

APPENDIX C: COMMUNITY PROFILE



INTRODUCTION

The City strives to achieve a balanced housing stock that meets the varied needs of all income segments of the community. To accomplish this goal, a comprehensive assessment of community housing needs, obstacles to future housing opportunity, and an assessment of available resources must be undertaken.

DEMOGRAPHIC AND HOUSING ANALYSIS

Factors such as age, cultural preferences, household size, occupation, and income combine to influence the type housing needed and the ability to afford housing. These demographic characteristics, balanced with an analysis of existing housing stock conditions, help determine a community's housing needs.

As the City incorporated after the 2000 Census was taken, no Census geography accurately depicts the Aliso Viejo city limits. To gather housing and demographic data for the City, Census block groups that most closely approximate the city boundaries are used. Therefore, housing and demographic data for Aliso Viejo presented in this Community Profile include some small areas with older housing units outside the city limits. The impact on accuracy is minimal given the small areas involved.

POPULATION CHARACTERISTICS

The Census reported Aliso Viejo's population at 39,719 while the California Department of Finance estimated the population was 39,495 in 2000. Aliso Viejo experienced substantial growth from 1990 to 2000 as the City's population increased by 28,771 persons during this period; the largest increase in population among its neighbors (Table CP-1). When compared to Orange County population growth (18.1 percent), Aliso Viejo's population growth was substantially higher (262.8 percent).



**Table CP-1
Population Trends**

Cities	1990	2000	Numeric Change	Percent Change
Aliso Viejo	10,948	39,719	28,771	262.8%
Laguna Hills*	46,731	31,178	-15,553	-33.3%
Mission Viejo	72,820	93,102	20,282	27.9%
Laguna Woods	**	16,507	--	--
Newport Beach	66,643	70,032	3,389	5.1%
Laguna Niguel	44,400	61,891	17,491	39.4%
Laguna Beach	23,170	23,727	557	2.4%
Total County	2,410,556	2,846,289	435,733	18.1%

Sources: 1990 & 2000 Census.

* 1990 population is for the Laguna Hills CDP, while 2000 data is for the City.

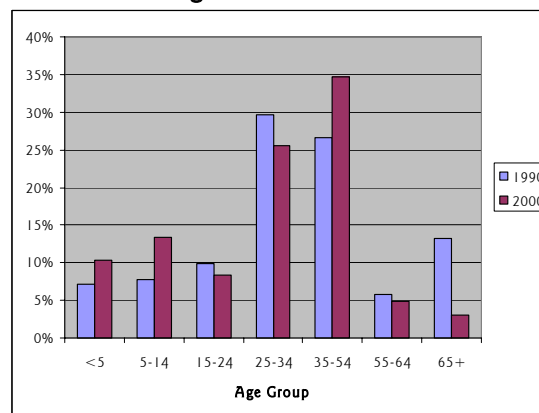
** 1990 Census did not have data for Laguna Woods.

AGE CHARACTERISTICS

A community's current and future housing needs are determined in part by the age characteristics of residents. Typically, each age group has distinct lifestyles, family type and size, incomes, and housing preferences. As people move through each stage of life, housing needs and preferences change.

The age profile in Aliso Viejo has changed considerably from 1990 to 2000 (Figure CP-2). The senior population (65+) as a percentage of overall population dropped significantly from 13.2 percent to 3.1 percent, while the largest proportional increase was among 35-54 year olds, whose age cohort increased from 26.6 percent to 37.7 percent. Consistent with the increase among 35-54 year olds, the percentage of Aliso Viejo population comprised of children under 14 rose from 14.9 percent to 23.7 percent.

**Figure CP-2
Age Characteristics**



Source: 1990 & 2000 Census.

RACE & ETHNICITY

Changes in racial and ethnic composition may have implications for housing needs to the extent that different groups typically have different household characteristics, income levels, and cultural background that may affect their need and preferences for housing.

As of 2000, White residents remained the largest racial or ethnic group in Aliso Viejo, though the proportion of the White population declined from 83.7 percent in 1990 to 70.3 percent in 2000. However, 2000 was the first year the Census allowed individuals to mark two or more races. The increase among those in the “All Other” racial or ethnic category (from 0.5 percent in 1990 to 4.1 percent in 2000), which includes two or more races, may have accounted for some of this shift in racial/ethnic composition. Nevertheless, as the City population grew from 1990 to 2000, the City became more diverse. The largest increase was found within the Hispanic or Latino group, which grew from 8.5 percent in 1990 to 12.7 percent in 2000 (Table CP-2).

Table CP-2
Race and Ethnicity

Race/Ethnicity	1990		2000	
	Persons	Percent	Persons	Percent
White	9,170	83.7%	27,927	70.3%
Hispanic or Latino	930	8.5%	5,037	12.7%
Asian/Pacific Islander	664	6.1%	4,323	10.9%
Black or African American	129	1.2%	793	2.0%
All Other	55	0.5%	1,639*	4.1%*
Total	10,948	100.0%	39,719	100.0%

Source: 1990 & 2000 Census.

*Other includes 2 or more races in the 2000 Census data.

OCCUPATION AND LABOR PARTICIPATION

Employment has an important impact on housing needs. Different jobs and income levels determine the type and size of housing a household can afford. In addition, employment growth within a region typically results in an increase in housing demand.

As of 2000, the largest occupational category was Managerial and Professional (Table CP-3). This category accounted for 54.3 percent of occupations in Aliso Viejo, and 38.1 percent of occupations in Orange County. This occupational category also ranks among the highest paid occupations in the County (Table CP-4).



**Table CP-3
Employment Profile (2000)**

Occupations of Residents	Aliso Viejo*		Orange County	
	Persons	Percent	Persons	Percent
Sales and Office	7,117	29.7%	383,888	28.7%
Management and Professional	13,018	54.3%	509,542	38.1%
Service Occupations	1,945	8.1%	177,001	13.2%
Production, Transportation, and Material Moving	1,134	4.7%	166,884	12.5%
Construction, Extraction, and Maintenance	756	3.2%	97,456	7.3%
Farming, Forestry, and Fishing	0	--	4,067	0.3%
Total	23,970	100.0%	1,338,838	100.0%

Source: 2000 Census.

*Aliso Viejo CDP.

**Table CP-4
Average Yearly Salary by Occupation
(Orange County MSA)**

Occupations	Average Salary
Management	\$92,301
Legal	\$83,368
Architecture and Engineering	\$66,275
Firefighters	\$58,888
Healthcare Practitioners and Technical	\$58,871
Business and Financial Operations	\$57,449
Education, Training, and Library	\$46,621
Arts, Design, Entertainment, Sports	\$45,497
Construction and Extraction	\$41,494
All Occupations	\$39,963
Installation, Maintenance, and Repair	\$39,564
Protective Service	\$38,685
Sales	\$37,370
Office and Administrative Support	\$31,995
Production	\$26,553
Transportation and Material Moving	\$25,377
Retail Salespersons	\$23,948
Personal Care and Service	\$22,406
Building and Grounds Cleaning and Maintenance	\$21,291
Farming, Fishing, and Forestry	\$20,775
Cashiers	\$20,546
Food Preparation and Serving	\$18,344

Source: State Employment Development Department, 2002.



HOUSEHOLD TYPE

A household is defined by the Census as all persons who occupy a housing unit, which may include a family, a single person, and unrelated persons sharing a housing unit. Persons residing in group quarters such as dormitories or retirement homes are not considered households. A community's household characteristics serve as an important indicator of the type and size of housing needed.

Approximately 15,868 households lived in Aliso Viejo in 2000 (Table CP-5). Nearly two-thirds (10,485) of these households consisted of families, a proportion slightly less than that found in Orange County (71.4 percent). The number of single person households was 3,785, while the number of "Other" households including unrelated persons living together was 1,598.

Table CP-5
Household Characteristics

Household Type	Aliso Viejo		Orange County	
	Number	Percent	Number	Percent
Families	10,485	66.1%	667,917	71.4%
Single Persons	3,785	23.9%	197,650	21.1%
Other	1,598	10.0%	69,720	7.5%
Total	15,868	100.0%	935,287	100.0%

Source: 2000 Census.

Housing need generally varies by household type. Families typically occupy single-family homes. However, some families are unable to purchase or rent a home, and may reside in multi-family apartment or condominium/town home units. Single person households, typified by seniors or young adults, tend to reside in apartment units, condominiums/town homes, or smaller single-family homes. Aliso Viejo's housing stock provides a wide range of unit types to meet the needs of its residents (Figure CP-4). The housing stock is comprised of 36 percent single-family detached units, 29 percent single-family attached units, and 34 percent multi-family units such as apartments and condominiums.

HOUSEHOLD SIZE

Household size is another important indicator of housing need. The presence of families with children, students, and elderly persons, among other groups, can have different effects on the household size in a community.

The 2000 Census reported that the average household size in Aliso Viejo was 2.49, lower than the County average household size of 3.00 and that in most surrounding communities (Table CP-6). The exceptions are beach communities and Laguna Woods (1.40), whose population largely consists of senior residents. Analyzing average household size by tenure reveals that homeowner households were on average larger than renter-households (2.64 vs. 2.19 persons per household), suggesting a greater need for larger owner-occupied housing units.



**Table CP-6
Average Household Size**

Jurisdiction	Average Household Size
Orange County	3.00
Mission Viejo	2.84
Laguna Hills	2.82
Laguna Niguel	2.65
Aliso Viejo	2.48
Newport Beach	2.09
Laguna Beach	2.05
Laguna Woods	1.40

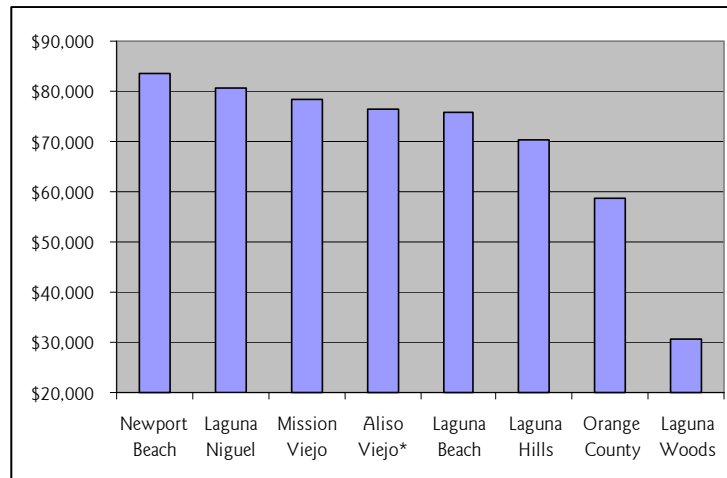
Source: 2000 Census.

HOUSEHOLD INCOME

Income is the most important factor affecting housing opportunities available to a household, determining the ability to balance housing costs with other basic necessities. While housing choices, such as tenure (owning versus renting) and location of residences are mostly income-dependent, household size and type often affect the proportion of income that can be spent on housing.

The 2000 Census reported that the median household income in the Aliso Viejo CDP was \$76,409. This median income is significantly higher than that reported for Orange County (\$58,820), but with the exception of Laguna Woods, is relatively comparable to surrounding communities (Figure CP-3).

**Figure CP-3
Median Household Income – 2000**



Source: 2000 Census.

*Aliso Viejo CDP.



According to the 2000 Census, 539 households (3.4 percent) had an income of less than \$15,000, while the income for 1,078 households (6.8 percent) was below \$25,000 (Table CP-7). A large majority (nearly 76 percent) of Aliso Viejo households had incomes over \$50,000, and nearly 31 percent had incomes over \$100,000, accounting for the City’s high median income.

Table CP-7
Household Income Distribution: 1999
City of Aliso Viejo

Household Income	Number of Households	% of Households
Less than \$10,000	301	1.9%
\$10,000 - \$14,999	238	1.5%
\$15,000 - \$24,999	539	3.4%
\$25,000 - \$34,999	889	5.6%
\$35,000 - \$49,999	1,888	11.9%
\$50,000 - \$74,999	3,903	24.6%
\$75,000 - \$99,000	3,221	20.3%
\$100,000 or more	4,887	30.8%
TOTAL	15,868	100%

Source: 2000 Census.

OVERCROWDING

The Census defines overcrowding as households with more than one person per room, excluding kitchens, bathrooms, and porches. Overcrowding can result when a shortage of larger units exists within a community or in cases where high housing costs force families to take on additional roommates or choose smaller units. Overcrowding also tends to accelerate deterioration of housing. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to enhancing the quality of life.

In 2000, 983 Aliso Viejo households (6.2 percent) lived in overcrowded conditions. Comparatively, 15.7 percent of households in Orange County were overcrowded. Overall, overcrowding in Aliso Viejo is not an extensive problem.

Although the average household size was lower in 2000 for renters than for owners (2.19 versus 2.64 persons per household), overcrowding disproportionately affected renters in Aliso Viejo. The Census reported 539 renter-households (9.9 percent) lived in overcrowded conditions, compared to 444 owner-households (4.2 percent). The problem of overcrowding is likely to be most acute among large households (five or more persons). In 2000, roughly 270 large renter-households and 841 large owner-households lived in Aliso Viejo. Among larger-sized occupied housing units (three or more bedrooms) in the City, 676 were renter-occupied and 6,667 were owner-occupied. Therefore, the City’s housing stock has enough adequately sized units to deal with overcrowding; however, given that large-renter households in Aliso Viejo still disproportionately face overcrowding, many of these households may be encountering difficulty securing adequately sized rental units.

Housing Program 1, *Land Use Element*, can alleviate problems associated with overcrowding by ensuring a wide variety of housing opportunity continues to be available in the City. Housing Program 8,



Homeownership Assistance, can reduce the problem of overcrowding for large-renter households by making it more feasible for these households to purchase larger single-family homes. In addition, Housing Program 9, *Section 8 Housing Choice Vouchers*, and Program 10, *OCHA Special Needs Groups Rental Assistance Program (Family Unification)*, can assist renter-households experiencing overcrowding by making rental assistance available to facilitate moving into larger sized units.

OVERPAYMENT

While a portion of overcrowding problems might be attributable to a lack of larger housing units available for rent, analysis of another housing problem, overpayment, reveals that the incidence of overcrowding can also be attributed to a high ratio of housing costs to income. This may lead to some households taking on additional roommates or occupying smaller units than needed in an effort to reduce the housing cost burden.

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross income on housing. Problems of housing cost burden occur when housing costs rise faster than income. The prevalence of housing cost burden also varies significantly by income, household type, and household size.

In 2000, roughly 37.3 percent of Aliso Viejo households overpaid for housing. Overpayment affected approximately 36.6 percent of owner-households and 38.4 percent of renter-households. However, the problem of overpayment is highly pronounced for households earning lower incomes (see Table CP-8). For renters, 51.0 percent who overpaid for housing costs in 2000 earned incomes less than \$35,000 in 2000 compared to 18.7 percent of homeowners in this income category.

Table CP-8
Overpayment by Tenure by Income (1999)*

Income Group	Owners		Renter	
	Households	Percent	Households	Percent
Less than \$20,000	236	6.7%	426	20.4%
\$20,000 to \$34,999	423	12.0%	639	30.6%
\$35,000 to \$49,999	660	18.8%	689	33.0%
\$50,000 to \$74,999	1,240	35.2%	314	15.0%
\$75,000 to \$99,999	659	18.7%	19	0.9%
\$100,000+	300	8.5%	0	--
Total Overpayment	3,518	100.0%	2,087	100.0%

Source: 2000 Census.

*Aliso Viejo CDP.

This Housing Element contains a variety of programs aimed to enhance housing affordability by either directly assisting affected households or making affordable housing more feasible and available to residents.

SPECIAL NEEDS POPULATIONS

Certain groups have greater difficulty finding decent, affordable housing due to special needs and/or circumstances. Special circumstances may be related to one's employment and income, family characteristics, disability, and household size, among others. Consequently, certain segments of residents in Aliso Viejo may experience a higher prevalence of housing cost burden, overcrowding, or other housing problems.

"Special needs" groups include the following: senior households, persons with disabilities, large households, single-parent households (female-headed households with children in particular), homeless persons, agricultural workers, and college students. This section provides a detailed discussion of the housing needs facing each group, as well as programs and services available to address housing or related needs. Special needs groups residing in Aliso Viejo are summarized in Table CP-9.

Table CP-9
Special Needs Groups

Special Needs Groups	Persons	Households	% of City
Senior Households (65 years and older)		1,238	7.8%
Owners		460	2.9%
Renters		222	1.4%
Persons with Disabilities (5 years and older)	3,782		10.6%*
Female-headed Households with Children		1,027	6.5%
Large Households		1,111	7.0%
Owners		841	5.3%
Renters		270	1.7%
Agricultural Workers	0		0.0%
Homeless Persons	n.a.		n.a.
College Students	3,582		9.0%

Source: 2000 Census and County of Orange, 2002.

Notes:

*Percent of population five years and older.

Senior Households

Most senior households have special needs due to their relatively low, fixed incomes, physical disabilities or limitations, and dependency needs. Specifically, people aged 65 years and older often have four main concerns:

- ❖ *Housing:* Many seniors live alone and/or are renters.
- ❖ *Income:* People aged 65 and over are usually retired and living on a limited fixed income.
- ❖ *Health care:* Seniors are more likely to be in ill-health and require hospital visits or stays.
- ❖ *Transportation:* Many of the elderly rely on public transportation. A significant number of seniors with disabilities may require alternative transportation.

In 2000, 692 senior households resided in Aliso Viejo, comprising 4.3 percent of the City's total households. Of these households, two-thirds (461 households) own their homes, while the remainder



(231 households) rent. Among homeowners, roughly 41 percent overpaid for housing in 2000, while nearly 75 percent of renters overpaid. Additionally, 41 seniors were reported living below the poverty level. In addition to overpayment problems faced by seniors due to their relatively fixed incomes, many seniors are faced with various disabilities. The 2000 Census reported that 497 seniors had one or more sensory, physical, mental, self-care, mobility, or go-outside-the-home disabilities.

Various programs can address the special needs of seniors, including but not limited to congregate care, supportive services, rental subsidies, shared housing, and housing rehabilitation assistance. For the frail elderly, or those with disabilities, housing with architectural design features that accommodate disabilities can help ensure continued independent living. Seniors with mobility or self-care limitations also benefit from transportation alternatives. Senior housing with supportive services can be provided for those who require assistance with daily living.

Numerous programs and services can assist Aliso Viejo seniors. South County Senior Services is located in neighboring Laguna Woods, and Advocates for Senior Choices is located in nearby Mission Viejo. South County Senior Services offers assistance to seniors with referrals for in-home help, personal care or housekeeping, medicare, medical information, assisted living care, physicians, attorneys, and also a range of adult day services that include social and educational activities, exercise, and special outing and events. For seniors that have mobility restrictions, the South County Senior Services Transportation program provides door-to-door driver-assisted services Monday through Friday. Case managers also facilitate the Meals-on-Wheels program that operates in south Orange County. The Meals-on-Wheels program provides meals to individuals 60 years of age and older, who are living at home and unable to prepare their own meals or go out to eat, and have little or no assistance to obtain adequate meals. South County Senior Services is licensed by the State of California Department of Health Services.

Aliso Viejo has developed a variety of programs to assist seniors with special housing needs. Housing Program 2, *Zoning Ordinance*, affirms the City's commitment to develop and implement a Zoning Ordinance that addresses the housing needs of special groups. Housing Program 5, *Second Unit Ordinance*, may facilitate the development of smaller rental units that could accommodate seniors. Housing Program 9, *Section 8 Housing Vouchers*, and Program 10, *OCHA Special Needs Groups Rental Assistance Program (Hope IV – Elderly Independence)*, can provide rental assistance to seniors. And, Housing Program 13, *Fair Housing Services*, assures the City's commitment to support fair housing services for residents.

Persons with Disabilities

Physical, mental, and/or development disabilities may prevent a person from working, restrict mobility, or make it difficult to care for oneself. Thus, disabled persons often have special housing needs related to potentially limited earning capacity, the lack of accessible and affordable housing, and higher health costs associated with a disability. Some residents suffer from disabilities that require living in a supportive or institutional setting.

According to the 2000 Census, a total of 3,782 residents of Aliso Viejo over the age of five had a disability, representing approximately 10.6 percent of the City population. Among the disabled population, the Census tallied 6,027 disabilities, 39 percent of which were work place disabilities, 23

percent were conditions that restrict ability to go outside the home, 17 percent were physical disabilities, 11 percent were mental disabilities that have lasted longer than six months, and the remaining 10 percent consisted of self-care or sensory disabilities.

The living arrangement of disabled persons depends on the severity of the disability. Many live at home independently or with other family members. To maintain independent living, disabled persons may need assistance. This can include special housing design features for the disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions among others. Services are typically provided by both public and private agencies.

Programs developed by the City can assist residents with disabilities who might have special housing needs. Specifically, the City will develop and implement a Zoning Ordinance that addresses the housing needs of special groups, including the disabled (Housing Program 2, *Zoning Ordinance*). . Housing Program 5, *Second Unit Ordinance*, may facilitate the development of smaller rental units that could accommodate the disabled. Housing Program 9, *Section 8 Housing Choice Vouchers*, and Program 10, *OCHA Special Needs Groups Rental Assistance Program (Aftercare for Disabled and Shelter Care Plus)*, can provide rental assistance to the disabled. In addition, Housing Program 13, *Fair Housing Services*, ensures that services are available to promote equal housing opportunities for all persons, including those with disabilities.

Female-Headed Households

Because of their relatively lower incomes and higher living expenses, female-headed households are more likely to have difficulty finding affordable, decent, and safe housing. These households often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care/childcare, health care, and other supportive services. Female-headed families with children are a particularly vulnerable group because they must balance the needs of their children with work responsibilities, and often while earning limited incomes.

An estimated 1,027 female-headed households with children lived in Aliso Viejo in 2000, representing 6.5 percent of all households. According to the 2000 Census, 47 of these households (4.6 percent) had incomes below the poverty level.

The City funds and operates a Family Resource Center (FRC) located in Iglesia Park and offers a variety of programs and services oriented towards children. A homework club is operated three days a week in a collaborative effort with Soka University and the Saddleback Unified School District. Aliso Viejo established the South Orange County Community Coalition, which encompasses all four FRC's in South County to leverage its resources in an effort to pursue funds for expanded programming and services. In addition, the FRC makes available the Orange County Rainbow Resource Directory, which lists social services and non-profit organizations benefiting under-served populations in the region. Programs and services offered through the FRC can benefit female-headed households with children.

This Housing Element outlines a variety of City programs that can assist female-headed households with children who might have special housing needs. Programs that offer rental assistance (Housing Programs



10 and 11) can benefit female-headed households. Housing Program 13, *Fair Housing Services*, helps ensure equal housing opportunities for all persons regardless of sex, family size, or marital status.

Large Households

Large households are defined as those consisting of five or more members. An estimated 1,111 large households resided in Aliso Viejo in 2000, comprising 7.0 percent of all households. More than 75 percent of these households were homeowners (841), while less than 25 percent rented (270).

The housing needs of large households are typically met through larger units. As of 2000, Aliso Viejo had 7,343 large units (with three or more bedrooms) that could accommodate large households. Among larger-sized (three or more bedrooms) occupied housing units in the City, 676 were occupied by renters and 6,667 were owner occupied. Therefore, the City's housing stock has enough adequately sized units to deal with overcrowding; however, given that large-renter households disproportionately face overcrowding, many of these households may have difficulty securing adequately sized units for rent due probably to affordability issues

Section 8 rental assistance provided by the Housing Authority of the County of Orange can enable large families to rent units they otherwise cannot afford. As of February 2003, 12 households, or 36 percent of the Aliso Viejo households receiving Section 8 rental assistance resided in three-bedroom units.

A variety of City programs identified in this Housing Element can assist large households with special housing needs. Housing Program 1, *Land Use Element*, can alleviate housing problems experienced by many large households by ensuring a wide variety of housing opportunity is available in the City. Housing Program 8, *Homeownership Assistance*, can reduce the problem of overcrowding and overpayment for large-renter households by making it more feasible for these households to purchase larger homes. Housing Program 9, *Section 8 Housing Choice Vouchers*, and Program 10, *OCHA Special Needs Groups Rental Assistance Program (Family Unification)*, offer rental assistance to large renter-households. Housing Program 13, *Fair Housing Services*, helps promote equal housing opportunities for all persons regardless of family size.

Agricultural Workers

According to the 2000 Census, no resident of Aliso Viejo was employed in farming, forestry, or fishing occupations. The City is an urbanized community and is completely built out with the exception of a few vacant/underutilized parcels.



Homeless Persons

The Orange County homeless population consists of working families and individuals. Many live in cars, parks, under bridges, motels and in homeless shelters trying to maintain their dignity while they struggle to survive. As a result, most homeless remain hidden. According to the County, there are more than 23,000 homeless in Orange County on any given night. Of the 23,000 homeless, 16,000 are in families with children. Due to the transitory nature of homelessness, it is difficult to estimate the number of homeless individuals and/or families that regularly reside in Aliso Viejo. However, given the income profile of residents in Aliso Viejo, most households are not in the immediately at-risk category. Often, homelessness is a spiraling-down process; households facing employment or other crisis would move to successively less costly communities. Nevertheless, a variety of shelters are available in nearby communities to those experiencing homelessness (Table CP-10).

Regional strategies to combat homelessness are developed through Orange County's Continuum of Care System. The goal of the Continuum of Care Strategic Plan is to work toward a seamless system of care through advocacy, homeless prevention, outreach and assessment, emergency shelter, transitional shelter and permanent affordable housing. The City of Aliso Viejo continues to participate in the Orange County Continuum of Care system and contributes to the regional effort by providing letters of support and participating in a survey of funding allocated for homeless services in the County.

Table CP-10
Nearby Homeless Shelters

Homeless Shelter	Location
Cold Weather/Laguna Beach	Laguna Beach
CSP Youth Shelter	Laguna Beach
Friendship Shelter	Laguna Beach
Interfaith Interim Housing	Laguna Hills
Saddleback Community Outreach	Laguna Hills

In addition, Aliso Viejo has developed housing programs outlined in this Housing Element to assist those who may experience homelessness. Provisions for accommodating emergency shelters and transitional housing will be addressed in the City's new Zoning Ordinance (Housing Program 2). Housing Program 10, *OCHA Special Needs Groups Rental Assistance Program (Shelter Care Plus)*, provides rental assistance to those with disabilities and experiencing homelessness.

College Students

Aliso Viejo is home to Soka University of America and is located relatively close to several other regional colleges and universities including UC Irvine, Chapman University, and Vanguard University. According to the 2000 Census, 3,582 residents of Aliso Viejo were enrolled in a college or university, a substantial increase from the 943 students listed in the 1990 Census.

Soka University of America is a new college campus that admitted its first 120 students in the fall of 2001 and had an enrollment of approximately 200 students in the 2002-03 academic year. All students attending Soka University are required to live on campus. The University has a capacity to house 500 students and this is expected to grow to 1,200 over the next ten years. Therefore, Soka University does



not create additional student housing demand in Aliso Viejo. UC Irvine is the largest university and offers a range of housing options on- and off-campus for students. Nevertheless, the City’s proximity to other universities makes it a place where students are likely to live. College students may benefit from City Housing Program 5, *Second Unit Ordinance*, which may allow for the provision of second dwelling units that could be rented to students.

HOUSING UNIT GROWTH AND TYPE

Since 1990, Aliso Viejo has experienced substantial housing growth. The housing stock in the City increased by 170.7 percent, from 6,028 housing units in 1990 to 16,320 units in 2000 (Table CP-11). The level of housing growth was substantially higher than that for nearby cities and the County. In addition, the City recorded that an additional 2,034 units have been built since the April of 2000, bringing the City’s housing stock to 18,354 units.

Table CP-11
Housing Unit Growth Trends

Jurisdiction	1990	2000	Numeric Change	Percent Change
Aliso Viejo	6,028	16,320	10,292	170.7%
Laguna Hills*	24,057	11,303	-12,754	-53.0%
Newport Beach	34,861	37,288	2,427	7.0%
Laguna Niguel	18,892	23,885	4,993	26.4%
Mission Viejo	26,393	32,985	6,592	25.0%
Laguna Beach	12,846	12,965	119	0.9%
Total Orange County	875,072	969,484	94,412	10.8%

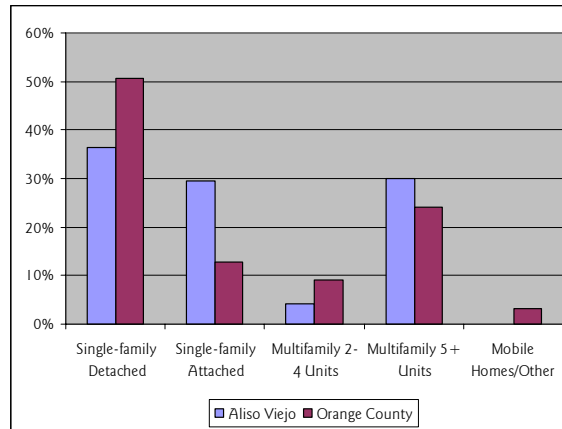
Source: 1990 and 2000 Census.

*1990 data for Laguna Hills is from the CDP and includes areas not counted in the 2000 Census, accounting for the apparent drop in housing units.

Aliso Viejo offers a wide variety of housing types to meet the needs of its current and future residents. In 2000, 36.3 percent of the housing stock consisted of single-family detached homes, 29.4 percent were single-family attached homes (townhouses), and over 34 percent were multi-family units (condominiums or apartments). This housing stock composition is fairly comparable to that of Orange County, where over 50 percent of the housing stock consists of single-family detached homes, nearly 13 percent were single-family attached homes, and 33 percent were multi-family units (Figure CP-4).



Figure CP-4
Housing Stock Composition



Source: 2000 Census.

HOUSING AGE AND CONDITION

Housing age may be an important indicator of housing condition within a community. Housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood.

Housing units in Aliso Viejo are relatively new when compared to the age of the Orange County housing stock (Table CP-12). While over 75 percent of Orange County's housing stock was built prior to 1990, over 75 percent of Aliso Viejo's housing stock was constructed after 1990. A general rule in the housing industry is that structures older than 30 years begin to show signs of deterioration and require reinvestment to maintain their quality. Therefore, based on age alone, only 212 units or approximately one percent of the housing stock would require maintenance and rehabilitation to prevent significant deterioration. Although few housing units in Aliso Viejo are more than 30 years of age, and problems associated with age and deterioration are likely to be minimal, Housing Program 11, *Code Enforcement*, is designed to identify early, potential condition and maintenance problems that could arise as the housing stock ages.



**Table CP-12
Housing Age**

Year Built	Aliso Viejo		Orange County	
	Number of Units	Percent of Total	Number of Units	Percent of Total
1939 or Earlier	16	0.0%	24,647	2.5%
1940-1959	33	0.2%	152,980	15.8%
1960-1969	163	0.9%	218,690	22.6%
1970-1979	310	1.7%	267,467	27.6%
1980-1989	3,672	20.0%	169,309	17.5%
1990- March 2000	12,126	66.1%	136,391	19.6%
April 2000-Jan. 2003	2,034	11.1%	17,122	1.8%
Total	18,354	100.0%	969,484	100%

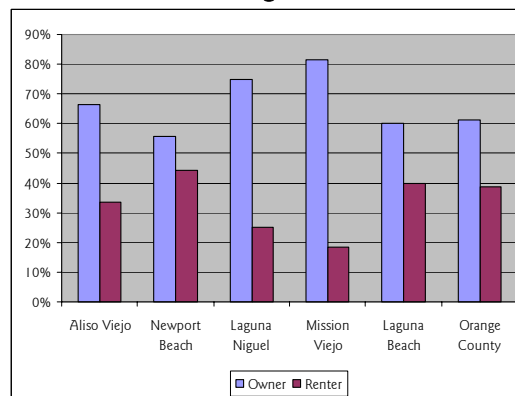
Source: 2000 Census, California Department of Finance 2003, City of Aliso Viejo.

HOUSING TENURE AND AVAILABILITY

Housing tenure and vacancy rates are important indicators of the supply and cost of housing. Housing tenure refers to whether a unit is owned or rented. Vacancies are an important housing market indicator in that the vacancy rate often influences the cost of housing and reflects the match between housing demand and availability.

In 2000, 66.5 percent of Aliso Viejo residents owned the units they occupied, while 33.5 percent rented (Figure CP-5). This rate of homeownership is slightly higher than that of the County (61.4 percent), Newport Beach (55.7 percent), and Laguna Beach (60.1 percent), but lower than that of Laguna Hills (75.2 percent), Laguna Niguel (75.0 percent), and Mission Viejo (81.4 percent).

**Figure CP-5
Housing Tenure**



Source: 2000 Census.

Nearly 46 percent of Aliso Viejo’s occupied housing stock consists of “large units” defined as units with three or more bedrooms, with over 54 percent of occupied units having two or fewer bedrooms (Table CP-13). The average household size for owner-households (2.64) was significantly greater than that for renter-households (2.19) in Aliso Viejo in 2000. The tenure of occupied housing units in the City reflects



this disparity. While renter-households disproportionately face overcrowding problems in Aliso Viejo, the number of large housing units occupied by renters (654) is substantially higher than the number of large renter-households (269). This suggests that although the supply of larger sized rental units is plentiful, large renter-households may still have difficulty securing these larger units.

**Table CP-13
Tenure by Number of Bedrooms**

Bedrooms	Owner Occupied	Renter Occupied	Percent of Occupied Units
Studio	63	286	2.2%
1 bedroom	539	1,904	15.4%
2 bedrooms	3,348	2,506	36.9%
3 bedrooms	4,205	539	29.9%
4 bedrooms	2,014	110	13.4%
5+ bedrooms	349	5	2.2%
Average household size	2.64	2.19	

Source: 2000 Census.

A certain number of vacant units are needed to moderate the cost of housing, allow sufficient choice for residents, and provide an incentive for unit upkeep and repair. Specifically, a vacancy rate of 1.5 to 2 percent for ownership housing and 5 to 6 percent for rental housing is considered necessary to balance demand and supply for housing.

According to the 2000 Census, the overall vacancy rate in Aliso Viejo was 2.8 percent with 452 vacant housing units. Among these units, 47 were available for sale, and 218 were available for rent. Subtracting the 186 units that were listed as seasonal or recreational use or were vacant, but not available for rent or sale, the for-sale vacancy rate was 0.2 percent and the rental vacancy rate was 1.3 percent. The vacancy rates for homeownership and rental housing Aliso Viejo are below optimal levels, suggesting pent up demand for housing, as well as potential price escalation among available units. The City’s suboptimal 1.3 percent rental vacancy rate likely contributes to overpayment and overcrowding problems experienced by households earning lower incomes.

Low vacancy rates can be attributed to pent-up demand in the local and/or regional housing market. Through the Community Benefit Overlay mechanism described in detail in the Land Use Element, the City has created the potential for additional ownership and rental opportunities in Aliso Viejo (see Housing Programs 1, *Land Use Element*, and 3, *Affordable Housing Provision*).



HOUSING COSTS AND AFFORDABILITY

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of housing cost burden and overcrowding. This section summarizes the cost and affordability of the housing stock to Aliso Viejo residents.

Homeownership Market

Prices for homes and condominiums sold in Aliso Viejo from January 1, 2002 through December 31, 2002 were collected and analyzed¹. During this time period, 522 homes and 1,162 condominiums were sold (Table CP-14). The median sale price for a home was \$410,000 (range \$40,000 to \$1,860,000) and \$290,000 for a condominium (range \$20,000 to \$475,000).

Table CP-14
Home and Condominium Sales
January 1, 2002 through December 31, 2002

Unit Type	Number Sold	Range	Median Sale Value
<i>Home</i>	522	\$40,000 to \$1,860,000	\$410,000
1 Bedroom	2	\$376,000 to \$393,000	\$383,000
2 Bedroom	35	\$161,000 to \$395,000	\$205,000
3 Bedroom	107	\$163,500 to \$530,000	\$277,000
4+ Bedroom	28	\$300,000 to \$645,000	\$433,250
Not Listed	350	\$40,000 to \$1,860,000	\$421,000
<i>Condominium</i>	1,162	\$20,000 to \$475,000	\$290,000
1 Bedroom	59	\$150,000 to \$306,500	\$191,000
2 Bedroom	223	\$135,000 to \$345,000	\$250,000
3 Bedroom	125	\$20,000 to \$395,000	\$313,000
4+ Bedroom	1	\$394,000	\$394,000
Not Listed	754	\$20,500 to \$475,000	\$305,000
<i>Total</i>	1684	\$20,000 to \$1,860,000	\$314,750

Source: DataQuick, January 2003.

Additional sources² were consulted to provide a better understanding of the home sale market in Aliso Viejo. The internet listed 112 homes and 122 condominiums for sale in January of 2003. During this month, the median asking price for a home was \$341,300 (range \$325,000 to \$1,025,000) and the median asking price for a condominium or town home was \$302,450 (range \$170,000 to \$449,000). A majority of the homes and condominiums available for sale (162 units) were larger units with three or more bedrooms. Very few units (12) for sale contained two bedrooms or fewer, indicating that singles or two-person households might have difficulty finding smaller units for sale in Aliso Viejo (Table CP-15).

¹ DataQuick real estate database, compiled from County Assessor's records.

² Internet listings such as Realtor.com.



**Table CP-15
Home and Condominium/Townhouse Asking Prices**

Type	Number	Range	Median
<i>Home</i>	112	\$325,000 to \$1,025,000	\$431,300
2 Bedroom	4	\$325,000 to \$359,900	\$342,400
3 Bedroom	56	\$325,000 to \$529,900	\$404,500
4+ Bedroom	52	\$399,900 to \$1,025,000	\$509,450
<i>Condominium/Townhouse</i>	122	\$170,000 to \$449,000	\$302,450
1 Bedroom	8	\$170,000 to \$219,900	\$196,000
2 Bedroom	62	\$244,900 to \$344,900	\$279,900
3+ Bedroom	52	\$245,000 to \$449,900	\$334,950
<i>Total</i>	234	\$170,000 to \$1,025,000	\$349,450

Source: Realtor.com, January 2003.

Rental Market

Data on rental housing units was compiled from three internet-based real estate sources during January of 2003.³ With renters comprising approximately 34 percent of the City's households, it is important to understand the rental market in terms of apartments available as well as home or other single-family rental opportunities.

The rental rates for one-bedroom units offered in Aliso Viejo ranged from \$1,065 at Archstone at Aliso Viejo to \$1,675 at City Lights (Table CP-16). For two-bedroom units, rental rates ranged from a \$1,360 at Archstone Aliso Town Center to \$2,575 at City Lights. Only two apartment complexes listed three-bedroom units for rent. A three-bedroom unit at Barcelona Apartments ranged from \$1,865 to \$1,925, while the same sized unit ranged from \$2,145 to \$2,305 at St. Moritz Resort.

In addition to apartments, homes, condominiums, and town homes are options for renters in Aliso Viejo. During the month of January 2003, a number of homes and condominiums/town homes were listed for rent (Table CP-17). The rental price range for a home was \$1,400 to \$3,100, with a median rental price of \$2,100. The rental price range for a condominium or townhouse was \$1,050 to \$2,200, with a median rental price of \$1,700. While there were 45 units with three or more bedrooms offered for rent, the median monthly rent was approximately \$2,000, similar to rents listed for three-bedroom apartment units.

Given that approximately 25 percent (269) of large households in Aliso Viejo are renters, the scarcity and high cost of advertised rental units with three bedrooms or more indicate that larger renter households with lower incomes might have difficulty securing adequately sized and affordable housing.

³ Apartments.com, Springstreet.com, and OCRegister.com.



**Table CP-16
Apartment Rental Rates**

Apartment Complex	Rental Price Range
Archstone Aliso Town Center	
1-Bedroom	\$1,070 to \$1,460
2-Bedroom	\$1,360 to \$1,460
Barcelona Apartments	
1-Bedroom	\$1,295 to \$1,395
2-Bedroom	\$1,435 to \$1,795
3-Bedroom	\$1,865 to \$1,925
City Lights	
1-Bedroom	\$1,120 to \$1,675
2-Bedroom	\$1,520 to \$2,575
Aliso Creek Apartments	
1-Bedroom	\$1,095
2-Bedroom	\$1,550 to \$1,570
Innsbruck Resort	
1-Bedroom	\$1,155 to \$1,265
2-Bedroom	\$1,465 to \$1,595
St. Moritz Resort	
1-Bedroom	\$1,225 to \$1,375
2-Bedroom	\$1,655 to \$1,765
3-Bedroom	\$2,145 to \$2,305
Aventine at Aliso Viejo	
1-Bedroom	\$1,215 to \$1,705
2-Bedroom	\$1,460 to \$1,710
Alicante at Aliso Viejo	
1-Bedroom	\$1,145 to \$1,630
2-Bedroom	\$1,410 to \$1,760
Archstone at Aliso Viejo	
1-Bedroom	\$1,065 to \$1,435
2-Bedroom	\$1,406 to \$1,749
Alize	
1-Bedroom	\$1,155 to \$1,655
2-Bedroom	\$1,435 to \$1,740
Canyon Point	
1-Bedroom	\$1,175 to \$1,525
2-Bedroom	\$1,475 to \$1,675

Source: Apartments.com and Springstreet.com, January 2003.



**Table CP-17
Single Family Rental Rates**

Unit Type	Number of Units	Range	Median
<i>Homes</i>	34	\$1,400 to \$3,100	\$2,100
2-Bedroom	3	\$1,900 to \$2,195	\$2,000
3-Bedroom	22	\$1,400 to \$2,300	\$1,995
4-Bedroom	9	\$2,200 to \$3,100	\$2,200
<i>Condominium/Townhouse</i>	47	\$1,050 to \$2,200	\$1,700
1-Bedroom	3	\$1,050 to \$1,400	\$1,250
2-Bedroom	30	\$1,300 to \$2,000	\$1,495
3-Bedroom	14	\$1,875 to \$2,200	\$1,963
<i>Total</i>	81	\$1,050 to \$3,100	\$1,950

Source: OCRegister.com, January 2003.

Affordability by Household Income

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs to households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum housing price that can be affordable by households in the upper range of their respective income category. The maximum affordable home and rental prices for residents of Orange County are shown in Table CP-18. The market-affordability of the City's housing stock for each income group is discussed below.

Very Low Income Households: HCD estimated the 2002 Orange County Median Family Income (MFI) to be \$75,600 for a family of four. Very low income households are classified as those earning 50 percent or less of the County MFI. The maximum affordable rental payment ranges from \$611 per month for a one-person household to \$870 per month for a family of five. Based on the rental data presented in the *Rental Market* subsection above, households of all sizes would likely have difficulty securing adequately sized and affordable rental housing in Aliso Viejo. Similarly, very low income households are also priced out of market-rate ownership housing opportunities.

Low Income Households: Low income households earn 80 percent or less of the County MFI. The maximum home prices a low income household can afford range from \$127,500 for a one-person household to \$193,700 for a five-person family. Based on the sales data presented in the *Homeownership Market* subsection above, low income households would have difficulty finding adequately sized homes for-sale within their affordable range. However, after deductions for utilities, taxes and insurance, a two- or more person low income household could possibly find affordable rental housing in several apartment complexes.



Moderate Income Households: Moderate income households earn up to 120 percent of the County MFI. The maximum affordable home prices for moderate income households range from \$220,500 for a one-person household to \$341,500 for a family of five. Based on these maximum affordable home prices and the data presented in *Homeownership Market* subsection above, moderate income households could afford a wide range of for-sale product with three bedrooms or fewer. Similarly, moderate income households could afford most of the rental units offered in Aliso Viejo.

**Table CP-18
Housing Affordability Matrix, 2001**

Income Group	Family Size	Income Levels		Utilities	Taxes & Insurance	Max. Affordable Price	
		Annual Income	Affordable Payment			Ownership	Rental
Very Low	One Person	\$26,450	\$661	\$50	\$50	\$89,187	\$611
	Small Family	\$34,000	\$850	\$100	\$50	\$111,236	\$750
	Median Family	\$37,800	\$945	\$100	\$50	\$126,332	\$845
	Large Family	\$40,800	\$1,020	\$150	\$50	\$130,305	\$870
Low	One Person	\$38,100	\$953	\$50	\$100	\$127,524	\$903
	Small Family	\$48,950	\$1,224	\$100	\$100	\$162,683	\$1,174
	Median Family	\$54,400	\$1,360	\$100	\$100	\$184,334	\$1,260
	Large Family	\$58,750	\$1,469	\$150	\$100	\$193,670	\$1,319
Moderate	One Person	\$63,500	\$1,588	\$50	\$150	\$220,486	\$1,538
	Small Family	\$81,650	\$2,041	\$100	\$150	\$284,645	\$1,991
	Median Family	\$90,700	\$2,268	\$100	\$150	\$320,598	\$2,168
	Large Family	\$97,950	\$2,449	\$150	\$150	\$341,455	\$2,299

Notations:

1. Small Family = 3 persons; Median Family = 4 persons; Large Families = 5 or more persons
2. Monthly affordable rent based on payments of no more than 30 percent of household income.
3. Property taxes and insurance based on averages for the region
4. Calculation of affordable home sales prices based on a downpayment of 10 percent, annual interest rate of 7.5 percent, 30-year mortgage, and a monthly payment of gross household income.

AT-RISK RENTAL HOUSING

Existing housing that receives governmental assistance is often an important source of affordable housing in many communities. This section identifies the publicly assisted rental housing in Aliso Viejo, evaluates the potential to convert to market rates during the next-ten year period (July 2000 to June 2010), and analyzes the cost to preserve those units. Resources for preservation/replacement are described later in this Element. In addition, this section discusses the availability of Section 8 vouchers within Orange County and Aliso Viejo.

Assisted Housing Inventory

Aliso Viejo has two assisted multi-family housing developments that provide 174 affordable housing units (Table CP-19). The Wood Canyon Villas property includes 46 units assisted through a County of Orange Bond that expires in 2031. Among the assisted units, 21 are one-bedroom units and 25 are two-bedroom units. All 128 units of the Woodpark Apartments are assisted through the Low Income Housing Tax Credit Program and are to remain rent-restricted until 2050. Among these affordable units, 30 units have one-bedroom, 54 have two-bedrooms, and 44 are three-bedroom units. No rent-restricted units are at risk of converting to market-rate rents during the period of January 2000 to June, 2010. As affordable housing opportunities are expanded in the future, the City will monitor the status, notify residents of potential conversion, and pursue options to preserve the units (Housing Program 12, *Conservation of Existing and Future Affordable Units*).

Table CP-19
Inventory of Assisted Rental Housing

Project Name	Total Units	Assisted Units	Number of Bedrooms	Funding Source(s)	Earliest Date of Conversion	At Risk?
Wood Canyon Villas	230	46	21 – 1br 25 – 2br	County of Orange Mortgage Revenue Bond	2031	No
Woodpark Apartments	128	128	30 – 1br 54 – 2br 44 – 3br	LIHTC	2050	No
Total	358	174				

Housing Choice Voucher (Section 8) Program

The Housing Choice (Section 8) voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to rent decent, safe, and sanitary housing in the private market. Since the rental assistance is provided on behalf of the family or individual, participants are able to find and lease privately owned housing, including single-family homes, townhouses and apartments from landlords who accept vouchers.

The Orange County Housing Authority (OCHA) coordinates and administers Section 8 rental assistance on behalf of the City of Aliso Viejo. According to the OCHA, approximately 33 households are receiving



Section 8 assistance in Aliso Viejo and 55 households were on the waiting list in February 2003 (Table CP-20).

Table CP-20
Section 8 Tenants and Waiting List by Number of Bedrooms

Number of Bedrooms	Number Assisted	%	Number on Waiting List	%
1	11	33%	47	85%
2	10	30%	6	11%
3	12	36%	1	2%
4	0	0%	1	2%
5	0	0%	0	0%
TOTAL	33	100%	55	100%

Source: OCHA, February 2003.

Like many other urban areas, the demand for rental assistance in Orange County is very high. OCHA opened its Waiting List in June 2001 and received more than 17,000 pre-applications during a one-month period. On July 1, 2001, OCHA closed the list and began processing these applicants to receive Housing Vouchers in October 2002. The Department of HUD has awarded new funding for an additional 820 Housing Choice Vouchers that will enable OCHA to increase the issuance of Vouchers from approximately 100 per month to as many as 250 Vouchers per month after October. However, it may take as long as three to five years to deplete the current waiting list and accept applications for a new list.

Section 8 applicants who have special needs can be assisted through separate programs identified in Housing Program 10, *OCHA Special Needs Groups Rental Assistance Program*, and are not placed on this waiting list. Programs 9, *Section 8 Rental Assistance*, and 10, *OCHA Special Needs Groups Rental Assistance Program*, of this Housing Element address the need for improving access to and operation of the Section 8 Program.



CONSTRAINTS ANALYSIS

Aliso Viejo strives to provide a variety of housing opportunities for current and future residents. However, a variety of factors can constrain the development, maintenance, and improvement of housing. These include market mechanisms, government codes, and physical and environmental constraints. This section addresses these potential constraints that affect the supply and affordability of housing in Aliso Viejo.

MARKET CONSTRAINTS

Land costs, construction costs, and market financing contribute to the cost of housing reinvestment, and can potentially hinder the production of new housing. Although many constraints are driven by market conditions, jurisdictions have some leverage in instituting policies and programs to address such constraints. The section below analyzes these market constraints as well as the activities that the City undertakes to mitigate their effects.

Development Costs

Construction costs vary widely according to the type of development, with multi-family housing generally less expensive to construct than single-family homes. However, wide variation within each construction type exists depending on the size of the unit and the number and quality of amenities provided, such as fireplaces, swimming pools, and interior features among others.

The International Conference of Building Officials (ICBO) established the average cost of labor and materials for a typical Type V wood frame housing. In 2001, these cost estimates were based on “good” quality construction, providing materials and fixtures well above the minimum required by State and local building codes. The average per square foot cost for “good” quality housing was approximately \$95 for multi-family housing and \$107 for single-family homes.

Housing Programs 4, *Density Bonus Ordinance*, 6, *Expedited Project Review*, and 7, *Flexibility from Development Standards* can reduce the cost of development for projects proposing housing affordable to lower income households.

Land Costs

The cost of raw land typically accounts for a large share of total housing production costs. Land costs may vary depending on whether the site is vacant or has an existing use that must be removed. Similarly, site constraints such as environmental issues (i.e. steep slopes, soil stability, seismic hazards or flooding) can be a factor driving up the cost of developable land.

According to an article in the Orange County Register (2002), as demand for land in the County has increased, so have prices. A one-acre parcel approved for development ranges in price from \$700,000 to \$2,000,000, up from \$500,000 to \$1,200,000 in 2000. Prices also vary depending on density, proximity to the ocean and location within the County. The 1999 *Orange County Affordable Housing Strategy*



indicated that land costs in southern Orange County are particularly high, with a 4,000- square-foot finished single-family lot selling for approximately \$165,000. Aliso Viejo is fairly close to the coast and vacant land within the City is scarce. Therefore, the price of existing vacant land could be expected to comprise a significant portion of the cost of housing produced on these sites.

Housing Programs 4, *Density Bonus Ordinance*, 6, *Expedited Project Review*, and 7, *Flexibility from Development Standards* can reduce the impact of land costs on overall development costs for projects proposing housing affordable to lower income households.

Availability of Home Financing

Although interest rates have fallen dramatically over the past few years, they still have a substantial impact on housing costs for both purchasers and developers. An additional obstacle for homebuyers continues to be the down payment required by lending institutions.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions must disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases and improvements, whether financed at market rate or through federal assistance. The primary concern in a review of lending activity is to see whether home financing is generally available to all income groups in the community.

Table CP-21
Disposition of Home Purchase Loans
City of Aliso Viejo and Orange County, 2001

Applicant Income	City of Aliso Viejo				Orange County			
	Total Apps.	% Orig.	% Denied	% Other*	Total Apps.	% Orig.	% Denied	% Other*
Low Income (<80% MFI)	326	67%	14%	19%	13,080	59%	20%	21%
Moderate Income (80 to 120% MFI)	895	69%	12%	19%	19,341	68%	12%	20%
Upper Income (>120% MFI)	1,961	68%	9%	23%	41,810	68%	10%	22%
Not Available	154	58%	17%	25%	3,571	57%	16%	27%
Total	3,336	68%	11%	21%	77,802	66%	12%	22%

Source: Home Mortgage Disclosure Act (HMDA) data, 2001.

*Other includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

Of the 3,336 applications for conventional mortgage loans to purchase homes in Aliso Viejo in 2001, approximately 68 percent were originated (approved by the lenders and accepted by the applicants). The overall denial rate was 11 percent, while 21 percent of the applications were withdrawn, closed for incompleteness, or not accepted by the applicants (Table CP-21). A higher proportion of loans were originated in Aliso Viejo than in Orange County as a whole (68 percent versus 66 percent). Low income applicants had the highest denial rate among the three income groups (14 percent); however this was considerably lower than the overall denial rate in Orange County (20 percent) and the rate of origination within this income group was substantially higher than that in the County (67 percent versus 59 percent).

Moderate and upper income households experienced similar rates of loan origination and denial within Aliso Viejo and the County. Housing Program 8, *Homeownership Assistance*, can make obtaining home purchase loans more feasible for lower income residents.

Table CP-22
Disposition of Home Improvement Loans
City of Aliso Viejo and Orange County, 2001

Applicant Income	City of Aliso Viejo				County of Orange			
	Total Apps.	% Orig.	% Denied	% Other*	Total Apps.	% Orig.	% Denied	% Other*
Low Income (<80% MFI)	46	33%	50%	17%	2,837	33%	43%	24%
Moderate Income (80 to 120% MFI)	73	59%	21%	20%	2,623	44%	29%	27%
Upper Income (> 120% MFI)	202	49%	24%	27%	5,186	53%	20%	27%
Not Available	19	11%	63%	26%	678	11%	51%	38%
Total	340	47%	29%	24%	11,324	44%	30%	26%

Source: Home Mortgage Disclosure Act (HMDA) data, 2001.

*Other includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

In general, origination rates for home improvement loans are lower than rates for home purchase loans. This was the case for Aliso Viejo and Orange County in 2001. In Aliso Viejo, only 47 percent of the 340 applicants had loans originated, and 29 percent of these applicants had their applications denied (Table CP-24). Aliso Viejo had a higher rate of denial among low income applicants than did Orange County (50 percent versus 43 percent). Among moderate income applicants, the City had a higher rate of origination (59 percent versus 44 percent) and a lower rate of denial (21 percent versus 29 percent) than the County. Upper income applicants for home improvement loans in Aliso Viejo experienced a lower rate of origination (49 percent versus 53 percent) and higher rate of denial (24 percent versus 20 percent) when compared to upper income applicants in Orange County.

In addition to conventional mortgages, HMDA tracks loans for government-assisted mortgages (e.g. FHA, VA, FNMA, etc.). Government-backed lending is not widely used in Aliso Viejo. In 2001, 260 applicants applied for government-backed home purchase loans, while no residents applied for government-backed home improvement loans. Among home purchase loan applicants, 31 percent earned low incomes, 42 percent had moderate incomes, 24 percent had upper incomes, and the remaining had income information. Among low income applicants, 79 percent had loans originated. Moderate income applicants experienced a similarly high rate of origination at 76 percent. The highest rate of origination was among upper income applicants, as 82 percent of applications from this income group resulted in loan origination.



Construction Financing

Prior to the recession of the early 1990s, and significant changes in lending practices following the savings and loan scandal of the late 1980s, developers could receive loans for 100 percent or more of the project's estimated future value. Now, construction and permanent loans are almost never available for over 75 percent of the future project value for multi-family developments. This means that developers must usually supply at least 25 percent of the project value, and perhaps more if the total cost is more than 75 percent of the estimated value of the project.

The financing of a residential project, particularly affordable housing is quite complex. No firm threshold determines an acceptable 'return' on investment, nor the maximum equity contribution at which an otherwise feasible project becomes infeasible. Upfront cash commitment may not even be problematic for some developers as long as the project can generate an acceptable net cash flow to meet the acceptable returns. Although financing costs impact project feasibility, these problems are generally equal across jurisdictions and thus are not a unique constraint to housing production in Aliso Viejo.

GOVERNMENTAL CONSTRAINTS

Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors may constrain the maintenance, development and improvement of housing.

Land Use Controls

Most of the land in Aliso Viejo has been developed or is preserved for open space or recreation. The City's Land Use Element designates approximately 1,500 acres, or 40 percent of the City land area for a wide variety of residential uses to ensure adequate housing opportunity for its residents. The distribution of residential uses specified in the Land Use Element is depicted on the Land Use Policy Map and include:

- ~ Very Low Density Residential (VLDR) – maximum 5 units per acre
- ~ Low Density Residential (LDR) – maximum 8 units per acre
- ~ Medium Density (MDR) – maximum 18 units per acre
- ~ High Density (HDR) – maximum 30 units per acre
- ~ Very High Density Residential (VHDR) – maximum 50 units per acre

VLDR and LDR uses account for 45 percent of all residential uses in Aliso Viejo, while MDR constituted 33 percent. HDR uses are 20 percent of the overall residential mix and the remaining 2 percent is comprised of VHDR uses.

Housing Program 1, *Land Use Element*, ensures the City will continue to provide a wide variety of housing opportunities for current and future residents through implementation of its Land Use Element.

Residential Development Standards

Most of Aliso Viejo is built out and the community has very few opportunities for new development. However, the opportunity for new housing development created by the Community Benefit Overlay (CBO) mechanism may be constrained by City's residential development standards. The City is comprised of portions of two master-planned communities: Aliso Viejo Planned Community and the Rossmoor Leisure World Planned Community. The area in northern Aliso Viejo that was part of the Rossmoor Leisure World Planned Community represents a small percentage of the City's land. There are no opportunities for new development in this area and the potential for redevelopment is low as existing uses are in good condition. There are limited opportunities for new development and redevelopment in the remaining portions of the City governed by development standards established in the Aliso Viejo Planned Community Development Plan.

Aliso Viejo Planned Community: The Aliso Viejo Planned Community Development Plan and Supplemental Text established development standards for land uses permitting residential development (Table CP-23).

Table CP-23
Residential Development Standards

Use	Minimum Site Area	Site Width	Site Coverage	Max Height	Setbacks		
					Front or Side abutting Street	Other Side(s)	Rear
Single-family Detached	3,000 sq. ft.	No minimum	No Maximum	35 ft.	10 ft.	10 ft. comb.	10 ft.
Single-family Attached	3,000 sq. ft.	No Minimum	No Maximum	35 ft.	10 ft.	none	none
Cluster Subdivision	No Minimum	No Minimum	No Maximum	35 ft.	10 ft.	10ft.	10 ft.
Multifamily	1,000 sq. ft. ¹	No Minimum	60 % Maximum	35 ft.	--	20 ft. ²	--
Urban Activity Center	No Minimum	No Minimum	Not Specified	No Max. ³	--	20ft. ⁴	--

Notes:

1. Minimum Area per Unit.
2. Setback refers to the number of feet from any exterior property line. There are no internal set back requirements.
3. No maximum, except that buildings more than 35 ft in height must be set back from all property lines abutting residential planning areas, a distance equal to the height of the building.
4. Setback refers to the number of feet from all property lines abutting residential planning areas, except if the building height is more than 35 ft. in which case the setback follows the standard set out in notation #3.

Housing Program 2, *Zoning Ordinance*, commits the City to develop and implement a Zoning Ordinance to guide future development in Aliso Viejo. In addition, the City intends to offer flexibility and incentives to facilitate affordable housing development based on criteria to be developed in the Zoning Ordinance (Housing Program 2, *Zoning Ordinance*). These may include modified parking standards and open space requirements, and flexibility in height and setback requirements.



Parking Standards

Stringent parking standards may constrain housing developed and reduce the viability of potential affordable housing projects by reducing the number of units that can be built. Currently, the City establishes the off-street parking needed to adequately serve a proposed development on a project-by-project basis through the development agreement process.

Provision for a Variety of Housing

A balanced community must offer a range of housing options for all economic segments of the population. This includes single-family housing, multi-family housing, factory-built or manufactured housing, mobile homes, emergency shelters, and transitional housing among others.

**Table CP-24
Aliso Viejo Planned Community**

	Residential Areas	Town Center	Urban Activity Center	Community Facility	Other Areas*
Multi-family Units	P	NP	P	NP	NP
Manufactured Housing/Mobile Homes	P	NP	P	NP	NP

*Other areas include: Highway Commercial, Business Park, Service Station, Recreation, and Agricultural/Greenbelt.

Multi-Family Units: Multi-family residential use is currently permitted in the Residential Areas and Urban Activity Center of the Aliso Viejo Planned Community Plan (Table CP-24). Much of the land within the Community Plan has already been built out. Future multi-family development can be achieved on the few remaining vacant properties through the Community Benefit Overlay. When the City prepares its Zoning Ordinance, the City will ensure a range of multi-family residential uses is permitted, with appropriate development standards and densities.

Manufactured Housing/Mobile Homes: Manufactured housing and mobile homes offer an affordable homeownership option to many low and moderate income households. In accordance with State law, the City of Aliso Viejo allows manufactured housing by right in all residential zones providing these units are built to meet the California Building Code in accordance with applicable factory-built regulations.

Residential Care Facilities: Residential care facilities can be described as any family home, group care facility or similar facility for 24-hour non-medical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living. The Aliso Viejo Planned Community Development Plan does not expressly permit, nor prohibit residential care facilities.

Both the Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to waive a

setback requirement so that a paved path of travel can be provided to residents who have mobility impairments. A similar waiver might not be required for a different type of group home where residents are not physically disabled. Whether a particular modification is reasonable depends on the facts, and must be decided on a case-by-case basis. As the City prepares its first Zoning Ordinance, the City will ensure provisions are included to address licensed community care facilities and housing for persons with disabilities, including procedures for reasonable accommodation. Provisions will facilitate and encourage the development of such housing facilities.

Emergency Shelters and Transitional Housing: Emergency shelters can be defined as charitable or public service organizations that provide temporary 24-hour shelter services primarily to the homeless. Transitional housing is a type of supportive housing used to facilitate the movement of homeless individuals and families to permanent housing. Transitional housing typically offers case management and support services to return people to independent living as soon as possible, typically between 6-24 months. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multifamily apartments. The Aliso Viejo Planned Community Development Plan does not expressly permit, nor prohibit emergency shelters or transitional housing. The new Zoning Ordinance to be prepared will include provisions for permitting emergency shelters and transitional housing via a conditional use permit process. The conditions for approval will focus on performance standards for the proposed uses and will not be different from those required for similar uses.

Planning and Development Fees

Planning and development fees can increase the cost of housing and are a constraint to the implementation of affordable housing projects. Upon incorporation, Aliso Viejo adopted County of Orange planning and development fees to cover the cost of processing permits and providing certain services and utilities (see Table CP-25). While fees may potentially constrain the development of affordable housing, they are necessary for the City to continue providing essential planning and building services.

On- and Off-Site Improvements

The City of Aliso Viejo was developed entirely as a master-planned community under a master development agreement. The agreement specifies on- and off-site improvements required, consistent with the Orange County standards. The few remaining vacant sites in the City already have vested development rights as part of this master agreement. On- and off-site improvements must comply with the requirements of the agreement.



**Table CP-25
Planning and Development Fees**

Services	Initial Deposit
<i>Planning Services</i>	
Area Plan	\$2,000
Assessment District Processing	\$2,000
Coastal Development Permit, single family dwelling to Zoning Admin.	\$2,000
Coastal Development, other	\$1,500
Development Agreement	\$5,000
Feature Plan	\$2,000
General Plan Amendment	\$5,000
Sand & Gravel Site Permit and Excavation Plan Check	\$2,000
Site Plan	\$2,000
Specific Plan	\$2,000
Use Permit	\$2,000
Variance to Zoning Administrator	\$1,500
Variance, other	\$2,000
Zone Change	\$5,000
<i>Tentative Map Processing</i>	
Time Extension	\$350
Amendments to conditions	\$300
Change in Tract/Parcel Ownership	\$290
Certificate of Compliance	\$175
From Planning Comm.	\$450
<i>Acoustical Consultant Certification</i>	
Initial Certification	\$230
Renewal, every five years	\$60
Water Surface Report	\$396
Flood Hazard Letter	\$185
Revision to Acreage	\$200
Lot Line Adjustment	\$150
Architectural Control	\$60
Approval in concept letter	\$15
Change in approved plans	\$190
Tract/Parcel Issuance (each)	\$76
<i>Appeal Fees</i>	
Land Use, Single Family	\$245
Land Use, all other	\$760
<i>Tentative Map, to Planning Commission</i>	
Tract	\$385
Parcel & Single Family	\$155
<i>Tentative Map, to City Council</i>	
Tract	\$585
Parcel & Single Family	\$235

Source: County of Orange, 2003.

Development Permit Procedures

Development review and permitting procedures ensure that residential construction proceeds in an orderly manner. However, the time and cost of permit processing and review can be a constraint to housing development if they place an undue burden on the developer.

In Aliso Viejo, the process to obtain a development permit begins when a project proponent files for a site plan review with the City. The application is either handled administratively or referred to a development review committee. The decision made by the development review committee can then be appealed to the City Council by the applicant or another interested party. Typically this process can take from one to two months. Given the built out character of the City, remaining development potential in the City is fairly limited. The City does not have a backlog of development applications and is able to process applications in a timely manner. Nevertheless, the City will continue to monitor its development review procedures to ensure a streamlined permit processing procedure.

Building Codes and Enforcement

The City implements the Title 24 provisions of the California Building Code, which includes the Uniform Plumbing Code, Uniform Mechanical Code, National Electric Code, California Fire Code, and the California Energy Code. While adding to the cost of residential development, enforcement of the California Building Code is necessary to safety of current and future residents of Aliso Viejo.

PUBLIC POLICY CONSTRAINTS

Certain State and federal requirements may act as a barrier to the development or rehabilitation of housing, and affordable housing in particular. These include State prevailing wage and environmental clearance requirements.

State Prevailing Wage Requirements

The State Department of Industrial Relations (DIR) has recently greatly expanded the kinds of projects that require the payment of prevailing wages. Labor Code Section 1720, which applies prevailing wage rates to public works of over \$1,000, now defines public works to mean construction, alteration, installation, demolition, or repair work done under contract and paid for in whole or in part out of public funds. For example, public transfer of an asset for less than fair market value, such as a land write-down, would now be construed to be paid for in part out of public funds and trigger prevailing wage requirements.

While the cost differential in prevailing and standard wages varies based on the skill level of the occupation, and may add to the overall cost of development. In the case of affordable housing projects, prevailing wage requirements could effectively reduce the number of affordable units that can be achieved with public subsidies. The following types of projects are not however required to pay prevailing wages:



- ~ Residential projects financed through issuance of bonds that receive an allocation through the State; or
- ~ Single-family projects financed through issuance of qualified mortgage revenue bonds or mortgage credit certificates.

Environmental Protection

State regulations require environmental review of proposed discretionary projects (e.g. subdivision maps, use permits, etc.). Costs resulting from fees charged by local government and private consultants needed to complete the environmental analysis and from delays caused by the mandated public review periods are also added to the costs of housing and passed on to the consumer. However, these regulations help preserve the environment and ensure environmental safety in Aliso Viejo.

ENVIRONMENTAL, INFRASTRUCTURE, AND PUBLIC SERVICE CONSTRAINTS

Environmental factors and a lack of necessary infrastructure or public services can constrain residential development in a community by increasing costs and reducing the amount of land suitable for housing construction.

Environmental Constraints

Environmental constraints related to seismic activity, geology or topography, potential for flooding, or other environmental issues can impact the cost associated with the maintenance, improvement, and development of housing. The Safety Element identifies areas within the City subject to seismic, geologic, wildfire, and flooding hazards which may constrain residential development.

Seismic and Geologic Constraints: Earthquake shaking is largely caused by the release of seismic energy during periods of sudden displacement along a fault. Aliso Viejo is located in a relatively active seismic region of the State, and may be subject to moderate or severe ground shaking at any time. Although no known fault traverses Aliso Viejo that could subject it to ground-rupture, the Inglewood-Newport fault, located northeast of the City could trigger landslides and liquefaction. Measures identified in the Safety Element are required to mitigate hazards associated with natural seismic and geologic conditions and result in added development costs and constrain residential development. Nevertheless, these measures are necessary to protect public safety.

Flooding: The Safety Policy Map (Figure S-1 in the Safety Element) outlines portions of the community that fall within a 100-year flood zone. Most of this area is located in the Aliso and Wood Canyons Wilderness Park and has been designated as Open Space in the Land Use Element. However, no land designated for residential uses is located within the floodplain.



Ecological and Biological Resources: Although much of Aliso Viejo is comprised of urbanized or disturbed areas that generally have low habitat value for wildlife, nearly 25 percent of the City's land area is set aside as open space, the majority of which is located within the Aliso and Wood Canyons Wilderness Park, a significant source of ecological and biological resources.

Extensive research and planning efforts conducted by the County of Orange and other jurisdictions prior to the City's incorporation have identified the locations of sensitive habitats and species. Aliso Viejo lies within the Coastal subregion of the Orange County Natural Community Conservation Plan and Habitat Conservation Plan (NCCP/HCP).

Several areas within Aliso and Wood Canyons Wilderness Park are designated as Non-Reserve Open Space within the NCCP/HCP, while substantial area west of the City is designated as NCCP Habitat Reserve. Within the Habitat Reserve area, the NCCP/HCP restricts the kinds of permitted uses to protect long-term habitat values. Residential uses are prohibited, as are new active recreational uses outside already disturbed areas.

Infrastructure and Public Service Constraints

A lack of adequate infrastructure or public services and facilities to keep pace with the demands of new development can be a substantial constraint to residential development. This section looks at the County's domestic water, sewer and solid waste disposal systems to evaluate capacity to meet residential demands.

Domestic Water: Potable water is imported by Metropolitan Water District of Southern California and transferred to the Moulton Niguel and El Toro Water Districts, which serve Aliso Viejo. According to these Districts, existing piping and filtration infrastructure is adequate to serve future development within the City and the water supply is adequate at least until the year 2010.

The City will continue to work with the Moulton Niguel and El Toro Water Districts to implement the Urban Water Management Plans and ensure that adequate water supplies are available to meet the needs of existing and future growth. The City will review proposed development projects to ensure that approved projects do not degrade water pressure or reduce supplies available to the rest of the community. Those projects found to be subject to California State Water Code 10910-10915 will be required to undergo review by the applicable water purveyor to ensure adequate water supplies will be available.

In addition, the City will encourage water conservation through various methods. The City will coordinate with the Aliso Viejo Community Association (AVCA) to ensure that landscaping, park maintenance and other services provided by the Association employ water conservation measures and use recycled water if available from water suppliers. City officials will collaborate with Transportation Corridor Agency (TCA) to achieve attractive, well-maintained low-water landscaping within the Transportation Corridor. The City will develop and implement a plant palette consisting of native and xeriscape plant species to serve as a model for private landscaping projects. In addition, to conserve water, new landscaping within the City will be required to consist of 50 percent low water native or xeriscape plant species. These requirements will be re-evaluated periodically and the percentage of low water plants will be increased over time. These



measures will mitigate the potential constraint on residential development resulting from future availability of adequate water supplies and infrastructure.

Sewer Facilities: The Moulton Niguel and El Toro Water Districts operate sewer collection and transmission facilities within Aliso Viejo. According to the Districts, these facilities are well maintained and will be able to service future growth within the City. Collected wastewater is transmitted to the Regional Wastewater Treatment Plant operated by the South Orange County Wastewater Authority (SOCWA). New development will be required to cooperate with the Moulton Niguel Water District or the El Toro Water District to ensure the existing wastewater infrastructure can adequately serve the project site. The City will continue to cooperate with the South Orange County Wastewater Authority in efforts to provide adequate wastewater treatment services for Aliso Viejo. In addition, the City will continue to coordinate with the local water districts in their planning and maintenance of their wastewater collection facilities in the community. These actions will ensure that adequate wastewater infrastructure serve future residential development in Aliso Viejo.

Flood Control: The Orange County Flood Control District (OCFD) is responsible for regional flood control facilities, while the City maintains local facilities that tie into OCFD's regional system. Local drainage facilities, consist mostly of underground closed conduits and storm drains located primarily in developed areas of the City. These facilities collect stormwater and convey it to regional facilities including, the Laguna Canyon, Woods Canyon, and Aliso Creek Channels. The City will continue to coordinate with the OCFD, which is responsible for maintenance and monitoring of regional flood control facilities.

Solid Waste: Solid waste generated in Aliso Viejo is collected by a private sector contractor and transmitted to various landfills operated by the Orange County Integrated Waste Management Department (IWMD). Although Aliso Viejo is primarily built out, the Orange County population continues to grow and so does its waste. IWMD is responsible for ensuring that waste is disposed of in a way that protects public health, safety, and the environment. To accomplish this objective, IWMD developed a Regional Landfill Options for Orange County (RELOC) Strategic Plan in 2001. The City will continue to cooperate with IWMD in efforts to maintain and expand its regional landfill facilities. The adequacy of regional landfills to handle future flows of solid waste generated in Aliso Viejo will not constrain future residential development in the City.



RESOURCE ANALYSIS

This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Aliso Viejo. This analysis includes an evaluation of the availability of land resources for future housing development, financial resources available to support housing activities, administrative resources available to assist in implementing the housing programs, and opportunities for energy conservation.

AVAILABLE SITES FOR HOUSING

The Orange County Council of Governments (OCCOG) is responsible for developing the Regional Housing Needs Assessment (RHNA), which assigns a share of the region's future housing need to each jurisdiction in the Orange County. State law requires communities to demonstrate that they have sufficient land to accommodate their share of the region's housing need.

The City of Aliso Viejo was incorporated after the 2000 Census and long after the RHNA for Orange County was developed. As part of the City's General Plan preparation, the City coordinated with OCCOG to determine the City's share of regional housing needs for the January 1, 1998 through June 30, 2005 planning period. With the limited remaining time frame, OCCOG is not assigned a RHNA for the City for this 7.5-year period. Nevertheless, the City strives to offer a balanced mix of housing options for all income segments of the community.

Residential Sites Inventory

All residential portions of the City were built out shortly after City incorporation according to land use controls established by the County. The remaining vacant sites are entitled with non-residential uses. However, the Community Benefit Overlay mechanism specified in the Land Use Element has created additional residential opportunity on five of the City's largest vacant or underutilized sites. Through development agreements, the City will ensure a portion of future units be affordable to very low and low income households. The vacant sites subject to the Community Benefit Overlay (CBO) in the Land Use Element are identified on the Housing Policy Map (Figure H-1 in the Housing Element) and summarized in Table CP-26.



**Table CP-26
Vacant or Underutilized Sites**

Site	Existing Entitlements			Community Benefit Overlay				
	Use	Acres	% of Site Residential	Use	Acres	Max. Res. Density	% of Site Residential	Potential Dwelling Units
Vantis	PO	36	0%	PO	15	---	47.2%	350
				NC	2.0	---		
				OS	2.0	---		
				HDR	17	30 du/ac		
Summit Aliso Viejo	PO	26	0%	PO	4.5	---	53.9%	300
				RC	5.5	---		
				NC	2.0	---		
				HDR	14	30 du/ac		
AV Resort and Golf Club	R	83	0%	R	20	---	72.1%	785
				RC	9	---		
				VLDR	20	5 du/ac		
	RC			LDR	25	8 du/ac		
				MDR	15	18 du/ac		
				HDR	10	30 du/ac		
				VHDR	5	50 du/ac		
All Res.	75	---						
Enterprise/Aliso Creek	CC	20	0%	TCC	9	---	50.0%	300
	OS	4		R	1	---		
				HDR	10	30 du/ac		
Eastwing*	R	1.9	0%	MDR	1.9	18 du/ac	100.0%	23
Total			0%					1,758

Notes: PO – Professional Office; NC – Neighborhood Commercial; RC – Resort Commercial; TCC – Town Center Commercial; CC – Community Commercial; OS – Open Space; VLDR – Very Low Density Residential; LDR – Low Density Residential; MDR – Medium Density Residential; HDR – High Density Residential; and VHDR – Very High Density Residential.

*The comparison to existing entitlements is derived from Community Benefit Overlay Alternative 2 for the Eastwing site.

The CBO, applied to five of the City’s largest vacant or underutilized sites, allows modification of the use designations, density and intensity standards associated with each site’s current entitlements, if certain community benefits specified in a development agreement are achieved. One such community benefit is the provision of much needed housing for lower income groups. The specific percentage or number of lower income units required on any of the CBO sites will be negotiated at the time specific development plans are proposed. Housing Program 3, *Affordable Housing Provision*, specifies that future development proposing additional residential units on these sites may include a portion for very low and low income households. The CBO mechanism developed by the City presents the best opportunity to further City, regional, and State housing goals.

HOUSING UNITS BUILT SINCE 1998

Since January 1, 1998, 5,231 units have been constructed and occupied in Aliso Viejo, the majority of which were constructed prior to City incorporation in 2001. Based on a comparison of sales/rental prices provided by developers, the date the units sold, and Housing and Community Development (HCD) income limits for each year since 1998, the affordability levels of these units were determined (Table CP-27).

Table CP-27
Affordability of Units Built since January 1, 1998

Income Category	Units Since January, 1 1998	Percent
Very Low (0-50% County Median Family Income)	0	0%
Low (50-80% County Median Family Income)	555	10.6%
Moderate (80-120% County Median Family Income)	3,420	65.4%
Upper (over 120% County Median Family Income)	1,256	24.0%
Total Housing Units	5,231	100%

Sources: Cotton/Bridges/Associates, Robert Bunyan and Associates, 2003.

All 5,231 units were constructed according to County land use controls and development standards and guided by the County's inclusionary housing program, which requires 10 percent of all units built be affordable to low and moderate income households. The County has issued a letter certifying the City's compliance with the inclusionary housing program. These inclusionary units, combined with housing affordable to low and moderate income households based on market conditions, resulted in 10.6 percent of the units constructed being affordable to low income households and 65.4 percent of the units being affordable to moderate income households.

FINANCIAL RESOURCES

Low Income Housing Tax Credits (LIHTC)

Created by the 1986 Tax Reform Act, the LIHTC program has been used in combination with County and other resources to encourage the construction and rehabilitation of rental housing for lower-income households. The program allows investors an annual tax credit over a ten-year period, provided that the housing meets the following minimum low-income occupancy requirements: 20 percent of the units must be affordable to households at 50 percent of area median income (AMI), or 40 percent of the units must be affordable to those at 60 percent of AMI. The total credit over the ten-year period has a present value equal to 70 percent of the qualified construction and rehabilitation expenditures. The tax credit is typically sold to large investors at a syndication value. The Woodpark Apartments in Aliso Viejo offers 128 rent-restricted units through the LIHTC program.



Housing Choice Voucher (Section 8) Program

The Housing Choice Voucher (Section 8) program is a federal program that provides rental assistance to very low income persons in need of affordable housing. This program offers a voucher that pays the difference between the current fair market rent and what a tenant can afford to pay (e.g. 30 percent of their income). The voucher allows a tenant to choose housing that may cost above the payment standard, but the tenant must pay the extra cost. The Orange County Housing Authority (OCHA) administers the Section 8 Voucher Program for Aliso Viejo. As of February 2003, 33 households in Aliso Viejo were receiving assistance via the Housing Choice (Section 8) program.

OCHA opened its waiting list in June, 2001 and received more than 17,000 pre-applications during a one-month period. On July 1, 2001, OCHA closed the list and began processing these applicants to receive Housing Vouchers in October, 2002. However, it may take as long as three to five years to deplete the current waiting list and accept applications for a new list.

OPPORTUNITIES FOR ENERGY CONSERVATION

Utility-related costs can directly impact affordability of housing in Aliso Viejo. By promoting and expanding opportunities for energy conservation, the City can indirectly alleviate housing cost burden and improve housing affordability in the community.

Aliso Viejo desires to be a leader among southern California jurisdictions in the practice of green design. To accomplish this goal, the City will evaluate proposed development projects against Leadership in Energy and Environmental Design (LEED) standards developed by the US Green Building Council for new construction, major renovation, existing building operations, and commercial interior projects as a part of the development review process. The City strongly encourages all future development and major renovation projects within the following General Plan designations to achieve LEED certification: Very High Density Residential, Town Center Commercial, Recreation Commercial, Business Park, Professional Office, and Community Facility. The City will provide education to staff, the public, and the development community regarding green building standards and methods of compliance.

Other opportunities for energy conservation in Aliso Viejo include continued implementation of State Title 24 building construction standards, complying with Energy Star conservation standards, and considering appropriate building orientation and landscaping during the development/design review process through implementation of the Zoning Ordinance. Aliso Viejo will also coordinate with the Orange County Transportation Authority to expand transit opportunities and resources in Aliso Viejo and encourage alternative transportation technologies.

In addition to the numerous environmental benefits (see Conservation/Open Space Element), energy conservation measures implemented by the City can significantly reduce the cost of utilities to community households, thereby reducing housing cost burden and improving overall housing affordability in Aliso Viejo.