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# Housing Element Workshop

June 9 & 10, 2022

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City of Mission Viejo

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# Workshop Overview

- What is the Housing Element?
- Regional Housing Needs Assessment (RHNA)
- Why is HCD Compliance is Needed?
- What is Included in the Housing Element?
- Affirmatively Furthering Fair Housing
- Inventory of Suitable Sites

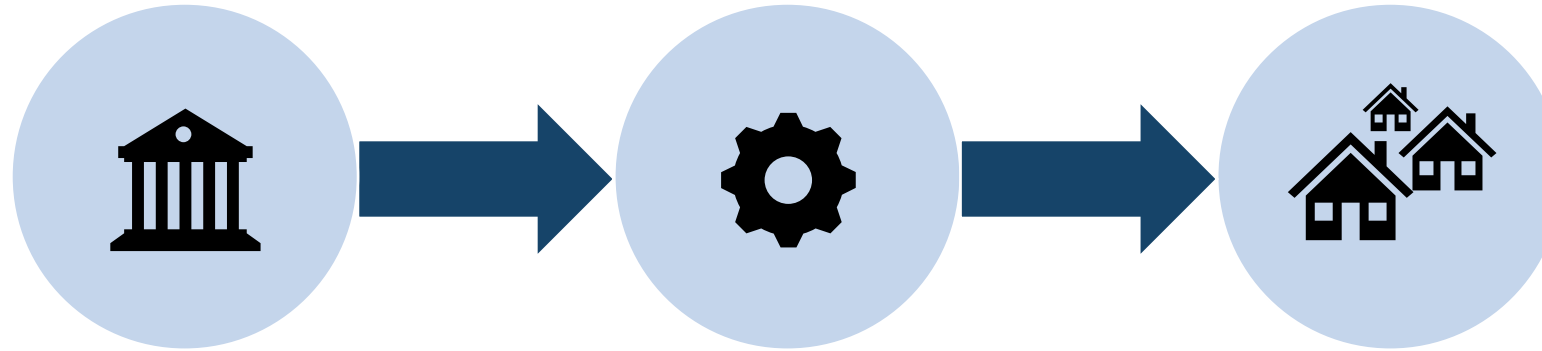
# What is the Housing Element?

- 1 of 8 mandatory elements of the General Plan
- Unlike other General Plan elements, the Housing Element is required to be certified by the State Department of Housing and Community Development (HCD)
- Must be updated every 8 years
- Adoption Deadline: January 31, 2023
- 6th Cycle Planning Period: 2021 – 2029
- State mandates that all local governments ***“adequately plan to meet existing and projected housing needs of all economic segments of the community.”***

# Regional Housing Needs Assessment (RHNA)

- RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan.
- Quantifies the need for housing and affordability within each jurisdiction during specified planning periods.
- RHNA does not necessarily encourage or promote growth, but allows communities to plan for enough housing in their Housing Element
- Allows, collectively, the region and subregion to grow in ways that enhance quality of life, improve access to jobs, promotes transportation mobility, and addresses social equity and fair share housing needs.

# How is RHNA Determined?



## State

The State projects future housing needs at various income levels and allocates the number of units to COGs statewide.

**Total RHNA: 2,502,971**

## Regional

The COG develops a methodology to evaluate factors for distribution of units to each jurisdiction; the methodology is approved by HCD.

**SCAG RHNA: 1,341,827**

## Local

Cities and counties are allocated units; they must find ways to accommodate enough land at appropriate densities for potential housing development.

**Mission Viejo RHNA: 2,217**

# Fair Share: Regional Housing Needs (RHNA)

- Requires cities to zone for “fair share” of region’s housing needs
- Based on State population growth (determined by HCD)
- Mix of housing for economic segments
- Affordability linked to zoning & density
- RHNA is a planning target, not a building quota

# What is “Affordable” Housing?

By definition, housing is affordable when the total housing cost, including utilities, is no more than 30% of a family’s gross income.

Income Category	% of County Median Income	Maximum Income
Extremely low	Up to 30%	\$38,450
Very low	31-50%	\$64,050
Low	51-80%	\$102,450
Moderate	81-120%	\$123,600
Above moderate	Over 120%	Over \$123,600

Source: California Government Code §65584(f)

# 6<sup>th</sup> Cycle RHNA – Mission Viejo, Orange County & Adjacent Cities

Jurisdiction	Total	Extremely Low + Low	Low	Moderate	Above Moderate
<b>Mission Viejo</b>	<b>2,217</b>	<b>674</b>	<b>401</b>	<b>397</b>	<b>745</b>
Orange County	183,861	46,416	29,242	32,546	75,657
Laguna Hills	1,985	568	353	354	710
Laguna Niguel	1,207	348	202	223	434
Lake Forest	3,236	956	543	559	1178
Rancho Santa Margarita	680	209	120	125	226
San Juan Capistrano	1,054	270	173	183	428



# Why is HCD Compliance Needed?

- Presumption of legally adequate Housing Element in courts
- If courts invalidate Element, suspend City's authority to issue building permits until brought into compliance
- Protection from Attorney General litigation on Housing Element
- Maintain discretionary review over affordable housing projects
- Maintain eligibility for State housing funds
- RHNA carry-over will not carry over into next Housing Element cycle

# What does the Housing Element include?

**Regional  
Effort**

## Housing Needs Assessment

- Analysis of existing and future housing needs

## Fair Housing Assessment

- Identifies fair housing issues and strategies to address any barriers to fair housing

## Housing Sites Inventory

- List of suitable sites that could accommodate a potential housing development

## Constraints Analysis

- Analysis of potential constraints to housing (i.e., permit processing procedures, fees, etc.)

## Evaluation of Past Performance

- Evaluates implementation progress on the past Housing Element

## Goals, Policies, & Programs

- Includes new programs to comply with state law and reflect the plan for accommodating the communities needs.

# Mission Viejo Housing Element Update

- October 12, 2021 – the City Council adopted the 2021-2029 Housing Element; rezoned 12 Sites; and submitted to HCD by the October 15, 2021 (Statutory Deadline)
- January 10, 2022, Received HCD Response, with **9 pages of Recommended Changes**
- Only 15 out 197 jurisdictions in SCAG Region are certified (7.6%)
- **Only 2 out of 35 jurisdictions in Orange County: Irvine & Yorba Linda (5.7%)**
- 20 Assembly and Senate Bills – new legislation that needs to be addressed in the Housing Element

# Affirmatively Furthering Fair Housing (AFFH)

**“Meaningful actions that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”**

*(California Department of Housing and Community Development (HCD), April 2021)*

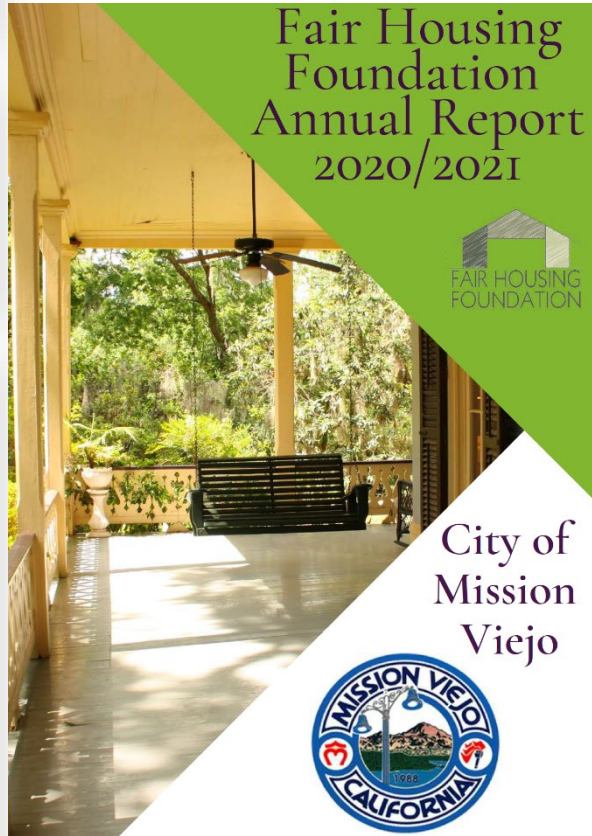
Assess and address the following:

- Fair Housing Enforcement and Outreach Capacity
- Segregation and Integration
- Disparities in Access to Opportunity
- Disproportionate Housing Needs, including Displacement Risks
- Ethnically Concentrated Areas of Poverty and Affluence

# AFFH Analysis Areas Required by HCD in Housing Element:

- **Fair Housing Enforcement and Outreach Capacity**
- Segregation and Integration
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# AFFH: Fair Housing Enforcement & Outreach Capacity



Mission Viejo contracts with the Fair Housing Foundation to offer outreach, fair housing services and tenant/landlord counseling to residents, and open cases to investigate incidents:

- Approximately 60-70 clients assisted per year
- Focused on Low/Very Low Income residents' issues
- About half the clientele are Senior, Disabled, Female-headed households – all groups at risk of housing displacement
- Almost 80% of clients are in-place tenants, but community groups, property owners and rental home seekers are also assisted

# AFFH Analysis Areas Required by HCD in Housing Element:

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# AFFH: Racial/Ethnic Composition of Mission Viejo & Surrounding Cities

Population by Race	White	Black	Hispanic	Asian/PI
<b>Mission Viejo</b>	<b>66.87%</b>	<b>1.36%</b>	<b>16.94%</b>	<b>10.62%</b>
Laguna Hills	58.58%	2.39%	20.87%	14.59%
Laguna Niguel	66.48%	1.89%	16.84%	10.11%
Lake Forest	53.98%	1.80%	24.52%	15.57%
Rancho Santa Margarita	63.36%	2.47%	19.57%	10.47%
San Juan Capistrano	57.30%	0.09%	36.37%	3.30%
Orange County	41.40%	1.57%	34.20%	19.78%

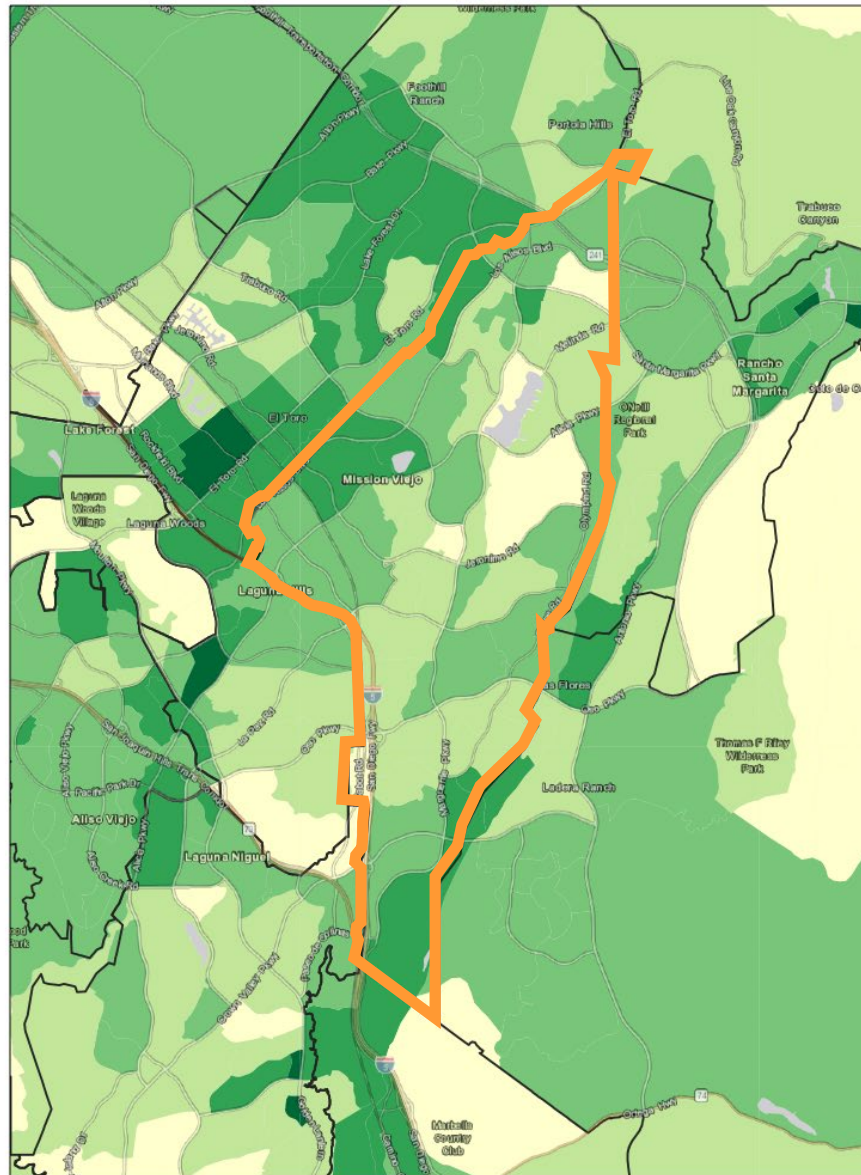
Source: Orange County Analysis of Impediments to Fair Housing Choice

Mission Viejo’s population has a similar racial/ethnic mix as the neighboring cities of Rancho Santa Margarita and Laguna Niguel. Lake Forest and San Juan Capistrano have a higher proportion of Hispanic and Asian populations.

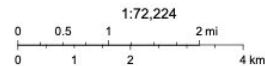
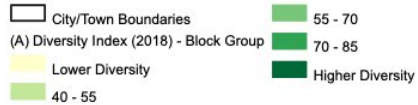




# Mission Viejo: Diversity Index 2018



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Esr, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community  
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One measurement of segregation is the “Diversity Index”:

0 = total segregation

100 = total integration

Darker green colored areas represent more diverse areas, light yellow less diverse.

Much of Mission Viejo is in the mid-to-higher range of the Diversity Index calculation, and is similar to surrounding cities. Southern parts of the city, and areas on the border with Lake Forest are the most diverse sections of Mission Viejo.

	Orange County*		Mission Viejo			
	2010	2020	2010	2020		
White-Black/Black-White	34.9	33.5	17.3	19.1		
White-Hispanic/Hispanic-White	54.1	51.4	20.6	19.4		
White-Asian/Asian-White	41.6	41.6	14.8	14.7		
Black-Hispanic/Hispanic-Black	36.3	35.3	16.1	14.8		
Black-Asian/Asian-Black	32.8	31.2	18.1	15.6		
Hispanic/Asian/Asian-Hispanic	47.6	44.9	17.9	17.7		
	Laguna Hills		Laguna Niguel			
	2010	2020	2010	2020		
White-Black/Black-White	14.9	13.9	16.7	18.3		
White-Hispanic/Hispanic-White	29.7	27.9	22.9	23.6		
White-Asian/Asian-White	10.6	9.8	13.8	13.8		
Black-Hispanic/Hispanic-Black	25.3	20.5	14.1	15.4		
Black-Asian/Asian-Black	14.1	12	15	18.5		
Hispanic/Asian/Asian-Hispanic	21.4	23.7	19.5	20		
	Lake Forest		Rancho Santa Margarita		San Juan Capistrano	
	2010	2020	2010	2020	2010	2020
White-Black/Black-White	11.2	14.8	11.7	12.6	15.8	13.2
White-Hispanic/Hispanic-White	27.3	23.9	22.6	17.8	48.8	52
White-Asian/Asian-White	11.4	14.1	11.2	8.8	7.4	10.5
Black-Hispanic/Hispanic-Black	29	25.6	14.9	10.4	38.9	43.3
Black-Asian/Asian-Black	12.6	13	9.8	10.6	12.9	20
Hispanic/Asian/Asian-Hispanic	23.8	29	21.2	17.3	45.6	52.1

Another measure of segregation is the 'Dissimilarity Index':

- Values of 30 or lower represent lower levels of segregation.
- Orange County has higher levels of segregation on this score than Mission Viejo and its neighboring cities.
- In the last 10 years, the index has remained basically the same across the different racial/ethnic groups in Mission Viejo.

# AFFH Analysis Areas Required by HCD in Housing Element:

- Fair Housing Enforcement and Outreach Capacity
- Segregation and Integration
- **Disparities in Access to Opportunity**
- Disproportionate Housing Needs, including Displacement Risks
- Ethnically Concentrated Areas of Poverty and Affluence

# AFFH: Disparities in Access to Opportunity

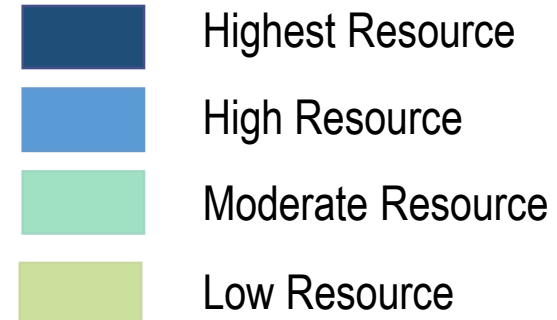
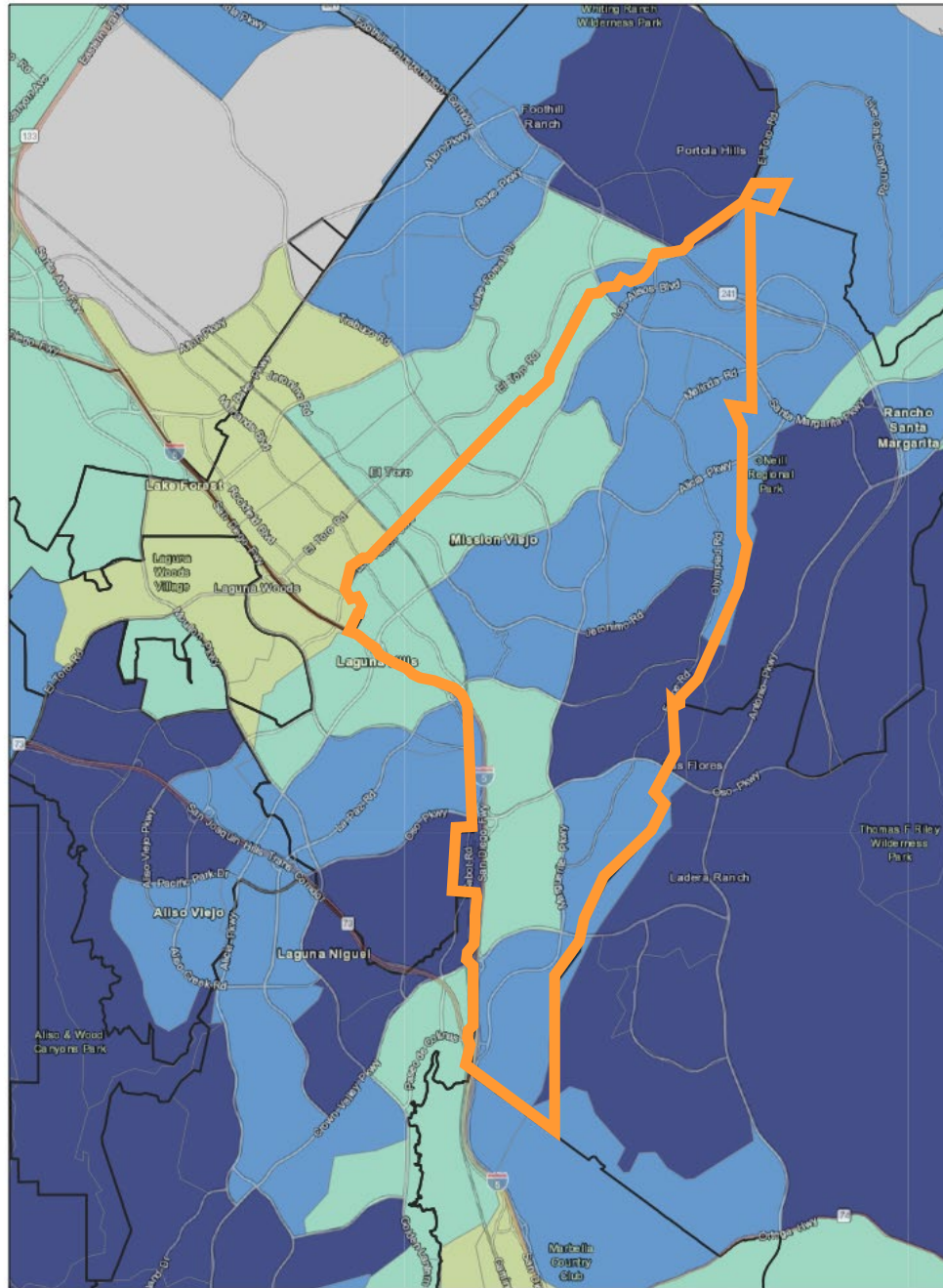
HCD provided cities with three measures of “Opportunity”, and a composite index which combined all three measures to show where access to opportunity was lacking.

The three measures are:

- **ECONOMIC:** Population above 200% of federal poverty line, adult education level, employment, median home value
- **EDUCATION:** Math & Reading proficiency; High School graduation rates; students on free/reduced lunch
- **ENVIRONMENTAL:** Measures of exposure potential to various substances, including lead, pesticides, hazardous waste, cleanliness of water supply, etc.



## Mission Viejo:TCAC Opportunity Areas (2021) - Composite Score



The eastern and northern areas of Mission Viejo are in the Highest or High Opportunity levels, combining the Economic, Educational and Environmental Opportunity measures.

Areas along the I-5 and the border with Lake Forest are at the Moderate level. No part of Mission Viejo had a Low resource score.

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# AFFH: Disproportionate Housing Needs

Analysis of factors which disproportionately impact protected classes or groups with special needs (such as race, disability status, senior status, etc.), including: Segregation and Integration

- Overpayment
- Substandard Housing
- Displacement Risk

# Disproportionate Housing Needs: Overpayment:

Overpayment = Households paying over 30% of income on housing

Severe Overpayment = over 50%

**Mission Viejo Household Income vs. Rent Paid**

	Under \$20,000	\$20,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,000	Over \$100,000
<b>Over 50%</b>	<b>96.8%</b>	<b>91.8%</b>	<b>53.9%</b>	<b>21.5%</b>	<b>0.5%</b>	<b>0.0%</b>
<b>30%-49%</b>		<b>4.9%</b>	<b>43.2%</b>	<b>70.0%</b>	<b>64.3%</b>	<b>15.0%</b>
20%-29%	3.2%	1.1%	2.9%	8.5%	32.7%	47.5%
Under 20%		2.1%			2.4%	37.5%

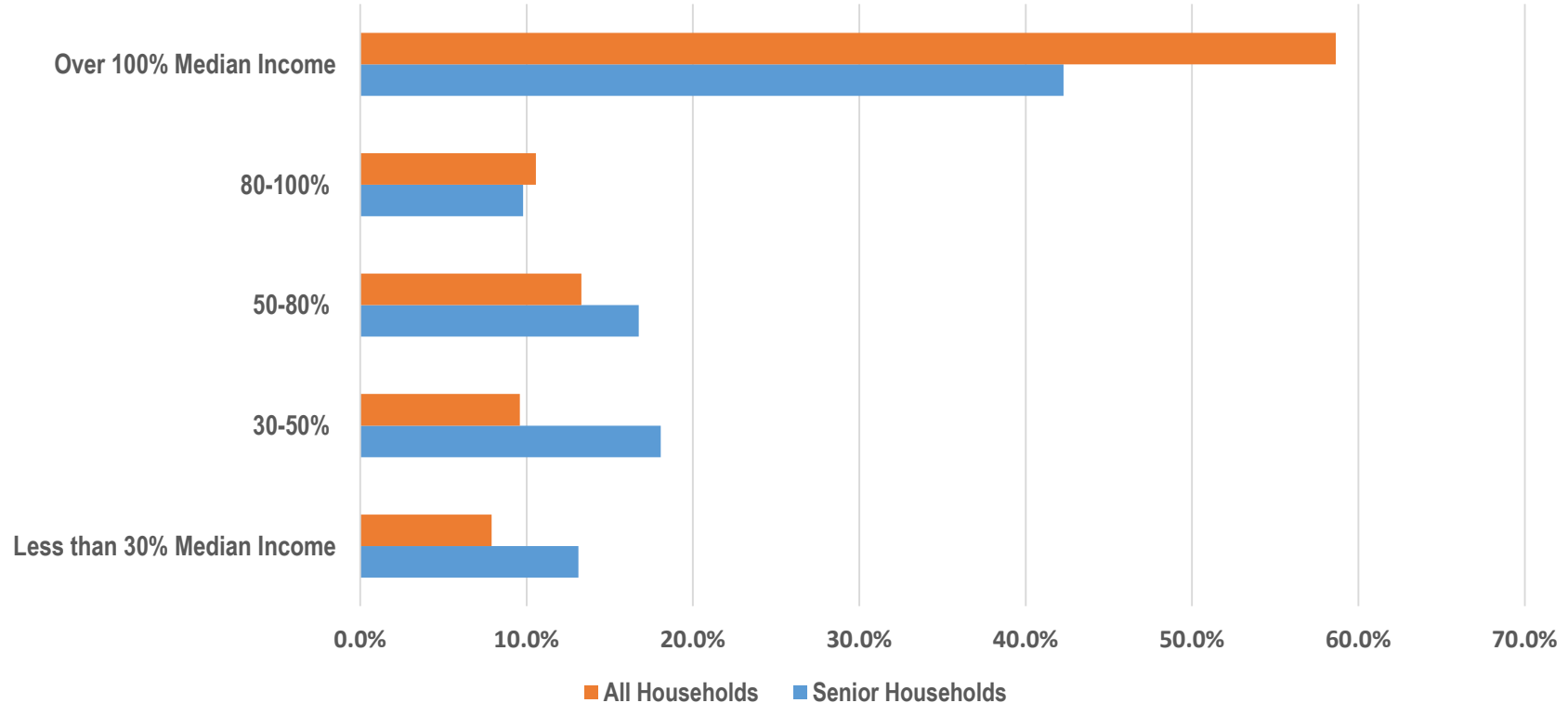
- Almost all low income rental households in Mission Viejo are paying high proportions of their income on rent, many falling into the Severe Overpayment category
- Populations with special needs – such as Disabled, Senior, Female-Headed Households - tend to be disproportionately represented in lower income categories – such as Senior households



# Disproportionate Housing Needs: Overpayment:

Example of Senior Households: Over-represented in lower income categories; lower income categories pay very high proportions of income on housing.

Senior vs. All Mission Viejo Households: Income Characteristics

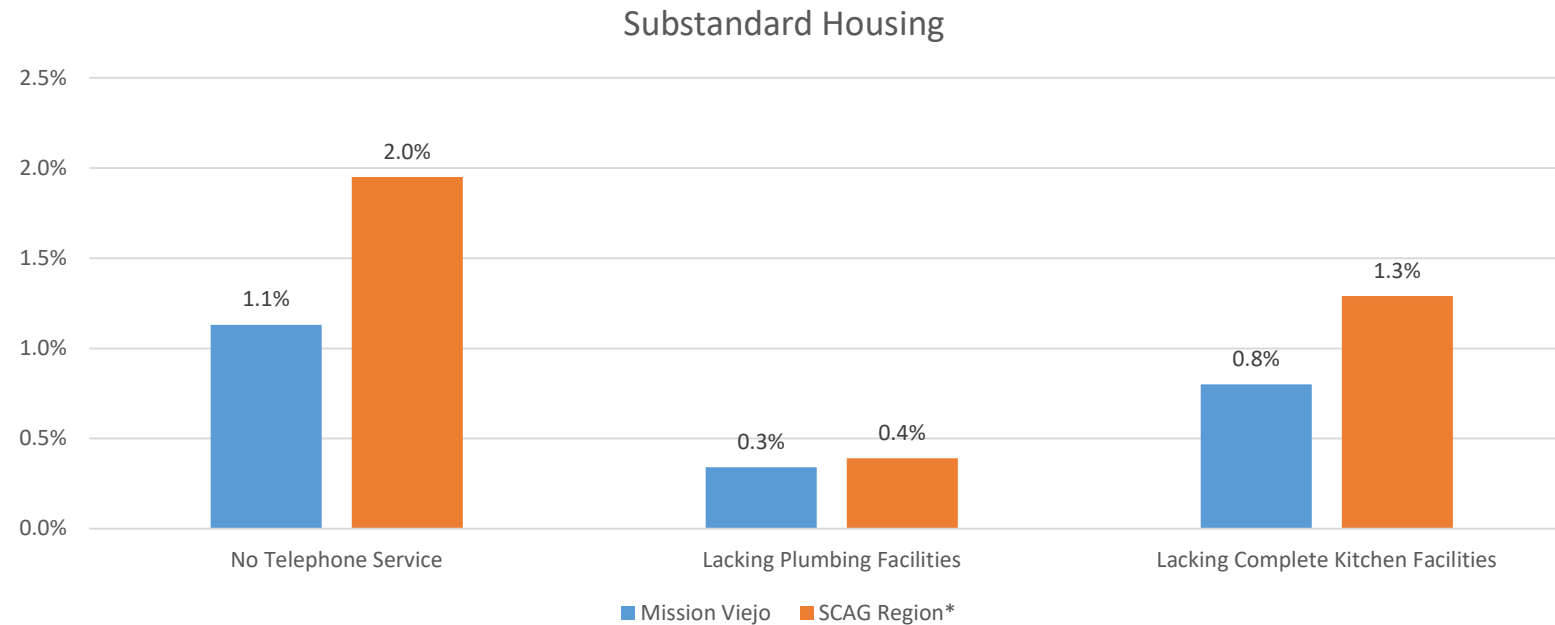


# Disproportionate Housing Needs: Substandard Housing

Two Types: Households

- (1) without hot and cold piped water, a flush toilet and a bathtub or shower; and
- (2) Households with kitchen facilities that lack a sink with piped water, a range or stove, or a refrigerator

Source: U.S. Census

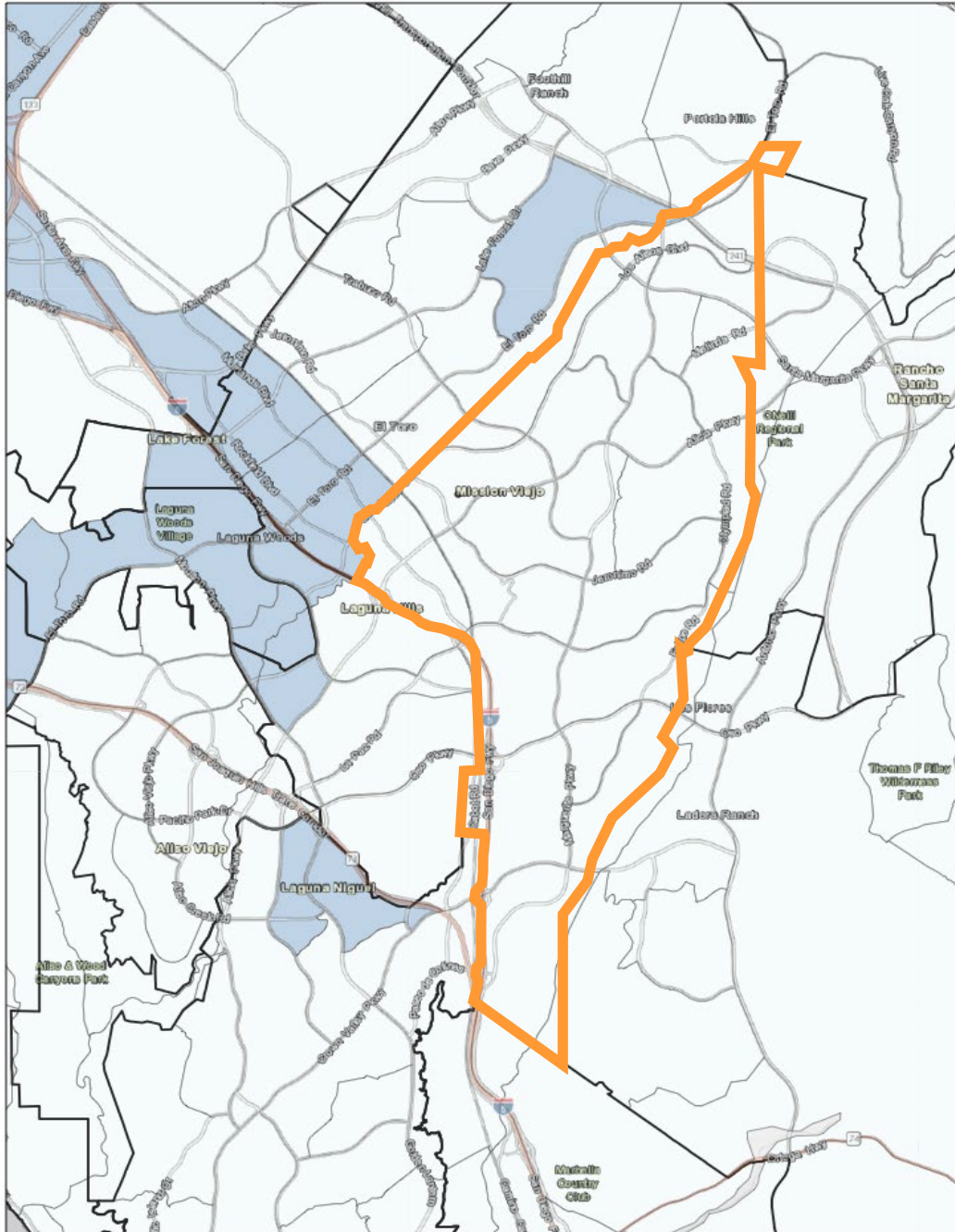


- 'SCAG Region' (orange bars) – all of LA, Orange, San Bernardino, Riverside and Ventura Counties
- Mission Viejo housing stock has fewer substandard conditions than the region as a whole (blue bars) .

# AFFH Analysis Areas Required by HCD in Housing Element:

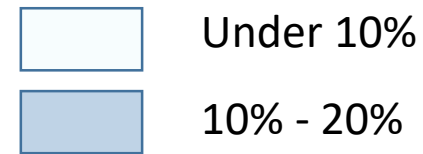
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## Mission Viejo: Poverty Status (ACS 2015-19)



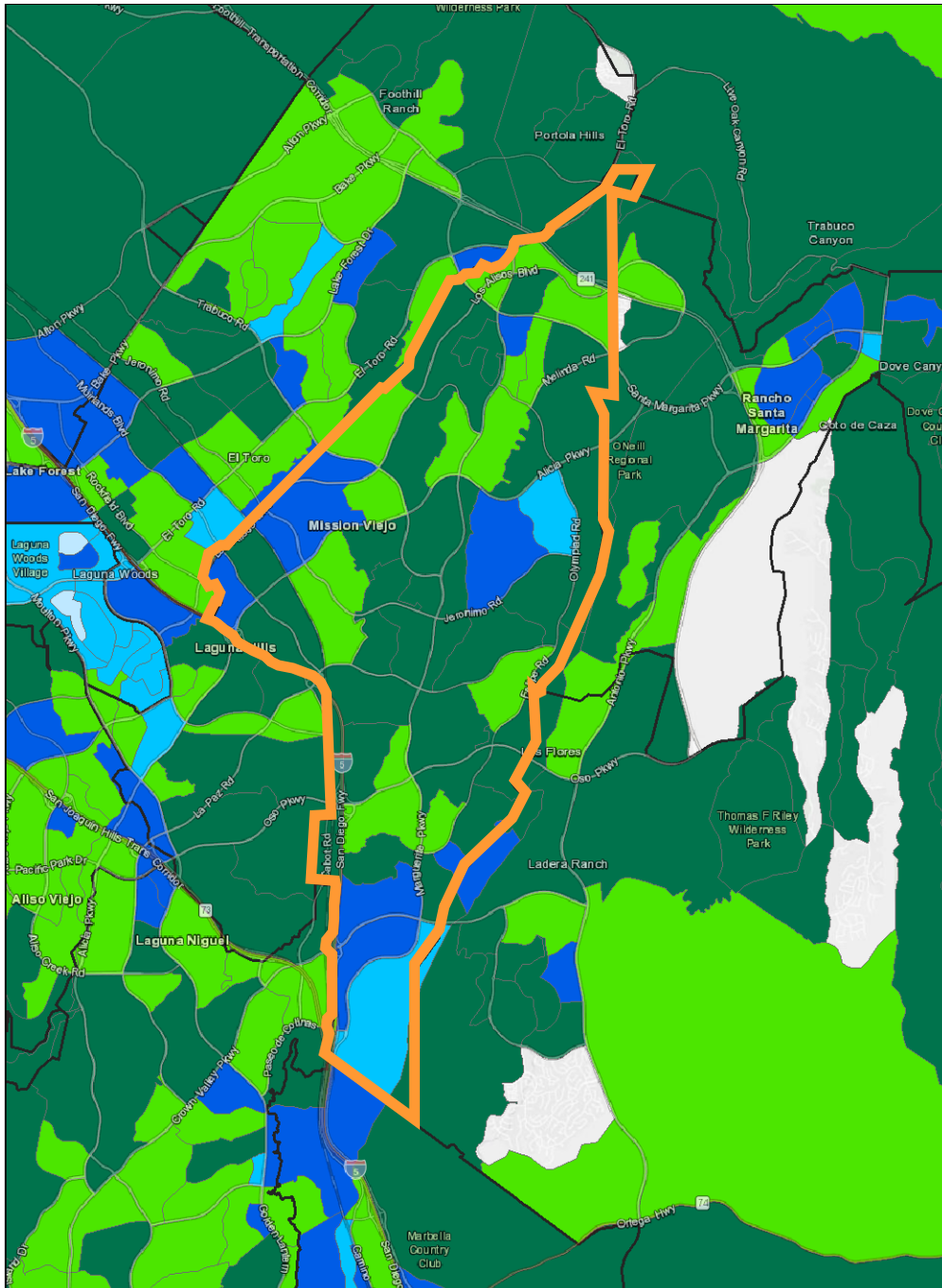
### Poverty Status:

Percent of Households per Census Tract with income under the Poverty Level in the last 12 months

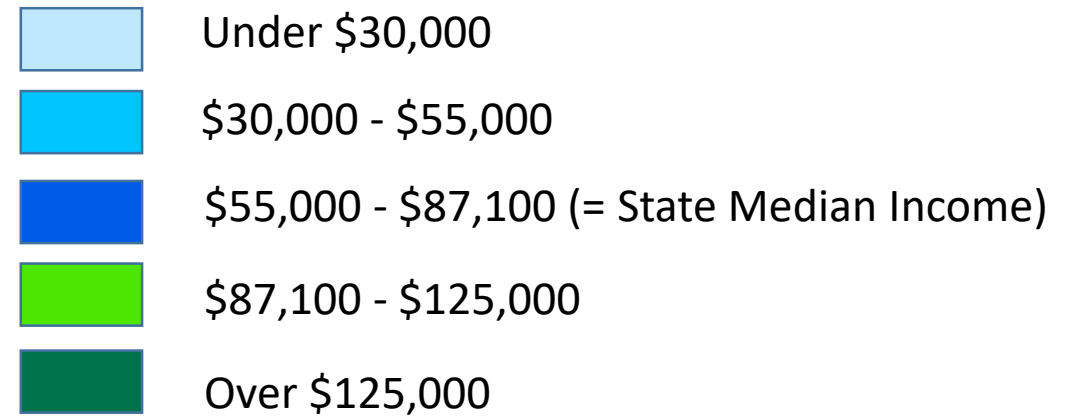


Every Census Tract in Mission Viejo was below the 10% threshold, although the percentages ranged from 1.1% to 9.0%. The median was approximately 5%.

# Mission Viejo: Median Income (ACS 2015-19). Block Group

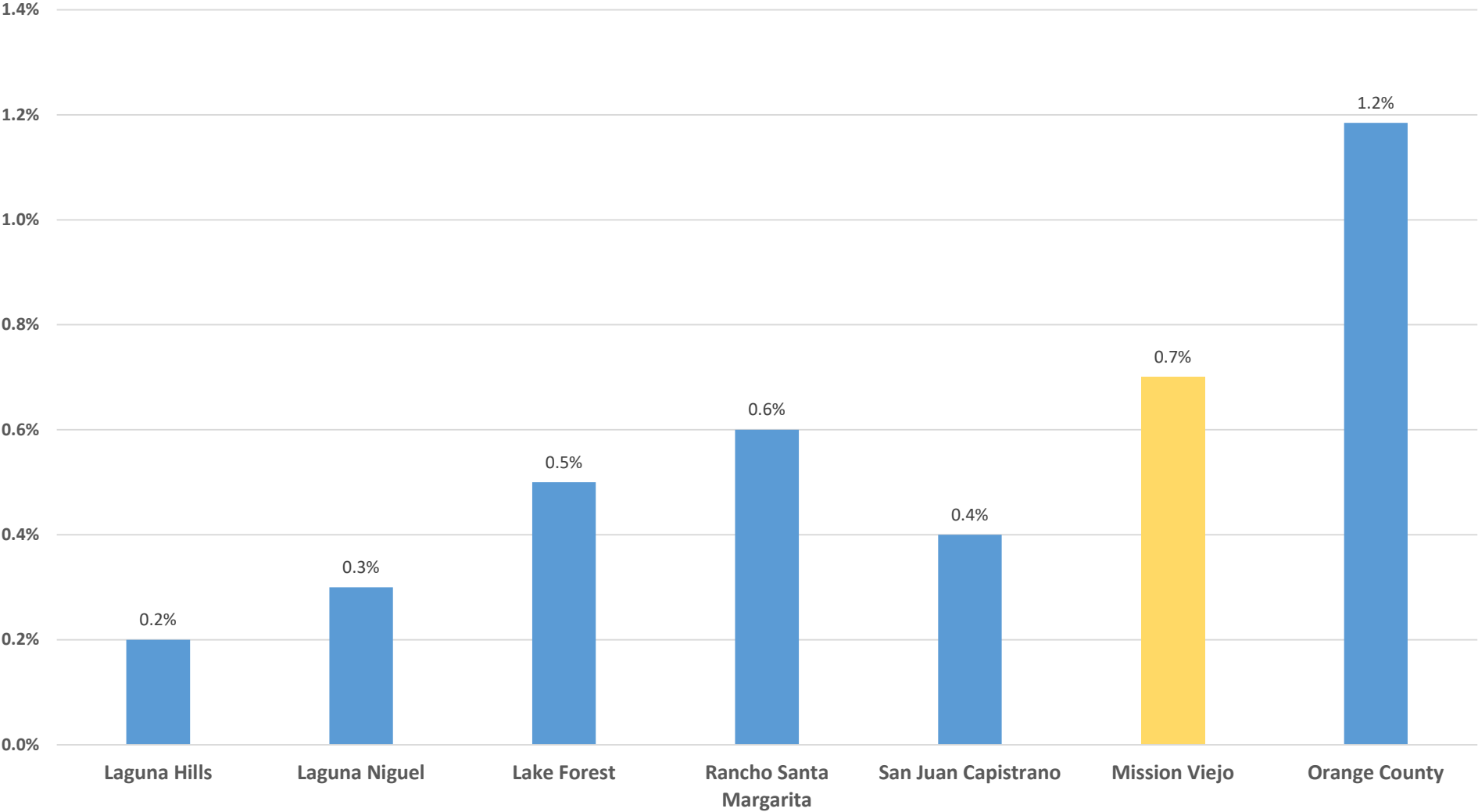


Measure of 'Affluence': Median Income, Mission Viejo & Surrounding Area (2019 data)



Overall, much of Mission Viejo is in the high median income brackets, but in the south of the city, and in the north-west on the Lake Forest border, there are areas at or below the State median income.

### Percent of Housing Units with Housing Choice Vouchers



Mission Viejo has the highest % of housing units with Housing Choice Vouchers among neighboring cities, at 0.7%. Orange County has 1.2%, concentrated in the north of the county.



# Examples: Resources & Tools for AFFH Themes

- SCAG Pre-Certified Local Housing Data – A report on population & housing characteristics for all cities in SCAG (Southern California Association of Governments)
- Orange County Analysis of Impediments to Fair Housing Choice – A report on all cities summarizing demographics, AFFH themes, housing analysis, disability/access analysis and Fair Housing Enforcement, and assessment of past goals & actions



ORANGE COUNTY ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



# AFFH Analysis

- The patterns of segregation, access to opportunity, housing needs, displacement risk and poverty & affluence revealed in the AFFH analysis are used to ensure that new housing development to meet the City's Regional Housing Needs Assessment (RHNA) will not reinforce concentrations of poverty or lack of opportunity.
- The majority of sites to meet the RHNA are in the southern part of Mission Viejo, and also in the north of the city – the few parts of the city with underutilized commercial sites that are appropriate for residential or combined residential/commercial development.



# RHNA SUMMARY

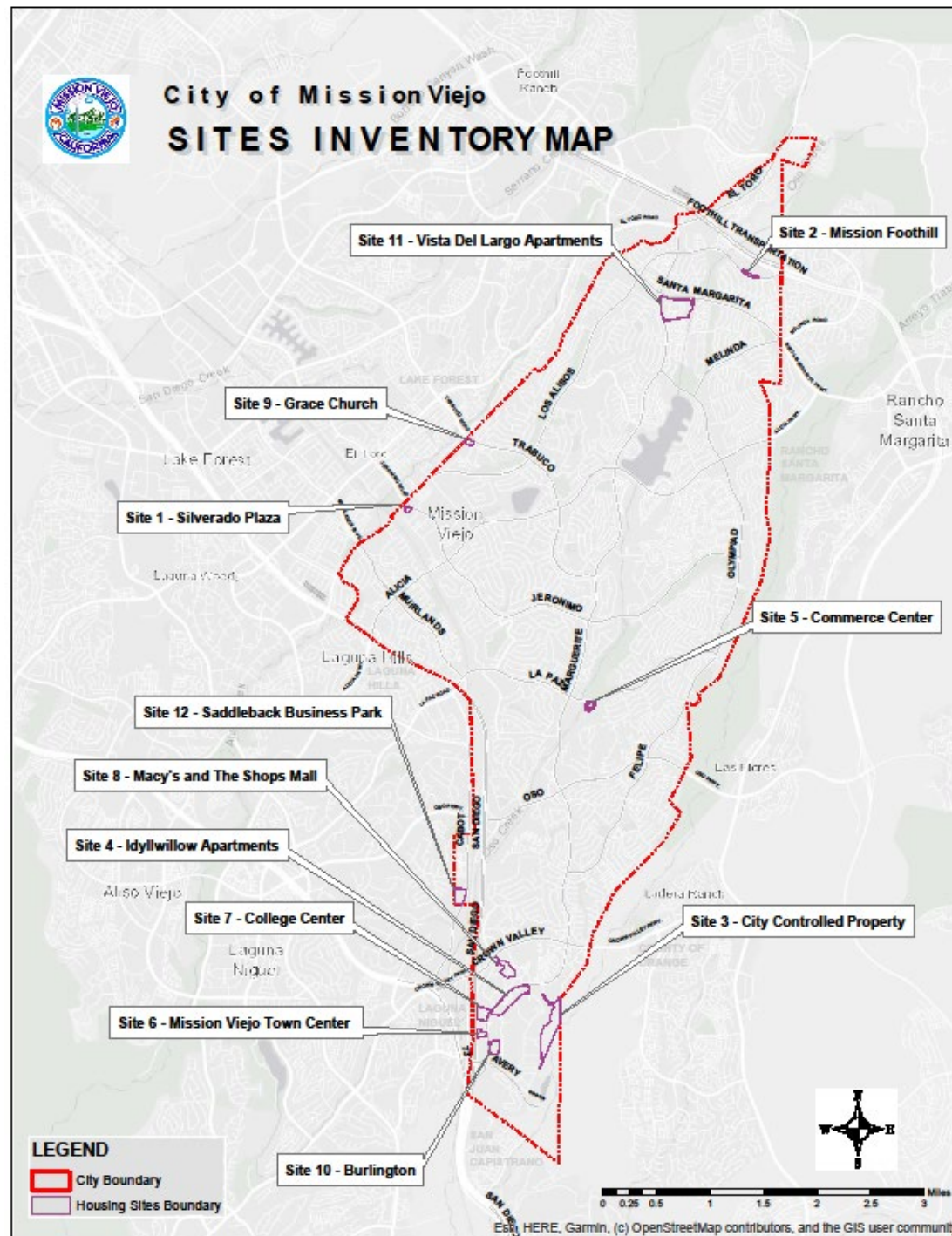
Site	Acreage	Density (du/ac)	Total Units	Lower Income Units	Zoning	Zone change
Silverado Plaza	1.50	50	75	36	Rezone	CN to RPD 50
Mission Foothill Center (partially vacant)	4.40	30	77	37	Overlay	CH and RPD 30
City Owned Site 3 (vacant)	32.80	30	200	97	Rezone	Rec to RPD30
Idyllwillow Apartments	23.70	30	311	151	N/A	N/A
Commerce Center	4.55	30	136	66	Rezone	CC to RPD 30
Mission Viejo Town Center	3.40	30	51	25	Overlay	CH and RPD 30
College Center	7.80	30	117	57	Overlay	CH and RPD 30
Macy's & The Shops (vacant parking lot)	14.60	80	584	283	Overlay	CR and RPD 80
Grace Church (vacant parking lot)	2.40	50	120	58	Rezone	CN to RPD 50
Burlington	6.90	50	172	84	Overlay	CH and RPD 30
Vista Del Lago	17.00	50	650	315	Rezone	RPD 30 to RPD 50
Saddleback Business Center	9.40	30	141	68	Overlay	BP and RPD 30
ADU's (Acc. Dwelling Units)			35		N/A	
<b>Total Units</b>			<b>2,670</b>	<b>1,278</b>		
		RHNA	[2,217]	[1,075]		



# Inventory of Suitable Land

- Realistic Capacity
  - We assumed 100% maximum allowable density, 50% for Overlay Sites
  - We may need to rezone more sites
- Suitability of Non-Vacant Sites
  - The extent to which existing uses may impede residential development
  - Analysis of Existing Leases and Contracts
- Significantly underdeveloped or failing properties
  - “But actual analysis is limited” “Are existing Uses an Impediment”  
“Need a complete analysis”
- Sites Identified in Prior Planning Periods (Site 3/C)

# Sites Inventory Map



# Goals and Programs – HCD Compliance

- Removal of governmental and non-governmental constraints to the development of Housing
  - Land Use Controls/ Processing and Permits/ Fees and Exaction/ Persons with Disabilities (group homes for 7 or more persons)
- Develop a Plan that facilitates ADU's
  - Program language must contain a specific commitment to be implemented by a date certain
  - Program should establish incentives

# Housing Needs Surveys

General Public

<https://mission-viejo.survey.fm/housing-element-survey-2022>

Seniors

<https://mission-viejo.survey.fm/mv-senior-housing>

Questions?

## Housing Element Workshop

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City of Mission Viejo

