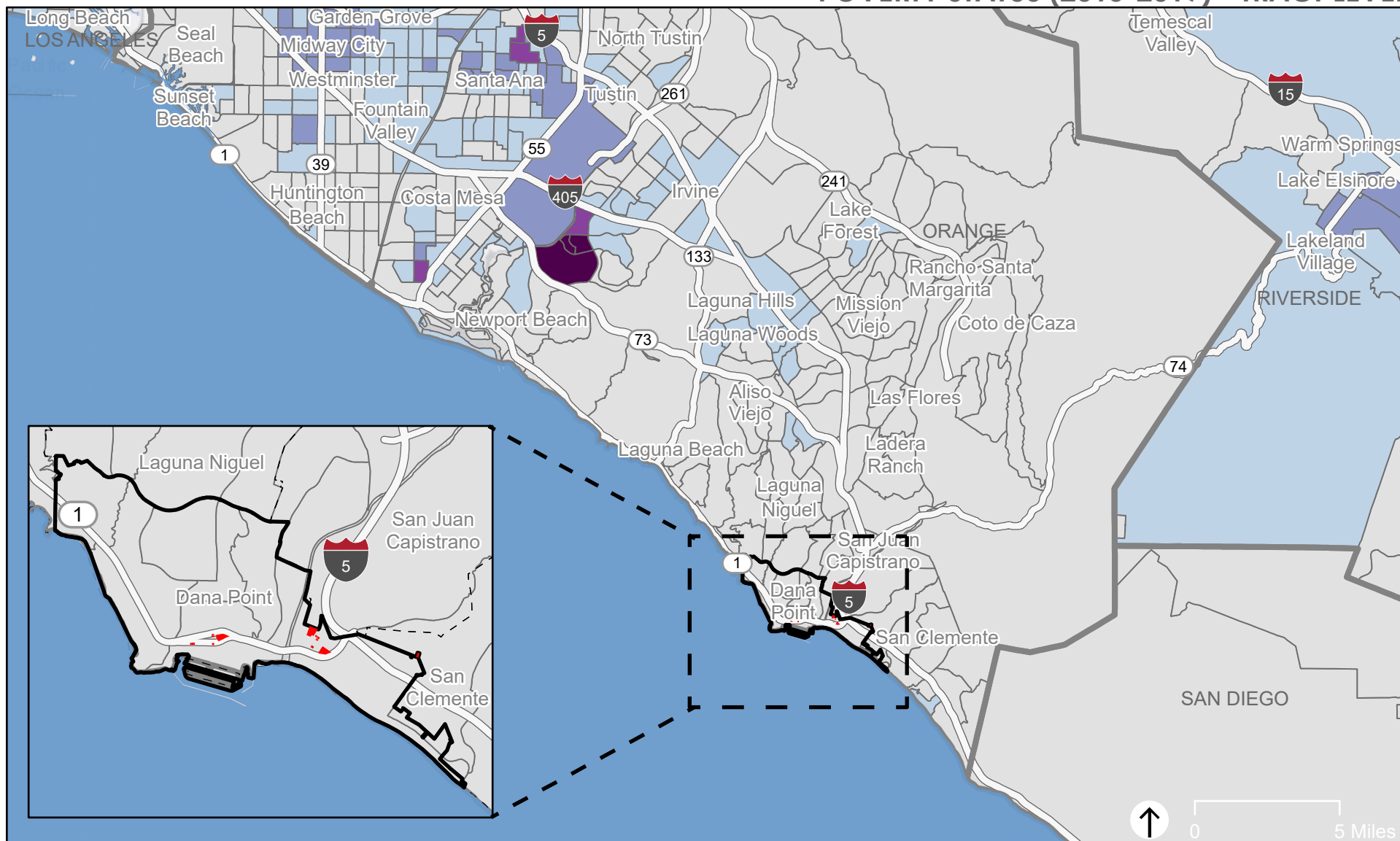


Figure H-7

POVERTY STATUS (2015-2019) - TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

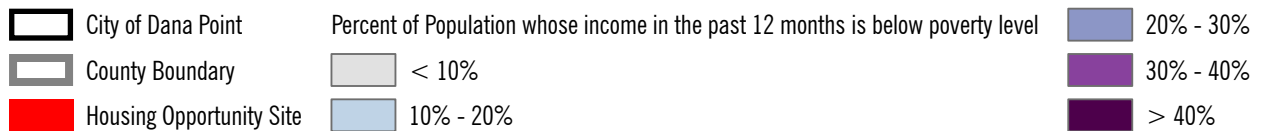
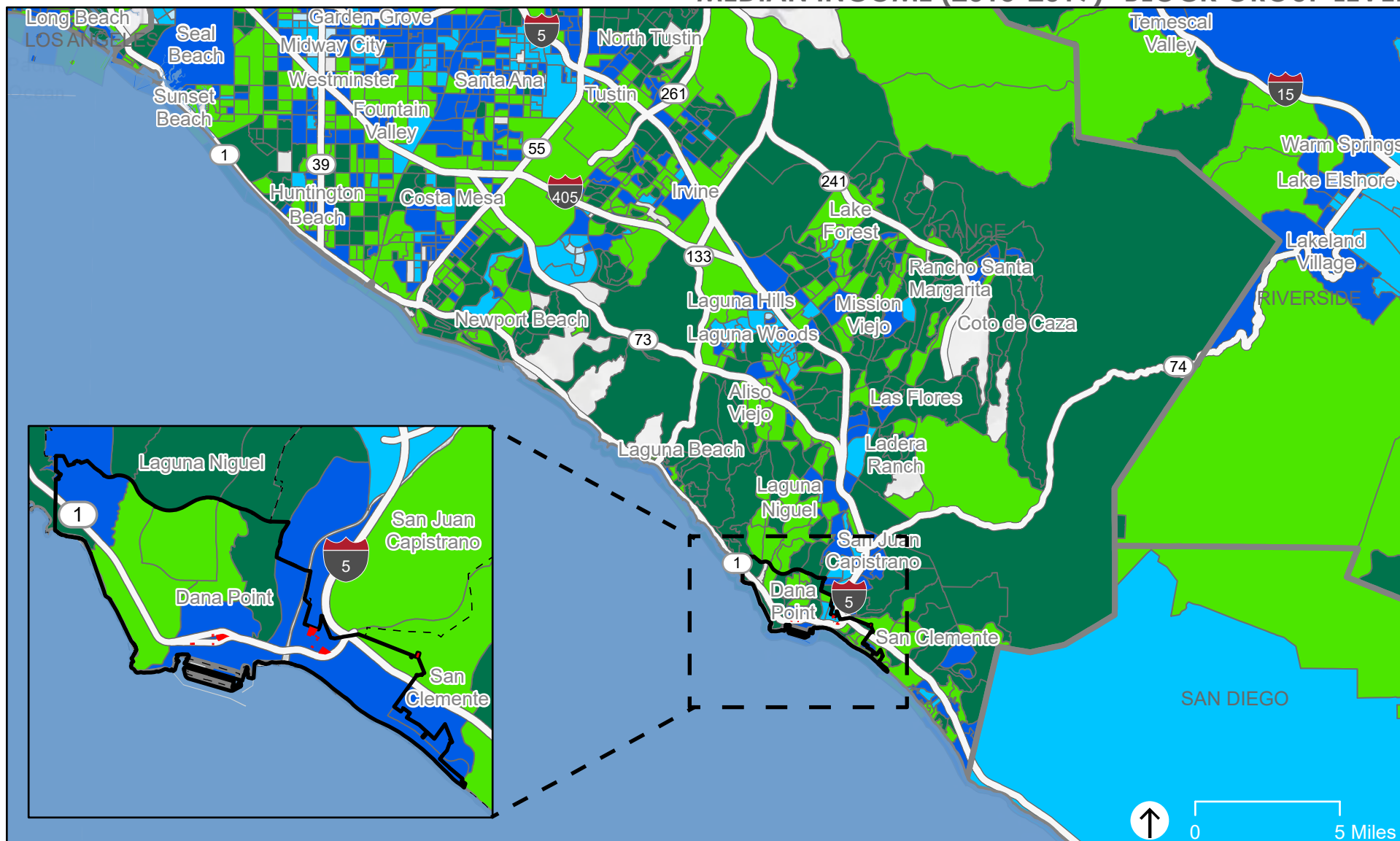


Figure H-8

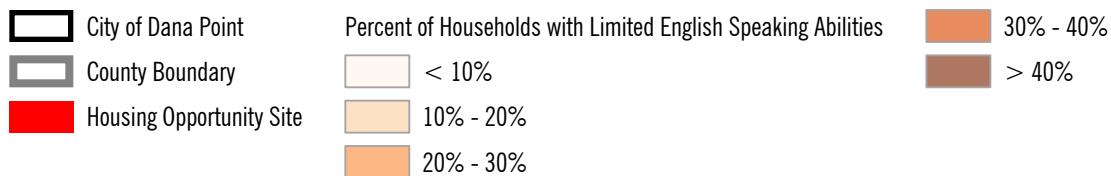
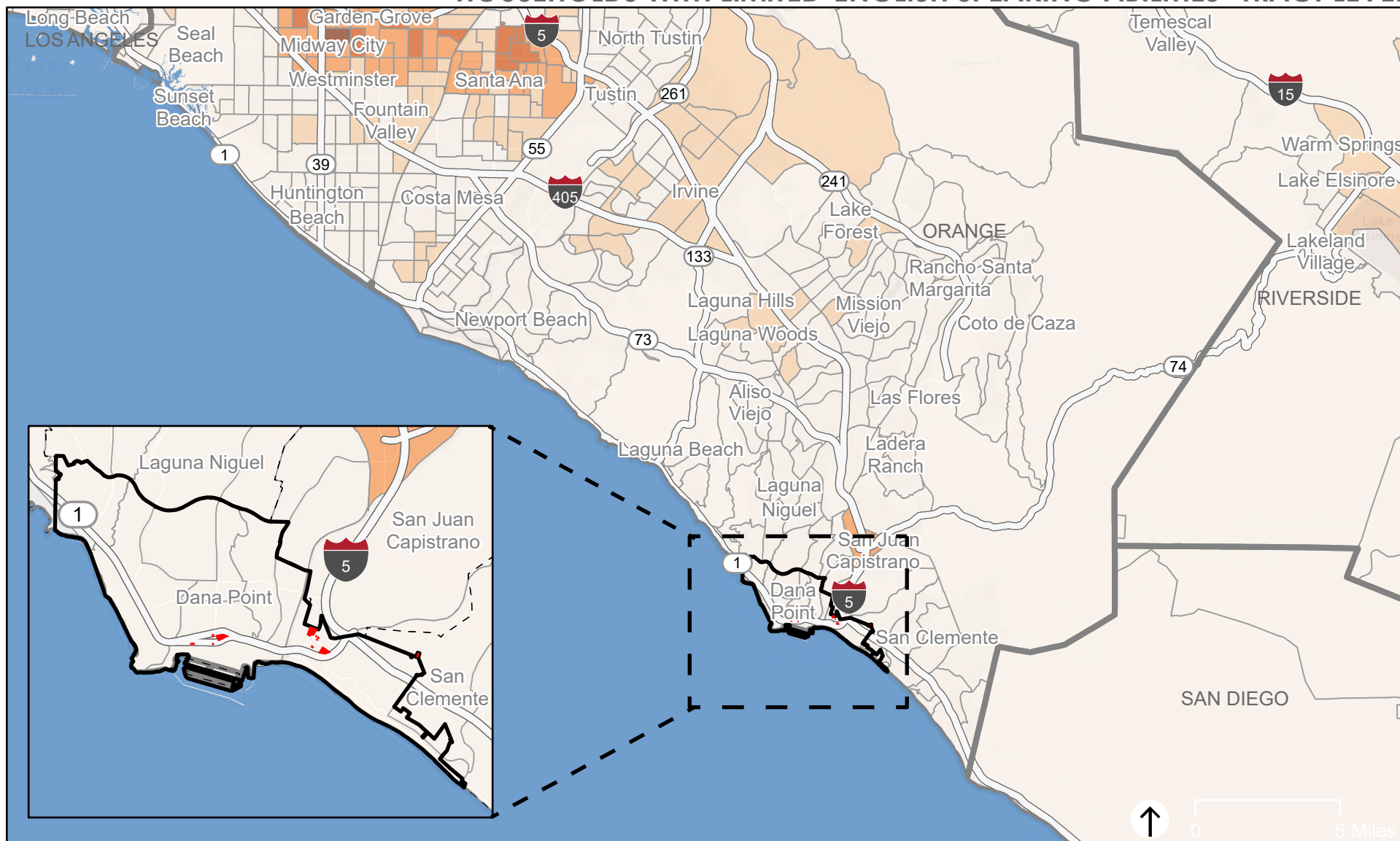
MEDIAN INCOME (2015-2019)- BLOCK GROUP LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-9

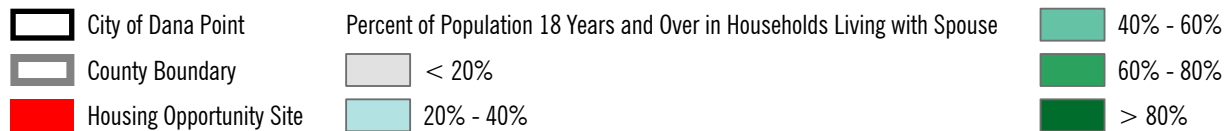
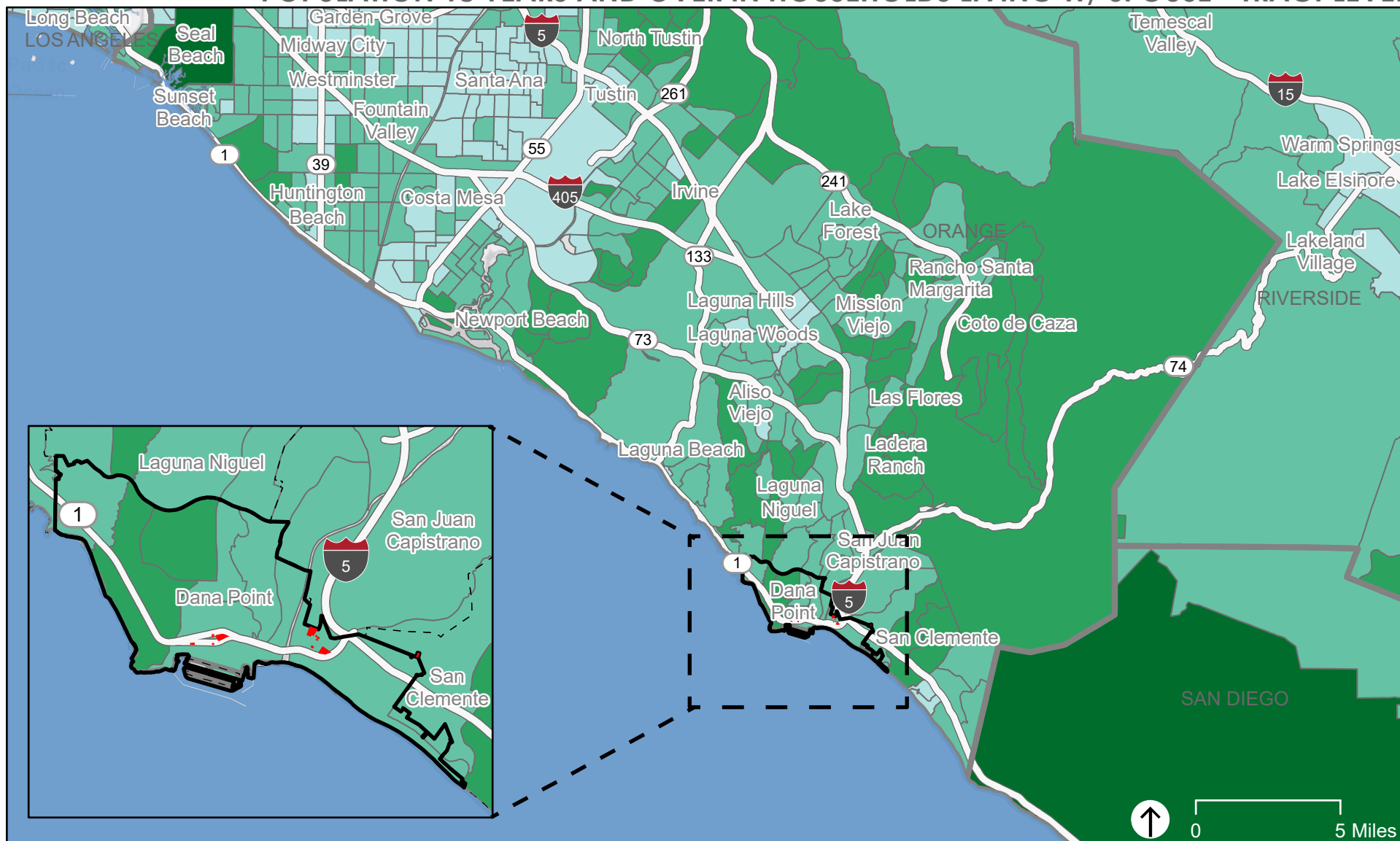
HOUSEHOLDS WITH LIMITED-ENGLISH SPEAKING ABILITIES- TRACT LEVEL



Source: (CalEnviroScreen 4.0, City of Dana Point, ESRI, PlaceWorks)

Figure H-10

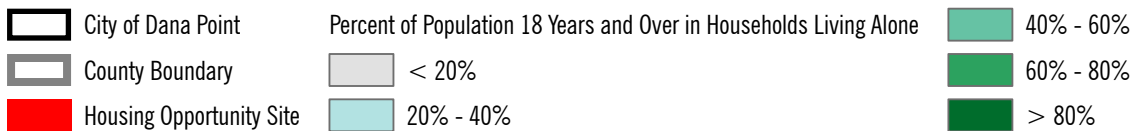
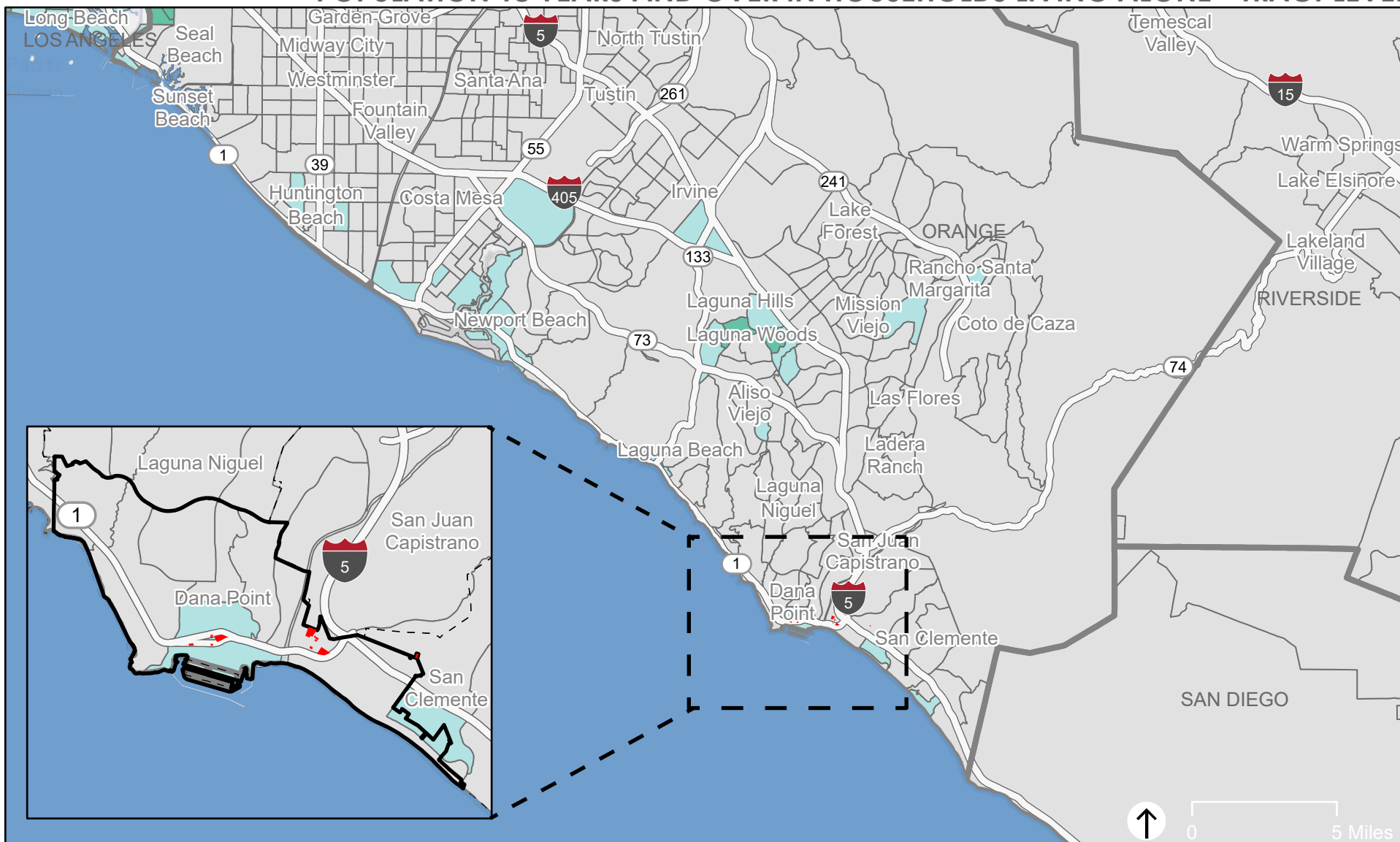
POPULATION 18 YEARS AND OVER IN HOUSEHOLDS LIVING W/ SPOUSE - TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-11

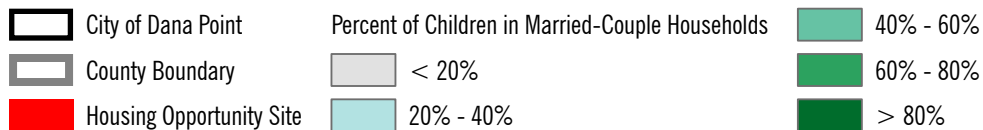
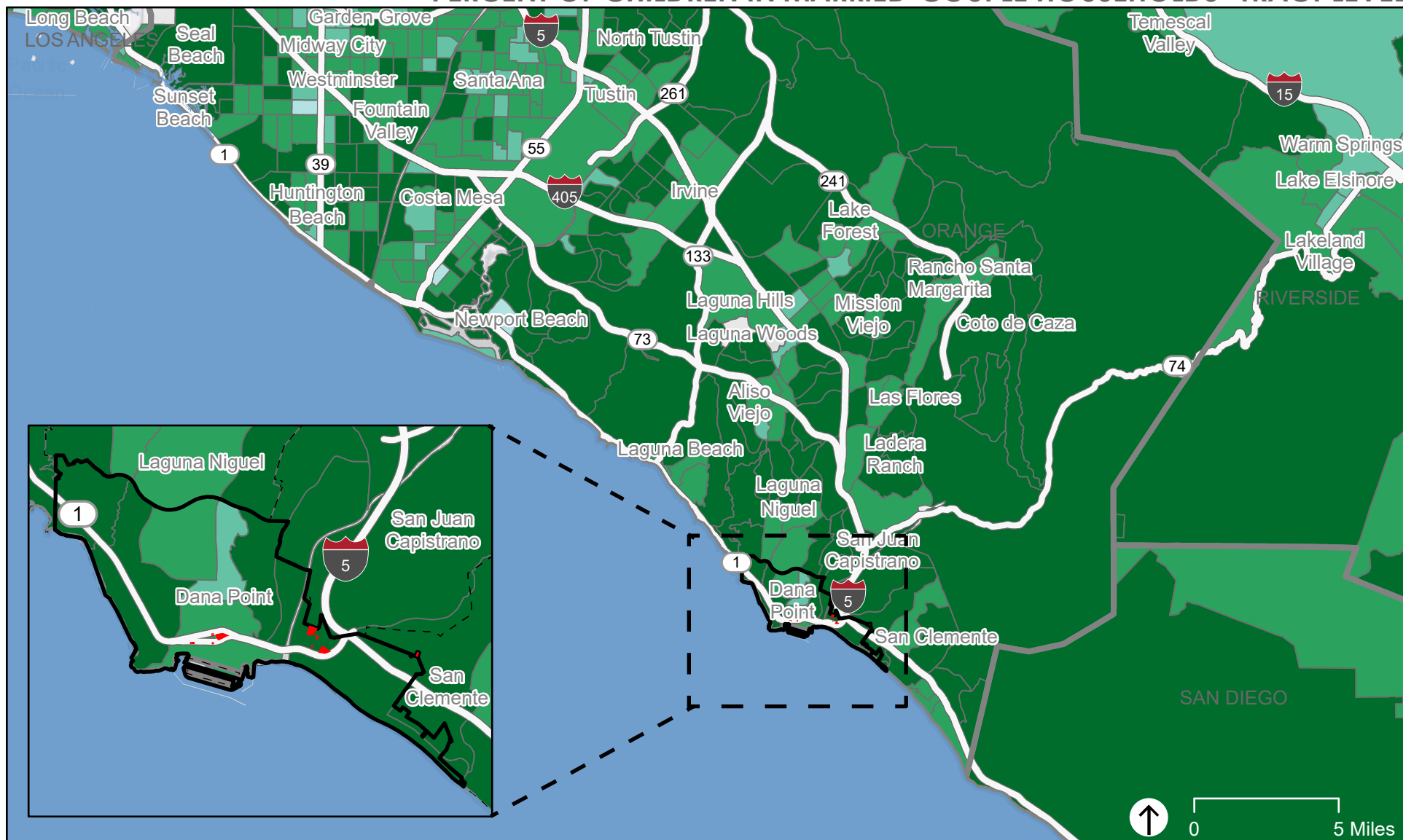
POPULATION 18 YEARS AND OVER IN HOUSEHOLDS LIVING ALONE - TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-12

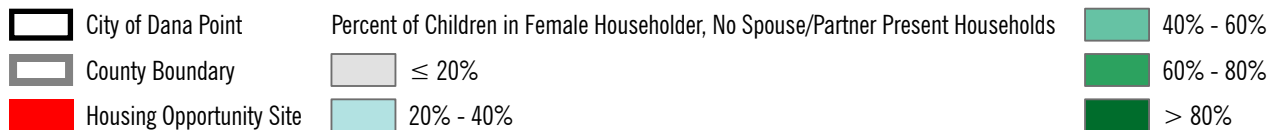
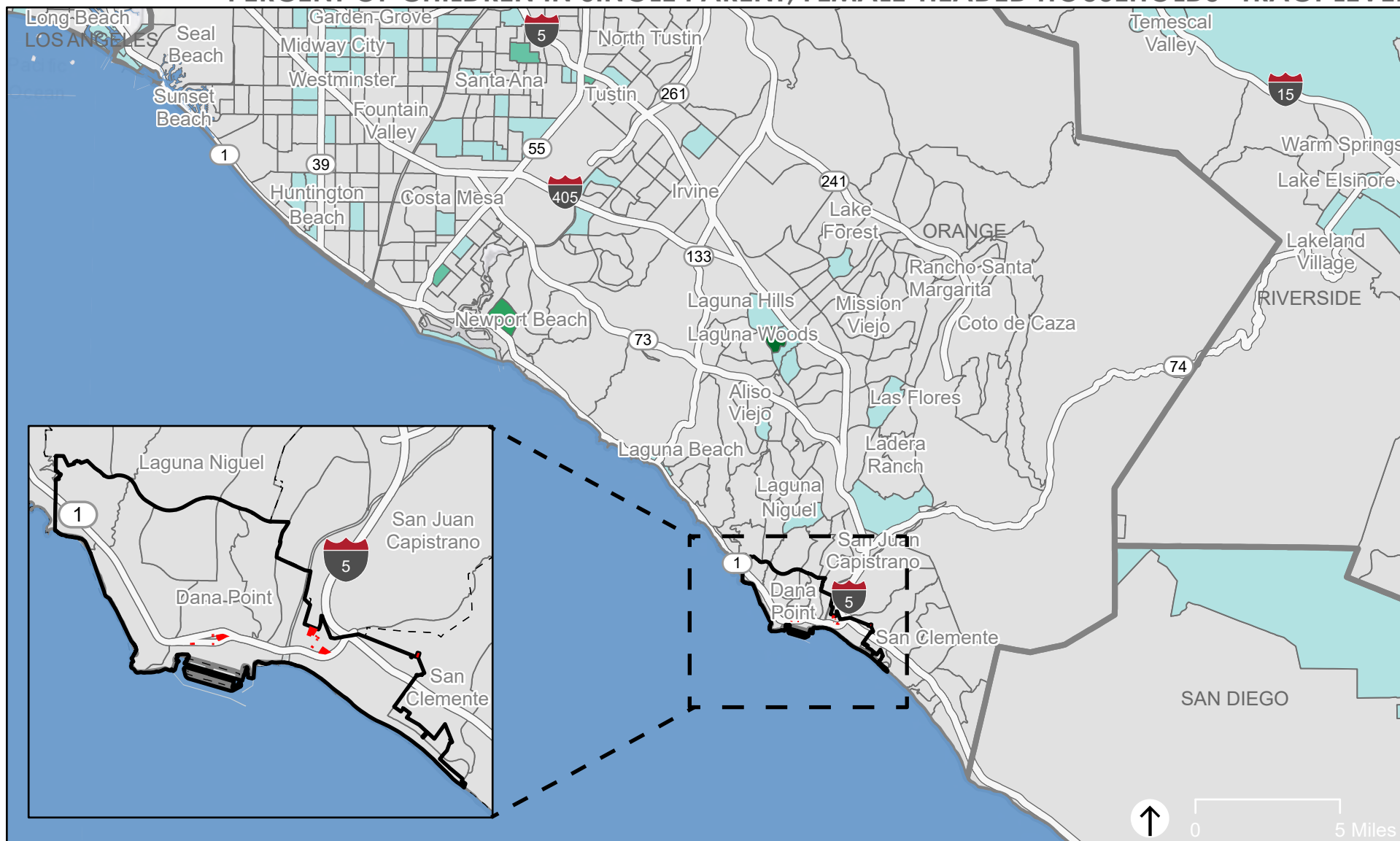
PERCENT OF CHILDREN IN MARRIED-COUPLE HOUSEHOLDS- TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-13

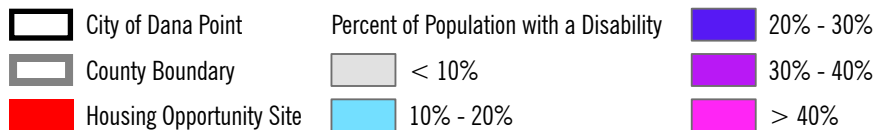
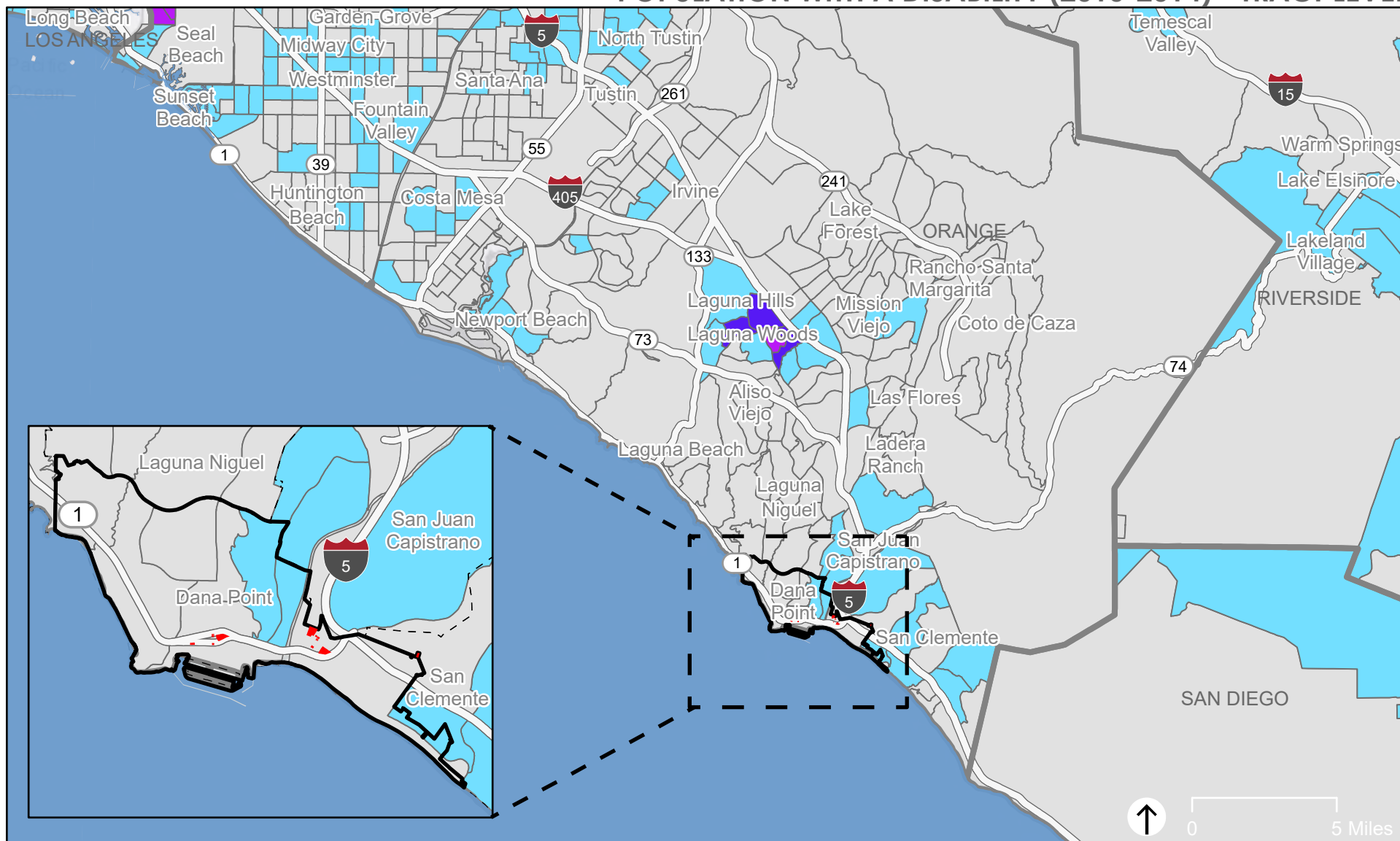
PERCENT OF CHILDREN IN SINGLE PARENT, FEMALE-HEADED HOUSEHOLDS- TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-14

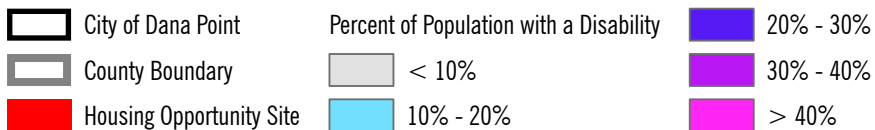
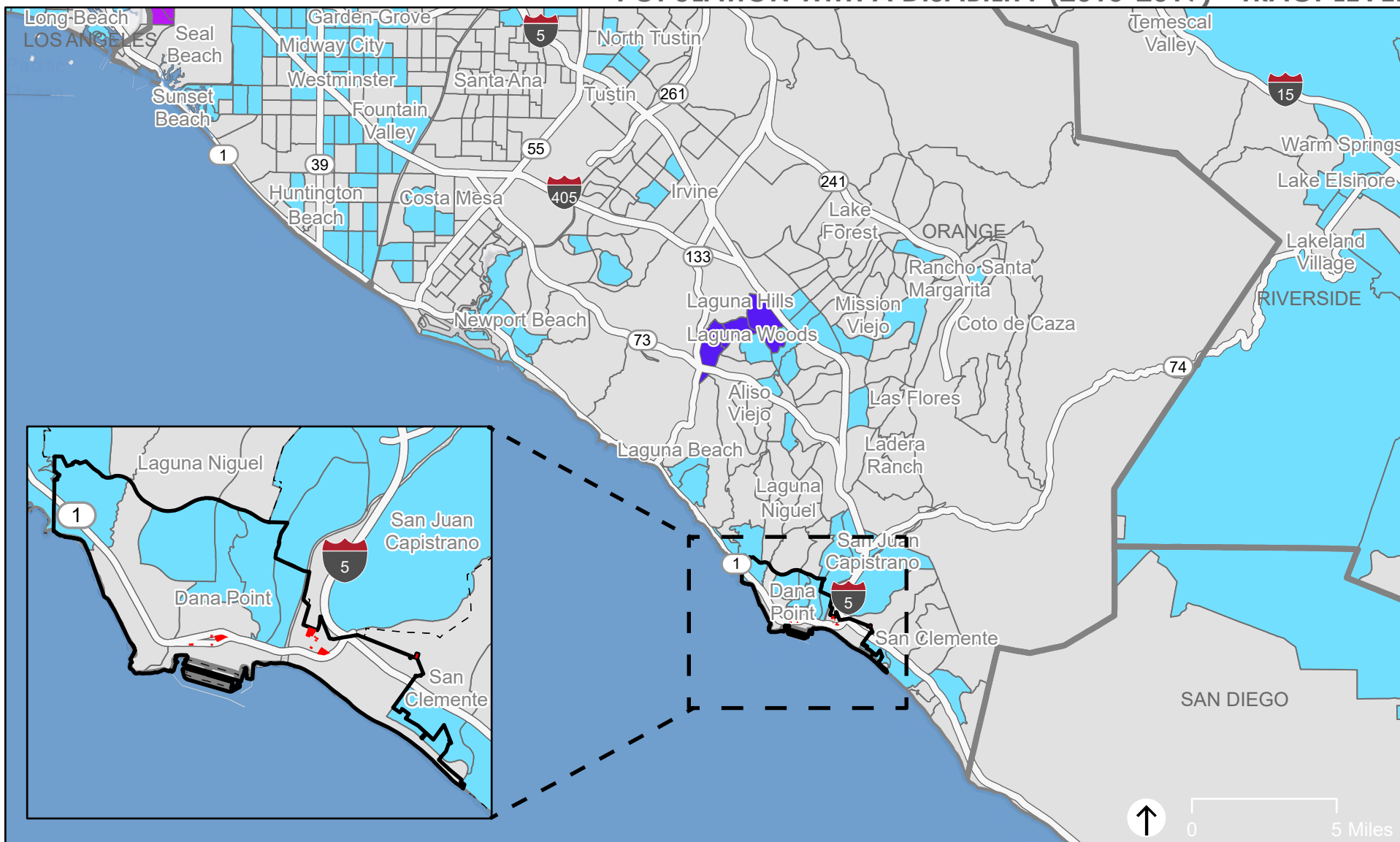
POPULATION WITH A DISABILITY (2010-2014) - TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-15

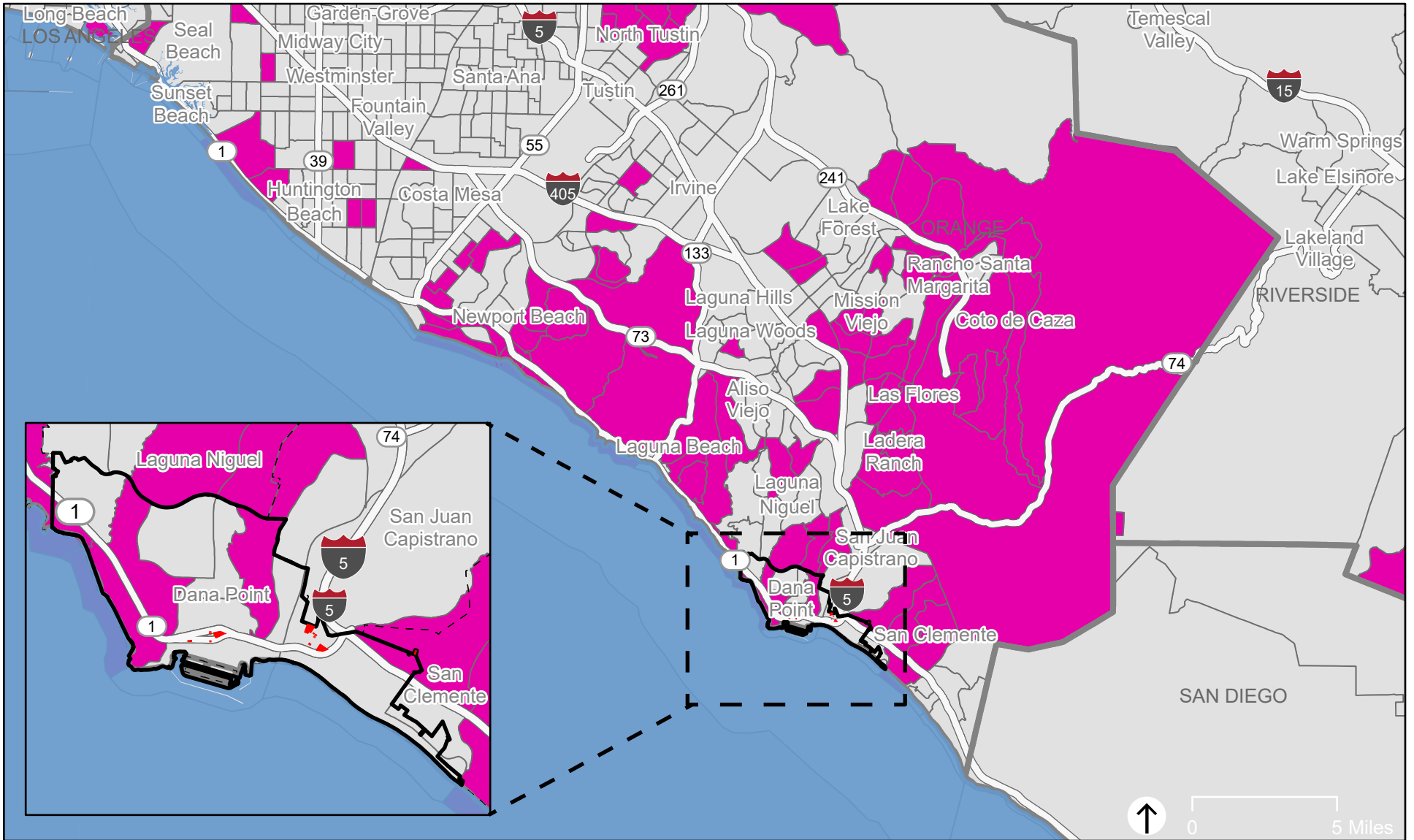
POPULATION WITH A DISABILITY (2015-2019) - TRACT LEVEL



Source: (U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-16

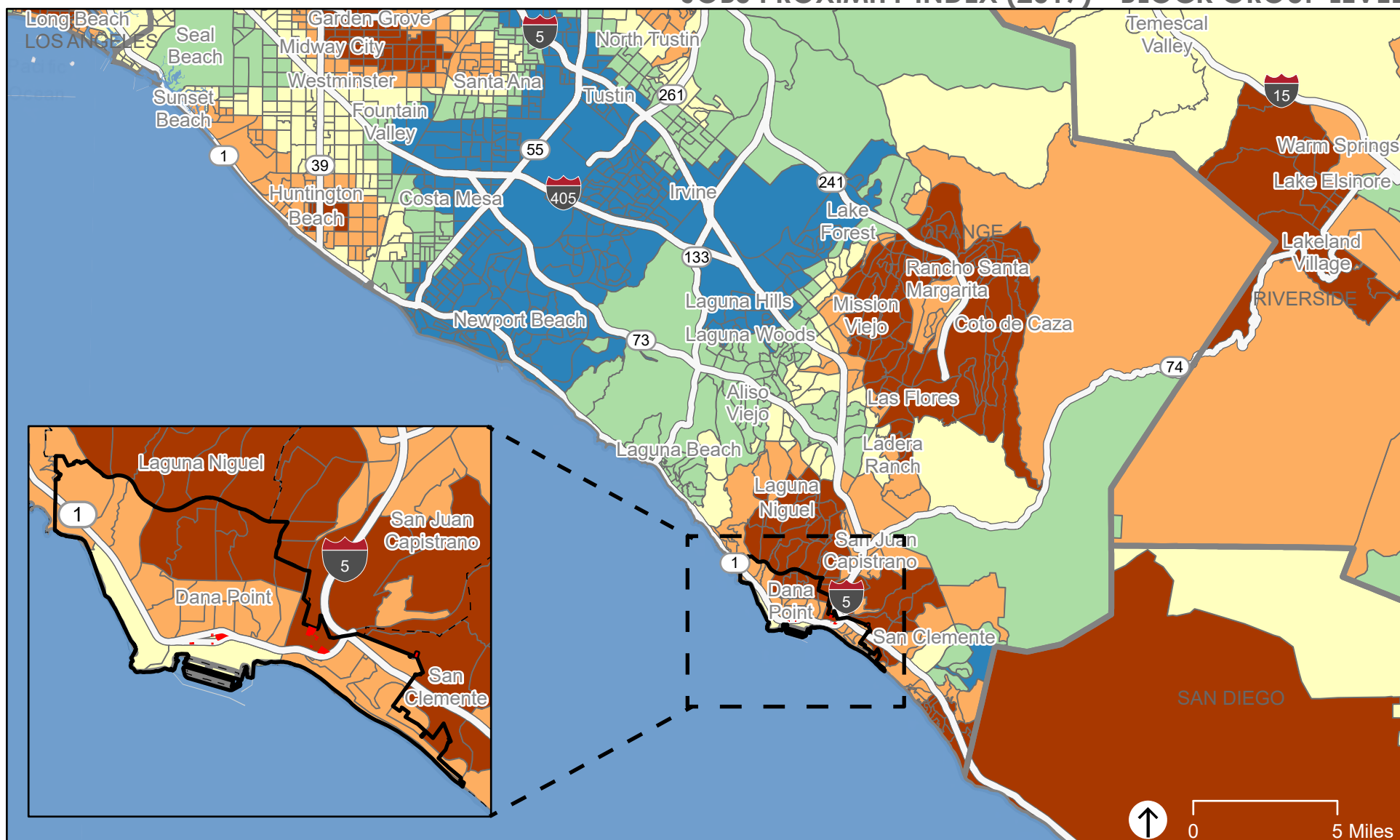
RACIALLY CONCENTRATED AREAS OF AFFLUENCE - TRACT LEVEL



Source: (HUD, U.S. Census, City of Dana Point, ESRI, PlaceWorks)

Figure H-17

JOBS PROXIMITY INDEX (2017) - BLOCK GROUP LEVEL



Source: (HUD, City of Dana Point, ESRI, PlaceWorks)

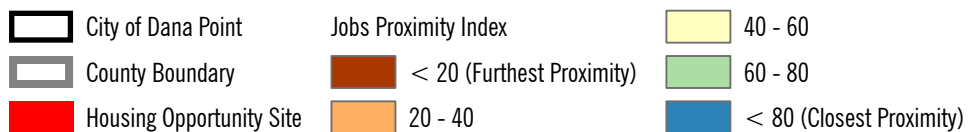
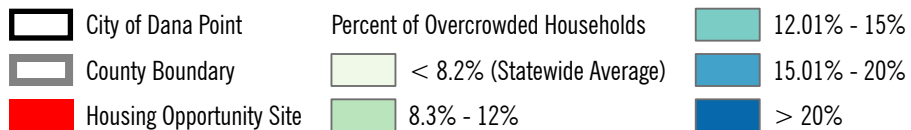
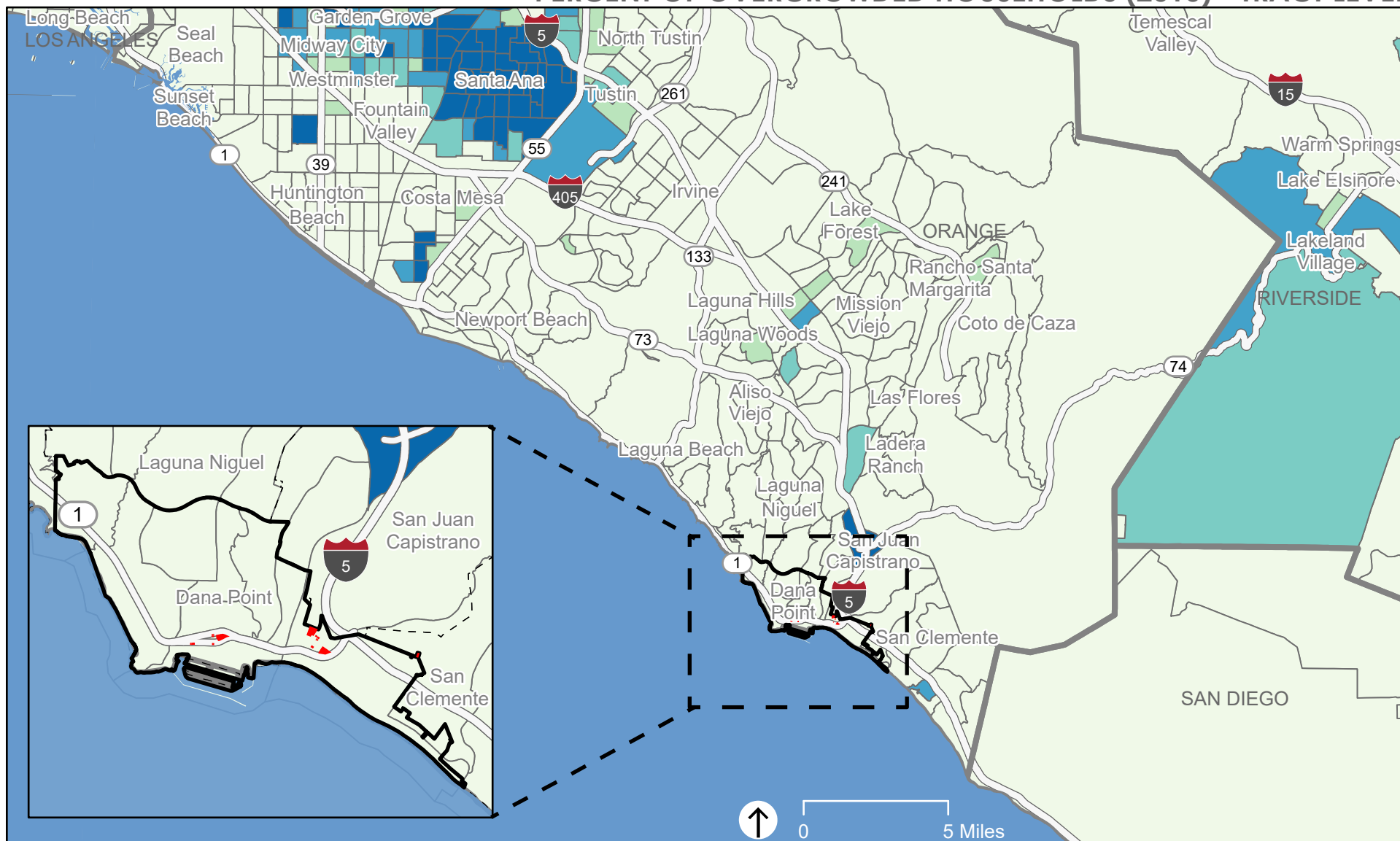


Figure H-18

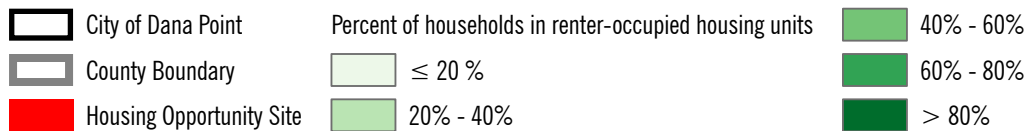
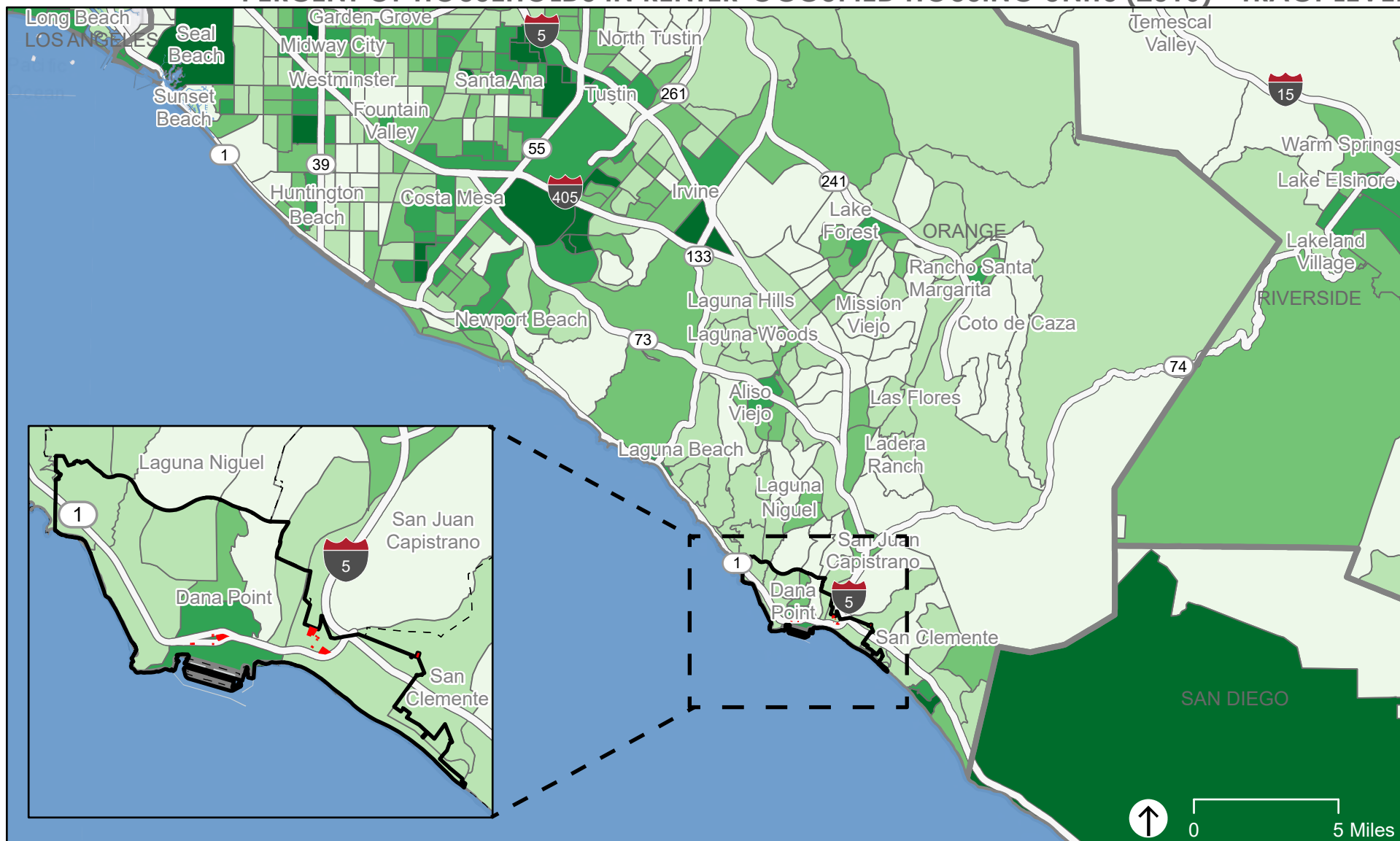
PERCENT OF OVERCROWDED HOUSEHOLDS (2010) - TRACT LEVEL



Source: (ACS, City of Dana Point, ESRI, PlaceWorks)

Figure H-19

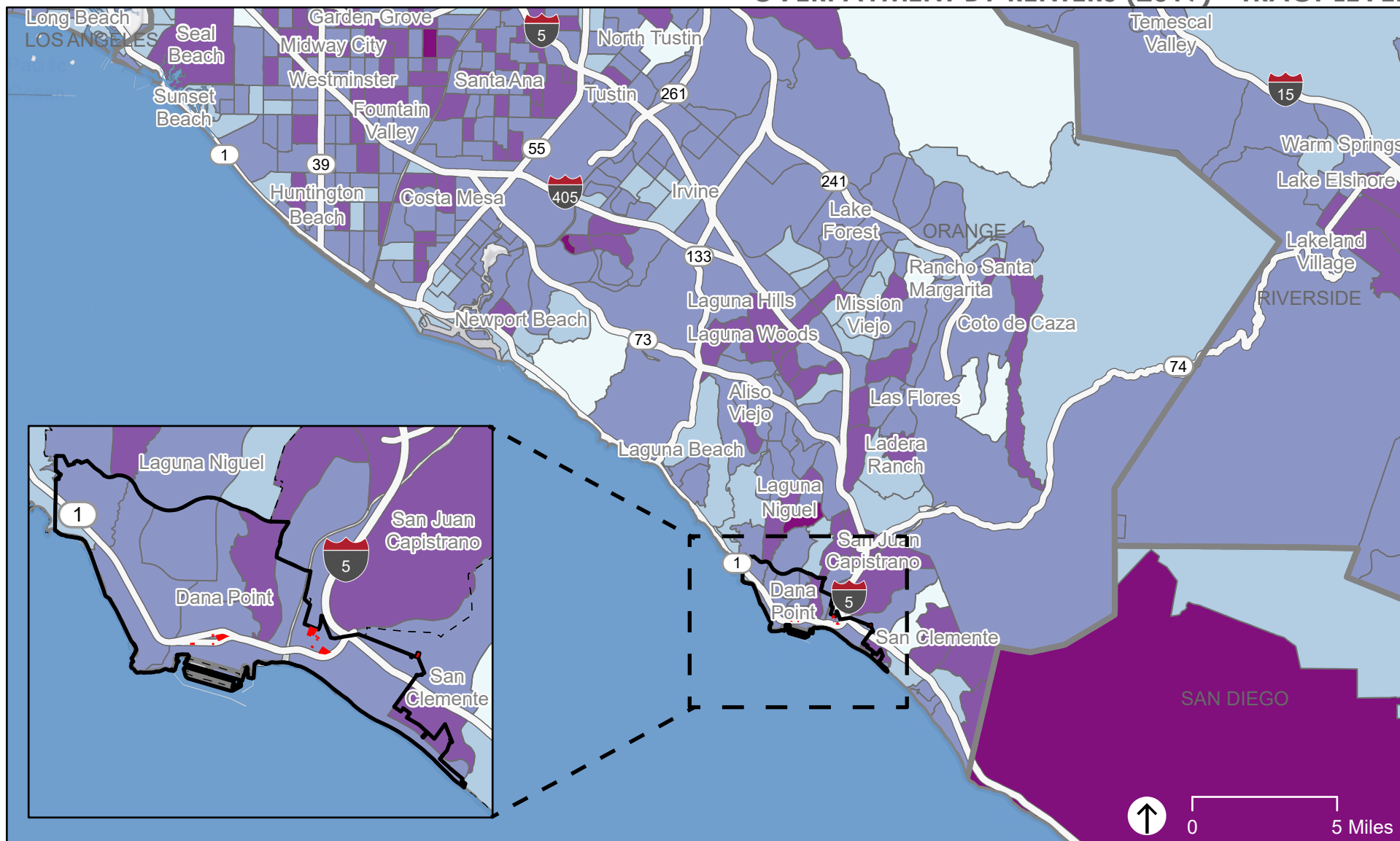
PERCENT OF HOUSEHOLDS IN RENTER-OCCUPIED HOUSING UNITS (2016) - TRACT LEVEL



Source: (HUD, City of Dana Point, ESRI, PlaceWorks)

Figure H-20

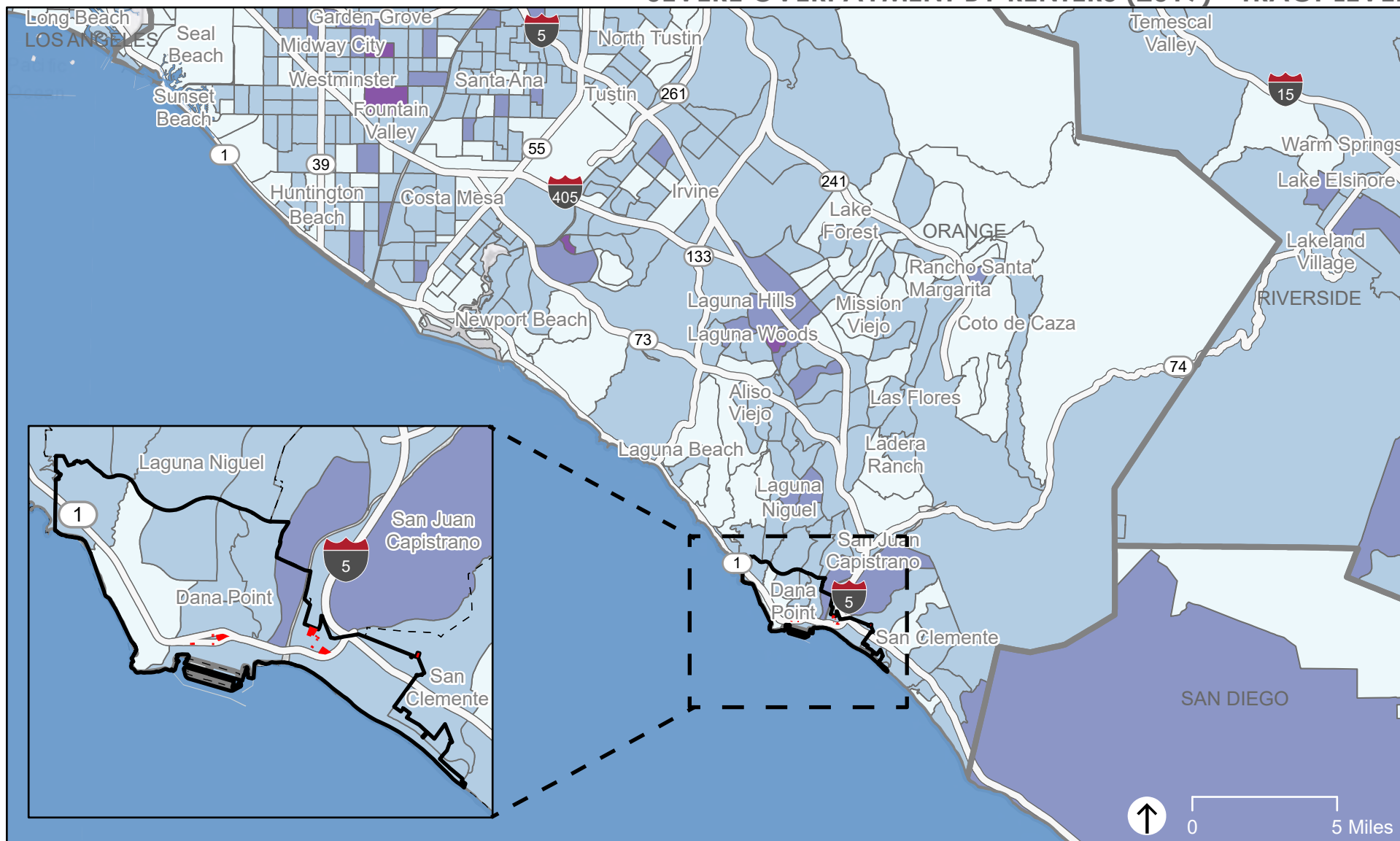
OVERPAYMENT BY RENTERS (2019) - TRACT LEVEL



Source: (ACS, City of Dana Point, ESRI, PlaceWorks)

Figure H-21

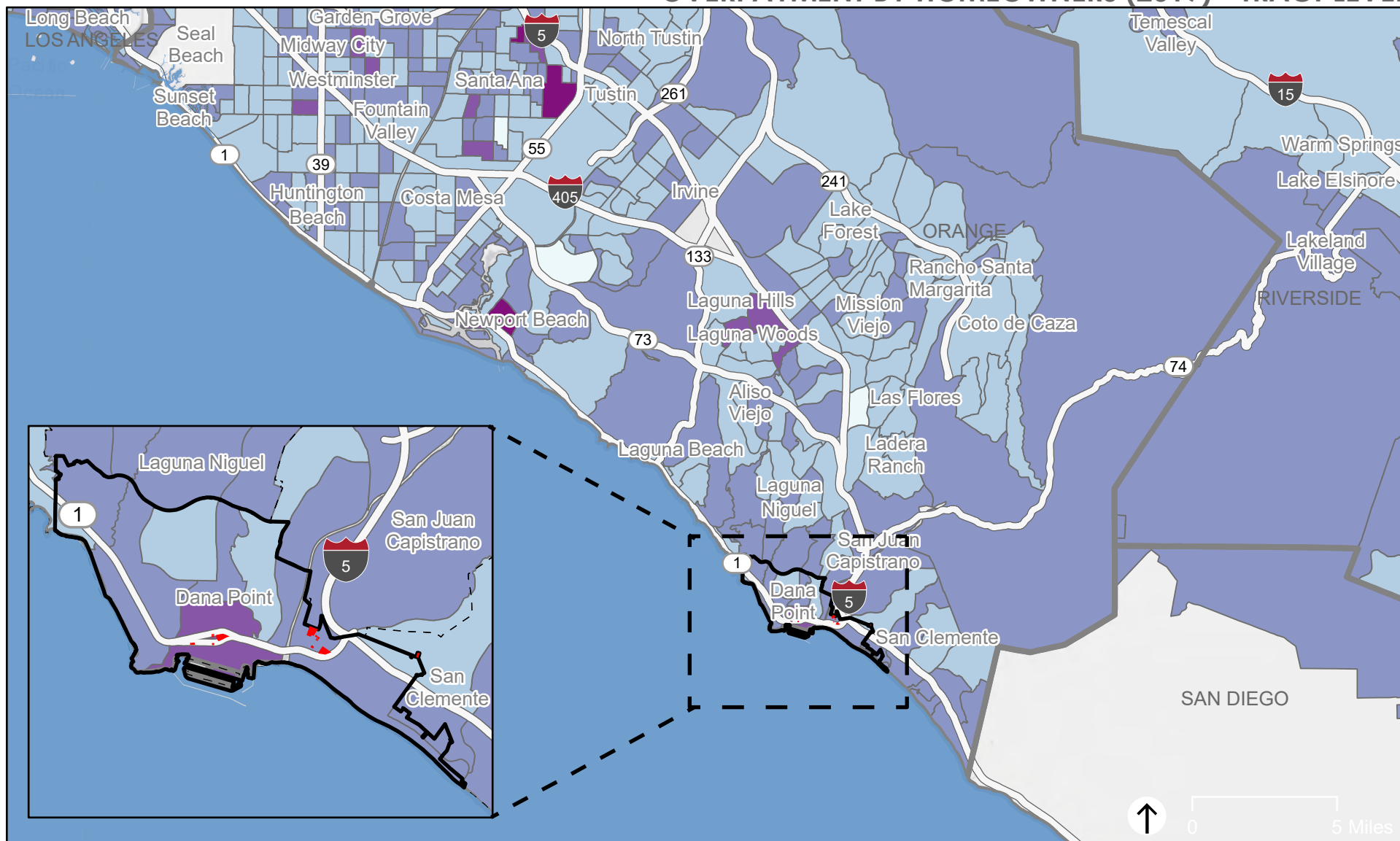
SEVERE OVERPAYMENT BY RENTERS (2019) - TRACT LEVEL



Source: (ACS, City of Dana Point, ESRI, PlaceWorks)

Figure H-22

OVERPAYMENT BY HOMEOWNERS (2019) - TRACT LEVEL

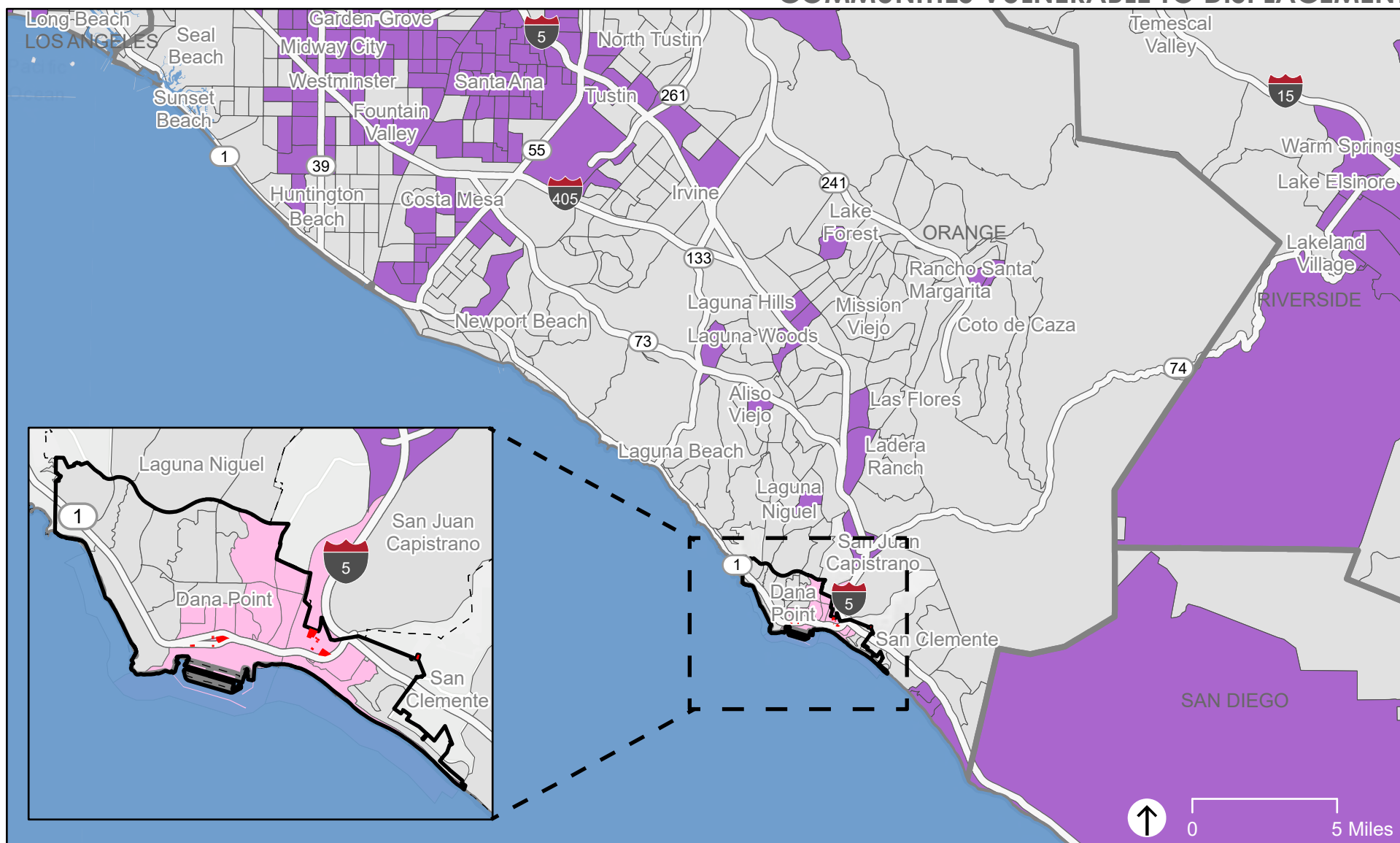


Source: (ACS, City of Dana Point, ESRI, PlaceWorks)



Figure H-23

COMMUNITIES VULNERABLE TO DISPLACEMENT



- City of Dana Point
- County Boundary
- Housing Opportunity Site
- Census Block Groups Vulnerable to Displacement
- Regional Census Tracts Vulnerable to Displacement

Source: (ACS, City of Dana Point, ESRI, PlaceWorks)

Figure H-24

Housing Constraints

Governmental Constraints

Governmental constraints are policies, development regulations, standards, requirements, or other actions imposed by the various levels of government on 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
- Local processing and permit procedures
- Fees and other exactions

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 that establishes policy guidelines for future development. The land use element identifies the location, distribution, and density of land uses throughout the City, with land use categories designating single family residential, multifamily housing and mixed-use development at a variety of densities. Conventional residential designations permit housing at maximum densities between 3.5 and 30 units per acre.

The Community Commercial and Commercial/Residential land use designations allow for a mix of commercial and residential uses at densities reaching over 30 units per acre when paired with the Dana Point Town Center Plan zoning. When paired with Doheny Village zoning, the Commercial/Main Street and Commercial/Residential land use designations allow for a mix of commercial and residential uses at maximum densities of 10 to 50 units per acre. The Community Facilities land use designation allows also housing up to 30 units per acre. A summary of the general plan land uses is provided in Table H-23.

These use 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 to 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-23
DANA POINT GENERAL PLAN RESIDENTIAL LAND USE CATEGORIES**

Designation	Description
Residential 0–3.5	Primarily detached single-family homes.
Residential 3.5–7	Primarily detached and attached single-family homes that may include duplexes, condominiums, and townhomes.
Residential 7–14	Primarily attached single-family homes and multifamily dwellings such as apartments.
Residential 14–22	Primarily attached single-family homes and multifamily dwellings such as apartments.
Residential 22–30	Primarily attached single-family homes and multifamily dwellings such as apartments.
Community Commercial	A blend of retail, professional office, and service-oriented business activities that serve a community-wide area. High density and mixed-use residential developments are permitted in the Town Center and Doheny Village areas.
Commercial/Main Street	A blend of retail, professional office, and service-oriented business activities that serve the surrounding neighborhoods in a main street format. Medium and higher density and mixed-use residential developments are permitted in the Doheny Village area.
Commercial/Residential	A combination of residential development in the same building or parcel as commercial retail or office uses. Higher density and mixed-use residential developments are permitted in the Town Center and Doheny Village areas.

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 per unit and thus facilitate the development of affordable housing. Restrictive zoning standards, such as high number of parking spaces and large setbacks can substantially increase housing costs.

The City’s Zoning Code regulates community development by establishing allowable uses and development standards for numerous residential, mixed use, and other zones. 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.

Dana Point’s exclusively 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. High density residential uses are also allowed in the Community Facilities district (CF).

Additionally, the City allows manufactured housing in single or multifamily 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, as directed in California Government Code Section 65852.3. Chapter 9.07 of the City’s Municipal Code outlines objective standards that also apply to conventional single family homes, but also include a requirement for permanent foundations and restrictions in proximity to nationally-registered historic places, as directed by California Government Code Section 37361. The only current site in the City on the National Register is the VIRGINIA, a 1913 Q-Class sloop (racing sailboat) located at the Dana Point Youth and Group Facility in the west basin of Dana Point Harbor. While there are no residential zones adjacent to this site (and will not be in the future), the City will amend its Municipal Code (see Program 3.10) to remove the location-based limitation to ensure that manufactured homes are not restricted in the future should a new site be added to the National Register.

A summary description of each zone permitting residential uses is given in Table H-24. The summary description identifies the principal housing types permitted in each zone. Table H-25 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-26 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 land use and development regulations for the Town Center District do not mirror the same categories provided in Table H-26; these standards are contained in the Dana Point Town Center Plan and are more flexible than the standards required in other zoning districts.

Transitional housing and supportive housing are permitted as a residential use in Dana Point. They are only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. As stated in the Housing Strategy section, the City will update its Zoning Code to comply with state law regarding low barrier navigation centers. Additional discussion on transitional and supportive housing and low barrier navigation centers can be found in the section on the assessment of needs for homeless and those in need of transitional or emergency shelter.

Due largely to the lack of vacant land, the City does not receive requests to develop housing at densities below those anticipated. As shown later in Table H-33, the City is currently processing mixed-use and housing applications for densities between 41 and 75 units per

acre in the Town Center District—densities that are as expected or higher. These pending developments are three stories in height, with the ground floor consisting entirely of commercial uses and the upper floors consisting of multiple family. The residential density ranges from 41 to 75 units per acre, demonstrating that the three-story height limit and ground floor commercial requirement does not prevent projects from reaching extremely high densities (above all max densities except those in the Town Center District). Overall, the City’s development standards are not considered a constraint to affordable housing.

Stand-alone (100 percent) residential projects are allowed in all residential zones, the Village-Commercial/Residential (V-C/R) Zone of in the Doheny Village planning area, and in the Community Facilities Zone. In other mixed-use districts, the City only permits residential projects when they are incorporated into a mixed-use development. As described in the development trends related to underutilized sites in the Doheny Village and Town Center (zoned mixed-use), residential square footage makes up 91 percent of all building square footage (per-project average is 87 percent) built or proposed on sites zoned for mixed-use in Dana Point over the past 10 years. Additionally, one of the mixed-use developers cited the inclusion of retail as an advantageous factor in executing tax credit financing. This information above indicates that the mixed-use requirement in certain mixed-use zoning districts does not hinder or constrain the production or density of housing in Dana Point.

The City evaluated the cumulative impact of its land use controls on the cost and supply of housing and determined that none of the requirements or restrictions in conventional residential zoning districts would prevent an applicant from reaching the maximum density allowed or constrain housing development. The RMF 30 Zone is the most restrictive in terms of setbacks and height requirements, but the City’s analysis of past (built) housing developments and the application of current standards to theoretical lots confirmed the above conclusion. On parcels one acre or larger, a housing development could achieve maximum density with a mix of studio, one-, and two-bedroom units, served by onsite surface parking. For parcels between one-half and one acre, a housing development could achieve maximum density with a mix of studio and one-bedroom units, served by onsite surface parking. For parcels smaller than one-half acre, maximum density could be achieved with a mix of studio and one-bedroom units, served by surface and tuck-under parking. This bedroom mix also aligns with the City’s average household size of 2.3 and the projected trend of decreasing household sizes across the southern California region.

The conclusion is the same for mixed-use zoning districts that permit 100 percent residential projects (CF and V-C/R) or mixed-use projects where there is no minimum amount of non-residential square footage or a requirement for vertical mixed-use buildings (R/C-18 and V-MS). In the R/C-18 Zone, commercial square footage is actually limited to 10 percent of the total site area, while the V-MS Zone only restricts residential from the ground floor within the first 130 feet of a property line that fronts Doheny Park Road.

In the Town Center zoning, the ground floor must consist entirely of nonresidential uses, which does limit residential to the upper two floors. As stated previously, the two-story limitation does not hinder the ability to reach very high densities (with current projects reaching 41 to 75 units per acre). The Town Center zoning does require at least 20 percent of units to have 2 or more bedrooms and limits the number of studios to 20 percent. The parking requirements for studio and one-bedroom units are the same, so 80 percent of the units would be subject to the same parking requirement and at least 20 percent of the units would require one-half additional parking space. The parking requirements for the ground floor use are based on Section 9 of the Dana Point Zoning Code (e.g., 1 space per 220-250 square feet of gross floor area for general retail). There is no requirement for structured parking, but incorporating structured parking into the mixed-use building(s) is deemed more desirable by the development industry compared to the alternative (buying an adjacent lot(s) to facilitate a surface parking lot). Between Blue Lantern and Golden Lantern (nearly all of the Town Center area), developers may pay a fee in-lieu of providing onsite parking for retail and restaurant uses. This in-lieu fee is comparable to the cost of structured parking, but is much lower than the cost of subterranean parking and enables a developer to stay within height limits and avoid other construction- and operations-related costs.

Key development standards in the Town Center zoning are extremely flexible and reduce the costs of construction and increase the likely amount of supply. For example, the City allows two stories of above-grade structured parking to count as a single story when fronted by usable ground floor space (such as a shop front). Setbacks are minimal (front: 10 feet along PCH, 0 to 5 feet for other streets; side: 0 feet; rear: 0 feet to another property, 5 feet adjacent to a street or alley, 20 feet adjacent to a residential zoning district). Open space requirements are minimal (100 square feet per unit private and common, with 50% of units able to satisfy private open space by combining it with common open space). Finally, the City permits a 250 percent lot coverage in the Town Center, with density governed not by units per acre, but by a maximum floor area ratio (2.50).

Accordingly, the City's land use controls are not considered to affect housing supply or increase the cost of housing in a manner that constrains housing development.

**TABLE H-24
ZONING FOR A VARIETY OF HOUSING TYPES IN DANA POINT**

General Plan Designation	Zoning District		Max Density	Housing Types
Very Low Density Residential				
Residential 0-3.5	Residential Single Family 2	(RSF 2)	2 du/ac	Detached Single Family
	Residential Single Family 3	(RSF 3)	3 du/ac	Detached Single Family
Low Density Residential				
Residential 0-3.5 & Residential 3.5-7	Residential Single Family 4	(RSF 4)	4 du/ac	Detached/Attached Single Family
	Residential Single Family 7	(RSF 7)	7 du/ac	Detached/Attached Single Family
	Residential Multiple Family	(RMF 7)	7 du/ac	Multifamily
Medium Density Residential				
Residential 7-14	Residential Single Family 8	(RSF 8)	8 du/ac	Detached Single Family
	Residential Single Family 12	(RSF 12)	12 du/ac	Detached Single Family
	Residential Beach Road 12	(RBR 12)	12 du/ac	Detached Single Family
	Residential Duplex 14	(RD 14)	14 du/ac	Duplexes
	Residential Multiple Family 14	(RMF 14)	14 du/ac	Multifamily
High Density Residential				
Residential 14-22	Residential Beach Road Duplex 18	(RBRD 18)	18 du/ac	Duplexes
	Residential Single Family 22	(RSF 22)	22 du/ac	Detached Single Family
	Residential Multiple Family 22	(RMF 22)	22 du/ac	Multifamily
Residential 22-30	Residential Multiple Family 30	(RMF 30)	30 du/ac	Multifamily
Mixed-Use				
Commercial/Main Street	Village-Main Street	(V-MS)	10 & 30 du/ac	Mixed-Use Residential, Low Barrier Nav Center ¹
Commercial/Residential	Village Commercial/Residential	(V-C/R)	30 & 50 du/ac	Multifamily, Mixed-Use Residential, Low Barrier Nav Center ¹
Community Commercial	Town Center-Mixed Use	(TC-MU)	2.5:1 FAR	Mixed-Use Residential, SRO, Low Barrier Nav Center ¹
Residential/Commercial-18	Residential/Commercial-18	(R/C)	18 du/ac	Mixed-Use Residential, Low Barrier Nav Center ¹
Commercial/Residential	Professional or Commercial/Residential	(P/R or C/R)	10 du/ac	Mixed-Use Residential. Low Barrier Nav Center ¹
Commercial, Industrial, and Community Facilities				
Community Commercial	Community Commercial/Pedestrian	(CC/P)	0.6:1 FAR	Care Facility, Emergency Shelter, SRO
	Community Commercial/Vehicular	(CC/V)	0.5:1 FAR	Care Facility, Emergency Shelter, SRO
Visitor/Recreation Commercial	Visitor/Recreation Commercial	(V/RC)	0.5:1 FAR	Care Facility, Emergency Shelter, SRO
Industrial/Business Park	Industrial/Business	(I/B)	0.5:1 FAR	Communal Housing, SRO
Community Facilities	Community Facilities	(CF)	30 du/ac	Multifamily, Senior/Communal, Low Barrier Nav Ctr ¹

Note: 1. The City's Zoning Code will be amended to permit low barrier navigation centers through implementation the related program in the City's Housing Strategy.

**TABLE H-25
PERMITTED RESIDENTIAL USES BY ZONING DISTRICT IN DANA POINT**

Residential Use	Very Low Density		Low Density			Medium Density					High Density				Mixed-Use					Commercial, Industrial, & Community Facilities					
	RSF 2	RSF 3	RSF 4	RSF 7	RMF 7	RSF 8	RSF 12	RBR 12	RD 14	RMF 14	RBR 18	RSF 22	RMF 22	RMF 30	C/R	P/R	TC-MU	V-C/R	V-MS	R/C-18	CC/P	CC/V	V/RC	I/B	CF
Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P					P
Accessory Living Quarters	A	A	A	A		A		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	C	C	C	C	C	C	C
Dwelling, Single Family	P	P	P	P	P	P	P	P	P	P	P	P	P	P ¹	P ¹		P	P ²	P ³						
Dwelling, Multiple Family					P				P			P	P	A ⁴	A ⁴	P	P	P ²	P ³					P	
Dwelling, Duplex					P			P	P	P		P	P				P	P ²							
Emergency Shelter	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C			C			C	C	C		P
Employee Quarters	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	P	P	P	P						C
Home Occupation						P ⁴											P								
Low Barrier Nav Center ⁸														P	P	P	P	P	P						P
Manufactured Home	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ⁵	P ^{1,5}	P ^{1,5}		P ⁵	P ^{2,5}	P ^{3,5}						
Mobile Home Park / Subdivision	C ⁵	C ⁵	C ⁵	C ⁵	C ⁵	C ⁵	C ⁵		C ⁵	C ⁵			C ⁵	C ⁵			P ⁶								
Senior Citizen Housing					C					C		C	C	C	C	C	C	C	C						C
Single Room Occupancy					C					C		C	C	C	C	C	C	C			C	C	C	C	
Supportive Housing ⁹	P	P	P	P	P	P	P	P	P	P	P	P	P	P ¹	P ¹		P	P ²	P ³						P
Transitional Housing ⁹	P	P	P	P	P	P	P	P	P	P	P	P	P	P ^{1,7}	P ^{1,7}		P	P ²	P ³						P

Notes:

- ¹ 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
- ² Permitted on second or higher floors and the ground floor when more than 130 feet from Doheny Park Road.
- ³ Permitted in a mixed use project. In implementing the Mello Act, new projects with 11+ residential units in the Coastal Overlay District must reserve at least 10 percent of the units as affordable units.
- ⁴ Permitted as part of a mixed-use project
- ⁵ Subject to special use standards in Chapter 9.07 of the Dana Point Municipal Code
- ⁶ Only those mobile home parks in existence as of November 23, 1993, are permitted.
- ⁷ When a use operating as transitional or supportive housing is proposed in a multifamily structure, it is only allowed as part of a mixed-use project (same requirement applied to conventional multifamily).
- ⁸ Upon implementation of the related program in the City's Housing Strategy, the City will update its Zoning Code to be consistent with state law.
- ⁹ In accordance with Government Code Section 65583(c)(3), transitional housing and supportive housing are permitted as a residential use and only subject to those restrictions (including the type of permit required) that apply to other residential dwellings of the same type in the same zone. Additionally, supportive housing shall be permitted by right in all zones where multifamily and mixed uses are permitted.

**TABLE H-26
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN DANA POINT**

Development Standards (1)	Zoning Districts that allow Residential			
	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-26
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN DANA POINT**

Development Standards (1)	Zoning Districts that allow Residential					
	RSF 8	RSF 12	RBR 12	RBRD 18	R/C-18	C/R or P/R
(a) Minimum Lot Size: (2)	4,800 sf	3,000 sf	4,200 sf	4,800 sf	5,000 sf	5,000 sf
(b) Minimum Lot Width (2)						
Standard Lot	45 ft	40 ft	45 ft	45 ft	50 ft	50 ft
Cul-de-Sac Lot (at front setback line)	30 ft	30 ft	N/A	N/A	N/A	N/A
Flag Lot (for access extension)	20 ft	20 ft	10 ft	10 ft	N/A	N/A
(c) Minimum Lot Depth (2)	70 ft	60 ft	50 ft	50 ft	100 ft	100 ft
(d) Maximum Lot Coverage	60%	60%	N/A	N/A	40%	35-40%
(e) Minimum Land Area Per Unit (3)	4,375 sf	2,917 sf	2,917 sf	1,945 sf	N/A	N/A
(f) Maximum Height (4)	28 ft 2 st	28 ft 2 st	28 ft 2 st (8)	28 ft 2 st (8)	31-35 ft 3 st	31-35 ft 3 st
(g) Minimum Front Yard Setback (5)						
From Ultimate Public Street ROW line:	20 ft	20 ft	20 ft (10)	20 ft (10)	5 ft	N/A
Flag Lot (from connection with access extension)	10 ft	10 ft	N/A	N/A	N/A	N/A
(h) Minimum Side Yard Setback (5)						
Interior Side	5 ft	5 ft	3.5 ft	3.5 ft	5 ft	0 ft
Exterior Side	10 ft	10 ft	3.5 ft	3.5 ft	5 ft	5 ft
Flag Lot (6)	5 ft	5 ft	5 ft	5 ft	N/A	N/A
(i) Minimum Rear Yard Setback (5)						
Standard Lot	25 ft	15 ft	(9)	(9)	15 ft	15 ft
Flag Lot and Cul-de-Sac Lot	25 ft	15 ft	(9)	(9)	N/A	N/A
Adjacent to Alley or Street (from ROW line)	15 ft	10 ft	(9)	(9)	10 ft	10 ft
(j) Minimum Open Space (Private)	800 sf/du	N/A	N/A	N/A	100 sf/du	100 sf/du
(k) Minimum Landscape Coverage	25%	25%	10% (11)	10% (11)	15 % (12)	15 % (12)
(l) Minimum Building Separation - (between primary and accessory buildings on the same lot)	10 ft	10 ft	10 ft	10 ft	10 ft	10 ft

**TABLE H-26
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN DANA POINT**

Development Standards (1)	Zoning Districts that allow Residential		
	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	250 sf/du	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

**TABLE H-26
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN DANA POINT**

Development Standards (1)	Zoning Districts that allow Residential			
	RMF 14	RMF 22	RMF 30	CF
(a) Minimum Lot Size (2)	7,500 sf	4,800 sf	4,800 sf	4,800 sf
(b) Minimum Lot Width (2)				
Standard Lot	45 ft	45 ft	45 ft	45 ft
Cul-De-Sac Lot (at front setback line)	25 ft	25 ft	25 ft	25 ft
Flag Lot (for access extension)	25 ft	25 ft	25 ft	25 ft
(c) Minimum Lot Depth (2)	100 ft	90 ft	90 ft	90 ft
(d) Maximum Lot Coverage	60%	60%	60%	60%
(e) Minimum Land Area Per Unit (3)	2,600 sf	1,591 sf	1,167 sf	N/A
(f) Maximum Height (4)	28 ft/ 2 stories	28 ft/2 stories	28 ft/2 stories	31-35 ft/3 stories
(g) Minimum Front Yard Setback (5)				
From Ultimate Public Street ROW line	20 ft	20 ft	20 ft	20 ft
Flag Lot (from connection with access extension)	15 ft	15 ft	15 ft	15 ft
(h) Minimum Side Yard Setback (5)				
Interior Side	5 ft	10 ft	15 ft	10 ft
Exterior Side	10 ft	10 ft	15 ft	10 ft
Flag Lot (6)	15 ft	10 ft	15 ft	10 ft
(i) Minimum Rear Yard Setback (5)				
Standard Lot	15 ft	20 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	15 ft
(j) Minimum Open Space				
Private	200 sf/du	200 sf/du	100 sf/du	200 sf/du
Common	30% net ac	25% net ac	20% net ac	25% ac
(k) Minimum Landscape Coverage	25%	20%	15%	20%
(l) Minimum Building Separation (between primary and accessory buildings on the same lot)	10 ft	10 ft	10 ft	10 ft

**TABLE H-26
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN DANA POINT**

Development Standards (1)	Zoning Districts that allow Residential	
	V-CR	V-MS
(a) Minimum Lot Size: (13)	2,500 sf	4,800 sf
(b) Minimum Lot Width (13)	25 ft	40 ft
(c) Minimum Lot Depth (13)	100 ft	120 ft
(d) Maximum Lot Coverage	80%	80%
(e) Maximum Height	35-50 ft north of Victoria; 35-40 ft south of Victoria (14) 3 stories	35-40 ft (14) 3 stories
(f) Maximum Residential Density	30 du/ac; 50 du/ac for lots greater than 10 ac	10 du/ac south of Victoria; 30 du/ac
(g) Minimum Front Yard Setback From Ultimate Public Street ROW line	5 ft	0 ft
Residential Uses Adjacent to V-C/I District	N/A	50 ft from alley; 100 ft from Victoria Blvd
(h) Minimum Side Yard Setback Interior Side	0 ft	0 ft
Street Side	0 ft	0 ft
(i) Minimum Rear Yard Setback Standard Lot	0 ft	5 ft
Adjacent to Alley or Street	0 ft	0 ft
(k) Minimum Landscape Coverage (15)	5%	5%
(l) Minimum Building Separation (between primary and accessory buildings on the same lot)	6 ft	6 ft
(l) Open Space (residential uses only)	100 sf/du	100 sf/du

**TABLE H-26
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN DANA POINT**

Development Standards (1)	Zoning Districts that allow Residential
Source: Dana Point Municipal Code, Chapter 9.09.	
(1) See Chapter 9.75 of the Dana Point Municipal Code 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 or 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, whichever 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. (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).	
(12) A decrease in landscape coverage may be permitted with a Site Development Permit with an approved landscape plan.	
(13) Development standard applies to proposed subdivisions of land. The standards may be waived by the Planning Commission when necessary to accommodate the parcel configuration for an integrated commercial development subject to approval of a Conditional Use Permit pursuant to Chapter 9.65.	
(14) Structures greater than 35 feet shall be subject to Planning Commission approval of a Site Development Permit and special development standards pursuant to Section 9.14.040(c)	
(15) A decrease in landscape coverage may be permitted with a minor Site Development Permit including an approved landscape plan.	

Parking Requirements

Parking requirements in Dana Point are similar to those imposed by other cities in Orange County. Parking facilities are required to be located on the same lot and reduce 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, the City maintains reduced parking standards for these uses. The City also permits shared parking between adjoining residential and commercial uses.

The City prepared a Parking Implementation Plan in 2019 to direct City staff and a Parking and Circulation Oversight Task Force to inform the City Council and offer recommendations to identify and address parking and circulation solutions in Dana Point through annual status reports. This included outreach with the general public and reflects the City's ongoing communication with the development community on desirable parking requirements.

Table H-27 summarizes the current parking standards for residential development in Dana Point. The parking requirements are considered appropriate and do not pose a constraint on the production of housing. For multifamily units that contain 1 bedroom or less, the City

evaluated Census data (Table B08201, 2020 ACS), and found that the average number of cars owned by 1- and 2-person households in the City is 1.7, with 44% of such households owning 2 vehicles and another 14% own three or more vehicles. Applicants have not requested parking requirement waivers, with the exception of one request in 2015, after which the City issued a Minor Site Development Permit to waive the guest parking stall requirement for a duplex unit. The pattern of multi-car ownership in studios and 1-bedroom units and the lack of requests for parking waivers supports the determination that the parking requirement of 1.5 vehicles for the occupants is necessary and is not considered a constraint.

The City’s Parking Implementation Plan includes strategies to expand public and guest parking by opportunistically restriping and changing parking restrictions along roadways. As an example, the City restriped Selva Road to create 60 additional parallel parking stalls. The Plan also identified a program to establish neighborhood-specific residential parking standards for the Doheny Village Zoning Code Update, which incentivizes development and preservation of single-family, duplex, triplex housing units in the area’s mixed-use zoning districts. The parking standards eliminated the requirement for covered parking in a garage and established lower parking ratios than Citywide standards.

Additionally, residential (stand-alone or mixed-use) projects that qualify for a density bonus due to the inclusion of affordable housing are eligible for parking reductions under state law. While the City’s parking requirements for emergency shelters are lower than comparable uses (hotels, motels, SROs, and rooming houses), and residential care homes (senior congregate care), the City’s current standards are based upon the number of occupants (stall/10 beds/person). Under new provisions enacted through AB 139, the City can only require sufficient parking to accommodate the staff working in the emergency shelter (at levels no higher than other residential or commercial uses in the same zone).

**TABLE H-27
REQUIRED PARKING STALLS BY USE IN DANA POINT**

Use	Required Number of Stalls
Single-Family	
Single-family, detached: Up to 5 bedrooms	2 stalls in a garage
6 bedrooms and more	2 stalls in a garage +1 covered stall for every 2 bedrooms over 4 bedrooms
Single-family, detached on shallow or narrow lots (less than 50 feet wide and 100 feet deep)	2 assigned and covered stalls within a garage per dwelling; or 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 roll-up door.
Single-family, attached	2 assigned and covered parking stalls within a garage or parking structure, plus 0.3 visitor stall unassigned per dwelling unit.
Mobile Home Park	1 covered and assigned stall, plus 0.5 visitor stall unassigned per dwelling unit.
Accessory Dwelling Unit	No parking required beyond that which is required for the primary residence. Pursuant to California Government Code Section 65852.2, replacement parking cannot be required if an existing garage is converted to an ADU.

**TABLE H-27
REQUIRED PARKING STALLS BY USE IN DANA POINT**

Use	Required Number of Stalls		
Multifamily			
Multifamily units (including timeshares):	Stalls per Unit:		
	Covered ⁽¹⁾	Uncovered ⁽¹⁾	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 ⁽²⁾	0.2
	1. Covered stalls shall be assigned; uncovered stalls shall not be assigned. 2. Plus 0.5 uncovered stall per additional bedroom in excess of 3.		
Duplex	4-car garage (with min 40'x20' interior floor space) and 1 stall per duplex. The requirement for the additional stall may be waived with the approval of a minor Site Development Permit Governmental Constraints provided the project satisfies the required findings detailed in Section 9.71.050.		
Duplex on lot less than 50' wide	Two (2) covered and assigned parking stalls within a garage per dwelling unit; or 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 CUP by the Planning Commission.		
Accessory Dwelling Unit	No parking required beyond that which is required for the primary residence. Pursuant to California Government Code Section 65852.2, replacement parking cannot be required if an existing garage is converted to an ADU.		
Age-Restricted or Special Needs Housing			
Single or Multiple Family	Same as single-family and multiple family listed above		
Convalescent Hospital	1 stall for every 4 beds plus parking for onsite employee housing		
Emergency shelter	1 stall per 10 beds/persons		
Rooming House	1 stall/bedroom plus 2 stalls for manager		
Single Room Occupancy	3 stalls plus 0.5 stalls/one-person unit and 0.8 stalls/two-person unit		
Senior Citizen Housing Complex	1 covered and assigned stall, plus 0.5 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 CUP to reflect presence of special transportation services/other unique aspects)		

Density Bonus

As stated in the Housing Strategy section, the City will update its Zoning Code regulations on density bonuses to comply with the latest changes in Government Code Section 65915–65918, which require jurisdictions to grant a density bonus in exchange for income-restricted housing. Legislation passed in 2018 clarified that a project cannot be found inconsistent with the Coastal Act merely because it receives a density bonus. Legislation passed in 2020 increased the maximum amount of density bonus projects could receive.

Residential projects that restrict as little as five percent of the proposed housing units as affordable housing would be entitled to a density bonus and additional incentives and

concessions, such as a reduction in parking requirements or setbacks. Table H-28 lists the potential density bonuses (per state law as of August 2021) for projects that incorporate income-restricted housing.

**TABLE H-28
DENSITY BONUS FOR PROJECTS WITH INCOME-RESTRICTED HOUSING**

Household Income Category of Affordable Units	Min % of Base Units Reserved to Qualify for Bonus	Density Bonus		
		Min Bonus (% Base Units)	Added Bonus per +1% affordable	Max Bonus (% Base Units)
Very Low	5%	20%	2.5%	50%
Lower	10%	20%	1.5%	50%
1+ acre of land dedication for very low	10%	15%	1%	35%
>80% Low/ <20% Mod	100%	80%	--	80%
Low/mod within ½-mile of major transit stop	100%	No Max	--	No Max
Moderate (Condo)	10%	5%	1%	50%

Source: Sections 65400 and 65915 of the California Government Code, as of August 2021.

Note: Other projects entitled to density bonus include:

10% very low transitional foster youth, disabled veterans, or homeless

20% very low college students in housing dedicated for accredited colleges

Any age-restricted senior housing development or mobile home park (no affordable required)

Accessory Dwelling Unit Requirements

In response to the worsening statewide housing shortage, California Government Code Section 65852.2 streamlines and promote the permitting and approval of accessory dwelling units (ADUs). ADUs are attached or detached structures that are constructed on the same lot as a single or multifamily unit and provide complete independent living facilities for one or more occupant; junior ADUs are enclosed within the primary residence and provide partial independent living facilities for one or more occupant. The state and many jurisdictions throughout California recognize that ADUs can provide housing at below market prices (without public subsidy) and serve to meet the special needs of the elderly and low-income persons such as students or adult children just entering the workforce.

Numerous amendments to state law were made in 2017 and 2020 that require jurisdictions to approve ADUs by right, eliminates or reduces impact fees, and requires jurisdictions to apply only limited objective development standards. As stated in in the Housing Strategy section, the City will amend the Zoning Code to provide standards and procedures for the development of ADUs in accordance with state law.

Prior to 2017, the City would receive between one and three applications for ADUs each year. Since then, the number of applications has jumped to over a dozen each year in 2019 and 2020. The City encourages single-family homeowners to construct second units

through its provision of informational handouts, improved permit processing, lower fees, and other resources.

Single Room Occupancy

The City of Dana Point conditionally permits the development of single room occupancy (SRO) projects in multifamily residential, mixed-use, and commercial districts, including the Town Center and Doheny Village area. The Zoning Code requires rates for the rental of units in an 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 percent of the units may be unrestricted.

Each unit within an 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 within 1,000 feet of an existing laundromat.

All proposed SRO projects must be renter occupied and contain at least 10 SRO units, not including the required onsite manager's unit. Each SRO project shall provide 0.5 parking stalls for every one-person unit, and 0.8 parking stall for every two-person unit. In addition, each SRO project shall provide 0.4 secure bicycle stall for each unit excluding the onsite 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 onsite, 24-hour manager.

Housing for Persons with Disabilities

As noted in the assessment of Special Needs Groups, persons with disabilities have a number of housing needs related to the accessibility of dwelling units. The City previously conducted a study that found that several policies, regulations, and programs support these needs by removing constraints to housing for persons with disabilities.

Building Code Constraints

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.

The City has adopted the California Building Standards Code and the most recent California Amendments. This code includes provisions of the Americans with Disabilities Act. To further address the needs of disabled residents, the City includes 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 onsite inspection can be requested by homeowners seeking advice on Building Code requirements when modifying their home.

Reasonable Accommodation Ordinance

In addition, the City's Reasonable Accommodation Ordinance provides a process for disabled individuals, or those acting on their behalf, to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices, and/or procedures of the City, and includes a provision of assistance in making the request, as well as for appealing a determination regarding the reasonable accommodation to the Community Development Director.

The City's findings required to approve or deny a request for reasonable accommodation, as stated in the Municipal Code (Chapter 8.40 Reasonable Accommodation)

- The housing, which is the subject of the request for reasonable accommodation, will be used by an individual protected under the Federal Fair Housing Amendments Act of 1988 (Act).
- The request for reasonable accommodation is necessary to make specific housing available to an individual protected under the Act.
- The requested reasonable accommodation will not impose an undue financial or administrative burden on the City.
- The requested accommodation will not require a fundamental alteration of the zoning or building laws, policies and/or procedures of the City.

For housing located in the coastal zone, a request for reasonable accommodation under this Section shall be approved by the City if it is consistent with the certified Local Coastal Program. Where a request for reasonable accommodation is not consistent with the certified Local Coastal Program, the City may waive compliance with an otherwise applicable provision of the Local Coastal Program and approve the request for reasonable accommodation if the City finds:

- The requested reasonable accommodation is consistent, to the maximum extent feasible, with the certified Local Coastal Program; and
- There are no feasible alternative means for providing an accommodation at the property that would provide greater consistency with the certified Local Coastal Program.

Zoning Code Constraints

There are no maximum concentration requirements in the Zoning Code for residential care facilities or other facilities that serve the disabled. There is also no definition of family in the City’s Municipal Code, and therefore no City restrictions on the number of nonrelated persons allowed per housing unit. The City permits a wide variety of uses to assist and care for the disabled. Uses such as community care facilities, convalescent facilities, and residential care facilities for the elderly are permitted in any residential district with a 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).

There are no special regulations restricting the siting of senior care facilities in relationship or distance to one another. Group homes (any state-licensed residential care facility for six or fewer persons) are currently permitted by right in any residential zone. Notably, although there is some language in the City’s Code that could be construed to require a CUP for group homes for 6 or fewer people (relating to Residential Care Facilities), the City has taken the position that a CUP is not required in compliance with State Law and in particular Health & Safety Code section 11834.23. This allows proponents flexibility in locating such facilities without additional development or permitting costs. A public comment period request is not required for the establishment of a residential care facility for six or fewer persons. It is also significant to note that the City has taken a different position than several other Orange County cities, and has opted not to adopt an ordinance regulating, prohibiting or otherwise restricting group homes. Rather, in the event that there are any complaints or problems with respect to a particular property that is being used as a group home, the City addresses the issue as it would for any other residential property (i.e., through code enforcement and any requisite follow up or escalation of enforcement measures, as necessary). The Fourth District Court of Appeal, Division Three, recently upheld the City’s approach to addressing group homes expressly finding it was not acting in a discriminatory fashion. (See, *City of Dana Point v. New Method Wellness, Inc.* (2019) 39 Cal.App.5th 985. The ambiguity in the City’s current Code regarding a CUP for group homes for six or fewer persons (relating to Residential Care Facilities) will be clarified consistent with the above (see Housing Strategy).

Residential care facilities serving seven or more residents are conditionally permitted in all residential and mixed-use zones and several commercial zones. Typical findings of approval for residential projects requiring a conditional use permit include consistency with the General Plan; that the nature, condition, and development of adjacent uses has been considered and the proposed use will not adversely affect adjacent uses; and that the proposed site is adequately sized to accommodate the necessary space for parking, landscaping, and other development features. To date, the City has not received a CUP application for either a group home or residential facility serving over six people. The lack of applications is likely due to the high demand for the use of existing housing stock as conventional residences, with such residents willing to pay more compared to those seeking a place for larger group homes. The CUP process itself is not considered to be

onerous and a typical finding would be that the proposed conditional use will not jeopardize, adversely affect, endanger, or otherwise constitute a menace to the public health, safety, or general welfare, or be materially detrimental to the property in the vicinity of such use. To ensure that this condition is not an unreasonable discretionary standard, the City will evaluate the CUP process for a group home or residential facility serving over six people as a constraint and remove unreasonable conditions of approval (see Housing Strategy).

The City's Zoning Code requires that all parking lots and structures 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 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 Zoning Code provides reduced off-street parking standards for uses such as convalescent facilities, senior housing complexes, and congregate care facilities. Reduced parking standards help reduce the cost of developing projects oriented toward serving disabled or elderly persons. The reduced parking standards are as follows:

- Convalescent Hospital: 1 stall for every 4 beds plus parking for onsite employee housing
- Senior Citizen Housing Complex: 1 covered and assigned stall, plus 0.5 guest stall per dwelling unit, plus 1 stall for the resident manager.
- Senior Congregate Care Facilities: 1.25 stalls per unit (may be reduced to .67 stall per unit subject to CUP to reflect presence of special transportation services).

Coastal Zone

Dana Point consists of 4,134 acres, of which 1,993 falls within the coastal zone. Approximately 48% of the City of Dana Point is in the coastal zone; the remaining 52% is within three miles of the coastal zone. A variety of land uses are in the coastal zone in Dana Point, including Dana Point Harbor, beaches, parks, conservation areas, residential uses, and commercial uses providing over 1,900 hotel rooms and a 122-space campground at Doheny State Beach.

California Government Code Sections 65588 and 65590 require the Housing Element to take into account any low- or moderate-income housing provided or required in the Coastal Zone, including:

1. The number of new housing units approved for construction in the coastal zone since January 1982.
2. The number of housing units for persons and families of low and moderate income required to be provided in new housing developments either in the coastal zone or within three miles.

3. The number of existing residential dwelling units occupied by low and moderate income households required either in the coastal zone or within three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.
4. The number of residential dwelling units for low and moderate income households that have been required for replacement.

The City of Dana Point incorporated on January 1, 1989 and established itself as a separate local government entity from the County of Orange. From incorporation in 1989 through 2007, the City contracted with at least two private firms to provide Building Division services, including building permits, plan check, inspection, and permit records services. The building permit records did not differentiate between housing units constructed in the coastal zone from those not in the coastal zone. In 2007, the City converted its Building Division staff from contract to City employees, including hiring a Building Official, Building Inspectors, and Permit Technicians. The City also has obtained GIS services to provide higher levels of service, maintain more precise building permit records, and better monitor residential activities in the coastal zone.

Table H-29 lists units constructed and demolished in the coastal zone and within three miles of the coastal zone from 1998 through 2020. The units were tabulated from available building permit record annual summaries provided to the State Department of Finance. According to City records, there are approximately 80 deed-restricted affordable units within three miles of the coastal zone in Dana Point as of 2021, with one more already approved for development as part of the South Cove housing project. The multifamily projects below are described in detail in the “Inventory of Income-Restricted Units” section.

- Domingo/Doheny Apartments: 24 three-bedroom family rental units (lower income)
- Monarch Coast Apartments: 40 rental units (20 very low and 20 low income)
- South Cove Townhomes/Flats: 17 ownership units (moderate income)

According to City records, no affordable units in the City of Dana Point have been demolished. The only identified demolition of development of three or more units occurred in 1992 when 32 market rate units at the Monarch Coast Apartments were demolished following a landslide. Thirty of these units were replaced, with extended affordability requirements applied to existing affordable units as a condition of their approval. To date, no affordable units have required replacement in the coastal zone.

**TABLE H-29
UNITS IN AND WITHIN 3 MILES OF THE COASTAL ZONE IN DANA POINT**

Year	New Units	Demolished Units	Net Unit Increase
1989	120	3	117
1990	300	2	298
1991	39	3	36
1992	33	34	1

**TABLE H-29
UNITS IN AND WITHIN 3 MILES OF THE COASTAL ZONE IN DANA POINT**

Year	New Units	Demolished Units	Net Unit Increase
1993	80	2	78
1994	121	1	120
1995 ¹	38	0	38
1996 ²	23	0	23
1997	45	4	41
1998	184	5	179
1999	150	5	145
2000	54	0	54
2001	N/A	N/A	N/A
2002	57	1	56
2003	41	12	19
2004	41	0	41
2005	40	0	40
2006	40	3	37
2007	4	4	0
2008	27	14	13
2009	31	3	28
2010	21	9	12
2011	12	7	5
2012	16	5	11
2013	8	4	4
2014	15	7	8
2015	51	7	44
2016	43	6	37
2017	28	14	14
2018	45	8	37
2019	71	17	54
2020	54	28	40

Source: Monthly Reports 1989–1997, Annual Dept. of Finance Reports 1998–2020.

1: Monthly Reports for May through December 1995 are missing.

2: Monthly Reports for January through April 1996 are missing.

Summary Evaluation

Overall, the City did not find that its land use controls serve as a constraint toward the production of housing. The development standards are consistent with and allow for the maximum densities permitted by the City’s General Plan and zoning districts. As an example, the maximum height of 2 stories in multifamily zoning districts (while also complying with other standards) can easily accommodate up to 30 units per acre. Evidence of two-story multifamily projects at a density of 30 units per acre (and higher) can be found

throughout Orange County. The Town Center District permits three stories and controls density by floor-area-ratio rather than units per acre, allowing densities (as evidenced by current projects) upwards of 75 units per acre.

As another example, the maximum lot coverage for multifamily does not increase the cost of site design or construction, and the coverage thresholds are considered appropriate for and are scaled with the density of each multifamily zoning district (50% for RMF 7 and 60% for RMF 14/22/30). In a third example, while the requirement for non-residential for mixed-use residential projects used to be considered a constraint due to the lack of familiarity and comfort of the development lending communities, there is now an abundance of developers and lending institutions with expertise in building and/or financing mixed-use projects in Dana Point, Orange County, and throughout California.

Building Codes and Code Enforcement

Building and safety codes adopted by the City are considered 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 has adopted the 2019 California Building Standards Code along with amendments specific to Dana Point. Other development codes enforced by the City include the most recent editions of the California Housing, Electrical, Fire, Plumbing, Mechanical, and Administrative Codes.

Code enforcement is a critical component of preserving and improving neighborhood quality and preventing situations that may damage residential structures and resident safety. The City employs four full-time code enforcement officers. Code enforcement officers proactively identify and prescribe solutions to code violations and respond to public complaints. The most common housing code violations relate to building maintenance, construction activities without a permit, landscaping (weed abatement), and trash. Violators are notified and referred to appropriate sections of the City's Municipal Code and relevant programs. In some cases, such as illegal construction, the violator is fined and may be ordered to dismantle the activity. The City created a Neighborhood Maintenance and Improvement Guide to inform residents about legal requirements and resources to assist in preserving and improving neighborhoods and homes.

Site Improvements

Residential developers are required to provide improvements to enable the use of developed sites and to pay a pro rata share of offsite improvements. Most of the City's remaining vacant land is of an infill character, and necessary infrastructure systems are already in place and in good condition. The developer of a residential project is required to provide the connections to public infrastructure to serve the project. This includes, but is not limited to, the provision of storm drains, water, and sewer connections. Utility lines, including but not limited to electric, communications, street lighting, and cable television, are required to be placed underground in any new, revised, or reactivated residential

subdivision. The subdivider works directly with the utility companies for the installation of such facilities.

Though most of the City is currently served by adequate roadways and sidewalks, improvements for access or internal navigation may be necessary. Vehicular access to roadways will be determined in accordance with driveway locations and design approved by Public Works. The width of roadways providing access to parking facilities for residential projects depends on street parking conditions: less than 32 feet without street parking the road, 32 to 40 feet for roadways with parallel stalls on one side, and at least 40 feet for roadways with parallel stalls on both sides. A five-foot-wide sidewalk is required on at least one side of the roadway unless an alternative pedestrian route is provided.

Considering that development and revitalization efforts will be infill in character, the need for extensive site improvements is limited 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 and sewer.

Local Processing and Permit Procedures

The City of Dana Point’s development review process is designed to accommodate development while ensuring safe and attractive development projects. There are three levels of decision-making bodies in the City that govern the development review process: the Community Development Director, the Planning Commission, and the City Council. The City also has Coastal Commission permit authority through a Local Coastal Plan approved by the California Coastal Commission for most of its jurisdiction, thereby avoiding dual processing by the City and Coastal Commission. Table H-30 provides typical timelines for the City to process development applications.

**TABLE H-30
APPLICATION PROCESSING TIMELINE IN DANA POINT**

Type of Application	Estimated Approval Period
Zone Change	3-6 months
Tentative Tract Map	2-3 months
Tentative Parcel Map	2-3 months
Variance	2-3 months
Minor Site Development Permit	2-4 weeks
Major Site Development Permit	4-8 weeks
Minor Conditional Use Permit	2-4 weeks
Major Conditional Use Permit	4-8 weeks
Planning Site Plan Review	4-8 weeks
Building Site Plan Review	4-8 weeks
Coastal Development Permit	2-3 months

The City offers “over the counter” plan checks and administrative review for several types of residential development projects. The City also offers a preliminary application review process, which provides applicants with an outline of the framework for local processing and permit procedures during the initial design phase of a project. In all cases, applicants are encouraged to meet with City staff to discuss a project prior to submitting an application. When an application is submitted, it is briefly reviewed at the public counter to identify any potential issues and determine if discretionary review is needed. This counter review provides the applicant with an opportunity to make changes to the application, if necessary, which may result in saved time and money if the application would otherwise have been deemed incomplete.

To alleviate time constraints, the City offers concurrent review of grading, building, and landscape plan reviews after a discretionary project has been approved and during the appeals period process. The City has also prepared area-specific zoning and planning documents (e.g., Town Center and Doheny Village plans) in areas most likely to experience growth to reduce development review and processing times by addressing land use compatibility and site design issues at a larger scale. These plans remove the need for individual applications to seek zoning and general plan amendments and minimize or eliminated discretionary review for residential development applications in these areas.

Table H-30 provides the typical processing procedure by application type. The lengths of time shown in Table H-30 increase development costs by a marginal amount—primarily due to additional interest incurred by project-related loans. For new construction of a single-family residence that does not require discretionary review, the average time from submittal to approval is approximately two months. For new multi-family residential development which generally requires discretionary review, the average time from application submittal to approval is approximately three months. Overall, the typical approval process is generally one to three months and is not considered a constraint by the development community.

Ministerial Review

New single-family residential housing projects on existing subdivided lots require only ministerial review if outside of the coastal zone. For such projects, the Planning Division routes the completed application to various City departments for a 10-day code conformance review. The average time for residential ministerial project review is roughly four weeks. Most proposed residential projects in the coastal zone can be reviewed ministerially. Only properties in the sensitive oceanfront/coastal bluff top areas require a Coastal Development Permit that requires discretionary review by the Planning Commission and/or City Council.

Discretionary Review

Site Development Permits (SDP)

The site development permit process provides for the effective and efficient review of development proposals to ensure compatible and enhanced site and building design,

implementing the City’s Urban Design Element and Design Guidelines. The review and approval process is focused on the site and building design rather than the use. As shown in Table H-25, uses like multifamily residential are permitted by right in all multifamily and mixed-use zoning districts but may require a site development permit.

Depending on the scope and size of proposed residential development, there are two levels of discretionary review for development beyond single-family dwellings. Residential development with less than 10,000 square feet of new floor area and/or four or less residential units require a minor site development permit. This permit requires an administrative hearing and allows the Director of Community Development, who grants approval, to review the project for conformance with City regulations. Residential development that exceeds those parameters requires approval of a major site development permit, which must be approved by the Planning Commission and/or City Council.

The discretionary review process for a minor site development permit, including public noticing, typically takes two to four weeks if not appealed to the Planning Commission. The discretionary review process for a major site development permit, including public noticing, typically takes four to eight weeks if not appealed to the City Council. While the City has not found the site development permit process to be a particular constraint in the past, the City will be evaluating this process in more detail and amend its process to remove constraints as part of its Housing Strategy.

The City reviewed a variety of single-family and multiple-family residential development applications from the past few years and found no deviations from the typical timelines in Table H-30 caused by City delay. Instances where delays occurred were the result of project applicants extending the overall timeline in cases where they decide to adjust the application (e.g., site layout or design) or address corrections related to objective development standards. The City also spoke with past development applicants to gauge their satisfaction with the overall timeframe for development approval, and none of the applicants expressed any dissatisfaction. Applicants expressed a strong degree of satisfaction with the timing and responsiveness of the site development permit review and approval process by City staff and decision makers.

The City also evaluated the permitting and processing timeline for a recently approved and complex mixed use development in the Town Center (Brattle Street Ventures). The proposal was submitted by the applicant in March 2021 and received final entitlement permit approval in March 2022, largely due to the project’s complexity. In addition to the approval of a Zoning Variance, Tentative Parcel Map, Major Site Development Permit, and Coastal Development Permit, the project also required extensive geotechnical, water quality, parking, and public utility analysis prior to the various committee/council hearings. In total, the proposal underwent three rounds of 30-day review by various City departments and a prolonged period where the applicant delayed resubmittal between reviews to address staff feedback and revise the plan. Following this extensive collaboration, the final submittal successfully cleared the Planning Commission’s 15-day appeal period and California Coastal Commission’s 15-day Notice of Final Action appeal

period without contest, leading up to unanimous approval by the City Council. Although the cumulative process spanned one full year, this project represents a complex development that involved the significant coordination of multiple processes traditionally requiring between one and three months to navigate on their own.

Conditional Use Permits (CUP)

Similarly, there are two levels of conditional use permits for new residential development. A minor CUP is typically triggered by projects needing a shared parking program or minor deviations from development standards that may have adverse impacts. A minor CUP is approved by the Director of Community Development through an administrative hearing.

A major CUP applies to certain residential uses that may have adverse impacts on existing residential areas, as listed in Section 9.09.020 of the Zoning Code. Typical findings of approval for residential projects requiring a minor or major conditional use permit include consistency with the General Plan; that the nature, condition, and development of adjacent uses; has been considered and the proposed use will not adversely affect adjacent uses, and that the proposed site is adequately sized to accommodate the necessary space for parking, landscaping, and other development features. Typical conditions of approval require the applicant to follow through with the project as proposed or face nullification of the conditional use permit. For example, relocation; substantial alteration; or addition to any use, structure, feature, or material not approved will nullify the conditional use permit.

California Environmental Quality Act (CEQA)

In all cases, the planner assigned to a project will assess the adequate level of environmental review per the requirements of the California Environmental Quality Act (CEQA). Under CEQA, many infill projects and other small projects are exempt. For larger, more complex developments, a consultant may be retained to perform environmental studies. Upon completion of environmental documentation, the project is presented to the applicable approving body, which may approve the project, deny, or approve with conditions. If a project is denied, the applicant may revise the project and resubmit or withdraw the application entirely. If a project is approved, planning entitlements are issued; if conditionally approved, certain conditions may need to be met prior to receipt of permits.

Coastal Development Permits (CDP)

Approximately 50% of Dana Point is located within the Coastal Zone and development projects located within the Coastal Zone are subject to Coastal Development Permits, which often delay permit processing. A coastal development permit is required for proposed uses within the City's coastal zone, as established by the California Coastal Act. All development projects undertaken within the coastal zone require the approval of a coastal development permit unless exempted. A coastal development permit must be approved by the Planning Commission at a public hearing. In approving such a permit, the Planning Commission must find that the specific use or activity proposed is consistent with the applicable land use regulations, the Certified Local Coastal Program for the area, and the California Coastal Act. Typical uses or activities subject to approval of a coastal development permit include:

- Development of properties atop coastal bluffs
- Development of properties on sandy beaches
- Development of any other vacant property, modifications to existing property which constitute an intensification of use, and significant changes of landform.

As stated above, the City maintains Coastal Commission permit authority for most of its jurisdiction, thereby avoiding dual processing by the City and Coastal Commission. Accordingly, for the majority of housing projects, the coastal development permit requirements do not add significant costs or processing time. While Coastal development permit requirements can increase the cost and processing time for housing projects, this requirement is beyond the City’s control and is required by the California Coastal Act.

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 homeowner and renter, and therefore affect housing affordability.

The City charges fees for each entitlement sought for any given project and collects fees on a cumulative basis. However, the City offers a fee waiver program for qualifying residential development. The comprehensive set of fee waivers or lowered fees are associated with:

- Development permit fees (Planning, Building, and Public Works) for qualifying Americans with Disabilities Act (“ADA”) alterations for disabled veterans (waive fees)
- Development permit fees for qualifying deed-restricted housing for extremely low income, very low income, and low income households (as defined by the Department of Housing and Urban Development (HUD) (waive fees)
- Development permit fees associated with deed-restricted housing for extremely low, very low income, and low income units in mixed-income developments (e.g., a 50-dwelling unit development with 8 low income units and 42 market rate units) (subsidize by waiving fees proportional to the percentage of deed-restricted affordable units)

Planning and Building Fees

The City charges fees for discretionary permits (see Table H-31) and building and engineering fees related to 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.

**TABLE H-31
PLANNING APPLICATION FEES IN DANA POINT**

Type of Application	Fee
Zone Change	\$12,289 deposit; Hourly rate
Tentative Tract Map	\$8,890 (5-50 units); \$11,496 (≥ 51 units)
Tentative Parcel Map	\$6,041 (≤ 4 units)
Variance	\$9,504
Minor Site Development Permit	\$3,680
Major Site Development Permit	\$27,034
Minor Conditional Use Permit	\$2,601
Major Conditional Use Permit	\$10,096
Planning Site Plan Review	Hourly rate, maximum of \$196
Building Site Plan Review	Hourly rate, maximum of \$196
Coastal Development Permit	\$641 (exempt) to \$7,172 (major)

In-lieu Park Fees

The City requires the dedication of parkland along with new residential development. To facilitate housing production, the City allows for payment of an in-lieu fee for smaller developments (subdivisions of 50 parcels or fewer or condominium/cooperative of 50 units or fewer) or when topographical constraints would not yield suitable parkland. The fee amount is equivalent to the value of the parkland that would have been dedicated pursuant to Municipal Code Section 7.36.025 plus the cost of improvements pursuant to Municipal Code Section 7.36.040.

Development Impact Fees from Other Agencies

Other fees are imposed to mitigate potential impacts created by new development. These fees are typically referred to as development impact fees. These fees relate to traffic impact, school, drainage, and fire protection. 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, including Dana Point, 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). These fees are outside the direct control of the City. Again, these fees vary from city to city, and even within a city, and may not be imposed at all depending on a project's location.

Summary of Fees

Table H-32 displays development fees for three types of residential projects in Dana Point: a single-family house, a 20-unit condominium project, and a 50-unit apartment project. Dana Point periodically conducts fee studies to ensure fees are appropriate and last updated its fee structure in 2019. Future evaluations may result in adjustments to the fees; however, the City emphasizes options to preserve, lower, or reduce fees for affordable projects. Overall, the City’s fee structure is not considered a constraint to housing.

**TABLE H-32
RESIDENTIAL DEVELOPMENT FEES FOR SAMPLE PROJECTS IN DANA POINT**

Fees¹	Single-Family Housing Project ²	Condominium 20-Unit Project ³	Apartment 50-Unit Project ⁴
City Fees			
Planning Fees ⁵	\$1,086	\$5,105	\$5,105
Engineering Fees ⁵	\$3,563	\$4,563	\$4,563
Building Fees ⁵	\$7,703	\$81,325	\$128,079
Park In-Lieu (Quimby) ⁶	\$0	\$384,024	\$0
Housing In-Lieu Fee ^{5,7}	\$540	\$10,800	\$27,000
Art in Public Places	\$0	\$32,876	\$54,222
Other Governmental Agencies			
Fire Protection (OCFA)	\$92	\$1,836	\$4,590
School Fees (CUSD)	\$8,160	\$122,400	\$204,000
Water/Sewer Fees (SCWD)	\$5,896	\$4,298	\$4,298
County Transportation Fees	\$2,958	\$47,340	\$118,350
San Joaquin Trans Corridor ⁸	\$4,657	\$53,280	133,200
TOTAL Market Rate Devt	\$34,655	\$747,847	\$683,407
Per Market Rate Unit	\$34,655	\$37,392	\$13,688
Per Affordable Unit ⁵	\$21,763	\$31,803	\$10,373

1. Projects may require site-specific environmental assessments, not included in above totals.
2. Single-family home assumed at 2,000 square feet with 400 square foot garage in RSF7 zone.
3. Condominium unit assumed at 1,500 square feet, 400 square foot garage in RMF14 zone.
4. Apartment unit assumed at 1,000 square feet with 200 square foot carport in RMF22 zone.
5. Fees are waived based on the percentage of units reserved for affordable housing (e.g., if proposed project is 100% affordable, then 100% of fees are waived).
6. Park fees subject to DPMC 7.36.050. Fees based on no parkland dedication proposed and an unimproved real estate value of \$38.00 per square-foot, which may vary based on project site appraisal.
7. Housing In-Lieu fees for units within Coastal Zone, Amount may vary within City.
8. San Joaquin Transportation Corridor fees vary based on zone and increase July 1 every year by 2.667%.

Prior to 2016, user fees charged by the City had not been updated in 20 years. In 2016, the City retained a consultant to conduct a Cost of Service and User Fee Study. The study’s scope included a review and calculation of user fees charged by City departments to identify to cost of providing services using estimates of the level of service and staffing

levels. The results of the study provided calculations of specific fee subsidies, identification of obsolete and new fees, and confirmed compliance with State laws.

In 2019, City staff began sending customer service surveys via email to all visitors to the City's development permit counter for Planning, Building and Public Works after digitizing the lobby check-in process. City staff evaluates the survey data by preparing a monthly memorandum summarizing total visitors served, daily average visitors served, average wait time, average service time, and number of building inspections. The survey comments are published in the memorandum and quantified based on topic and number of positive comments, negative comments, and suggestions. The City Council receives a Development Update report on a quarterly basis, including all monthly reports, data, and customer comments.

In the past three years, the City's fees have increased annually and the survey data has reported a total of four negative comments related to fees (specifically related to contract services for building plan check), out of hundreds of comments (the City averages approximately 30 total comments per month). Most comments reflect suggestions for electronic/digital plan submittal and permit processing.

Non-Governmental Constraints

A local housing element incorporates an analysis of potential and actual non-governmental constraints including: environmental, infrastructure, residential land resources, land prices, construction costs, and financing.

Environmental Constraints

The City has identified areas affected by environmental hazards where land development should be carefully controlled. Local geologic conditions vary throughout the City and can even differ from lot to lot, creating the need to study each development proposal individually. The following environmental constraints may impact future housing development.

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. Over the history of Dana Point, 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 in a seismically active area. However, no known active faults cross the City. The nearest significant active fault is the Newport-Inglewood Zone, approximately four miles to the southwest. Major active faults that could affect Dana Point include the Whittier Elsinore, San Andreas, Palos Verdes, San Clemente, and Rose Canyon faults. 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 to Dana Point in the event of an 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 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.

Water and Wastewater

The City of Dana Point is served by three water and sanitary districts of the South Orange County Wastewater Authority (SOCWA): the South Coast (majority of Dana Point), Moulton Niguel, and San Juan Capistrano Water Districts. The vast majority of the water distribution lines in these districts is under 40 years old and reported to be in good to excellent condition. Two joint powers agencies, the Aliso Water Management Agency and SOCWA, provide sewage treatment to the wastewater districts that serve Dana Point.

The City shares the Housing Element with SOCWA and South Coast Water District. 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 updated its Infrastructure Master Plan in 2017 and identified necessary improvements to the water, wastewater, and recycled water systems. None of the improvements would preclude or inhibit future housing projects in Dana Point.

Other Utilities

The San Diego Gas and Electric Company and Southern California Gas Company provide electrical and natural gas service to homes and businesses in Dana Point. No deficiency exists in the existing electric and natural gas systems in the city, and both companies state that they will be able to expand to accommodate any future growth in the City. All areas of the city have access to cable and high-speed internet service provided by Cox Communications. Additional high-speed internet can be obtained from AT&T (majority of the city) and Frontier Communications (small portion of the city).

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). 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.

Under the 2019 Building Code (in effect as of January 2020), all new single-family homes and low-rise apartment buildings will be required to install solar panels, or tap into community solar power, to compensate for all electricity used by the building (aka zero net energy homes). Homes that truly are not suitable for solar, e.g., shaded by trees or large buildings would be exempt.

While the construction of energy efficient buildings does not necessarily lower the purchase price of housing, it should reduce monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can reduce 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.

The City's Building Division staff established an online expedited plan review process for minor residential building permits, including solar, heating and cooling, electrical panel upgrades, interior remodels, windows, re-roofing, and additions under 400 square feet. The City will continue to evaluate new opportunities to establish or improve city programs and regulations and partner with SDG&E to promote energy conservation programs.

The City has facilitated more efficient land use patterns by continuing to implement the more intense, mixed-use Dana Point Town Center Plan and approving new higher density and mixed-use zoning for the Doheny Village area. Higher density and mixed-use developments can demand less energy than lower density projects by encouraging walking, a decreased use of automobiles, and smaller housing units that are more efficient to operate.

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, with ocean views and other local amenities, drives prices up. A review of vacant land for sale in Dana Point (per listings on Zillow accessed in March 2021) and feasibility analyses of land in Doheny Village indicate

land prices generally fall between \$2 and \$6 million dollars per acre for sites similar to those evaluated for residential capacity.

The high cost of land increases home prices, which in turn creates 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 extremely low, very low-, low-, and moderate-income housing possible. However, to achieve affordable housing goals, a combination of public and private financing will be needed to overcome the obstacle of high land prices.

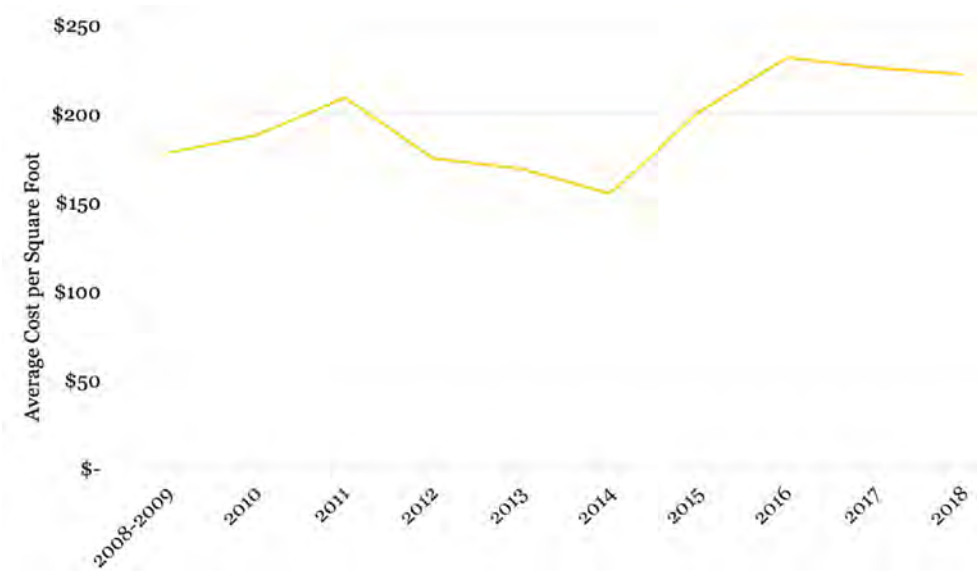
Cost of Construction

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. According to recent analysis of construction costs across California, the per-square-foot hard costs for constructing multifamily housing climbed 25 percent over the course of a decade (even after adjusting for inflation).

The rise in costs is associated in part with an increasing tightness in the market for skilled labor, with California general contractors indicating difficulty in finding workers such as plumbers, pipelayers, roofers, equipment operators, drywall installers, cement masons, concrete workers, carpenters, and welders. As the ability to find skilled labor becomes more difficult and takes longer, the additional time leads to further financing costs and uncertainty, leading to higher housing costs for the builder and future occupant.

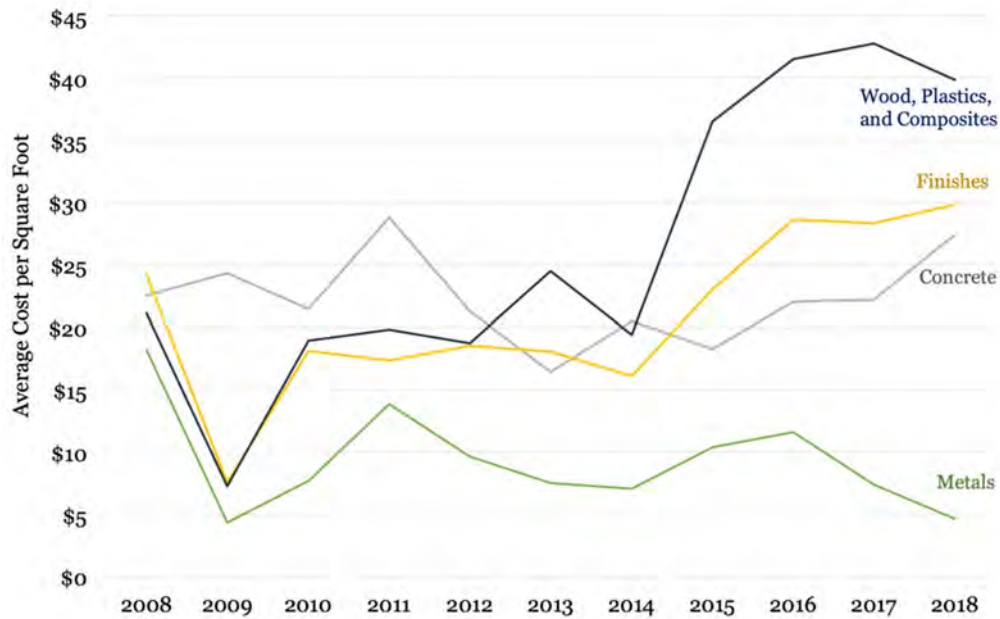
A rise in the cost of materials is another contributor to the increased cost of construction. Wood, plastics, and composites doubled in price between 2014 and 2018. As an example, the price for wood usually ranged from \$350 to \$500 per thousand board feet, but costs surged to a peak of \$1,515 per thousand board feet in May 2020. Various news articles cite that mill operators and lumber dealers forecasted demand based on a soft 2019 market and pulled back on production capacity for 2020. As of late August 2021, lumber prices dropped to \$389 per thousand board feet (the lower end of the typical range) though costs may rise and fall in the future. Figures H-25 and H-26 illustrate the variability in construction costs between 2008 and 2018.

Figure H-25 Hard Construction Cost per Square Foot 2008–2018



Source: *The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California*, Turner Center for Housing Innovation, pg 7, March 2020.

Figure H-26 Line Item Construction Cost 2008–2018



Source: *The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California*, Turner Center for Housing Innovation, pg 8, March 2020.

To help mitigate constraints posed by construction costs, the City allows manufactured housing in single or multifamily zones. The use of manufactured homes can reduce housing costs by eliminating material waste, avoiding weather delays and theft, reducing labor costs by consolidating and automating activities, and cutting down onsite construction time (which also saves money in land carrying costs). Cumulatively, these factors can result in 20% to 40% lower prices for the housing unit itself. However, the cost of new manufactured housing can be dependent on the distance from the factory, with farther distances increasing transportation costs that may offset some or all of the benefits of a manufactured house.

A number of companies around the world are pushing the envelope of what is possible, and there is a critical mass of thought, research, development, and money being invested into new methods of housing construction. 3D printing, for example, challenges both traditional structural forms as well as the building process. The first 3D-printed zero net energy homes community will be completed in Rancho Mirage in 2022. The company behind the development, Mighty Buildings, claims that the process can cut time in half and reduce labor hours by 95 percent while producing 10 times less waste than conventional construction.

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 purchase a home. Conversely, decreasing interest rates result in more potential homebuyers introduced to the market. Mortgage interest rates for new home purchases ranged from 3% to 5% for a fixed-rate, 30-year loan between 2016 and 2020, with an average rate of approximately 3.11% in 2020.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. First-time homebuyers are the group impacted the most by financing requirements. Lower initial rates are available with graduated payment mortgages, adjustable-rate mortgages, 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.

Flexible loan programs, such as those for first-time homebuyers, still offer flexible down payment requirements between 5% and 20%. Such programs provide a method to bridge the gap between a required down payment and potential homeowner's available funds. The Federal Housing Administration (FHA) offers loan programs for first time home buyers including low down payments, around 3.5%, low closing costs, and easy credit qualifying.

At this time, the greatest impediment to homeownership is creditworthiness. According to the FHA, lenders consider a person's debt-to-income ratio, cash available for down payment, 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 ratings. Persons with poor credit ratings will likely 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 reestablish a good credit history.

In the goal of producing more affordable housing, all jurisdictions, developers, and potential homeowners/tenants in southern California face the same constraints of elevated construction costs and the financing limitations of lower credit scores. While cities have little ability to directly address either constraint, City will endeavor to support new construction options and coordinate on expanded financing tools as part of its housing programs.

Typical Timing for Building Activity

The City examined the typical timeframe between a project's approval (entitlement) and the issuance of building permits to understand and illustrate the influence of factors and activities outside of the City's permitting process that could delay building activity. For typical projects, the City found that it takes approximately 3-4 months from approval of entitlements to issuance of building permits. For larger and complex projects, the City found that property owners will work through the planning process to obtain entitlements and then sell the property to a developer, which have caused delays over a year. It appears that the delays between entitlement approval and building permit application/issuance is relative to changes in ownership and developer, which also results in changes to the project scope at times. Often, these projects have had to be re-reviewed for "substantial compliance" with the original approvals for potential amendments- adding to the time delays.

Residential Land Resources

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 is intended 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 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).

A local jurisdiction’s “fair share” of regional housing need is estimated in terms of four factors:

- The number of units needed to accommodate forecast 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
- An adjustment to avoid an overconcentration of lower income households in any one jurisdiction

The new construction need is referred to as the regional housing needs assessment (RHNA) and is allocated as a total need and the need broken down into four household income categories used in federal and state housing 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. The allocations are further adjusted to avoid an overconcentration of lower income households in any one jurisdiction. The fair share allocation also considers 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 federal, state, and local governments to determine housing affordability.

2021-2029 RHNA Allocation

The City of Dana Point’s “fair share” of the region’s housing need for the 2021-2029 planning period is 530 units: 147 very low, 84 low, 101 moderate, and 198 above moderate income units. For the purposes of evaluating capacity, HCD permits jurisdictions to combine the very low and low income RHNA allocation into a single “lower” income category (231 units). The following section describes the City’s capacity to accommodate its RHNA allocation through planned/entitled housing projects and vacant and underutilized land that is designated for or may be approved for residential use.

Planned/Entitled Residential Development

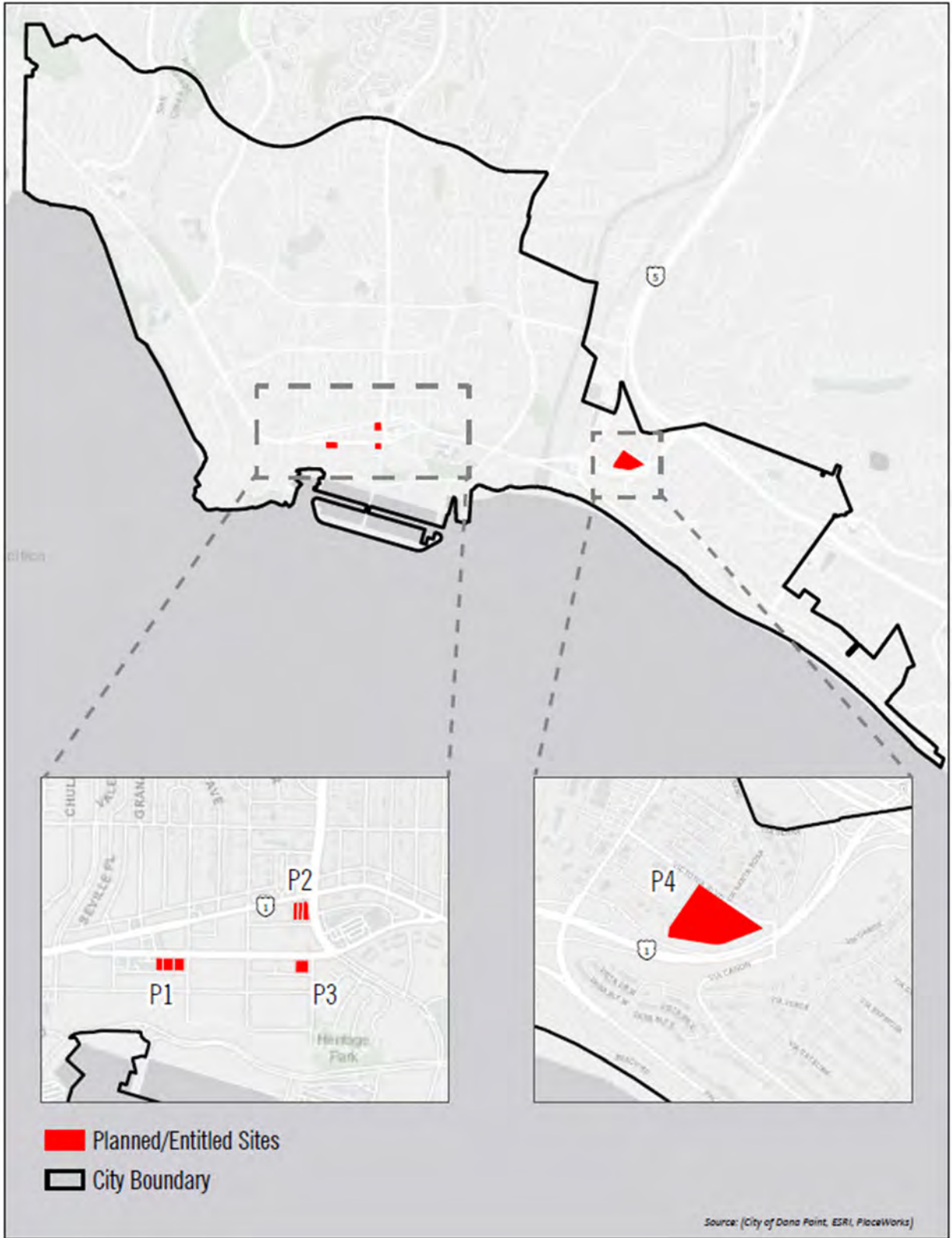
A number of mixed-use residential and apartment projects are planned and/or entitled on various sites in the Town Center and Doheny Village areas of the city. As shown in Table H-33 and Figure H-27, approximately 491 units are expected to be constructed and occupied during the planning period (2021-2029). The planned and entitled projects will more than address the City’s projected RHNA demand of 198 above moderate-income units and provide an incremental contribution toward the City’s lower and moderate income RHNA allocation.

**TABLE H-33
PLANNED/ENTITLED HOUSING PROJECTS**

Map Ref	Project Name	GP Zoning ¹	Other Features	Acres	Density	Income Level			Total Yield
						Lower	Moderate	Above Moderate	
P1	The Greer	CC TC-MU	10.8 KSF commercial and 13 senior units	0.92	75	0	0	69	69
P2	Vista Del Mar ²	CC TC-MU	7.2 KSF commercial	0.54	72	0	0	39	39
P3	Brattle Street	C/R TC-MU	4.9 KSF commercial	0.43	41	0	0	18	18
P4	Victoria Apartments	SP SP	15% low/mod ³	5.50	50/66 ⁴	38	19	308	365
Total Planned / Entitled				8.58	--	38	19	434	491
Total RHNA Allocation				--	--	231	101	198	530
RHNA Balance				--	--	193	82	0	275

1. CC = Community Commercial, C/R = Commercial/Residential, TC-MU = Town Center Mixed Use, SP = Specific Plan
 2. Building permits issued in 2020, construction expected to be completed after June 30, 2021.
 3. Based on the applicant’s proposal to create no less than 15 percent affordable housing units, with no less than 5% very-low income units to be constructed onsite, and 5% low- and 5% moderate-income housing units to be constructed either on- or off-site in the city (any fractional figures are rounded up per direction by the City).
 4. The maximum base density is 50 units per acre. The project density increases to 66 units per acre due to the inclusion of affordable housing and the application of a density bonus. A maximum of 365 units is permitted on the site.

Figure H-27 Planned/Entitled Sites



Vacant and Underutilized Land

Dana Point, like many other coastal communities, is largely built out in the sense that few vacant parcels remain. New housing opportunities will largely rely on the intensification and reuse of property that contains existing uses. When property contains existing uses that are either inactive (e.g., vacant commercial businesses), or may be replaced by more intense and more profitable development, such sites are considered underutilized land resources. The City has identified two vacant parcels and three underutilized sites that are suitable for new residential development and address the remaining RHNA allocation. Appendix A provides more detailed information for each parcel.

As shown in the discussion of planned and entitled projects, most developing sites are less than an acre and are proposed for densities between 40 and 75 units per acre, facilitated by the Town Center zoning and the City’s initiation of a specific plan to allow for more intense development. These projects are used to justify the assumed density factors and the ability to produce housing in mixed-use zones.

As shown in Table H-34, the combined vacant and underutilized sites have the appropriate zoning and physical characteristics to potentially accommodate 244 lower income units and 210 moderate income units. Figures H-28 and H-29 provide a map of these sites. State law (default density thresholds, Government Code Section 65583.2(c)(3)(B)), establishes that mixed-use or residential zoning allowing 30 units per acre is suitable to facilitate lower income housing. All of the development potential on vacant parcels is assumed to provide the capacity for lower income housing. For underutilized parcels, due to the additional cost associated with replacing an existing use, a more conservative assumption (50 percent) is applied despite such sites allowing more than 30 units per acre. The remaining capacity (50 percent) is assumed to provide the capacity for moderate income housing.

**TABLE H-34
VACANT & UNDERUTILIZED LAND POTENTIAL**

Map Ref	General Plan ¹	Zoning ²	Acres	Density		Housing Capacity for RHNA Balance		
				Assumed	Max	Total	Lower	Moderate
V1	CF	CF	0.93	25	30	23	23	--
V2	C/R	V-C/R & HIO	0.61	30	35	18	18	--
Vacant Subtotal			1.54	--	--	36	36	--
U1	C/MS	V-MS & HIO	6.63	25	35	165	82	83
U2	C/MS	V-MS & HIO	1.34	25	35	33	16	17
U3	CC	TC-MU	5.51	40	2.5 FAR	220	110	110
Underutilized Subtotal			33.5	--	--	418	208	210
Total Vacant / Underutilized			34.0	--	--	459	249	210
RHNA Balance after Planned/Entitled Projects			--	--	--	275	193	82
Surplus Capacity			--	--	--	--	56	128

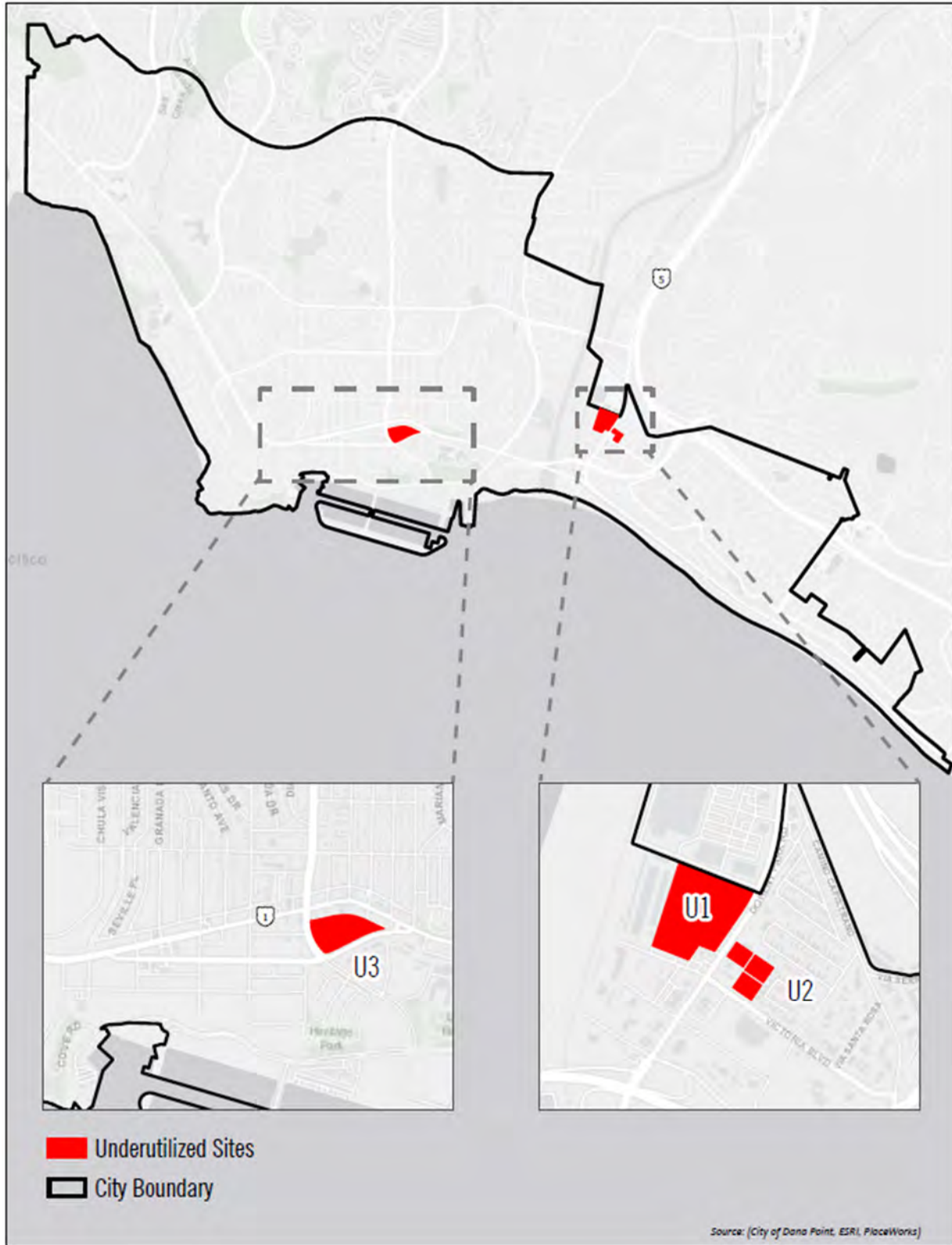
1. CF = Community Facility, CC = Community Commercial, C/MS = Commercial/Main Street, C/R = Commercial/Residential

2. V-C/R = Village Commercial/Residential, V-MS = Village Main Street, TC-MU = Town Center Mixed Use, HIO = Housing Incentive Overlay

Figure H-28 Vacant Sites



Figure H-29 Underutilized Sites



Vacant Land

There are two parcels of vacant land suitable for higher density residential development with the potential to accommodate affordable housing.

V1. SCWD Surplus Property. A 0.93-acre site owned by the South Coast Water District has been and remains viable site for residential development. Located in the eastern part of the city, surrounded by other residential development, the site is considered surplus property and could be used to develop housing for SCWD employees and/or the general public. There are no environmental or site conditions exist that would preclude the site's full development. The site is zoned Community Facilities (CF), which permits multifamily housing by right at densities of 30 dwelling units per acre. Assuming attached or multifamily housing at a density of 25 units per acre, approximately 23 units could be constructed on this site. The assumed density of 25 units per acre is 83 percent of the maximum capacity of 30 units per acre (before any application of state density bonus provisions). The site requires essentially no offsite improvements as two local roads lead directly to the site and no sidewalks would be required. The lot complies with minimum width and depth requirements and setback and open space requirements do not preclude development from reaching the permitted density (particularly because zoning allows residential buildings up to three stories in height). All utilities are available and would require simple extensions from existing systems serving adjacent residential units.

As this site was previously included in the 4th and 5th cycle housing elements, state law (Government Code section 65583.2(c) enacted by AB 1397, 2017) requires the City's zoning for such sites to permit by right housing developments that propose a density of 20 units per acre or more and in which at least 20% of the units are affordable to lower income households. The CF Zone already permits such a housing development by right and is therefore meets the requirements of state law.

Based on the maximum permitted density of 30 units per acre (in line with the state's default density thresholds), this site's zoning is suitable to facilitate affordable housing.

V2. Capo Beach Church Surplus Site. A 0.61-acre site owned by the Capo Beach Church (located across the street) is currently vacant and used periodically for overflow parking. This site is zoned Village-Commercial/Residential (V-C/R) Zone of in the Doheny Village planning area. This zone allows mixed-use and stand-alone multifamily residential up to a density of 30 units per acre. Additionally, the City applied a Housing Incentive Overlay (HIO) to this site, which requires a minimum density of 20 units per acre and allows the maximum density to increase to 35 units per acre. The HIO also requires at least 50 percent of the gross floor area, excluding parking structures, to be dedicated to residential uses. Assuming a potential density of 30 units per acre, the site could yield approximately 18 units. Based on the state's default density thresholds, this site is zoned appropriately to facilitate affordable housing.

The assumed density of 30 units per acre is 85 percent of the maximum capacity of 35 units per acre (before any application of state density bonus provisions). The site requires essentially no offsite improvements as Domingo Avenue is fully improved with sidewalks and landscaping and alley access is already provided directly abutting the parcel. The lot complies with minimum width and depth requirements and setback and open space requirements do not preclude development from reaching the permitted density (particularly because zoning allows residential buildings up to three stories in height). All utilities are available and would require simple extensions from existing systems serving adjacent residential units.

Underutilized Land

There are three parcels of underutilized land properties suitable for higher density residential development with the potential to accommodate housing affordable to lower and moderate-income households.

U1. Capistrano Valley Shopping Center, U2. Ganahl Lumber, and U3. Ralphs. Existing Uses: The Doheny Village District consists of approximately 80 acres in the southeastern portion of Dana Point, fronting on Pacific Coast Highway (PCH) and east of the San Juan Creek. The Town Center planning area consists of approximately 73 acres between Blue Lantern and Copper Lantern Streets, fronting or occupying the area in between approximately one mile of PCH and Del Prado. While there are multiple sites within both planning areas, the sites described below, demonstrate the greatest potential for reuse during the planning period.

Underutilized site 1 (U1) currently contains the Capistrano Valley Shopping Center, an existing commercial strip mall that houses anchor tenants Big 5 Sporting Goods and Smart & Final Extra Grocer, as well as smaller retail and restaurant tenants. The shopping center has not been fully leased and two suites have remained vacant for the past five years. Also, the age of the buildings (circa 1965), the site's size (6.63 acres) and lot coverage (29 percent), combine with the national trend in declining retail make this site an extremely good candidate for reuse and intensification. The property owner has been contacted by potential developers who have expressed interest in mixed-use commercial and residential development at this site.

Underutilized site 2 (U2) is comprised of six parcels that are under common ownership and host Ganahl Lumber, a commercial hardware store and lumber yard. Ganahl Lumber, the tenant, is relocating to another city and indicates they will vacate the property in less than two years, freeing the property up for reuse. The L-shaped grouping of parcels fronts along both Victoria Boulevard and Doheny Park Road, providing two access points that enhance its development potential. Although the parcels are all under 0.50 acre individually, they are under common use and common ownership. Additionally, the property owner indicated that future reuse of the would involve all three parcels for a single project during the planning period. No redevelopment of one parcel would take place without the redevelopment of all of the parcels given the configuration and access benefits of using all

parcels and the problems created (for the developer) of using only some. An example of affordable housing that involved the consolidation of small lots is the Domingo/Doheny Apartments, which are within the Doheny Village neighborhood and two blocks south of underutilized site U2. This project was similar in size to U2 (1.3 acres) and originally consisted of several small underlying lots, an abandoned street, and abandoned alley that were ultimately consolidated to create a single project consisting of 24 units, all of which were made affordable to very low income households.

Underutilized site 3 (U3) is comprised of two parcels that are under common ownership and host a shopping center anchored by a Ralphs grocery store. The property owner has expressed interest in redeveloping the site into a mixed-use development and has met with the City multiple times to discuss options. The owner indicated that tenant spaces have been gradually transitioning to lower yield uses with leases due for expiration/renewal in the near future. The smaller of the two parcels is below 0.50 acre but is under common ownership with the other parcel and would not be excluded in the redevelopment of the larger parcel.

Development Trends: Over the past few years, several multifamily housing projects were constructed in Dana Point. The first phases of the South Cove condominiums opened in 2017 and features a mix of 168 one-, two- and three-story flats, townhomes, live/work units, and twin homes (19 units per acre). Marea Apartments finished construction in 2021 building 30 apartment homes (22 units per acre). Construction was also recently completed in 2021 for Prado West (86 percent residential by floor area), 109 units on top of 25,000 square feet of retail space along Pacific Coast Highway (62 units per acre), which replaced an older single-story retail storefront.

Additional evidence from the planned and entitled projects demonstrates that developed retail uses redevelop into new, more intense mixed-use and stand-alone residential projects. Three of the four planned and entitled projects listed in Table H-22 involved the redevelopment of existing uses and evidence of successful lot consolidation. The Greer (0.92 ac) involves the lot consolidation and reuse of Jack's Restaurant, District Salon, and Rado's Fitness (each had their own lot). Vista Del Mar (0.54 acre) involved the reuse of a site that previously contained a professional office building and replacement with 39 units and 7,200 square feet of commercial space (81 percent residential by floor area). Victoria Apartments involves the reuse of the Capistrano Unified School District bus storage yard (5.50 acre). All of the planned or entitled for new mixed-use and stand-alone residential projects at densities between 41 and 75 units per acre (higher than the assumed density factors used in the calculation of potential capacity).

Current trends in the redevelopment of retail centers began with the introduction of online retail, which is currently (2021) capturing 20 percent of every retail dollar spent in the US economy. Recent industry reports (Barclay's Bank in October 2020 and Coresight Research in July 2020), find that the current number of retailers will likely be substantially reduced by 2030, with predictions by Coresight that online retail will account for 40 percent of retail sales by 2030. The COVID-19 pandemic has only accelerated the past trends. As retail

stores opt to relocate or retail properties become due for major reinvestments and/or improvements, property owners find few retailers looking to replace existing tenants or can find greater value in the development of new residential uses.

Even grocery stores, once thought to be insulated from the impacts of online retail are closing stores in southern California (e.g., such as Kroger (parent company of Ralphs and Food4Less) and Northgate Market). The Ralphs in site U3 is one of three Ralphs located within a 3-mile radius of the Dana Point Town Center, and at least 7 other major grocery stores are within this same radius. An example of grocery-store redevelopment can be found elsewhere in Orange County (4th and Mortimer, Santa Ana), where two parcels (one containing a Northgate Market) were consolidated into a 2.72-acre site to redevelop into 169 housing units and 11,361 square feet of commercial space. Another example on a similarly-sized site can be found in Hollywood (5420 Sunset Boulevard), where a 6.75-acre site occupied by Food4Less is being redeveloped into a mixture of 735 apartments and 95,000 square feet of commercial space. The Dana Point site could even be redeveloped into a configuration that retains a grocery component, as was done in a North Hollywood mixed-use development (5101 Lankershim, opened 2020), where 297 units, including 25 very low income units, and a 26,000-square foot Amazon Fresh grocery store were built on a 1.37-acre site.

While the above examples illustrate that grocery-anchored sites can be redeveloped into higher density mixed-use residential, the City must also evaluate the implications of the City's requirement for multifamily to be developed above a ground floor consisting of commercial, office, or other nonresidential uses. During the resurgence of mixed-use residential projects in the 1990s, development potential was limited by three factors: 1) the absence of developers and builders familiar with the more complicated process of designing and constructing a mixed-use structure, 2) the reluctance of lending institutions and/or equity investors to finance or fund mixed-use buildings, and 3) community concern about high density multifamily projects. Fortunately, an abundance of mixed-use projects have been developed over the past few decades and minimized or eliminated the challenges presented by the factors mentioned above.

In the past 10 years, only one site bearing a mixed-use designation has developed as 100 percent commercial. The site's prominent location adjacent to a high-traffic intersection makes it desirable for commercial use and challenging for residential development. The single-story standalone structure is located on a triangular corner lot (designated Town Center Mixed Use) at the intersection of Del Prado and PCH and has been occupied by a BevMo! since 2016.

All other projects in the same zones during the same timeline have delivered mixed-use products. The South Cove community is completing its final phase of construction and includes predominantly residential development (99 percent by floor area). Construction of the Prado West community completed in 2021 and is comprised of 86 percent residential products by floor area. The Greer, Vista del Mar, and Brattle Street mixed-use projects are expected to be completed in the near future and 82 percent, 81 percent, and 85

percent residential square footage by floor area, respectively. Averaged across all developments, residential floor area makes up 91 percent of all building square footage and the per-project average is 87 percent. These projects demonstrate that the City's commercial requirement in mixed use zones (excluding the Doheny Village Commercial/Residential zone), has not and will not prohibit residential products from achieving desired densities.

Mixed-use residential projects that include affordable housing are less common. Although there is no difference in construction complexity compared to market-rate projects, the availability of community concern and funding may still present some challenges. In Dana Point, there is community support for (and little to no community opposition to) affordable housing, as evidenced by the successful completion of the Silver Lantern Apartments and the inclusion of affordable housing in the Victoria Apartments development. While lending institutions and equity investors are familiar with and have a track recording of funding both mixed-use residential and affordable housing, the City evaluated market trends of local mixed-use affordable housing developments that incorporated nonresidential into most or all of the ground floor as a means of gauging the willingness of equity partners and lenders to invest in such projects.

Fortunately, the City found evidence of activity by equity investors and local developers in affordable mixed-use residential developments. In Dana Point, the South Cove condominiums, developed by Encinitas-based developer Zephyr, consists of 10 live/work units with dedicated commercial space (2,634 square feet) fronting Pacific Coast Highway and 158 residential units (99-percent residential by floor area) that were built over multiple phases beginning in 2017. Of the 158 residential units, 17 are affordable for-sale units that were sold through a lottery process and are deed restricted to moderate-income in perpetuity. Jamboree Housing, an Irvine-based affordable housing developer, built or is currently building two affordable mixed-use residential projects in California. West Gateway Place is a mixed-use, transit-oriented, sustainable housing development in West Sacramento (funded in part by Union Bank), and includes 77 apartments affordable to very low and extremely low income households, 4,244 square feet of ground floor retail and restaurant space, and a spacious ground floor community center. In Santa Ana, Point Apartments includes 552 units (56 affordable to very low income households very low and 491 affordable to low income households), along with 10,000 square feet of ground floor retail, with funding provided by Boston Capital.

Another project in Santa Ana that is currently finishing the entitlement process is being developed by Innovative Housing Opportunities and Orange County Community Housing Corporation and consists of 160 lower income affordable units atop 15,000 square feet of commercial space. National Core is redeveloping two underutilized buildings in Santa Ana into 93 units (75 affordable to very low income households very low and 17 affordable to low income households) along with 5,550 square feet of ground floor space for nonresidential uses (community use and leasable flex space). In nearby San Juan Capistrano (just over a mile from Dana Point), Jamboree Housing is developing Paseo Adelanto, a three-story mixed-use development that contains 50 units of affordable

housing (40 for people experiencing homelessness and 10 affordable to low and moderate income households), that are primarily on the upper two floors and 19,800 square feet of community space, offices, and City Hall facilities on the ground and part of the second floor.

These projects provide evidence that there are developers and investors that are in Orange County and actively developing affordable mixed-use developments. This issue was commented on explicitly by Community Development Partners, developers of La Placita Cinco in Santa Ana. The project consisted of a redeveloped a gas station and shopping center into 51 units of affordable housing (30% to 60% AMI) atop 3,360 square feet of community space with an additional 13,000 square feet of retail provide on the same parcel through renovated buildings. Kyle Paine, co-founder and President of Community Development Partners, said, “Initially, we thought the retail would be separate from the affordable residential development, split into two parcels and under separate ownership. As we dug into the site, considered different funding scenarios and following multiple meetings with the community, we realized we could keep the retail as part of a tax credit financing execution and use its income to help fund the overall revitalization.”⁸

Market Conditions: Aside from the lack of available vacant land, the cost of land (\$2 to \$6 million per acre), and ever-increasing construction costs (e.g., 20 percent surges in costs for materials like lumbar and steel since 2020), lead to market conditions that support the reuse of existing sites at highly intense levels of development. The densities and intensities projected for the development of vacant and underutilized sites can all be accomplished within the less expensive Type V construction.

According to a market analysis in 2021 performed by the City, there is pent-up demand for more housing, and the housing market has not cooled during the pandemic. Additionally, there is potential market demand to support nearly 200,000 square feet of retail and restaurant building space and 100,000 square feet of office and medical office building space over and above what exists today. The current vacancy rate for retail space is 3.8 percent and is considered healthy.

Environmental and Infrastructure Conditions: Aside from flood hazards in the Doheny Village planning area, there are no significant environmental constraints in the Doheny Village or Town Center planning areas, and the wet and dry infrastructure system can support the currently proposed and future development. Based on proximity to the San Juan Creek, portions of the Doheny Village planning area are subject to a one percent annual chance of flooding (100-year floodplain). The City evaluated flood hazards in a 2020 Hydrology and Water Quality Assessment and determined that the maximum flood depths would only exceed the capacity of the public right-of-way by approximately five inches within the project area. The City’s current development standards will require that new structures are appropriately elevated to remain out of the 100-year flood elevation and in

⁸ Lorincz, B. (2022, January 13). From Strip Center to Mixed-Use: California’s La Placita Cinco. Multifamily Real Estate News. <https://www.multihousingnews.com/from-strip-center-to-mixed-use-the-story-of-la-placita-cinco-in-california/>

conformance with FEMA guidelines. The required incremental structural elevation is not considered a significant cost or constraint upon development.

Availability of Regulatory and/or other Incentives: To maximize residential development on parcels identified within the housing element, the Doheny Village Zoning District includes a Housing Incentive Overlay (HIO), with specific standards and exceptions for residential projects proposed on sites within the Overlay. The HIO requires a minimum density of 20 units per acre and allows the maximum density to increase from 30 to 35 units per acre. In addition, at least 50 percent of the total building gross floor area, excluding parking facilities, must be developed as residential. The intent of the development standards is to maximize the development potential of each site and facilitate the creation of a variety of unit sizes.

The Village Commercial/Residential (V-C/R) Zone allows multifamily residential by right and the Village Main Street (V-MS) Zone allows multifamily residential with a conditional use permit. As it relates to the underutilized sites, the V/MS Zone limits ground floor residential within 130 feet of Doheny Park Road. The City conducted detailed site design analyses on the development capacity of multiple sites in the City, including two of the underutilized sites (U1 and U2), and concluded that both sites can easily achieve the densities used in the calculations to determine housing capacity, even while planning commercial building space and associated parking along Doheny Park Road.

The City has streamlined the development of future residential development on the underutilized site by preparing and certifying an environmental impact report (EIR) for the Doheny Village Zoning at a buildout at 30 units per acre for the two underutilized sites. The EIR will reduce future entitlement and development timelines by at least 1 to 3 years.

The Town Center Mixed-Use District contains development standards that control density by overall massing (2.5 floor-area-ratio), as opposed to residential density, which allows for more intense development and a variety of unit sizes while remaining within the 40-foot height limit. As stated above, densities of planned projects are achieving far above 40 units per acre. The assumed densities for U1 and U2 of 25 units per acre is 71 percent of the maximum capacity of 35 units per acre (before any application of state density bonus provisions). The assumed density for U3 of 40 units per acre is below the proposed density of all three projects currently under review in the Town Center area (see Table H-33). None of the sites require offsite improvements as the surrounding roadways are fully improved with sidewalks and landscaping. The lots comply with minimum width and depth requirements and setback and open space requirements do not preclude development from reaching the permitted density (particularly because zoning allows residential buildings up to three stories in height). All utilities are available and would require simple extensions from existing systems serving adjacent residential units.

Multiple family dwellings are permitted by right above the ground floor. The City also offers an In-Lieu Fee Parking Program that allows developers in the core area to buy out of

providing onsite commercial parking requirements to achieve the most efficient use of the land. The fees are aggregated by the City to fund additional parking resources.

Based on the minimum density provisions stated above and the maximum density of 2.5 FAR (which allows at least 75 units per acre based on approved projects, in line with the state's default density thresholds of at least 30 units per acre), the zoning of the above sites is suitable to facilitate affordable housing.

Accessory Dwelling Units

Like many coastal jurisdictions in southern California, the City of Dana Point faces a challenge of accommodating affordable housing on land resources that is rarely vacant and generally expensive. Additionally, the City's aging residents and young adults entering the workforce will struggle to maintain or obtain residence in Dana Point due to the ever-increasing cost of housing. Recent research indicates that a majority of young adults in the metropolitan and western parts of the United States are living with their parents (a trend not seen since the Great Depression), and more California seniors are relocating to live with their adult children. Fortunately, state law recently changed to facilitate the development of accessory dwelling units (ADUs, aka second units or granny flats) on any parcel allowing housing units. The confluence of these factors indicates that ADUs should play a role in the City's strategy to accommodate and realize its 2021–2029 RHNA allocation.

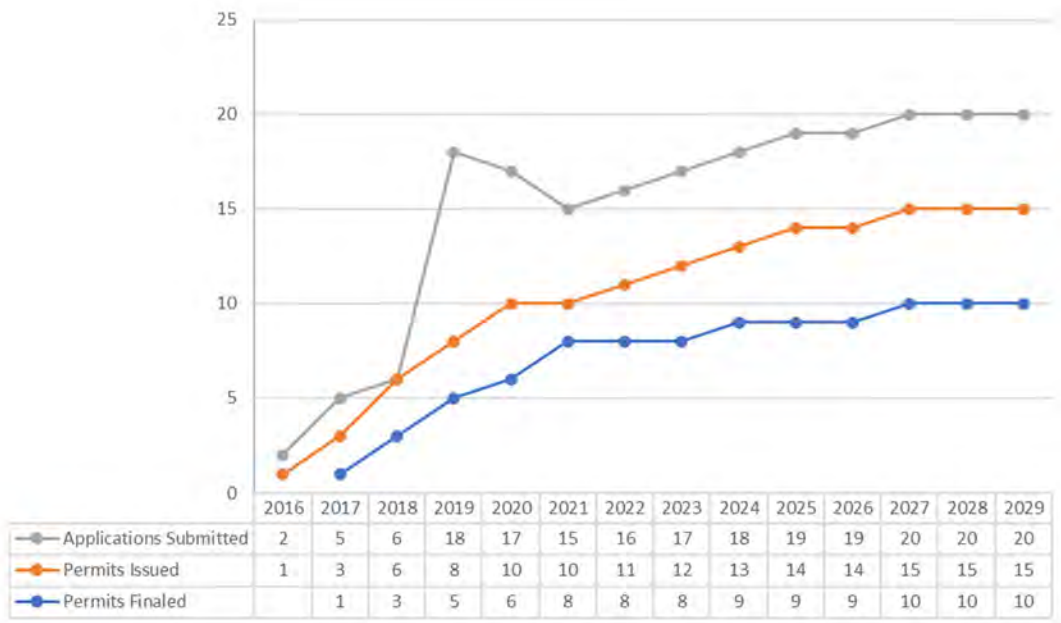
ADUs are known to be a good option for property owners seeking to build space for members of their family or to add an additional source of income by renting a unit to another household (which also increases the overall property value). Also, recent changes in legislation elevated the state's focus on the use of ADUs as a key tool in achieving a greater supply of affordable housing. Finally, Dana Point's average household size of 2.3 and trend of residents aging in place matches well with the typical 1 or 2 occupants that seek out and reside in ADUs.

While the City of Dana Point previously required that ADUs be affordable to lower and moderate-income households, recent state laws preclude this requirement. However, the Southern California Association of Governments (SCAG) conducted a regional survey and reported the results in August 2020. SCAG's research supports an assumption that 73% of ADUs could be affordable to lower income households in Orange County (even assuming a 50/50 mix of 1- and 2-person households). In 2020, the City issued certificates of occupancy for five ADUs, four are affordable to lower income households based on proposed rental rates provided by applicants and a market-rate comparison using Citywide data for multi-family rentals per square foot by bedroom count. Evidence from other jurisdictions throughout California indicates that between 17 and 50 percent of ADUs may be rent-free as the property owners provide housing for their adult children and/or aging parents.

In previous planning cycles, ADUs did not play a substantial role due to the lack of public knowledge and ability to take advantage of the law’s provisions, the availability of other land resources, and the lower costs (relative to today) of building multifamily development. Interest in ADUs has increased substantially since the 2017 laws were enacted. Prior to 2017, the City would receive between one and three applications for ADUs each year. Since then, the number of applications has jumped to over a dozen each year in 2019 and 2020. The City’s rate of finalizing ADU permits has also increased from approximately one per year prior to 2017 to five or more in 2019 and 2020, with four permits finalized in early 2021.

The City estimates, based on an assumption of incremental increasing interest in ADUs, that it can project 81 ADUs to be built or have final permits between 2021 and 2029. Figure H-30 depicts past and projected ADU activity, with projected ADU activity based on a trendline analysis. Approximately 59 of the projected 81 would be affordable to lower income households using the 73% assumption provided by SCAG’s research, with the balance of 22 units projected to be affordable to moderate income units.

Figure H-30 Past & Projected ADU Permit Activity



Summary of Housing Development Potential

Dana Point’s current development pattern generally builds to the maximum density permitted by zoning. The City intends to continue making the highest and best use of residential land and understands that this vision includes housing for all segments of the community.

Planned and entitled projects offer multifamily housing options reflect the high cost of housing in Dana Point, while offering some housing affordable to lower and moderate-income households through agreements and density bonus provisions. For vacant and underutilized land, the level of density and intensity permitted by the City’s zoning standards, along with its permitting of multifamily housing by right in multiple zoning districts, provides affordable housing developers with the development regulations that maximize the potential feasibility to construct affordable housing in Dana Point.

Table H-35 summarizes the City’s capacity to accommodate the 2021–2029 RHNA allocation through its planned, entitled, and potential residential land resources. Based on the default density thresholds in state law and the expanded capacity for accessory dwelling units (ADUs) created by state laws passed in 2017, the City has a surplus of capacity on land that is currently zoned and suitable for residential development.

It is important to note that the densities used to calculate the residential capacity do not incorporate any state density bonus provisions.

**TABLE H-35
SUMMARY OF RESIDENTIAL DEVELOPMENT CAPACITY 2021–2029**

Development Category	Lower (0–80%)	Moderate (81–120%)	Above Moderate (>120%)	Total
RHNA	231	101	198	530
Planned/Entitled Units	38	19	434	491
Vacant Land	41	0	0	41
Underutilized Land	208	210	0	418
ADU’s	59	22	0	81
Total Potential	346	251	434	1,031
RHNA (Deficiency)/Surplus	+115	+150	+236	+501

Source: SCAG, City of Dana Point, 2021.

Evaluation of Previous Housing Strategies

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

- “The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.”
- “The effectiveness of the housing element in attainment of the community housing goals and objectives.”
- “The progress of the city ... in implementation of the housing element.”

Appropriateness of Previous Housing Goals, Objectives, and Policies

The previous Housing Element included appropriate goals and policies to encourage affordable housing and meet the requirements of state law. The update to the Housing Element includes the following evaluation of the previous goals, objectives, and policies to better understand how the City can and/or should take stronger action toward providing and maintaining quality affordable and market rate housing in Dana Point. Certification of the update is desired not only to meet the intentions of state law, but also to assist the City in implementing programs proposed to meet the housing needs of Dana Point residents. Table H-36 identifies and evaluates all of the housing programs in the 2014–2021 Housing Element, including their level of achievement and recommendations for future activity.

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**TABLE H-36
EVALUATION MATRIX OF 2014-2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Goal 1: Identify Adequate Sites for a Variety of Housing Types				
1.1 Housing Element Sites Monitoring	Continue to monitor residential development proposals to ensure there are adequate sites to accommodate the RHNA throughout the planning period.	Maintain capacity to meet the RHNA.	Capacity maintained to meet the remaining RHNA allocation throughout the planning period.	Continue to monitor sites inventory and maintain adequate capacity.
1.2 Density Bonus Housing	Utilize density bonus provisions in the Town Center and citywide.	10 lower income units (through either market rate or SRO projects).	The City did not receive any requests for density bonus.	City staff proposes to update the City's existing density bonus ordinance in compliance with State regulations.
1.3 Second Units	Promote the development of second units.	Approve 1-2 lower income second units annually, for a total of 10 units. Continue to promote second units as an affordable housing option in the City's Housing Resource Directory, with brochures, and on the City's website.	Received 45 applications, issued 26 building permits, and issued 13 certificates of occupancy for ADUs within the planning period.	City staff proposes to update the City's existing second unit ordinance in compliance with State regulations for Accessory Dwelling Units.
Goal 2: Assist in the Development of Adequate Housing to Meet the Needs of Low and Moderate Income Households				
2.1 Mortgage Credit Certificates	A federal income tax program that 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.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	Maintained agreement with County of Orange to administer program. Four certificates were issued to Dana Point residents by the County.	Continue program with Orange County Housing Authority.
2.2 Mortgage Assistance Program	Provides silent second loans to qualifying very low and low income first-time homebuyers.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	Maintained agreement with County of Orange to administer program. No loans were processed in Dana Point.	Continue program with Orange County Housing Authority. Housing prices in the city may have made it unlikely that very low / low income households sought out mortgage assistance in Dana Point. Augment efforts with County to increase awareness.
2.3 CalHome First-Time Homebuyer Assistance	Apply to participate in the County's CalHome application. Qualifying residents of participating cities may apply for silent second loans.	Continue to apply with the County of Orange to maintain eligibility for Dana Point residents.	Maintained agreement with County of Orange to administer program. No loans were processed in Dana Point.	Continue program with Orange County Housing Authority. Housing prices in the city may have made it unlikely that very low / low income households sought out mortgage assistance in Dana Point. Augment efforts with County to increase awareness.
2.4 Housing Initiatives Program	Provide rental subsidies to employees of Dana Point hotel employees.	Provide assistance to 20 hotel employees residing in Dana Point annually.	Assistance provided annually to 37-47 Dana Point hotel employees. The program is operated by Mary Erickson Community Housing in collaboration with Waldorf Astoria Monarch Beach.	Consider expansion of program to apply toward development of new hotels.



**TABLE H-36
EVALUATION MATRIX OF 2014-2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Goal 3: Address and Remove Governmental Constraints to the Maintenance, Improvement and Development of Housing				
3.1 Parking Standards Study	Conduct a study to identify the most appropriate reductions in parking standards for affordable and special needs housing projects.	Conduct parking study.	In 2019, the City Council adopted the Citywide Parking Implementation Plan to evaluate citywide parking issue, including residential parking. City staff conducted a parking count and occupancy study including residential neighborhoods adjacent to Lantern District/ Town Center.	Evaluate parking reductions on a case-by-case basis for affordable and special needs housing projects. During the planning period in 2016, a voter initiative passed for the Measure H Town Center Plan and Parking Citizen Initiative. The initiative applied citywide parking standards rather than proposed reductions in Town Center, and any changes to the Town Center Plan would require voter approval. In June 2017, a parking study was conducted and concluded that solutions should be tailored to context, as the existing parking issues faced by Town Center/Lantern District, Doheny Village, and residential neighborhoods vary in different parts of the City. In August 2021, the City Council adopted parking reductions in the Doheny Village Zoning District Update to encourage small-scale residential development, specifically for single-family dwellings, duplexes, and triplexes. Potential affordable and special needs housing development have differing needs with respect to the amount and type of parking required depending on the proposed housing types, number of employees, and proximity to transit. Rather than establishing set parking ratios for affordable and special needs housing projects applied Citywide, the City encourages affordable housing developers to utilize state Density Bonus law parking incentives and alternatives to parking standards per DPMC 9.35.110. While the City may continue to evaluate parking on an ongoing basis, additional study is not required at this time.
3.2 Development Fee Study	Conduct a study for possible development fee reductions for affordable and special needs housing projects.	Conduct fee study.	In 2018, fee study completed and revised fee schedule adopted that waives all City imposed fees for processing development permits and building permit fees for deed-restricted housing affordable to lower income households. For mixed-income projects, fees are discounted proportional to the amount of affordable deed-restricted units.	Fee study completed. Promote program for affordable and special needs housing projects with online resources and handouts. Create new program to streamline project review.
3.3 Priority Water and Sewer Service	Service providers should be aware of the City's housing plans and adopt procedures to expedite service to lower income residential projects.	Continue to provide adopted Housing Element to SCWD. Assist SCWD in adopting written procedures to provide priority service to lower income residential projects.	Housing Element sent to South Coast Water District.	Continue to coordinate with SCWD and adopt procedures to expedite service to lower income residential projects.
3.4 Energy Conservation Study	Identify cost-effective means for Dana Point residents to reduce energy consumption.	Study measures for energy-savings in home construction, improvement, and utilities and provide findings to the public. Form a partnership with SDG&E to promote existing programs.	The City's Building Division staff established an online expedited plan review process for residential solar building permits.	Continue program and partner with SDG&E to promote conservation programs.
3.5 Extremely Low Income Housing Development Fee Assistance	Consider fee exemptions and deferrals and adopt incentives to encourage the development of housing affordable.	Adopt fee waivers and deferrals for deed-restricted, extremely low income (<30% AMI) affordable housing from development fees.	Fee study completed in 2018. In June 2018, the City Council adopted a revised fee schedule that waives all City imposed fees to cover the cost of processing development permits and building permit fees for the development of deed restricted housing affordable to extremely-low, very-low, and low income households. For mixed income developments, the fees for processing will be discounted proportionally with the amount of deed restricted affordable dwelling units.	Promote fee reduction program for affordable and special needs housing projects. Create separate program for City's involvement and contribution to the Orange County Housing Finance Trust.



**TABLE H-36
EVALUATION MATRIX OF 2014-2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Goal 4: Conserve and Improve the Condition of the Existing Stock of Affordable Housing				
4.1 Owner Rehabilitation	Apply to the County of Orange for CDBG and Home funds to provide rehabilitation assistance to owner-occupied low and moderate income households.	Provide assistance to 4 lower or moderate income households annually, for a total of 20 ownership households.	No owner or rental rehabilitation projects initiated during the planning period. The City contracts with the County of Orange to administer CDBG through the Urban County Program. While Dana Point is a participating member in the program, no households were assisted during the planning period. CDBG funding was used for the City's Emergency Operations Center improvements and the Meals on Wheels Program with the County of Orange.	The City will coordinate to establish a housing rehabilitation program (owner and rental) in the County of Orange FY 2024-2028 Consolidated Plan.
4.2 Rental Rehabilitation	Apply to the County of Orange for funding to provide rehabilitation grants for renter-occupied lower income households.	Provide assistance to 4 lower income households annually, for a total of 20 renter households.		
4.3 Neighborhood Conservation	Ensure neighborhood quality and integrity.	Fund neighborhood improvements and monitor neighborhood conditions.	The City's Code Enforcement Division employs four full-time code officers and one manager who conduct inspections on a complaint basis. Staff monitors neighborhood conditions, encourages voluntary compliance, and issues citations as needed.	Continue neighborhood conservation program.
4.4 Condominium Conversions	Assist the public and development community in understanding the condominium conversion process.	Inform residents, property owners, and real estate agents of condominium conversion guidelines through the City's website.	Compliance achieved throughout the planning period.	Staff proposes modifications to the existing condominium conversion ordinance as part of the annual zoning code clean-up.
Goal 5: Promote Housing Opportunities for All Persons				
5.1 Fair Housing Services	Comm. Dev. Dept for referrals, Fair Housing Council of Orange County and Legal Aid Society	Continue to refer persons in need of housing assistance to the Fair Housing Council of Orange County and other non-profit housing groups. Make housing information available on the City's website and in the Housing Resources Directory.	Compliance achieved throughout the planning period. From July 2013 to July 2021, there were 1,284 landlord/tenant issues reported and resolved. Of those issues, 49% lived in apartments, 58% identified as extremely low income, 18% served age 65 and up, and 7% were single parent females.	Continue program for Fair Housing Services with The Fair Housing Council of Orange County.
5.2 Senior Home Assessments	Assist in maintaining the ability of independently living seniors to remain in their homes.	Continue to refer seniors in need of free home assessments to South Coast Senior Services.	Compliance achieved throughout the planning period. During the planning period, there were 51 seniors in Dana Point receiving Case Management services from Age Well for aging-in-place.	Continue program with Age Well Senior Services for free senior home assessments. Age Well Senior Services provides case management and free home assessments to seniors in Dana Point. The purpose of the program is to empower seniors to maintain healthy independence in their homes. Certified case managers assess individual cases and develop care plans that include in-home supportive services, nutrition options, transportation referrals, and safety evaluations. From July 2013 to February 2020, 386 in-home assessments conducted pre-pandemic. Due to COVID-19 restrictions, Age Well staff were unable to conduct in-person visits in the home from March 2020 to July 2021; 32 remote assessments completed. In-person assessments to resume in late 2021.
5.3 Housing Resources Assistance	Continue to provide a directory of local housing resources and support organizations seeking to provide housing opportunities for special needs groups.	Continually update City Housing Resources Directory and assist individuals and organizations on an as-needed basis. Include a section highlighting housing options such as second dwelling units that are suitable for persons with special needs.	Compliance achieved throughout the planning period. In 2014, the City Council established the Homeless Task Force and developed the Community Work Plan to Address Homelessness in 2018. The City has hired a Community Outreach Worker for homeless outreach on a full-time basis. As of 2018, outreach workers have assisted 67 individuals into housing.	Continue to update Dana Point Housing Resources Directory on an annual basis. Create separate program specific to Homeless Outreach and Resources.



**TABLE H-36
EVALUATION MATRIX OF 2014-2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
5.4 Housing for Persons with Disabilities, including persons with Developmental Disabilities	Ensure that the housing needs of persons with disabilities, including persons with developmental disabilities can be met through assistance such as regulatory incentives, funding, and a partnership with Regional Center of Orange County.	Assist in the development or rehabilitation of up to 10 housing units; establish regulatory incentives, establish a relationship with developers of supportive housing; and work cooperatively with the Regional Center of Orange County in support of persons with disabilities, including persons with developmental disabilities.	One state-licensed intermediate care facility for individuals with intellectual disabilities is located in a residential neighborhood within the city. This six-bed facility has been in operation since 1988. During the past planning period, City staff met with one individual who expressed interest in identifying potential housing sites for persons with developmental disabilities but emphasized high land costs and lack of vacant sites as constraints in Dana Point. City staff encouraged the individual to consider conversion of an existing single-family residence into a six-bed care facility. Otherwise, no formal applications received.	While additional incentives were added in 2018, no applications were submitted. Seek to strengthen relationship with service providers and/or other partners to promote awareness and encourage activity.
Goal 6: Preserve Lower Income Assisted Housing Developments				
6.1 Affordable Housing Monitoring	Ensure that new affordable housing units remain affordable according to the terms established for the particular development.	Adopt affordability monitoring as a condition of approval for affordable housing projects. Notice tenants and make educational materials available at City Hall.	Managed third-party contract for compliance with affordability covenant for South Cove income-qualified for-sale condo units.	Continue monitoring program.
6.2 Conservation of Existing Assisted Housing	Ensure that existing affordable housing units remain affordable through negotiating with the current property owners or partnering with a nonprofit organization to purchase and rehabilitate assisted units.	Monitor affordability of assisted units. Identify opportunities to preserve at-risk units and acquire and rehabilitate at-risk housing units. Notify qualified entities when affordable housing projects may convert to market rents. Assist OC Housing Authority with information distribution when application periods are open.	Friendship Shelter acquired and converted an existing 17-unit apartment complex to extremely-low income permanent supportive housing during the planning period. Continue to work with nonprofit organizations to purchase and rehabilitate assisted units.	No rent-restricted units are at risk of converting to market-rate rents before 2029. Consider utilization of housing in-lieu funds toward rehabilitation of Coffield Apartments.
6.3 Section 8 Rental Assistance	Participate with the Orange County Housing Authority to provide rental assistance to very low income households.	Continue to refer extremely low and very low income households to the OC Housing Authority and encourage property owners to participate in the Section 8 program. Assist OC Housing Authority with information distribution when application periods are open.	Program maintained throughout the planning period. A total of 54 households received Section 8 Housing Choice Vouchers in Dana Point. Of the 54 total households, there were 48 extremely low income and 6 very low income at the time of new admission. The use of vouchers (HUD data) went up slightly from 11 (2020) to 14 (2021) in the census tract covering the Lantern Village and Dana Point Harbor area. Voucher use went down slightly in three tracts; these tracts are split or largely in adjacent cities, so trends exclusive to Dana Point could not be identified.	Continue participation in the Housing Choice Voucher program with Orange County Housing Authority.

Housing Strategy

The City’s Housing Strategy is based on an evaluation of the City’s existing housing conditions, current and future needs, constraints and opportunities, and community input presented and discussed in other sections of the Housing Element. The Housing Strategy consists of a set of goals, policies, programs, and quantified objectives to address the six categories cited in state law (Government Code Section 65583) for the 2021-2029 planning period.

1. Providing adequate sites to achieve a variety and diversity of housing
2. Assisting in the development of affordable housing
3. Removing governmental constraints if necessary
4. Conserving the existing stock of affordable housing
5. Preserve assisted housing developments at-risk of conversion to market-rate
6. Promoting equal housing opportunity

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

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 Encourage affordable housing construction beyond levels identified by the RHNA.
- 1.2 Provide a variety of housing opportunities for all income levels of the City through land uses and densities.
- 1.3 Coordinate new residential development with the provision of infrastructure and public services.
- 1.4 Locate higher density residential development close to public transportation.

Programs

1.1 Adequate Sites

Maintain an inventory (spreadsheet and map) of vacant and underutilized lands suitable for residential development to ensure adequate capacity to meet the RHNA during the planning period. Ensure that proposed development on housing inventory sites contributes to meeting the RHNA goal or suitable replacement sites are identified. Conduct additional monitoring on mixed-use sites to determine whether further incentives are needed to generate the desired level of affordability, [such as waiving the ground-floor nonresidential requirement and allowing 100% residential for projects that reserve a high percentage for long-term affordable housing](#).

Objective: Maintain capacity to accommodate the unmet RHNA allocation on developable, adequately zoned sites throughout the entire planning period. Initiate a general plan update to expand opportunities to build new housing choices and expand affordability in high resource areas. Determine whether additional incentives are needed through the general plan update and/or subsequent changes to development standards to incentivize desired levels of affordability.

Responsibility: Community Development Department

Timeframe: Maintain capacity 2021–2029; initiate general plan update in September 2023 (target) with a completion date of June 2026 (target); monitor affordability in an ongoing fashion; conduct evaluation of mixed-use standards by 2025 (in parallel or as part of the general plan update)

1.2 Density Bonus Housing

Update the City’s Density Bonus Ordinance to comply with recently adopted state law, along with additional updates as necessary in response to new state law. Encourage future housing projects to leverage density bonus provisions and provide affordable housing. Incorporate provisions consistent with state law (enacted through Senate Bill 2556, 2016) that would render a proposed project that would replace existing housing that is occupied by lower income households (whether formally/contractually restricted or market rate), as ineligible for a density bonus unless aforementioned units are replaced either on- or off-site.

Objective: 20 to 50 lower income units in total on vacant and underutilized land

Responsibility: Community Development Department

Timeframe: Initiate Code update by 2022 with the intent to adopt in 2022 (subject to future certification by the California Coastal Commission); ongoing updates and promotion of new lower income units throughout planning period

1.3 Accessory Dwelling Units

Update the City’s Accessory Dwelling Unit (ADU) Ordinance as necessary in response to new state law. Update the City’s current ADU informational flyers to reflect new laws to encourage single-family homeowners to construct ADUs. Place a particular emphasis on rent-free or minimal cost ADUs for a property owner’s adult children or aging parents who may need housing but qualify as an extremely low income household. Coordinate through the Orange County Council of Governments’ (OCCOG) effort funded by the Regional Early Action Planning (REAP) Grant to evaluate pre-approved ADU site plans prepared in other jurisdictions with similar topography and coastal conditions to identify pre-approved ADU site plans that would be appropriate for Dana Point.

Objective: Permit 10 ADUs each year on average (7 to 8 lower income each year on average, with 3 to 4 of these being affordable to extremely low income (no/low cost)); evaluate and identify appropriate pre-approved ADU site plans. Continue to track affordability during the permitting stage.

Responsibility: Community Development Department

Timeframe: Monitor and update ordinance as necessary based on new state laws and submit to HCD within 60 days of adoption of revised ordinance; coordinate through OCCOG REAP effort to evaluate and identify appropriate pre-approved ADU site plans by 2023.

Monitor progress of ADU permitting, construction, and affordability levels (including those that are rent-free and thus affordable to extremely low income households) on a quarterly basis until actual activity matches projected trendline, with semi-annual monitoring once actual activity matches projected trendline through 2024 and annually thereafter throughout planning period. If, by July 1, 2023, ADU activity is:

- Within 5 percent of projected trendline; no change necessary
- Within 10 percent of projected trendline, identify and initiate efforts to bolster outreach and awareness
- Within 25 percent of projected trendline evaluate whether ADU capacity is needed to maintain adequate capacity to accommodate the City’s RHNA allocation. If ADU capacity is needed, identify and initiate additional actions by the end of 2023 to increase ADU activity to necessary levels.
- More than 25 percent below projected trendline, reduce projections to match actual activity between June 29, 2021, and June 30, 2023; if ADU activity is expected to increase between July 1, 2023, and December 31, 2023, reduce projections to match actual activity between June 29, 2021, and December 31, 2023.

If ADU activity falls below the expected trendline at any time during the planning period after 2023, projections will be adjusted to the reality of the actual trend occurring. If the actual trend for lower income units would cause the City to fall below 100 percent capacity

to accommodate its remaining lower income RHNA allocation (in combination with pending projects, vacant land, and underutilized sites), the City shall identify and rezone as necessary new vacant or underutilized sites that are suitable for and have the capacity for lower income housing during the planning period. Any necessary rezoning shall take place within six months of the shortfall, unless during that time period, the actual trend increases to a figure that enables the City to accommodate 100 percent of its remaining lower income RHNA allocation.

1.4 Alternative Sites for RHNA credit

To augment its vacant and underutilized sites to accommodate the City's lower income RHNA allocation, the City will coordinate with appropriate entities to identify existing multi-family housing and nonresidential sites. The City will also seek funds substantial enough to make targeted units available for occupancy within two years of the agreement's execution date.

Objective: Identify at least 1 site and potential partner; and evaluate and pursue available funds; prioritize extremely low income households

Responsibility: Community Development Department

Timeframe: Identify candidate site(s) by the end of 2022; if suitable sites and partners are identified and adequate funds are available, enter into a legally enforceable agreement by October 15, 2024, and ensure units are available for occupancy within two years of the execution date of an agreement

1.5 SB 330

The City will ensure compliance with state law enacted through Senate Bill 330 and prohibit amendments to the general plan or zoning of properties in a manner that would reduce residential density compared to the designation/district in effect as of January 1, 2018, without concurrent upzoning of equal capacity on property elsewhere in the City.

Objective: Maintain consistency with state law

Responsibility: Community Development Department

Timeframe: 2021-2029 (provisions of state law currently sunset January 1, 2030)

Program Category #2: Assist in the development of affordable housing

The City's existing needs include 2,930 renter households that are cost burdened, expending more than 30% of their income toward housing. The City's new construction need includes 231 lower, 101 moderate, and 198 above moderate-income units, which can be supported by vacant and underutilized land.

GOAL 2:

Assist in the provision of housing affordable to lower income households.

Policies

- 2.1 Support innovative public, private, and nonprofit 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.
- 2.2 Support the participation of federal, state, or local programs aimed at providing housing opportunities for lower and moderate income households.
- 2.3 Require that housing constructed for lower and moderate income households is not concentrated in any single portion of the City.
- 2.4 Implement requirements for providing affordable housing for employees of hotel and resort developments.
- 2.5 Provide for mixed commercial/residential land uses to create additional housing opportunities.
- 2.6 Spend in-lieu fees collected from contributing development to support affordable housing opportunities in the Coastal Zone in accordance with the Mello Act. Focus the use of in-lieu fees on the rehabilitation of existing affordable housing, the conversion of non-residential or non-affordable housing to affordable housing, and/or the reduction of displacement risk through rental assistance.

Programs

2.1 Rental Assistance

Section 8 Rental Assistance is a federally funded program that provides rental assistance to very- low income tenants. The Program is available for families, seniors, or disabled persons whose gross family income is less than 50% of the median income for the County.

Currently there are two means of obtaining rental assistance under Section 8. Under the Certificate program, the landlord must enter into a contract with the Orange County Housing Authority (OCHA), which limits total rent for the unit involved to federally approved fair market rent level. The tenant would pay 30% of their adjusted gross family income, and the Section 8 program would pay the property owner the difference between what the tenant pays and the federally approved fair market rent.

Under the Housing Choice Voucher program, the landlord need not agree to limit the rent level. The Section 8 program would pay the fair market rent, and the tenant would pay the

difference between the fair market rent and the actual rent. In both instances, the subsidy is paid directly to the landlord.

The City will continue to implement the participation agreement with the OCHA, which currently administers the Section 8 Certificate and Voucher Program for the City of Dana Point. The City will coordinate with the Orange County United Way on the WelcomeHomeOC program that provides financial incentives such as double security deposits, sign-on bonus, holding fees, and other assurances for landlords who rent units in Orange County to individuals, veterans, and families with a housing voucher. The City will also coordinate with Fair Housing Council (FHC) of Orange County to promote the use of vouchers by current and prospective tenants and the acceptance of vouchers by landlords.

Unless informed by more accurate or updated Census data, the City will focus on neighborhoods between Golden Lantern and the San Juan Creek, south of Stonehill Drive and north of Pacific Coast Highway for expanded rental assistance, especially single-parent households overpaying for housing and all households with high rates of severe overpayment (census block groups 423.101, 423.112, 423.134, and 423.392). Secondary focus would be on assisting lower income households in the Lantern Village and Dana Point Harbor area. For additional actions and timing related to this program, see Table H-22 in the Fair Housing Assessment.

Objective: Expand the use of vouchers in Dana Point to reduce the rate of overpayment in target areas and for target households. Connect interested landlords and qualifying tenants with the OCHA Program Administrator and the United Way WelcomeHomeOC program. Continue to coordinate with and FHC to increase outreach and promotional activities to increase awareness of voucher availability and relevant rules and laws. Emphasize increasing voucher use by extremely low income households. Increase voucher use by 50 tenants.

Responsibility: Dana Point Community Development Department, OCHA, Orange County United Way, and FHC

Timeframe: 2021-2029; coordinate with United Way on WelcomeHomeOC program by June 2023 and establish connections on an ongoing basis; coordinate with OCHA and FHC to assess need and prepare outreach materials by June 2024 and conduct outreach to target areas by December 2024; coordinate with the County on annual Action Plans and 2025-2029 Consolidated Plan. In addition, the City will track voucher use annually through the submission of its APR.

2.2 Mortgage Assistance

The County of Orange administers two programs that provide assistance for homebuyers: Mortgage Credit Certificates (MCC) and Mortgage Assistance Program (MAP).

The MCC program is a Federal Income Tax Credit program administered by the County of Orange. The MCC program 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's household income and home purchase price cannot exceed limits established by the County.

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 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.

Objective: Connect qualifying homebuyers with the County of Orange MCC and MAP Program Administrator. Coordinate with the County on an annual basis to increase awareness of programs through expanded marketing and promotional materials distributed in Dana Point (particularly in census tracts where rates of rental overpayment are high).

Responsibility: Dana Point Community Development Department and County of Orange

Timeframe: 2021–2029; marketing and promotional materials to be produced by June 2023 and distributed by September 2023 by direct mail to targeted census tracts, with annual distribution after.

2.3 Housing Initiative Program

The City partnered with Mary Erickson Community Housing to manage the housing subsidy program for The St. Regis Monarch Beach Resort and Spa (now Waldorf Astoria Monarch Beach) in 2002. As a condition of building the hotel, the City mandated the housing subsidy program, which benefited 37 employees of the hotel in 2020.

Life skills programs are also held quarterly, with two meetings per speaker (one in English with a Mandarin translator and one in Spanish). Topics covered include income tax awareness, preparing for home ownership, credit counseling and money management, as well as legal aid question and answer sessions and the program's annual certification process.

The City will evaluate the feasibility of requiring future hotel developments to provide similar accommodations.

Objective: Continue to collect in-lieu fees and support Mary Erickson Community Housing in operating the Housing Initiatives Program. Assist 20 hotel employees who are Dana Point residents annually. Prepare analysis of feasibility to apply similar requirements to future hotels.

Responsibility: Community Development Department

Timeframe: 2021-2029 with annual reporting; prepare feasibility analysis by 2023

2.4 Conversion to Affordable or Permanent Supportive Housing

Similar to the efforts taken to create the Silver Lantern permanent transitional housing (17 units), the City will coordinate with entities to evaluate the feasibility of converting a nonresidential use into affordable housing, such as single room occupancy (SRO) units or permanent supportive housing. Extremely low-income households will be prioritized with affordability protected in perpetuity if feasible, but for no less than 55 years.

Objective: 10 units of extremely low income housing through conversion

Responsibility: Community Development Department

Timeframe: Coordinated with timing of Program 1.4 if possible; if not then by 2029, ideally those that already contain tenants severely overpaying for rental housing

2.5 In-Lieu Fee Program

The City currently collects affordable housing in-lieu fees for units developed in the Headlands and Monarch Beach Resort Specific Plan, with additional in-lieu fees determined on a project-by-project basis. The City will evaluate the potential impacts, including constraints to housing development and benefits for housing programs, which could result from increasing in-lieu fees in the Coastal Zone and/or establishing a citywide in-lieu fee. The City will also evaluate the benefits and constraints of alternative incentives, such as further streamlining of entitlement and reduction/waiver of impact fees for affordable housing, including options to encourage more affordable housing in high resource areas.

Based on the lack of vacant land and the cost of new construction, the City's preference is to use in-lieu fees to convert non-residential or non-affordable housing to affordable housing, particularly for extremely low or very low income households. The City also prefers to apply in-lieu fees to the rehabilitation of existing affordable housing (whether restricted or unrestricted) to prevent it from transitioning out of the housing stock. For additional actions and timing related to this program, see Table H-22 in the Fair Housing Assessment

Objective: Evaluate the effectiveness of in-lieu fees in the Coastal Zone and/or considering a citywide in-lieu fee, especially in comparison to other options; prioritize the creation of or assistance provided to extremely low income housing units when considering all options

Responsibility: Community Development Department

Timeframe: Conduct study by 2023; consider adopting appropriate in-lieu fee provisions by 2024

2.6 Orange County Housing Finance Trust

In 2019, the City joined the Orange County Housing Finance Trust as a founding member. As a member, the City makes annual contributions to the trust, which in turn is used to provide critical gap funding for the development of affordable housing, homeless housing, and supportive services solutions throughout the county.

Objective: Make annual contribution to support the development of affordable housing, homeless housing, and supportive housing throughout the county. Represent the interests of the City in discussions about the siting of proposed developments. OCHFT established a goal of 2,700 permanent supportive housing units to be developed throughout (in aggregate) member jurisdictions: 500 homeless families, 1,000 chronically homeless households, and 1,200 homeless individuals. These may or may not be located in Dana Point.

Responsibility: Office of the City Manager and Community Development Department

Timeframe: 2021-2029

Program Category #3: Remove governmental constraints to the maintenance, improvement, and development of housing

The City can best address the removal of governmental constraints for housing in its zoning code, development processes, and by implementing state law such as density bonus provisions. Facilitating the development of housing is critical to reduce costs and time needed to build and maintain housing, ensuring the purchase prices and rental rates are as low as possible for both market-rate and affordable housing.

GOAL 3:

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

Policies

- 3.1 Encourage regulatory incentives that streamline the development and maintenance of housing, with additional incentives for affordable housing.
- 3.2 Adopt new City requirements with the intent of reducing costs for housing. When new City requirements would increase housing costs, seek alternative options, and provide exemptions for affordable housing.
- 3.3 Implement and update as necessary the City's Municipal Code to permit the development of single room occupancy units, accessory dwelling units, and transitional, supportive, and emergency housing in specified zones.

Programs

3.1 Emergency Shelter Parking

The City will amend its zoning code to update its emergency shelter parking requirements as necessary to comply with recent changes to state law. The City's current standards are based upon the number of occupants (stall/10 beds/person). Under new provisions enacted through AB 139 (2019), the City can only require sufficient parking to accommodate the staff working in the emergency shelter (at levels no higher than other residential or commercial uses in the same zone).

Objective: Comply with state law

Responsibility: Community Development Department

Timeframe: Initiate and complete Code update in 2022 (subject to future certification by the California Coastal Commission)

3.2 Development Fees

Development fees are critical to ensure that public services and standards associated with the creation of new housing are adequately funded and maintained. The level of such services and standards desired by the community, however, can increase costs for new housing. The City must strike a balance to ensure a high quality of life and standard of living in Dana Point without creating unnecessarily burdensome development fees. The City will periodically conduct a study to ensure that development fees are reasonable and identify possible reductions for special needs housing projects. The City will continue to implement currently adopted fee waivers for lower income housing and evaluate other options to further reduce costs for affordable housing in periodic updates, including options to facilitate more affordable housing in high resource areas.

Objective: Regularly update the City's schedule of fees; evaluate the impact of waiving park and art in public places fees for lower income housing units in the next fee study

Responsibility: Community Development Department

Timeframe: Prepare an updated fee study every five years, with next study produced by the end of 2022; implement and adopt recommendations by June 2023

3.3 Priority Water and Sewer Services

Service providers, particularly water and sewer, can assist in the facilitation of expediting affordable housing development by providing priority service to housing developments that serve lower income households. Service providers are impacted by residential development and therefore should be aware of the City's housing plans. SB 1087 requires local governments to provide the adopted Housing Element to the appropriate water and sewer provider, and the service provider must adopt procedures to facilitate priority servicing and future planning for lower income water and sewer needs.

Objective: Route the adopted Housing Element to the South Orange County Wastewater Authority and South Coast Water District and coordinate with both agencies on future housing projects and changes to the Housing Element

Responsibility: Community Development Department

Timeframe: Within one month of certification

3.4 Energy Conservation

The City will continue to post and distribute information on currently available weatherization and energy conservation programs to residents and property owners through annual mailings in City utility billings, distribution of program information to community organizations and at municipal offices, and the City's website. The City will continue to enforce state requirements, including Title 24 of the California Code of Regulations, for energy conservation in new residential projects and will encourage residential developers to employ additional energy conservation measures for the siting of buildings, landscaping, and solar access through programs in the Energy Action Plan. The City will encourage development of affordable housing units that utilize passive or active energy saving features (e.g., solar panels, efficient appliances, efficient building materials) and will assist developers in pursuing funding for these types of developments.

Objective: Increase public awareness and information on energy conservation opportunities and assistance programs for new and existing residential units, and comply with state energy conservation requirements

Responsibility: Community Development Department

Timeframe: 2021-2029

3.5 Streamline Residential Project Review

New laws (Senate Bills 35 and 330) were enacted to streamline review times for residential applications in an effort to stimulate and facilitate the construction of market rate and affordable housing.

While the RHNA allocation identifies the state's projection of new housing needed for the planning period, the City does not build housing directly and must rely upon property owners and other entities from the development industry (private and not-for-profit) to construct new housing. In 2018, new provisions of state law were enacted through Senate Bill 35 (Government Code Section 65913.4), to facilitate the construction of housing in jurisdictions where housing production falls below the pace projected by the RHNA allocation. For Dana Point, these provisions will take effect any time the rate of housing production/permits falls below the totals shown below as measured by the reporting periods (as defined in state law).

Income Threshold	Cumulative total by reporting period (units constructed or permitted)	
	2021 - 2024	2025-2029
Lower	115	116 or the balance of 231
Above Mod	99	99 or the balance of 198

The City will update its Municipal Code consistent with state law to provide for a streamlined and ministerial process (projects to be reviewed against existing objective standards rather than a discretionary process) for projects that provide:

- At least 10 percent affordable to lower-income households if proportional housing production/permitting levels fall below those listed above for above moderate income housing
- At least 50 percent affordable to lower-income households if proportional housing production/permitting levels fall below those listed above for lower income housing

Other requirements for a project to be eligible for such streamlining include:

- Contain a least two multifamily units
- Provide a specified level of affordability
- On an eligible site in an urbanized area or urban cluster
- Comply with residential and mixed-use general plan or zoning provisions
- Comply with other requirements, such as locational and/or demolition restrictions

SB 35 streamlining does not apply to projects located in places such as a coastal zone, high or very high fire hazard severity zone, or a floodway or floodplain without a no-rise certification; or if the new development would require the demolition of affordable housing or a listed historic structure.

Senate Bill 330 (Government Code Section 65941.1, et al.), provided a second set of streamlining provisions, including a limitation of a jurisdiction’s ability to change development standards, zoning, and fees applicable to the project once a preliminary application has been submitted. The changes in law also limit jurisdictions on the number of public hearings and length of the overall entitlement process. This streamlining applies to all development independent of the provisions enacted through Senate Bill 35.

Additionally, the City has received requests for and will consider the creation and implementation of an electronic/digital plan submittal and permit processing system to streamline the development process.

Objective: Update Municipal Code consistent with state law and produce residential project flow-chart and/or informational sheets, consistent with SB 35 and SB 330. Research and prepare options for consideration by the City Council to establish and implement an electronic/digital plan submittal and permit processing system to streamline the development process.

Responsibility: Community Development Department

Timeframe: Initiate and complete Code update in 2022 (subject to future certification by the California Coastal Commission); produce flow-charts/info sheets in 2022

3.6 Supportive Housing

The City will amend its zoning code to permit supportive housing by right in zones where multifamily and mixed uses are permitted (per Government Code Sections 65583(c)(3), enacted through AB 2162). Supportive housing means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

Objective: Amend the Zoning Code per state law

Responsibility: Community Development Department

Timeline: Initiate and complete Code update in 2022 (subject to future certification by the California Coastal Commission)

3.7 Low Barrier Navigation Centers

The City will amend its zoning code to permit low barrier navigation centers by right in nonresidential zones that permit multifamily and mixed use zones (per Government Code Sections 65660–65668, enacted through AB 101). Low barrier navigation centers provide temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low barrier navigation centers reduce barriers to use by those seeking shelter by allowing for pets and storage of possessions and by providing increased privacy and security.

Objective: Amend the Zoning Code per state law

Responsibility: Community Development Department

Timeframe: Initiate and complete Code update in 2022 (subject to future certification by the California Coastal Commission)

3.8 Accessory Dwelling Unit Ordinance

The City adopted its most recent ADU Ordinance in 2021 to reflect recent changes in state law. Based on guidance provided by HCD, the City will update its ADU Ordinance to

maintain consistency with state law and submit the revised adopted ordinance to HCD for review within 60 days of adoption.

Objective: Maintain consistency with state law.

Responsibility: Community Development Department

Timeframe: Initiate and complete Code update in 2022 (subject to future certification by the California Coastal Commission)

3.9 Site Development Permit Process

The City will evaluate its site development permit process and requirements to identify and remove constraints to the production of housing. The evaluation will include interviews with past and current development applicants who were or are subject to the site development permit process, including those who applied for but did not receive a site development permit. Based on this evaluation, the City will modify existing or establish new objective standards as part of the site development permit process to remove constraints to the production of housing.

Objective: Eliminate unnecessary constraints potentially created through the discretionary site development permit process.

Responsibility: Community Development Department

Timeframe: Initiate Code update in 2022 and complete by December 2023 (subject to future certification by the California Coastal Commission)

3.10 Manufactured Homes

The City will amend Chapter 9.07 of the City's Municipal Code that currently restricts the construction of manufactured homes in proximity to nationally-registered historic places. The only current site in the City on the National Register is the VIRGINIA, a 1913 Q-Class sloop (racing sailboat) located at the Dana Point Youth and Group Facility in the west basin of Dana Point Harbor. While there are no residential zones adjacent to this site (and will not be in the future), the City will remove the location-based limitation to ensure that manufactured homes are not restricted in the future should a new site be added to the National Register.

Objective: Eliminate unnecessary restriction on the construction of manufactured homes in proximity to sites listed on the National Register.

Responsibility: Community Development Department

Timeframe: Initiate Code update in 2022 and complete by December 2023 (subject to future certification by the California Coastal Commission)

3.11 SB 9 Regulations

The City will evaluate and monitor its regulations in comparison to the statutes enacted through Senate Bill 9 and remove any constraints that are not otherwise permitted by law.

Objective: Eliminate unnecessary restriction on the construction of housing in accordance with legislation enacted through SB 9.

Responsibility: Community Development Department

Timeframe: Initiate Code update in 2022 and complete by December 2023 (subject to future certification by the California Coastal Commission)

Program Category #4: Conserve and improve the condition of the existing stock of affordable housing

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.

GOAL 4:

Conserve and improve the existing stock of affordable housing.

Policies

- 4.1 Support a code enforcement program to help maintain the physical condition and appearance of neighborhood areas.
- 4.2 Encourage the retention of existing single-family neighborhoods, apartments, and mobile home parks that are economically and physically sound.
- 4.3 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.
- 4.4 Prioritize rehabilitation of housing occupied by lower income households in low resource areas and emphasize place-based revitalization.
- 4.5 Enforce the Mello Act by requiring the replacement of any existing affordable housing occupied by lower or moderate income households.

Programs

4.1 Owner Rehabilitation

The City will continue to apply to the County of Orange for CDBG and HOME funds, upon issuance of Notice of Funding Announcements, so Dana Point households will remain eligible to participate in the programs. 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 City has applied for CDBG through the County to implement housing rehabilitation programs to address health and safety needs and preserve the existing housing stock.

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

While no rehabilitation projects were initiated through this program in the previous planning cycle, the City will explore CDBG funding directly through the State if the County of Orange is unable or unlikely to provide funding. The City will also coordinate with the County to prioritize the expenditure of funding on housing occupied by lower income households in low resource areas with an emphasize place-based revitalization.

Objective: Assist 2-4 lower income households annually, up to a total of 20 households.

Responsibility: Community Development Department

Timeframe: 2021-2029

4.2 Rental Rehabilitation

The County offers rental rehabilitation funding for various housing types, including multifamily and mobile homes. The City has applied for CDBG through the County to implement housing rehabilitation programs to address health and safety needs and preserve the existing housing stock. While no rehabilitation projects were initiated through this program in the previous planning cycle, the City is evaluating the feasibility of redirecting housing in-lieu funds towards the rehabilitation of existing rental units, such as the Domingo/Doheny Apartments, to strengthen the program's chances of success. The City will also explore CDBG funding directly through the State if the County of Orange is unable or unlikely to provide funding.

The City will coordinate with the County to prioritize the expenditure of funding on housing occupied by lower income households in low resource areas with an emphasize place-based revitalization. See related actions in Program 2.5, In-Lieu Fee Program.

Objective: Assist 2-4 lower income housing units annually, up to a total of 20 households. Explore the feasibility of redirecting housing in-lieu fees to support additional rental rehabilitation efforts.

Responsibility: Community Development Department

Timeframe: Explore redirecting City housing in-lieu fees by 2023, consider bundling with other funding sources and initiate redirection by June 2024 if redirection found preferable compared to other needs and funding sources; coordinate with the County 2021-2029

4.3 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. The City maintains a Neighborhood Maintenance and Improvement Guide and has a Capital Improvements Program that helps to revitalize infrastructure. Future 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.

The City will prioritize the expenditure of funding in neighborhoods occupied by lower income households in low resource areas with an emphasize place-based revitalization.

Objective: Identify critical neighborhood improvements for inclusion in annual CIP and proactively monitor neighborhood conditions, with priority for low resource areas

Responsibility: Community Development Department and Public Works Department

Timeframe: 2021-2029

4.4 Condominium Conversions

Due to the high sales price of ownership units in coastal locations like Dana Point, owners of multi-unit rental properties (e.g., apartments or mobilehome parks), may seek to convert their units to a residential condominium, stock cooperative and community apartment types of ownership.

Condominium conversions can remove rental options from the housing stock, which can drive up prices of nearby rental units and further exclude lower and moderate income households from the City. Additionally, condominium conversions can, if not well regulated, result in a substantial one-time monetary windfall for the property owner

without any interior or exterior improvements in the property. The City's Zoning Code (Section 9.09.040 Special Development Standards), has requirements for condominium conversions that address issues of concern, such as:

- Provisions for the relocation of existing tenants, including a 90-day preemptive right to purchase or right of exclusive occupancy upon more favorable terms and conditions than those on which such unit or share will be initially offered to the general public.
- Compliance with all development standards and full improvement of all applicable public facilities and infrastructure.
- A high quality of urban design, reflected by the site design and layout, and building and landscape materials.
- Provisions for meaningful common and private open space areas for owners of the condominium units, and privacy between individual condominium units and between the condominium project and surrounding development.

The City will continue to enforce its current regulations and make appropriate modifications, as necessary, such as additional considerations for conversions in low and high resource areas.

Objective: Inform Dana Point residents, property owners, and real estate agents of condominium conversion requirements through the City's website

Responsibility: Community Development Department

Timeframe: 2021-2029; annual evaluation of regulations

4.5 Effective and Consistent Code Enforcement

The Code Enforcement Division promotes, maintains, and enforces ordinances and laws to preserve, protect, and enhance the quality of life in Dana Point. Code Compliance officers actively work with community members and neighborhood organizations in assuring the City remains a healthy and welcoming place to live, work, and visit. The City recognizes the importance of community wide code compliance and has made it one of the focuses of the latest strategic plan update.

Objective: Ensure compliance with City codes, with a focus on substandard housing in low resource areas, which includes garage conversions and unpermitted additions

Responsibility: Community Development Department

Timeframe: 2021-2029

Program Category #5: Preserve existing assisted housing developments

The purpose of this program category is to describe actions that the City will take to preserve the affordability of existing housing units 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; and density bonus units. In addition, this program category describes other actions of the City to preserve the affordability of the existing housing supply.

GOAL 5:

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

Policies

- 5.1 Monitor and protect the supply of affordable housing.
- 5.2 Facilitate the purchase by existing tenants of rental units converted to condominium ownership where conversions are considered appropriate.
- 5.3 Conserve affordable housing opportunities in the City through implementation of state requirements for replacement of lower and moderate-income housing.
- 5.4 Encourage income-restricted housing units, whether produced as a result of density bonus provisions, as a stand-alone affordable housing project, or permanent supportive housing, to be preserved as affordable in perpetuity.

Programs

5.1 Affordable Housing Monitoring

The Community Development Department annually monitors deed-restricted units through its own records and external databases. All current income-restricted housing projects are preserved in perpetuity. For future projects, the City will continue to encourage preservation in perpetuity but include affordable housing monitoring as a condition of approval for projects with time-limited affordable housing component. Monitoring includes identifying the location, size, type, and sales/rental price of affordable units as well as other means of furthering the City’s understanding of their affordable housing stock.

The City will continue its program of annual monitoring and provide ongoing preservation technical assistance and educational materials to affected tenants and the community at

large on the need to preserve the existing affordable housing stock through brochures at City Hall.

If, at any time, deed-restricted affordable rental housing is established for a limited timeframe (not in perpetuity), the City will ensure that, as required by state law, owners of deed-restricted affordable projects provide notice of restrictions that are expiring after January 1, 2021, to all prospective tenants, existing tenants, and the City within three years, one year, and six months (three separate times) of the scheduled expiration of rental restrictions. Owners shall also refer tenants of at-risk units to educational resources regarding tenant rights and conversion procedures and information regarding Section 8 rent subsidies and any other affordable housing opportunities in the city.

If a development is offered for sale, the City facilitate coordination with HCD to obtain a list of certified persons or entities that are eligible to purchase the development and to receive notice of the pending sale.

Objective: Adopt affordability monitoring as a condition of approval for affordable housing projects and distribute educational materials on affordable housing conversion to the public at City Hall and through the City website

Responsibility: Community Development Department

Timeframe: As affordable housing projects are approved during the planning period

Program Category #6: Promote equal housing opportunities for all persons

GOAL 6:

Ensure and promote housing opportunities for all population groups.

Policies

- 6.1 Enforce fair housing laws prohibiting discrimination.
- 6.2 Utilize local organizations that provide fair housing services to the Dana Point area.
- 6.3 Provide a safe and supportive administrative environment to facilitate housing for all special needs groups.
- 6.4 Encourage support services for the elderly through the provision of housing services related to in-home care, meal programs, and counseling.
- 6.5 Reduce the risk of displacing existing, lower-income rental households, particularly for those spending 50 percent or more of their income on housing costs.

- 6.6 Encourage and facilitate housing developments that provide units affordable to a mix of lower, moderate, and above moderate income households.
- 6.7 Advertise the availability of new income-restricted housing, with outreach focused on eligible residents living in the same census tract as the income-restricted units.

Programs

6.1 Fair Housing Services

The County of Orange allocates funds to the Fair Housing Council of Orange County on behalf of the non-entitlement cities, such as Dana Point. 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 created a directory of contacts for housing-related assistance, including contact telephone numbers in Orange County and website links where persons may inquire about equal or fair housing. The City will partner with the Fair Housing Council of Orange County, Legal Aid, and other non-profit housing groups to maintain the directory. The City also provides a link to the housing information programs and the directory of contacts on the City's website.

Objective: Refer persons in need of housing assistance to the Fair Housing Council of Orange County and other community housing resources

Responsibility: Community Development Department

Timeframe: 2021-2029

6.2 Affirmatively Furthering Fair Housing

Guided by Assembly Bill 686 (2018), the City will develop a plan to affirmatively further fair housing efforts. The City acknowledges that significant disparities exist in housing need and opportunity and will work to promote equitable access for all persons protected by the California Fair Employment and Housing Act, persons identified by Section 65008, and applicable federal and state housing and planning laws. The City will, in accordance with California Government Code Section 8899.50, administer all of its programs and activities relating to housing and community development in a manner to affirmatively further fair housing and take no action that is materially inconsistent with its obligation to affirmatively further fair housing. The City will also develop and implement an Affirmatively Furthering Fair Housing Plan that incorporates the following actions. Relevant housing programs are listed in parentheses to further inform the nature of the actions and opportunities for parallel, complementary, and supportive activities. Additional actions are listed in Table H-22 in the Fair Housing Assessment.

- For the following: target community revitalization through place-based programs, enhancing mobility between neighborhoods, and developing strategies to reduce displacement risk in areas of higher concentration of lower-income households and

overpayment; and facilitating affordable housing in places close to transit, parks, job opportunities, and essential shops and services, as well as high opportunity areas (Programs 2.1, Rental Assistance; 2.2, Mortgage Assistance; 2.3 Housing Initiative Program; 2.5, In-lieu Fee Program; and 3.2, Development Fees).

- Seek funding annually to provide targeted rehabilitation efforts in low resource areas and prioritize place-based revitalization (Programs 4.1, Owner Rehabilitation; and 4.2, Rental Rehabilitation).
- Work with Fair Housing Council of Orange County (all coordinated with Program 6.1, Fair Housing Services, with other programs listed as appropriate) to:
 - Educate the community about fair-housing and equal housing opportunities, providing housing counseling services and family resource information and referral. Topics include, but are not limited to tenant rights, legal resources, rehabilitation grants and loans, first-time homebuyer programs, and Section 8 programs. Distribute materials in English and Spanish through City Hall, City libraries, City websites, and the Fair Housing Council website.
 - Track fair housing issues and identify patterns in the City, including meeting annually to check on the status of active cases.
 - Promote fair housing opportunities through various financial assistance initiatives and affordable housing/neighborhood revitalization programs (Programs 4.1, Owner Rehabilitation; 4.2, Rental Rehabilitation; and 4.3, Neighborhood Conservation).
 - Actively recruit residents from neighborhoods in low resource areas to serve or participate on boards, committees, and other local government bodies.
 - Encourage more affordable housing through ADUs and multifamily housing in high resource areas (Programs 1.3, Accessory Dwelling Units; 2.5, In-lieu Fee Program; and 3.2, Development Fees).
 - Expand assistance efforts such as those conducted with Orange County United Way to promote improved educational outcomes for lower income and underserved students at schools in or serving Dana Point.
 - Develop a marketing and outreach program to advertise new income-restricted units to eligible rental households. Efforts will be bilingual (English and Spanish) and will include additional efforts to reach rental households within the same census tract as the proposed units.
 - As part of the City’s Housing Element Annual Report, continue to annually monitor zoning regulations to ensure compliance with fair housing laws.
- [Decrease rates of overpayment and displacement risk, and break down the stigma, expand awareness of benefits, and increase usage of housing vouchers \(both for tenants and landlords\)](#)

- 2022: Coordinate with OCHA to generate a detailed understanding of where overpayment rates and displacement risks are highest in the city (as of latest available Census data), where vouchers are and are not used, and how many tenants could potentially qualify at each multifamily property in target areas
- 2022: Coordinate with Orange County United Way on the WelcomeHomeOC program to identify opportunities to assist Dana Point residents
- 2022: Apply affirmative advertising policy (Policy 6.7) to income-restricted units to be built in the Victoria Apartments development in the Doheny Village area. Apply the policy to all future income-restricted projects, as permitted by state and/or federal funding programs.
- 2023: Coordinate with OCHA to develop an outreach plan and materials to communicate the benefits of vouchers and tenant rights regarding just cause evictions, limitations on rent increases, and replacement housing requirements if any existing residential units would be removed, based on state law
- 2023: Complete study of options to augment/adjust current in-lieu fee program for possible application of funds for those overpaying and/or at risk of displacement; evaluate how the City can prioritize or facilitate mixed-income housing through potential use of in-lieu fees or other resources (e.g., determine which federal and state grant or loan programs are structured to score mixed-income projects as more competitive compared to 100 percent lower income developments)
- 2024: Distribute outreach materials through means that reach target populations (e.g., those receiving subsidized school lunches). Conduct direct outreach to 10 properties (tenants and owners) in census tracts illustrating high rates of rental overpayment, and conduct mailer outreach to all renter occupied units and rental property owners in the Town Center and Doheny Village census tracts
- 2024: Bring forth appropriate in-lieu fee provisions for adoption
- 2024: Establish strategies to use City resources (technical support and/or in-lieu fees as appropriate) to encourage mixed-income housing developments
- Metrics
 - Expand voucher use by 50 tenants by 2024
 - New in-lieu fee provisions adopted by 2024, with new strategies developed to facilitate mixed-income housing developments (with a priority for locating developments in census tracts that would improve existing patterns of concentration related to income and diversity)

- Expanded awareness and education for all renter households and rental property owners in census tracts illustrating high rates of rental overpayment and the Town Center and Doheny Village census tracts
- Affirmative advertising policy (Policy 6.7) applied to income-restricted units to be built in the Victoria Apartments development in the Doheny Village area, as well as all future income-restricted projects, as permitted by state and/or federal funding programs
- Improve educational outcomes for lower income and underserved students at schools in or serving Dana Point
 - 2022: Continue annual assessment of effectiveness of Sparkpoint OC with Orange County United Way
 - 2022: Continue to negotiate with the Victoria Apartments property owner to dedicate substantial funds toward schools in Dana Point, specifically Palisades Elementary and Dana Hills High School, (which serves residents in the low resource areas)
 - 2023: Coordinate with United Way to continue and or expand Sparkpoint effort on annual basis, with modifications to provide better or more effective assistance and/or to reach more families
 - 2025: Coordinate with United Way to expand Sparkpoint effort to Palisades Elementary School
 - Metrics
 - Provide 800 families and community members without kids with literacy skills and wrap-around services by 2029 (25 to 30 per quarter or 100 per year) through the Sparkpoint program
 - Increased income, enhanced assets, reduced debt, increased housing stability, and improvements in education outcomes for children and employment outcomes for adults
 - Agreement to dedicate substantial funds toward facility improvements to Dana Hills High School by 2023
 - Educational scores in TCAC Opportunity Maps improve from 6 or below to at least 20 by 2026 in census tracts in Dana Point that are designated low resource areas
- Work to expand the number of sites available and the number of ADUs built in moderate, high, and highest resource areas
 - Initiate coordination with OCCOG REAP effort to evaluate and identify appropriate pre-approved ADU site plans
 - 2023: Adopt appropriate pre-approved ADU site plans

- 2023: Initiate a general plan update with an explicit objective to identify additional housing opportunities in moderate, high, and highest resource areas, with additional emphasis on census tracts that can help improve patterns of greater diversity, promote a broader distribution of households with a range of incomes, and lowers displacement risk
- 2023: Coordinate with the OCHA to inform Housing Choice Voucher holders about their residential options in moderate, high, and highest resource areas
- 2023: In coordination with research being conducted at the State level, pursue opportunities to incentivize and provide funding assistance for homeowners to provide affordable units under SB 9 provisions (adopted by ordinance in February 2022)
- Metrics
 - Permit 25 ADUs in moderate, high, and/or highest resources areas by 2024
 - Initiate general plan update by 2023 with the intent to adopt by 2025, seek changes in land use that increase housing capacity by 100 to 500 units in moderate, high, and highest resource areas (as designated by TCAC in 2023 or 2024, whichever is available at the time of land use planning)
 - Communicate options to move into moderate or better resource areas to 100 percent of housing choice voucher holders currently living in low resource areas in Dana Point by 2023
 - Permit 10 units per SB 9 provisions in high or highest resource areas by 2029
- Provide critical gap funding for the development of affordable housing, homeless housing, and supportive services solutions for those in need that reside, work, or go to school in in Dana Point and throughout the county
 - 2022: Coordinate through the Orange County Housing Finance Trust (OCHFT) on the use of funding sources (e.g., REAP) and potential to apply for additional funding
 - 2022: Coordinate through OCHFT on year two notice of funding availability (NOFA), and subsequent NOFAs for years three, four, and five; advocate for the use of funds in Dana Point as appropriate and in surrounding jurisdictions when such location would yield better benefits (more units, deeper level of subsidy, more target populations, etc.)
 - 2024: Assist in the update of the OCHFT five-year strategic plan
 - Metrics

- 2,700 new permanent supportive housing units by 2025 (aggregate across all member jurisdictions): 500 homeless families, 1,000 chronically homeless households, and 1,200 homeless individuals

~~○ Additional actions stated in the Contributing Factors discussion of the Fair Housing Analysis section.~~

Objective: Develop and implement the Affirmatively Furthering Fair Housing Plan; see also metrics associated with the actions identified to address contributing factors in the Fair Housing Analysis section

Responsibility: Community Development Department

Timeframe: Develop AFFH plan and implement actions within the planning period, with formal plan finalized by 2023; see also timeline/milestones associated with the actions identified to address contributing factors in the Fair Housing Analysis section

6.3 Senior Home Assessments

Age Well Senior Services operates the Dana Point Senior Center and provides free home assessments to seniors to determine the level of assistance needed to maintain senior independence.

Objective: Refer seniors in need of free home assessments to South Coast Senior Services

Responsibility: Community Development Department

Timeframe: 2021-2029

6.4 Housing Resources Assistance

The City of Dana Point publishes a directory of housing resources to help residents determine which organizations and other resources are appropriate to meet their needs. This program was successful in the prior planning period and contributed to the development of a Homeless Task Force and Community Work Plan to Address Homelessness, as well as the funding of a full-time position for a Community Outreach Worker to actively engage with individuals and families experiencing homelessness to help them find housing. The City will continue to publish its directory of housing resources, update its Work Plan, and fund a full-time position for a Community Outreach Worker.

Additionally, the City will support organizations seeking to provide housing opportunities for special needs groups (e.g., developmentally disabled) through co-application for funding, letters of support, and evaluating the use or reuse of existing housing stock. In its directory of housing resources, the City will include a section highlighting housing options such as accessory dwelling units that are suitable for persons with special needs in the housing directory and on the City's website.

Objective: Continually update the Dana Point Housing Resources Directory, Community Work Plan to Address Homelessness, fund a full-time Community Outreach Worker (with a

geographical focus on Doheny State Beach and underutilized industrial areas in the Doheny Village area), and actively assist individuals and organizations on an as-needed basis

Responsibility: Community Development Department

Timeframe: 2021-2029

6.5 Housing for Persons with Disabilities

In 2018, the City established regulatory incentives, such as reduced impact fees and fee waivers, to facilitate the development of new or rehabilitation of existing housing for persons with disabilities, including persons with developmental disabilities. While this program yielded some interest in the prior planning cycle, the City received no formal applications for the development of housing for persons with disabilities. To bolster the program's chances for success, the City will strengthen its relationship with the Regional Center of Orange County and foster new relationships with developers of supportive housing.

Objective: Assist in the development or rehabilitation of up to 10 housing units for persons with disabilities including persons with developmental disabilities. Coordinate with the Regional Center for Orange County to establish relationship with interested developers.

Responsibility: Community Development Department

Timeframe: Establish additional relationships by 2023, assist in development or rehabilitation of units throughout 2021-2029

6.6 Residential Care Facilities, Six or Fewer Persons

The City will update language in the City's Code to ensure that it is clear that a CUP is not required for group homes for six or fewer people (relating to Residential Care Facilities). This is consistent with the position the City has taken in compliance with State Law and in particular Health & Safety Code section 11834.23.

Objective: Ensure consistency with state law

Responsibility: Community Development Department

Timeframe: Initiate and complete Code update in 2022

6.7 Residential Care Facilities, Seven or More Persons

The City will evaluate its conditional permit process, including the requirements to identify and remove constraints to the production of residential care facilities serving seven or more persons. The evaluation will include interviews with current operators in the Orange County region and a specific focus on the current condition for a use will not jeopardize, adversely affect, endanger, or otherwise constitute a menace to the public health, safety, or general welfare, or be materially detrimental to the property in the vicinity of such use. To ensure that this condition is not an unreasonable requirement, the City will evaluate the

CUP process for a group home or residential facility serving over six people as a constraint and remove unreasonable conditions of approval or other requirements.

Objective: Eliminate unnecessary constraints potentially created through the discretionary conditional use permit process. Establish new objective development standards to eliminate subjective components of the discretionary conditional use permit process and ensure barrier free housing choices for persons with disabilities.

Responsibility: Community Development Department

Timeframe: Initiate Code update in 2022 and complete Code update by June 2023

Quantified Objectives

Overall, the City’s planned/entitled units, remaining vacant lands, and underutilized parcels are of sufficient number, zoning, and size to accommodate the potential growth for all income levels forecasted in the City’s RHNA. Special programs for housing assistance, rehabilitation, and preservation will help meet the City’s existing and future housing needs during the 2021–2029 planning period. A summary of quantified objectives is provided in Table H-37 below.

**TABLE H-37
QUANTIFIED OBJECTIVES BY INCOME CATEGORY**

Activity/Program	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction						
Planned/Entitled	0	19	19	19	434	491
Vacant Land	10	6	5	0	0	21
Underutilized Land	33	30	50	60	0	173
ADUs	30	19	10	22	0	81
Total	73	74	84	101	434	766
RHNA	73	74	84	101	198	530
Rehabilitation						
4.1. Owner Rehab	-	10	10	-	-	20
4.2 Rental Rehab	-	10	10	-	-	20
6.5 Housing for Persons with Disabilities	-	5	5	-	-	10
Assistance, Conservation, or Preservation						
2.3 Housing Initiative	-	10	10	-	-	20
2.4 Conversion to Affordable/Supportive	10	-	-	-	-	10
Affirmatively Furthering Fair Housing						
1.3 Accessory Dwelling Units (overlaps with New Construction Objectives)	10	10	5	-	-	25
2.1 Rental Assistance (voucher use above 2021 levels)	-	25	25	-	-	50
2.6 Orange County Housing Finance Trust (aggregate total throughout all member jurisdictions)	2,700			-	-	-
6.2 Affirmatively Furthering Fair Housing (50 families + 50 individuals without kids)	-	-	100	-	-	100

Appendix

Development Assumptions and Parcel Inventory

While the Residential Land Resources section describes the capacity to accommodate the RHNA allocation by site, the element must also detail specific assumptions used to generate realistic capacity and list detailed information for each parcel. Table H-A1 breaks down development capacity assumptions and Table H-A2 provides information for each parcel.

**TABLE H-A1
DEVELOPMENT CAPACITY ASSUMPTIONS**

Capacity Factors	Adjust Factor	Reasoning	Capacity Formula
V1. SCWD Surplus Property (0.93 acres, CF Zoning)			
LU controls/site improvements	95%	All roads built, parcel size can accommodate setbacks and other on/offsite requirements, space for guest parking may reduce capacity	0.93 ac x 0.95 x 0.85 x 1.0 x 1.0 x 1.0 x 30 = 23 units at an effective density of 25 du/ac
Realistic site development	85%	High demand for housing, unlikely use by SCWD, surrounded by single and multifamily	
Regulatory / typical density	100%	(no min/30 max) No adjustment based on high densities of recent housing projects; no single family is permitted	
Infrastructure availability	100%	All utilities available	
Environmental constraints	100%	No constraints	
V2. Capo Beach Church Surplus Site (0.61 acres, V-C/R, Doheny Village Zoning)			
LU controls/site improve	100%	All roads built and space for frontage improvements in place, parcel size can accommodate setbacks and other on/offsite requirements	0.61 ac x 1.0 x 0.90 x 1.0 x 1.0 x 1.0 x 35 = 18 units at an effective density of 30 du/ac
Realistic site development	90%	High demand for housing and low demand for new retail, considered surplus by owner, surrounded by and zoned for mixed-use multifamily, HIO Overlay	
Regulatory / typical density	100%	(20 min/35 max) No adjustment based on high densities of recent housing projects	
Infrastructure availability	100%	All utilities available	
Environmental constraints	100%	Only front 10 feet in 100-year floodplain (by 5 inches); site sized and deep enough (140 feet) to avoid the need for any structures to elevate	
U1. Capistrano Valley Shopping Center (6.63 acres, V-MS, Doheny Village Zoning)			
LU controls/site improve	100%	All roads built, frontage improvements do not require more space, parcel can accommodate setbacks and other on/offsite requirements	6.63 ac x 1.0 x 0.80 x 1.0 x 1.0 x 0.95 x 35 = 165 units at an effective density of 25 du/ac
Realistic site development	80%	High demand for housing, large site desirable, single owner, owner contacted by developers, small number of tenants for shopping center, relatively low existing FAR (0.29) for coastal retail, zoned for mixed-use multifamily, HIO Overlay; 87% to 91% of total building square footage in the City's five mixed-use projects is/will be residential	
Regulatory / typical density	100%	(20 min/35 max) No adjustment based on high densities of recent housing projects	
Infrastructure availability	100%	All utilities available	
Environmental constraints	95%	First 80-100 feet along 80% of rear property line in 100-year floodplain (by 5 inches); site sized and	

		deep enough (450-580 feet) to avoid need for almost any structure to elevate (area likely used for parking/setback)	
U2. Ganahl Lumber (1.34 acres, V-MS, Doheny Village Zoning)			
LU controls/site improve	95%	All roads built, some frontage improvements required along Victoria Blvd, combined parcels can accommodate setbacks and other on/offsite requirements, L-shape and orientation provides two points of access though it also may require more complex site design to maximize efficiency	1.34 ac x 0.95 x 0.80 x 1.0 x 1.0 x 1.0 x 35 = 33 units at an effective density of 25 du/ac
Realistic site development	80%	High demand for housing, current tenant leaving, three parcels under common ownership, owner expressed intent to redevelop site using all three parcels in a single development, zoned for mixed-use multifamily, HIO Overlay; 87%-91% of total building square footage in the City's five mixed-use projects is/will be residential	
Regulatory / typical density	100%	(20 min/35 max) No adjustment based on high densities of recent housing projects	
Infrastructure availability	100%	All utilities available	
Environmental constraints	100%	Only front 15 feet within 100-year floodplain (by 5 inches); affected portion of site deep enough (280 feet) to avoid the need for any structures to elevate	
U3. Ralphs (5.51 acres, TC-MU, Town Center Zoning)			
LU controls/site improve	95%	All roads built and space for frontage improvements in place, site is large enough to accommodate setbacks and other on/offsite requirements, parcel shape	5.51 ac x 0.95 x 0.60 x 1.0 x 1.0 x 1.0 x 75 = 220 units at an effective density of 40 du/ac
Realistic site development	60%	High demand for housing, large site in coastal city, property owner expressed interest in redeveloping site during planning period, only two parcels under common ownership with smaller parcel (0.09 ac) unlikely to be developed separately, zoned for mixed-use multifamily, current mix of multiple tenants may push redevelopment into second half of planning period; 87% to 91% of total building square footage in the City's five mixed-use projects is/will be residential	
Regulatory / typical density	100%	(no min/2.5 FAR max) No adjustment based on high densities of recent housing projects and density only limited by FAR and 40-foot max height, assumed max of 75 du/ac based on highest density of current projects in Town Center area, effective density below that of current projects in Town Center area	
Infrastructure availability	100%	All utilities available	
Environmental constraints	100%	No constraints	
Note: Figures subject to rounding			

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**TABLE H-A2
SITE INVENTORY BY PARCEL**

Location	APN	Consolidated Group	GP	Zone	Min Density	Max Density	Acres	Existing Use	Existing Units	Environmental Constraints	Infrastructure Available	Publicly-Owned	Identified in Last/Last Two Planning Cycle(s)	Site Status	Lower Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Eligible for CEQA/Other Streamlining	Other Information
34091 Doheny Park Rd	121-254-13	A	C/MS	V-MS & HIO	-	35	6.63	Capo Valley Shpg Ctr	0	No	Yes	No	No	Available	82	83	0	165	Yes – consistent w/DV Plan	Does not require rezoning
24470 Del Prado Ave	682-234-07	B	CC	TC-MU	-	2.5 FAR	0.34	Del Prado Shpg Ctr	0	No	Yes	No	No	Pending Project	0	0	26	26	Yes – consistent w/TC Plan	Does not require rezoning
24452 Del Prado Ave	682-234-06	B	CC	TC-MU	-	2.5 FAR	0.34	Del Prado Shpg Ctr	0	No	Yes	No	No	Pending Project	0	0	26	26	Yes – consistent w/TC Plan	Does not require rezoning
24452 Del Prado Ave	682-234-05	B	CC	TC-MU	-	2.5 FAR	0.23	Del Prado Shpg Ctr	0	No	Yes	No	No	Pending Project	0	0	17	17	Yes – consistent w/TC Plan	Does not require rezoning
34162 Doheny Park Rd	668-351-13	C	C/MS	V-MS & HIO	-	35	0.38	Ganahl Lumber	0	No	Yes	No	No	Available	5	5	0	10	Yes – consistent w/DV Plan	Does not require rezoning
25991 Victoria Blvd	668-351-09	C	C/MS	V-MS & HIO	-	35	0.12	Ganahl Lumber	0	No	Yes	No	No	Available	1	1	0	2	Yes – consistent w/DV Plan	Does not require rezoning
25981 Victoria Blvd	668-351-10	C	C/MS	V-MS & HIO	-	35	0.12	Ganahl Lumber	0	No	Yes	No	No	Available	2	2	0	4	Yes – consistent w/DV Plan	Does not require rezoning
25981 Victoria Blvd	668-351-11	C	C/MS	V-MS & HIO	-	35	0.12	Ganahl Lumber	0	No	Yes	No	No	Available	2	2	0	4	Yes – consistent w/DV Plan	Does not require rezoning
25981 Victoria Blvd	668-351-12	C	C/MS	V-MS & HIO	-	35	0.12	Ganahl Lumber	0	No	Yes	No	No	Available	1	2	0	3	Yes – consistent w/DV Plan	Does not require rezoning
25051 Las Flores Ave	668-351-08	C	C/MS	V-MS & HIO	-	35	0.48	Ganahl Lumber	0	No	Yes	No	No	Available	5	5	0	10	Yes – consistent w/DV Plan	Does not require rezoning

**TABLE H-A2
SITE INVENTORY BY PARCEL**

Location	APN	Consolidated Group	GP	Zone	Min Density	Max Density	Acres	Existing Use	Existing Units	Environmental Constraints	Infrastructure Available	Publicly-Owned	Identified in Last/Last Two Planning Cycle(s)	Site Status	Lower Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Eligible for CEQA/Other Streamlining	Other Information
24871 Del Prado Ave	682-301-25	D	CC	TC-MU	-	2.5 FAR	0.09	Ralphs	0	No	Yes	No	No	Available	2	2	0	4	Yes – consistent w/TC Plan	Does not require rezoning
24871 Del Prado Ave	682-301-26	D	CC	TC-MU	-	2.5 FAR	5.42	Ralphs	0	No	Yes	No	No	Available	108	108	0	216	Yes – consistent w/TC Plan	Does not require rezoning
27298 Calle Juanita	675-120-04	E	CF	CF	-	30	0.93	Vacant	0	No	Yes	Yes - special district- (SCWD)	Last 2 cycles - vacant	Available	23	0	0	23	Yes – infill class 32 cat exempt	Does not require rezoning
24722 Del Prado Ave	682-192-07	F	C/R	TC-MU	-	2.5 FAR	0.43	Vacant	0	No	Yes	No	No	Pending Project	0	0	18	18	Yes – consistent w/TC Plan	Does not require rezoning
34175 Pacific Coast Hwy	682-322-08	G	CC	TC-MU	-	2.5 FAR	0.21	Vacant	0	No	Yes	No	No	Pending Project	0	0	13	13	Yes – consistent w/TC Plan	Does not require rezoning
34175 Pacific Coast Hwy	682-322-09	G	CC	TC-MU	-	2.5 FAR	0.22	Vacant	0	No	Yes	No	No	Pending Project	0	0	13	13	Yes – consistent w/TC Plan	Does not require rezoning
34175 Pacific Coast Hwy	682-322-10	G	CC	TC-MU	-	2.5 FAR	0.28	Vacant	0	No	Yes	No	No	Pending Project	0	0	13	13	Yes – consistent w/TC Plan	Does not require rezoning
26126 Victoria Blvd	668-361-01	H	SP	SP	-	66	5.60	School storage yard	0	No	Yes	Yes - other publicly-owned (CUSD)	No	Pending Project	38	19	308	365	Yes – pending VBSP	Rezoning underway; not needed for RHNA
25975 Domingo Avenue	668-332-10	I	C/R	V-C/R & HIO	-	35	0.61	Vacant	0	No	Yes	NO - Privately-Owned	No	Available	18	0	0	18	Yes – consistent w/DV Plan	Does not require rezoning

