



Housing Element Recommendations to Orange County Cities

We gratefully acknowledge the staff of the [Kennedy Commission](#), [United Way's United to End Homelessness Campaign](#), [People for Housing – YIMBY OC](#) and [YIMBY Law](#) who helped us learn about affordable housing policies. This learning is reflected in the recommendations listed below. For more information, contact WelcomingNeighborsHome@gmail.com.

Video: [How the H--- Did We Get Here: Affordable Housing in Orange County](#)

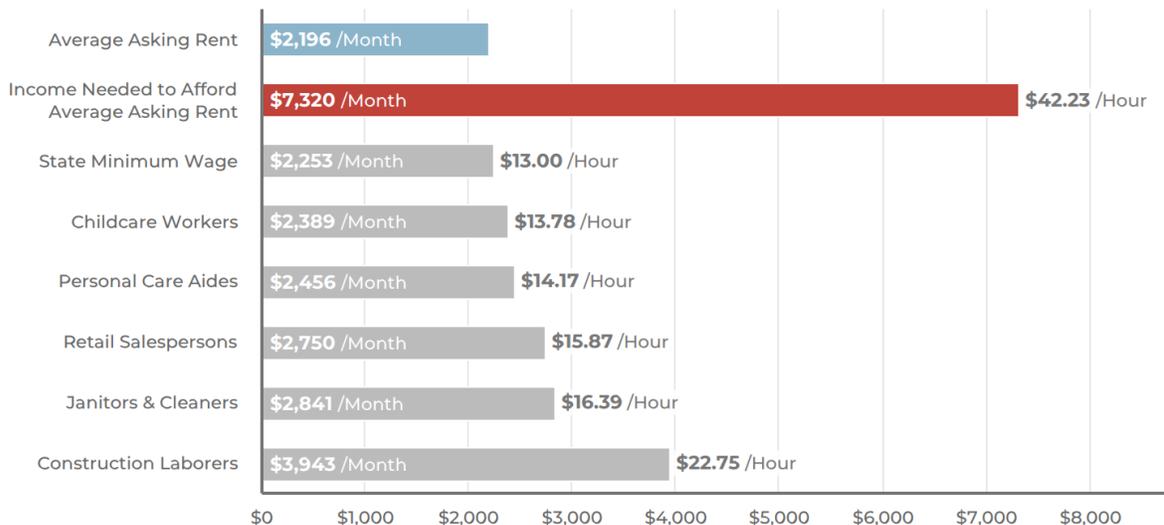
Video: [What is affordable housing?](#)

[Affordable Housing Explained](#)

- Affordable housing is defined to be housing that costs 30% or less of a household income.
- Housing burden disproportionately affects people with lower incomes because even modest housing can take up a large portion of the household budget.
- Moving further away to find affordable housing increases commuting costs. The [Housing and Transportation Affordability Index](#) provides a more comprehensive view of housing affordability.

WHO CAN AFFORD TO RENT

Renters need to earn **3.2 times** minimum wage to afford the average two-bedroom asking rent in Orange County.



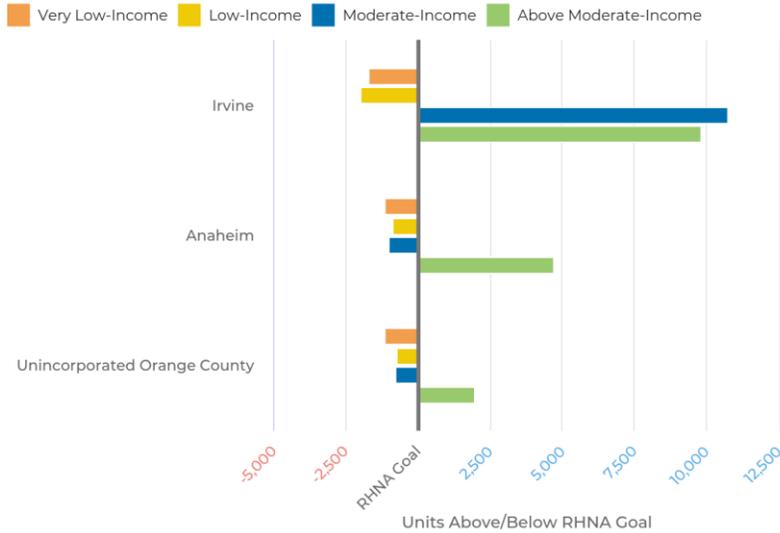
Source: [Orange County 2020 Affordable Housing Needs Report](#), by the [California Housing Partnership](#) in collaboration with the [Kennedy Commission](#)

OC Housing Production Out of Alignment to the Need

Orange County cities have allowed market rate housing to flourish without ensuring there is an adequate supply of affordable housing for those with lower incomes.

PROGRESS TOWARDS RHNA

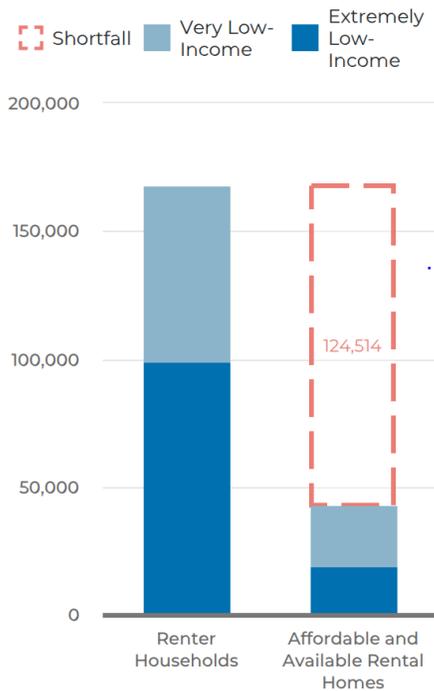
Jurisdictions in Orange County have exceeded their 5th cycle RHNA production goals for moderate- and above moderate-income households, but are behind in meeting their goals for very low- and low-income households.



California Housing Partnership | chpc.net/housingneeds

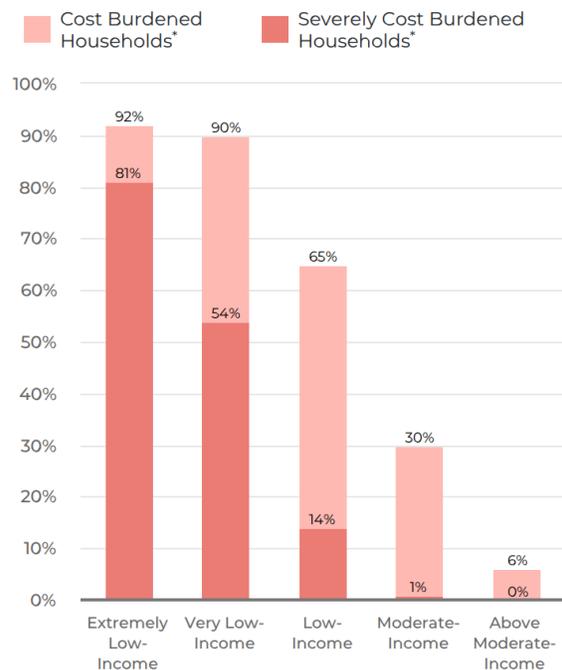
AFFORDABLE HOMES SHORTFALL

124,514 low-income renter households in Orange County do not have access to an affordable home.



COST BURDENED HOUSEHOLDS

81% of ELI households in Orange County are paying more than half of their income on housing costs compared to just 1% of moderate-income households.



Source: [Orange County 2020 Affordable Housing Needs Report](#), by the [California Housing Partnership](#) in collaboration with the [Kennedy Commission](#)

Housing Element Recommendations

While cities are not required to actually build affordable housing, there is so much they can do to plan for, and promote, its development within their city borders. Cities should rigorously work to ensure there is an adequate supply of affordable housing for ALL of its residents.

The recommendations listed below are guided by a “Housing First” philosophy – the belief that prioritizes providing permanent housing to people experiencing homelessness and those who are housing insecure – because safe and affordable housing is critical to health and economic stability.

Zoning Related Recommendations

- 1) **Zone extensively for higher density.** To be economically feasible, affordable housing works best on land zoned for 30 units or more to the acre. Zone as many sites as possible for higher density so as to facilitate builders including affordable housing in their developments. The community should gain benefit in the form of affordable housing in exchange for this higher density zoning - because such zoning makes the land more valuable to the owner.
- 2) **Zone for affordable housing in high opportunity areas** - e.g., within ½ mile from transit, jobs, shopping, schools to conform to [AB 686 Affirmatively Furthering Fair Housing](#).
- 3) **Implement new Density Bonus incentives for developers as required under [AB 2348](#), effective 1/1/2021.** **AB 2348** establishes a number of affordable units a developer must provide in order to increase residential densities and be eligible for additional incentives. The amendments made are to provide further incentives for developments that are up to 100% affordable.
 - A) Increases the maximum density bonus up to 50-percent, depending on the number and level of deed-restricted affordable homes
 - B) Incentivizes additional density bonus projects by reducing the maximum parking required by localities for qualifying projects
 - C) Provides two incentives or concessions to a project if it includes at least; 17% Low, 10% very low, or 20% for moderate in a common interest development.
 - D) Provides three incentives or concessions to a project if it includes at least: 24% Low, 15% very low, or 30% for moderate in a common interest development.
 - 5) Provides local governments discretion to grant additional waivers for projects located within a half-mile of transit and 100% affordable.
- 4) **Increase mixed use zoning throughout the city** that allows for substantial numbers of housing units, tied to workforce levels of income, when developing nonresidential land.
- 5) **Include church or other faith institution properties in the overlay zones for affordable housing** and adopt ordinances that facilitate the building of affordable housing on those properties. (For more information see the [Congregational Land Committee](#) program.)

Policy and Program Recommendations

- 6) **Adopt an [inclusionary housing policy](#) that requires all housing development projects to have 15% of units as affordable with specifically dedicating 5% for extremely low- income, 5% for very low-income and 5% for low-income residents.**

(Video: [Inclusionary Housing Explained](#))

- 7) **Proactively develop relationships with non-profit housing developers.** Such a partnership could yield millions of dollars in matching funds from state and federal housing funds and specialty mortgages for building affordable housing for extremely low, very low, and low-income. These specialty builders can work alone or with market rate builders, enabling a faster, more cost-effective outcome.

A) **Today's non-profit developers have honed their abilities** to build attractive, quality housing cost effectively for low wage workers and their families. *These affordable communities are very different from the low-income housing erected 30-60 years ago!*

B) **Some examples of affordable housing developments in Orange County:**

- (1) Jamboree : <https://www.jamboreehousing.com/blogs/affordable-housing-developer-partner>



Alice Court
450 Glenneyre
Laguna Beach, CA 92651
New
Garden-style
SRO - studio



Belage Manor
1660 West Broadway
Anaheim, CA 92802
Rehabilitation
Garden-style
Senior



Birch Hills
255 Kraemer Circle
Brea, CA 92821
New
Garden-style
Family

- (2) National CORE OC sites: <https://nationalcore.org/portfolio/california-communities/orange-county-ca/>



Mountain View project in Lake Forest, CA

ORANGE COUNTY, CA COMMUNITIES



Arbor Villas



Hermosa Village



Oakcrest Heights



- (3) Mercy Housing sites: <https://www.mercyhousing.org/california/linbrook-court/>
- (4) Mary Erickson Affordable Housing: <https://www.maryerickson.org/>
- (5) Innovative Housing Solutions: <https://www.innovativehousing.com/>

8) **Ease Governmental constraints for developers who build inclusionary housing scaled upward with increased very low and extremely low affordable units.**

- A) **Streamlined Procedural Incentives:** Emphasize processes/procedures like the consolidation of applications to one hearing, fast-tracking of design, and review and inspections with priority processing and scheduling for interim inspections.
- B) **Reduction in Development Standards:** Offer a reduction in setback and square footage requirements and in the ratio of required vehicle parking.

- 9) **Fiscal Incentives:** Emphasize, promote, and encourage the use of incentives available to those developers that include affordable housing. Typical incentives include waivers or reductions in fees, low interest loans or subsidies, and financial or mortgage assistance for acquisition of property.
- 10) **Adopt an Adaptive Reuse Ordinance** such as the one used by the city of Santa Ana¹ that streamlines the regulatory process for converting non-residential buildings into affordable housing- but target it for very low and extremely low income housing. This ordinance applied in the building of the [Santa Ana Arts Collective](#).²
- 11) **Adopt an Accessory Dwelling Unit (ADU) affordability program** that incentivizes owners to create very low income units such as the LA Mas [Backyard Homes Project: An Affordable Housing Initiative](#), [Santa Cruz County's ADU Forgivable Loan Program](#) or [Monterey Bay My House My Home A Partnership for Aging in Place](#).
- 12) Streamline the approval of, and provide financing for, the **conversion of motels/hotels to affordable and permanent supportive housing**.
- 13) Address the need for **temporary emergency housing** (as required by [SB2](#)) by providing vouchers to motels/hotels (versus congregate care settings which are less safe and also more expensive).
- 14) **These additional resources** may be useful in updating your programs and approaches. Both are available online:
 - A) "[Meeting California's Housing Needs: Best Practices for Inclusionary Housing](#)."³
 - B) "[Designing Affordability: Innovative Strategies for Meeting the Affordability Gap Between Low Income Subsidy and the Market in High Cost Areas](#)."⁴

Financing Recommendations

- 15) **Apply to the Orange County Housing Finance Trust for gap funding grants** for permanent supportive housing.
- 16) **Use new financial resources for affordable housing**
 - A) **Land Value Recapture** is based on the observation that plan approvals – a public action – considerably increase the value of land by increasing what can be built (e.g., higher-density housing) on that land. It stands to reason that some of the increased land value should be recaptured by the public in the form of community benefits in the affected

¹ [https://www.santa-](https://www.santa-ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf)

[ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf](https://www.santa-ana.org/sites/default/files/pb/planning/Counter%20Forms/Adaptive%20Reuse%20Ord.%206.30.20.pdf)

² <https://voiceofoc.org/2019/06/public-demand-for-affordable-artists-apartments-in-santa-ana-prompts-city-outreach-effort/>

³ https://www.lgc.org/wordpress/wp-content/uploads/2018/11/inclusionary-factsheet_v2.pdf

⁴ <https://www.hcd.ca.gov/policy-research/plans-reports/docs/designingaffordability2015.pdf>

neighborhoods, that could bring additional public facilities and/or affordable housing to the city's communities and the development on it.”⁵

B) Tie development of new office and retail to need to support housing for the workforce: Linkage Fees

A) Los Angeles has an Affordable Housing Linkage Fee (Linkage Fee). “This ordinance, adopted December 13, 2017, established a fee per square foot on certain new market-rate residential and commercial developments to generate local funding for affordable housing production and preservation. The fee varies by the type of use and by geography across the city.”⁶ It is similar in concept to a Quimby Fee, and is structured to generate funding for housing and neighborhood improvement – such as parks.

C) Work with the Orange County Board of Supervisors and neighboring cities, to create a regional housing bond ballot measure to fund affordable housing and permanent supportive housing.

A) Other California cities and counties have taken this approach or are working on it.⁷

17) Consult with the Orange County Board of Supervisors to access funding for affordable housing for the homeless through the [American Rescue Plan Act HOME Supplemental Allocations](#). Orange County has been awarded \$5,017,613. See [HUD April 8, 2021 press release](#).

⁵ <https://www.voiceofsandiego.org/topics/opinion/theres-a-way-for-the-city-to-balance-density-with-quality-of-lif>

⁶⁷ DOWNTOWN COMMUNITY PLAN COMMUNITY BENEFITS PROGRAM
https://planning.lacity.org/odocument/2c541d44-8b58-478b-b2af-bedcc60271f7/Community_Benefits_Summary_PH_draft.pdf

⁷ The San Diego City Council voted 6-3 to place on the November ballot a \$900 million housing bond that would raise taxes on city property owners to pay for roughly 7,500 subsidized apartments. The estimate had ranged from \$500,000 to \$785,000, but now it's \$700,000 to \$1.2 million per ballot measure. San Diego Union Tribune, July 14, 2020.