

# HOUSING ELEMENT

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## INTRODUCTION

Located in southwestern Orange County, Aliso Viejo became the County's 34<sup>th</sup> city on July 1, 2001. The City is roughly bisected by Highway 73 with the cities of Laguna Beach bordering to the west, Laguna Woods to the north, Laguna Hills to the east, and Laguna Niguel and unincorporated County lands to the south. A primarily residential community, Aliso Viejo offers a wide variety of housing opportunities and has adequate schools, employment, parks and open space for recreation, and shopping.

The Aliso Viejo Planned Community, which comprises the majority of the City, began development in the early 1980s. Following phenomenal growth in the 1980s and 1990s, residential portions of the planning area reached buildout soon after the City's incorporation. Remaining vacant and underutilized sites within the community are entitled with non-residential uses, as specified in the Aliso Viejo Master Development Agreement.



Aliso Viejo's initial Regional Housing Needs Allocation (RHNA) was developed midway through the 2000-2005 housing cycle (in 2003) by which time over 5,000 units had been constructed in the City since January 1, 1998 pursuant to entitlements approved by the County. All units were built according to County standards and guided by the County's inclusionary housing program, ensuring at least 25 percent of units constructed were affordable to low and moderate income households.

Although the City's existing vacant or underutilized sites were entitled with non-residential uses prior to incorporation, the City has created the opportunity for additional housing within the community through the General Plan preparation process. The Community Benefit Overlay (CBO) concept, outlined in the Land Use Element, allows modification to existing entitlements if (1) the proposed development could be shown to provide added benefit to the community, and (2) if property owners are willing to forego or amend their existing entitlements under the Master Development Agreement or private restrictive covenants. One such community benefit is the provision of housing affordable to very low and low income households. Through the CBO mechanism, the potential for new construction of lower income housing has greatly increased and the concept furthers local, regional, and State housing goals.

## PURPOSE OF THE HOUSING ELEMENT

The Housing Element serves as a guide for future residential growth in Aliso Viejo and establishes a strategy for meeting the community's existing housing needs. The Housing Element is designed to achieve the following objectives set forth in State law:



- 1) Identify adequate sites for a range of housing opportunities;
- 2) Assist in the development of adequate and affordable housing;
- 3) Address constraints to meeting the City's housing needs;
- 4) Conserve and improve the condition of housing; and
- 5) Promote housing opportunities for all persons.

The 2000-2005 Aliso Viejo Housing Element contains appropriate policies and programs to achieve these objectives.

## SCOPE AND CONTENT OF THE HOUSING ELEMENT

The Housing Element is a mandated component of the General Plan and satisfies the requirements of State planning law. The Housing Element has three sections: 1) Introduction; 2) Issues, Goals and Policies; and 3) Housing Plan. In the Issues, Goals and Policies section, potential housing issues are identified and discussed, and goals and policies are established to serve as guidelines for addressing these issues. The Housing Plan describes how the goals and policies will be achieved and implemented.

A Community Profile, contained in the General Plan as Appendix C, analyzes community demographics and housing stock characteristics, constraints to housing development, and identifies resources to meet the community's housing needs. Because Aliso Viejo incorporated after the Census was conducted in 2000, demographic and housing data specific to the geographic areas within the current city limits are not available. Block level data was aggregated where possible and proportions based on the Aliso Viejo Census Designated Place (CDP) were applied to the block numbers to obtain most of the demographic data provided in the Community Profile.

## RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

State planning law requires the Housing Element to be consistent with other General Plan elements. The Housing Element most closely relates to the Land Use Element and is consistent with all elements of the General Plan.

Development policies contained in the Land Use Element, which establishes the location, type, density, and distribution of local land uses including housing, most directly relate to the Housing Element. The Community Benefit Overlay (CBO) developed by the City and applied to the largest five remaining vacant or underutilized sites has created an opportunity for additional housing within Aliso Viejo that did not exist prior to incorporation in 2001. The policies and priorities of both the Housing and Land Use Elements have been carefully balanced to maintain internal consistency.

Hazards, natural environment, and infrastructure considerations discussed in detail in the Safety Element, Conservation/Open Space Element, and Growth Management section of the Land Use Element are addressed in the Housing Element, specifically in the context of potential constraints to future residential development.



## PUBLIC PARTICIPATION

The City has encouraged citizen participation in developing and reviewing this Housing Element through all stages of this process. Public participation in the General Plan Program, which included development of the Housing Element, occurred through the following methods:

- ❖ *Community Workshops:* From November 19, 2002 to March 18, 2003, four community workshops were held to solicit input on the General Plan Program.
- ❖ *General Plan Advisory Committee (GPAC) Meetings:* From November 19, 2002 to October 15, 2003, six GPAC meetings were conducted. The GPAC consists of members of the community and City Council members appointed by the City Council.
- ❖ *Housing Element Community Forum:* A community forum addressing the City of Aliso Viejo Housing Element was held on October 15, 2003. Members of the public and representatives of housing advocacy organizations and homeowners associations attended the forum.
- ❖ *City Council Agenda Items:* The City Council considered matters associated with the General Plan as agenda items at meetings held on June 18, July 9, and October 22, 2003 and January 7, 2004.
- ❖ *City Council Public Hearing:* The City conducted a public hearing in March 2004 to adopt the General Plan, including the Housing Element.

During the State Housing and Community Development Department's 90-day review period, copies of the Draft Housing Element were made available for public review at City Hall, the Aliso Viejo Library, and the Family Resource Center (FRC). Notification was published in the local newspaper and on the City website in advance of each hearing, and direct notices were mailed to interested individuals.



# ISSUES, GOALS, AND POLICIES

The goals, policies, and implementation programs of the Housing Element address three Citywide issues: (1) providing opportunities for a variety of housing; (2) maintaining quality neighborhoods and housing units that meet the needs of all income groups; and (3) assisting special needs households and ensuring fair housing practices.

## VARIETY OF HOUSING OPPORTUNITIES

Housing needs vary depending on many factors, such as age, income, family type, household size, and mobility. A well-balanced community includes a variety of housing options. Providing a range of housing opportunities helps ensure that households of all types and sizes can find a home in Aliso Viejo that suits their needs.



<b>Goal</b>	<b>Encourage a diversity of housing types and provide affordability levels within Aliso Viejo to meet the needs of community residents.</b>
<b>H-1</b>	

- Policy H-1.1 Identify sites appropriate for the development of a variety of housing types and price ranges to meet the needs of all socioeconomic segments of the community (including lower, moderate, and upper income households), offering both entry-level and move-up homes.
- Policy H-1.2 Encourage development of affordable housing opportunities throughout the community, as well as development of housing for elderly and low and moderate income households near public transportation services.
- Policy H-1.3 Identify physical, legal, economic and other constraints to the development of housing and collaborate with other public and private agencies to overcome such factors.
- Policy H-1.4 Ensure a portion of future residential development is affordable to low and very low income households.



## HOUSING AND NEIGHBORHOOD PRESERVATION

Housing and neighborhood preservation addresses two separate important issues: (1) improving the condition of Aliso Viejo’s residential stock and neighborhoods; and (2) maintaining the supply of affordable housing. The first aspect of housing and neighborhood preservation is to provide a safe and aesthetically-pleasing living environment. Improving the character of Aliso Viejo’s neighborhoods also influences property values and overall quality of life. The other aspect of housing and neighborhood preservation is ensuring that access to affordable housing opportunities for lower income households is provided throughout the community.




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<b>Goal</b>	<b>Create safe and aesthetically-pleasing neighborhoods, and provide adequate housing to meet the needs of all household types and income groups.</b>
<b>H-2</b>	

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- Policy H-2.1    As the City matures, maintain the quality of the housing stock through code enforcement and rehabilitation activities, as well as coordination with sub-associations.
  
- Policy H-2.2    Promote increased awareness of the importance of property maintenance to long-term housing quality and property values, and encourage community and neighborhood involvement in neighborhood preservation.
  
- Policy H-2.3    Ensure that units produced for very low-, low-, and moderate-income households are maintained at designated income levels for the term established in the entitlement.
  
- Policy H-2.4    Work to preserve the affordability of publicly assisted housing units and to discourage their conversion to market-rate housing.

## EQUAL ACCESS TO HOUSING

Special circumstances may impede some persons and households from finding decent, affordable housing. The City has a responsibility to ensure that all persons have access to housing regardless of race, religion, gender, familial status, marital status, national origin, color, age, disability, or source of income. To ensure that all groups have equal access to housing, the City should continue to provide a variety of housing opportunities and remove impediments to fair housing.



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<b>Goal H-3</b>	<b>In accordance with State law, ensure all persons and household types have equal access to housing.</b>
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| Policy H-3.1 | Participate in programs and provide incentives for projects that include housing for seniors, low- and moderate-income groups, or special needs groups.  |
| Policy H-3.2 | Encourage the provision of housing and services for special needs groups, such as the homeless, disabled, and victims of domestic violence.  |
| Policy H-3.3 | Collaborate with developers, landlords, home-seekers, tenants, real estate and lender groups, and other private for-profit and non-profit agencies to ensure that individuals and families seeking housing in Aliso Viejo are not discriminated against. |
| Policy H-3.4 | Maintain a variety of housing types that complements the employment opportunities within the community and encourages a jobs/housing balance, provided fiscal land use objectives are met.   |



## HOUSING PLAN

This Housing Plan identifies specific action programs the City will implement to further its housing goals and policies during this housing element planning period. The programs, arranged under three headings and presented in numerical order, are designed to accomplish the following:

- ❖ Identify adequate sites to maintain a variety of housing opportunities;
- ❖ Conserve and improve the existing housing stock;
- ❖ Facilitate the development and maintenance of affordable housing;
- ❖ Address and remove unnecessary governmental constraints; and
- ❖ Ensure equal housing opportunity.

## HOUSING POLICY MAP

The Housing Policy Map (Figure H-1) depicts vacant and underutilized sites currently entitled with non-residential uses. As detailed in the Land Use Element, a Community Benefit Overlay (CBO) has been assigned to each of these sites, potentially accommodating future housing opportunities. As applicable, the Community Profile, contained in the General Plan as Appendix C, refers to the Policy Map when discussing the CBO concept and how it implements City policies and the Housing Plan.

## VARIETY OF HOUSING OPPORTUNITIES

- I. **Land Use Element:** The provision of adequate sites to accommodate a variety of housing opportunities may be achieved through planning and regulatory actions contained in the Land Use Element. The Land Use Element provides for a variety of housing types, ranging from lower density single-family homes to higher density condominiums and apartments.

Aliso Viejo incorporated in 2001 and has developed its Housing Element midway through the 2000-2005 Housing Element Cycle. Therefore, the Orange County Council of Governments (OCCOG) is not assigning a Regional Housing Needs Assessment (RHNA) to the City, recognizing that most of the residentially designated sites in the City were entitled for and sometimes restricted to low intensity development by the County and have already been built out. The City has only a few remaining vacant sites. These vacant sites are entitled with non-residential uses and so vested pursuant to the Aliso Viejo Master Development Agreement or private restrictions.

If development were to proceed on the City's remaining vacant lots according to existing entitlements processed by the County, there would be no potential for future residential growth. The Community Benefit Overlay (CBO) concept detailed in the Land Use Element could accommodate additional housing opportunities on underutilized sites. It should be noted,



however, that a new development agreement would be required, based on a project initiated by the entitlement holder. The City only has the ability to consider the incorporation of additional housing construction on these sites if a property owner initiates such a change to current entitlements.

***Program Actions through June 30, 2005:*** Continue to evaluate residential opportunities made available by the Community Benefit Overlay mechanism specified in the Land Use Element.

- Zoning Ordinance:** Following incorporation, the City adopted the County of Orange Zoning Ordinance as an interim means of regulating development. The City will adopt a Zoning Ordinance or Specific Plan and Zoning Map following adoption of the General Plan, which will be the primary implementation tool for the Land Use Element. Together, the Zoning Ordinance or Specific Plan and Zoning Map will identify specific types of land use, intensity of use, and development and performance standards applicable to specific areas and parcels of land within the City.

***Program Actions through June 30, 2005:*** By June 2005, adopt and implement a Zoning Ordinance consistent with State law to provide for a variety of well designed and well built housing types that complement the existing character of the community. The Zoning Ordinance will also specify permitted and conditionally permitted uses within each zoning district and contain provisions for residential care facilities, emergency shelters, transitional housing, second dwelling units, reasonable accommodations of structural improvements for the disabled and density bonuses pursuant to State law. In identifying appropriate zoning districts and establishing specific standards and procedures for housing for persons with special needs (such as the homeless and disabled), the City will consult housing professionals, developers, and service providers to identify those zone(s) that will allow, or conditionally allow, transitional housing and emergency shelters. The City will also work with those groups to ensure new development standards and permit processing procedures (e.g. discretionary review), will not unduly constrain, and will facilitate and encourage the development or the conversion of existing facilities to serve emergency shelters and transitional housing.

- Affordable Housing Provision:** Residential development prior to incorporation in 2001 was subject to Orange County Inclusionary Zoning requirements. These requirements stipulated that 25 percent of units developed in the Aliso Viejo Planned Community would be affordable to low and moderate income residents for a period of five years. With 5,823 affordable units developed (2,528 low income and 3,295 moderate income units - well above the 25-percent requirement), the County certified the community's compliance with its inclusionary requirements on July 6, 2001. No units were required to be affordable to very low income households.

All residential portions of Aliso Viejo were built out under County entitlements and pursuant to the Aliso Viejo Master Development Agreement prior to development of the General Plan, and remaining vacant sites are entitled with non-residential uses. However, through the Community Benefit Overlay mechanism specified in the Land Use Element, additional residential opportunity



*Figure H-1  
Housing Policy Map (11"x17")*

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*Back Side of Figure H-1  
Housing Policy Map (11x17")*



could be accommodated by the City on vacant or underutilized sites. Through the possible re-negotiation of existing development agreements and private restrictions, the City may ensure a portion of these units be affordable to very low and low income households.

***Program Actions through June 30, 2005:*** Through development agreements, the City may ensure a portion of residential units constructed within Community Benefit Overlay (CBO) areas be affordable to very low and low income households. Absent the CBO mechanism, no opportunity for future housing exists. The precise number of units that may be restricted to very low and low income households will be determined during the development review process when specific projects are proposed.

4. **Density Bonus Ordinance:** State law requires cities and counties to provide a density bonus of at least 25 percent and one other incentive if a developer agrees to provide at least 10 percent of the dwelling units in a residential development at prices or rents affordable to very low income households, or 20 percent of the units affordable to low income households, or 50 percent of the units for senior citizen households, or 20 percent of the condominium units affordable to moderate income households.

In cases where a proposed density bonus housing project includes a child care facility, Section 65915(h) of the California Government Code requires the City to grant either 1) an additional residential density bonus equal to or greater than the amount of square feet in the child care facility, or 2) an additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

***Program Actions through June 30, 2005:*** By June 2005, adopt and implement a Zoning Ordinance consistent with State law pertaining to Density Bonus requirements, including the child care provisions of Section 65915(h) of the California Government Code.

5. **Second Unit Ordinance:** Pursuant to State law, local jurisdictions must either adopt ordinances that establish the conditions under which second units will be permitted, or must follow the State law provisions governing second units (Government Code, Section 65852.2). No local jurisdiction can adopt an ordinance that precludes the development of second units unless the ordinance contains findings acknowledging that allowing second units may limit housing opportunities in the region and result in adverse impacts to public health, safety, and welfare. The City will adopt a Second Unit Ordinance as part of the Zoning Ordinance.

***Program Actions through June 30, 2005:*** By June 2005, the City will adopt a Second Unit Ordinance (as part of the Zoning Ordinance or Specific Plan) that is consistent with State requirements. The Zoning Ordinance or Specific Plan will establish specific standards for second unit development and identify the districts where second units would be permitted. Pursuant to State law, second units meeting the established standards will be permitted by right via a ministerial approval process.

6. **Expedited Project Review:** The development review process contributes to the cost of housing because holding costs incurred by developers are ultimately reflected in the unit's selling price or

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rent. To minimize holding costs incurred by developers, Aliso Viejo will prioritize any project proposing housing for very low and low income households, which includes projects where only a percentage of the units are affordable to these households.

***Program Actions through June 30, 2005:*** The City will develop and implement procedures for priority processing of development projects that include housing for very low income households to reduce the time and cost associated with the development review process in Aliso Viejo. These procedures will be formally adopted by the end of 2004.

- 7. Flexibility from Development Standards:** The City will grant flexibility from development standards for projects that provide housing for very low and low income households. The flexibility and incentives will be based on criteria to be established in the Zoning Ordinance and may include modified open space requirements and flexibility in height and setback requirements.

***Program Actions through June 30, 2005:*** The City will include specific criteria for granting flexibility in development standards when it develops its Zoning Ordinance by June 2005.

- 8. Homeownership Assistance:** The City recognizes the importance of providing homeownership opportunities for lower and moderate income households, and will explore the feasibility and appropriateness of various programs, including Mortgage Credit Certificates (MCC), Mortgage Revenue Bonds, Lease-to-own programs, etc.



***Program Actions through June 30, 2005:*** The City will explore various programs, determine feasibility, and implement by the end of 2004.

- 9. Section 8 Housing Choice Vouchers:** The Section 8 Housing Choice Vouchers program extends rental subsidies to very low income households and seniors who spend more than 30 percent of their income on rent. The amount of subsidy is equal to the difference between the excess of 30 percent of monthly income and actual rent. The program is administered by the Orange County Housing Authority (OCHA) and as of February 2003, 33 households in Aliso Viejo were assisted under the Section 8 Housing Choice Vouchers Program.

***Program Actions through June 30, 2005:*** The City will assist OCHA in promoting the use of Section 8 Housing Choice Vouchers in Aliso Viejo with the objective of expanding assistance to an increased the number of households. Specifically, the City will make referrals to OCHA, advertise the program on City website and newsletters, and distribute information at the public counters.

- 10. OCHA Special Needs Groups Rental Assistance Program:** In addition to the Section 8 Housing Choice Vouchers program, the Orange County Housing Authority (OCHA) administers rental assistance programs targeting special needs groups, including families whose children are at risk of being placed in out-of-home care, disabled persons, homeless and seniors. These programs include:



- ❖ *Family Unification:* This program provides Section 8 assistance to families whose children are at risk of being placed in out-of-home care or delayed in returning from care because of the families' inadequate housing.
- ❖ *Aftercare for Disabled:* This program provides Section 8 assistance specifically for disabled applicants.
- ❖ *Shelter Plus Care:* This program provides Section 8 assistance to homeless persons with disabilities
- ❖ *HOPE IV - Elderly Independence:* This program provides Section 8 assistance to frail seniors.

***Program Actions through June 30, 2005:*** The City will assist OCHA in promoting its Special Needs Groups Rental Assistance Programs in Aliso Viejo with the objective of expanding assistance to an increased the number of households with special needs. Specifically, the City will make referrals to OCHA, advertise the program on City website and newsletters, and distribute information at the public counters.

## HOUSING AND NEIGHBORHOOD PRESERVATION

11. **Code Enforcement:** The code enforcement program is operated through the City's Building and Planning Departments. Code Enforcement staff responds to complaints related to substandard housing, property maintenance, overgrown vegetation, trash and debris, improper occupancy, and other nuisance and zoning complaints. In addition, the City will continue to implement and enforce the most recent provisions of the California Building Code.

***Program Actions through June 30, 2005:*** The City's code enforcement staff will continue to enforce property maintenance standards and adopted City building and zoning codes.

12. **Conservation of Existing and Future Affordable Units:** Currently, Aliso Viejo has two multi-family housing projects with units affordable to households earning lower incomes. Neither one is at risk of converting to market-rate housing during this Housing Element period. Nevertheless, the City will monitor the deed restrictions or affordability covenants of affordable housing, notify residents of potential conversion to market-rate housing, and pursue options to preserve the affordable housing units.

***Program Actions through June 30, 2005:*** Annually, the City will monitor the status, notify residents of potential conversion, and pursue options to preserve the units.

## EQUAL ACCESS TO HOUSING

13. **Fair Housing Services:** Aliso Viejo currently contracts with the Fair Housing Council of Orange County (FHCO) to provide fair housing services in the County, including Aliso Viejo. FHCO services are directed to promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, or disability.



*Program Actions through June 30, 2005:* The City will continue to contract to support fair housing services for City residents. The City will advertise fair housing services on its web-site and at the public counter, library, post office, and other community locations.

## QUANTIFIED HOUSING OBJECTIVES

### **New Construction**

The Orange County Council of Governments (OCCOG) did not assign a Regional Housing Needs Assessment for the City of Aliso Viejo for the period of January 1, 1998 through June 30, 2005. Nevertheless, the City strives to offer a balanced mix of housing options for all income segments of the community. Between January 1, 1998 and October 2003, 5,231 units were constructed in the City, including 555 units affordable to low income households and 3,420 units affordable to moderate income households. In 2001, the County of Orange certified that Aliso Viejo had fully complied with the affordable housing requirements. The City has no remaining affordable housing obligation for the remaining period of this Housing Element.

Through the Community Benefit Overlay (CBO) process, additional housing may be accommodated on five of the City's largest remaining sites. Development of housing on CBO sites can occur if project proponents, the City, and in some cases the Master Developer or its successors agree to enter into a new development agreement, to amend the existing agreement, or to otherwise alter that City and landowners' contractual relationship. Such development would not require amendment of the General Plan.

### **Rehabilitation**

Only one percent (approximately 200 units) of the City housing stock is over 30 years of age. Overall housing condition in the City is excellent. The City does not anticipate a need to provide rehabilitation assistance over the remaining period of this Housing Element.

### **Conservation/Preservation**

The City has two publicly assisted housing developments, totaling 358 housing units with 174 of the units deed-restricted as affordable housing for lower and moderate income households. Affordability controls on these two developments extend well beyond the planning period of this Housing Element. Therefore, no conservation/preservation goal has been established.