

The following tracked changes represent minor revisions made to the City's Draft Housing Element after communication with the State Department of Housing and Community Development (HCD). These changes were requested by HCD to provide additional clarity and information.

1. **Public Review** – the following text was added in the Introduction section to list specific dates on when public review was conducted in accordance with the provisions of state law.

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. [Additional text to be added based on comments were submitted by the public].

2. **Timing of Building Activity** – the following text was added in the Nongovernmental Constraints section to provide additional information on the typical length of time between entitlement and building activity and the potential reasons for any delay that are outside of the City's control.

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 are 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.

3. **Ground Floor Requirements in Mixed-Use Zones** – the following text was added to Program 1.1 to provide additional details regarding the types of incentives that might be needed to facilitate affordable housing on mixed-use sites.

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.

4. **SB 9** – the following text was added as Program 3.11 to address any potential updates needed to the City’s regulations related to legislation enacted through SB 9.

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)

5. **Fair Housing Contributing Factors** – text from Table H-22 (Factors that Contribute to Fair Housing Issues) from the Fair Housing Assessment section was duplicated and listed in Program 6.2 to ensure that the activities, milestones, and metrics were included in future annual progress reports (APRs) --- specifically the sections of APRs that reports on activity related to housing programs.

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

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

