

CHAPTER X – HOUSING ELEMENT

3. CONSTRAINTS

Governmental Constraints

Land Use Plans and Regulations

GENERAL PLAN

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The land use element of the General Plan establishes the basic land uses and density of development within the various areas of the County. Under state law, the General Plan elements must be internally consistent, and the County's zoning must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The Orange County General Plan Land Use Element provides for four residential land use designations, as shown in [Table 3-1](#).

Table 3-1
Residential Land Use Categories –
Orange County General Plan

Designation	Maximum Density ¹	Description
Rural Residential (1A)	.025 – 0.5 du/ac	Limited residential use compatible with the natural character of the terrain.
Suburban (1B)	0.5 – 18 du/ac	Wide range of housing types, from estates on large lots to attached dwelling units (town homes, condominiums, and clustered arrangements)
Urban Residential (1C)	18.0 and above du/ac	Applied to areas where intensive residential development is compatible with surrounding urban development. Characterized by intensive residential uses such as apartments, condominiums, town homes and clustered residential units.
Urban Activity Center (6)	18+ ²	Identifies locations intended for high-intensity mixed-use development. Intended to facilitate a more efficient use of transportation systems, conserve energy resources, and develop residential densities that enhance the ability to provide affordable housing.

Source: Orange County General Plan.

¹Density expressed in dwelling units per net acre.

²Special development regulations apply to ensure that the ultimate development pattern is consistent with the intent of the category.

The Land Use Element of the Orange County General Plan designates approximately [72,382.63](#) gross acres ([41%](#)) of the unincorporated County's total land inventory (excluding Cleveland National Forest) for residential uses,

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providing for a range of residential types and densities throughout the unincorporated County.

The maximum gross residential density in the Suburban Residential (1B) land use category is 18 dwelling units per acre, excluding any allowable density bonus. Gross density typically includes street rights-of-way, utility easements, local parks and other community infrastructure. Net densities, including allowable density bonus, are based on net parcel size and therefore may be significantly higher. Maximum densities within the Urban Residential (1C) and Urban Activity Center (6) land use categories are regulated by the applicable zoning, as well as by infrastructure and environmental constraints. The County's approach to accommodating affordable housing has not solely been dependent on achieving high densities, but also on maintenance of a higher than average number of multi-family units as a proportion of total units, and upon successful leverage of state and federal subsidies for affordable housing.

Pursuant to AB 2348 (2004), the “default density” for most Orange County jurisdictions, including the unincorporated County, is 30 dwelling units per acre⁶. The default density refers to the density at which lower-income housing development is presumed to be feasible, although state law allows jurisdictions to propose alternative densities that are sufficient to facilitate affordable housing based on local experience and circumstances. Based on OC Community [Resources](#)' recent experience with affordable apartment developments (see [Table 3-2](#)), projects at densities ranging from [12](#) to [63.4](#) dwelling units per acre have been built in recent years. A significant portion of these projects have been successfully developed at densities of 20 to 25 units per acre.

⁶ Memo of June 9, 2005 from California Department of Housing and Community Development on AB 2348 of 2004.

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Table 3-2
Summary of Affordable Projects: 2006 - 2020
Orange County

Project/Location	Year Built or Acquired	Total Units	General Plan	Zoning	Allowable Density (du/ac)	Project Density (du/ac)	Affordability/ Assistance Level
Laguna Canyon/Irvine	2006	120	Unknown	Med. Density Residential	Unknown	20.98	30 and 50%
Ability First Apartments/Irvine	2008	24	Med. Density Residential	2.3D – Med. Density Resid.	Unknown	12 units/acre	30% AMI
Dorado Senior Apartments/Buena Park	2007	150	Unknown	Commercial	Unknown	62 units/acre	30,50 and 60% AMI
Stratford Place and Windsor Court	2005	86	Unknown	Unknown	Unknown	28.01	30,50 and 60% AMI
Northwood Apartments/Irvine	2006	96	Medium High Density Residential	2.4C - Medium-High Density Residential	Unknown	20.96	30 & 50% AMI
Montecito Vista Apartments/Irvine	2006	162	Unknown	Research and Industrial	Unknown	22.98	30,50 and 60% AMI
Cornerstone Apartment Homes/Anaheim	2007	49	Suburban Residential	CN – Commercial Neighborhood and Housing Opportunities Overlay Zone	25	33.8	30,50 and 60% AMI
Granite Court	2008	71	Unknown	Unknown	Unknown	<u>Unknown</u>	30,50 and 60% AMI
Woodbury NE Apartments	2008	150	Unknown	Unknown	Unknown	<u>Unknown</u>	30,40 and 50% AMI
Birch Hills Apartment Homes	2012	114	Unknown	Unknown	Unknown	Unknown	30, 45 and 50% AMI
Buena Vista Apartments	2011	17	Suburban Residential	C2 General Business District	25	33.8	30, 40 and 60% AMI
Stonegate I Apartments	2009	38	Suburban Residential	C1 Local Business District	25	33.8	30, 40, 50 and 60% AMI
Stonegate II Apartments	2009	26	Suburban Residential	C1 Local Business District	25	33.8	30, 40, 50 and 60% AMI
San Clemente Senior Apartments	2012	76	Unknown	Unknown	Unknown	Unknown	30 & 50% AMI
Doria Apartment Homes Phase I	2011	60	Unknown	Unknown	Unknown	Unknown	30, 45 and 60% AMI
Avenida Villas	2011	29	Suburban Residential	R3 Apartment District	43	35.4	30% AMI
Diamond Aisle Apartments	2009	25	Unknown	Unknown	Unknown	Unknown	30% AMI
Bonterra Apartment Homes	2010	94	Suburban Residential	Planned Community	Unknown	21	30, 35, 50 and 60% AMI
Cerritos Family Apartments	2012	60	Suburban Residential	R2 Multifamily Dwelling District	43	30	50% and 80% <u>AMI</u>
<u>Potter's Lane</u>	<u>2017</u>	<u>16</u>	<u>Community</u>	<u>C2 General Business</u>	<u>25</u>	<u>39</u>	<u>30% AMI</u>
<u>Heroes' Landing</u>	<u>2020</u>	<u>76</u>	<u>Commercial</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>30% AMI</u>
<u>Casa Querencia</u>	<u>2021</u>	<u>57</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>30% and 60% AMI</u>
<u>Placentia Veterans Village</u>	<u>2020</u>	<u>50</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>30% AMI</u>
<u>Salerno at Cypress Village</u>	<u>2020</u>	<u>80</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>30% AMI</u>

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Project/Location	Year Built or Acquired	Total Units	General Plan	Zoning	Allowable Density (du/ac)	Project Density (du/ac)	Affordability/ Assistance Level
Buena Esparanza	2021	70	Unknown	Unknown	Unknown	Unknown	30% AMI
Della Rosa	2020	50	Unknown	Unknown	Unknown	Unknown	30% and 50% AMI
Santa Ana Arts Collective	2020	58	Unknown	Unknown	Unknown	Unknown	30%, 35%, 40%, 60% AMI
Westminster Crossing	2021	65	Unknown	Unknown	Unknown	Unknown	20% and 70% AMI
Altrudy Senior Apartments	2021	48	Unknown	Unknown	Unknown	Unknown	30% AMI
FX Residences	2022	17	Unknown	Unknown	Unknown	Unknown	30% AMI
Legacy Square	2023	93	Unknown	Unknown	Unknown	Unknown	30% AMI
Fountain Valley Housing	2022	50	Unknown	Unknown	Unknown	Unknown	30% AMI
Casa Paloma	2022	71	Unknown	General Business	28	63.4	30% and 50% AMI
The Groves	2022	75	Community Commercial	Unknown	Unknown	Unknown	30% AMI
The Crossroads at Washington	2023	86	Unknown	Unknown	Unknown	Unknown	30% AMI
Villa St. Joseph	2023	50	Unknown	Unknown	Unknown	Unknown	20% AMI
Airport Inn	2021	58	Unknown	Unknown	Unknown	Unknown	30% AMI
Mountain View	2023	71	Unknown	Unknown	Unknown	Unknown	30% AMI
WISEPlace Supportive Housing	2024	52	Unknown	Unknown	Unknown	Unknown	30% AMI
Cartwright Family Apartments	2023	60	Unknown	Unknown	Unknown	Unknown	30%-80% AMI
Lincoln Avenue Apartments	2023	55	Unknown	Unknown	Unknown	Unknown	30%, 50%, 60%, and 70% AMI
Santa Angelina Senior Community	2023	65	Unknown	Unknown	Unknown	Unknown	25% and 60% AMI
Orchard View Gardens	2023	66	Unknown	Unknown	Unknown	Unknown	30%-60% AMI

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Project/Location	Year Built or Acquired	Total Units	General Plan	Zoning	Allowable Density (du/ac)	Project Density (du/ac)	Affordability/ Assistance Level
Center of Hope/The Salvation Army	2022	72	Unknown	Unknown	Unknown	Unknown	25% and 30% AMI
Westview House	2023	85	Unknown	Unknown	Unknown	Unknown	30% and 60% AMI
Huntington Beach Senior Housing	2023	43	Unknown	Unknown	Unknown	Unknown	30% and 50% AMI
Orange Corporate Yard	2023	62	Unknown	Unknown	Unknown	Unknown	30% and 60% AMI
North Harbor Village	2022	91	Unknown	Unknown	Unknown	Unknown	30% AMI
Homekey Property #1: Stanton Inn	2020	72	Unknown	Unknown	Unknown	Unknown	30% AMI
Homekey Property #2: Tahiti Motel	2020	60	Unknown	Unknown	Unknown	Unknown	30% AMI

*Projects funded by the County through the [Permanent Supportive Housing](#) NOFA process.
Source: OC Community Resources/Housing, [5/11/2021](#)

The Orange County General Plan is not considered to be a constraint to the goals and policies of the Housing Element as the County’s zoning is consistent with the General Plan and adequate sites with appropriate densities have been identified to permit the construction of the County’s fair share of new housing units for the [2021-2029](#) planning period (see Section 4, Resources and Opportunities). Under the Housing Opportunities Overlay Regulations (Zoning Code [Section 7-9-44](#)) adopted in [2020](#), affordable housing developments are permitted by right at a density [up to 43.5](#) units per acre, excluding density bonus. [Since the January 10, 2006 adoption of the Housing Opportunities Overlay Zone, eight \(8\) projects have been built \(within the Housing Opportunities Overlay Zone\) which demonstrates the effectiveness of the regulations in facilitating the production of housing for lower-income families.](#) Those projects, with densities between 30 and [63.4](#) units per acre, include affordable units at the 30%, 50% and 60% AMI level and demonstrate that lower-income housing is feasible under current regulations (see further discussion in Appendix B, Land Inventory).

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ZONING ORDINANCE

Zoning regulations serve as a key General Plan implementation tool. The County’s Zoning Code accommodates a diversity of residential housing types. It allows for innovation in design standards within parameters designated on Land Use Element, Table III-1 provided the overall density and dwelling unit capacity is not exceeded. The Orange County Zoning Code provides for 17 residential zoning districts, as listed below:

- A1 “General Agricultural” District
- AR “Agricultural Residential” District
- E1 “Estates” District
- RHE “Residential Hillside Estates” District
- E4 “Small Estates” District
- H “Housing Opportunities” Overlay District
- MX “Mixed-Use” Overlay District
- RE “Residential Estates” District
- R1 “Single-Family Residence” District
- RS “Residential, Single-Family” District²
- R2D “Two-Family Residence” District
- R2 “Multifamily Dwelling” District
- R3 “Apartment” District
- R4 “Suburban Multifamily Residential” District
- RP “Residential-Professional” District
- PC “Planned Community” District
- PD “Planned Development” Combining District

Of the 17 residential use zoning districts (including A1 General Agricultural), multi-family projects of four units or less are permitted “by right” in the R2, R3 and R4 zones, as well as in Planned Community Districts. In addition, duplexes are allowed by right in the R2D district. Single-family dwellings are allowed in all residential zones in the County. Allowable densities in these zones range from 0.4 units/acre in the A1 zone up to 65 units/acre in the R2 and R3 zones. The height limit is 35 feet in all zones except R3, which allows up to 65 feet. Please see 0 for a summary of the applicable development standards in these zoning districts. Notwithstanding the number of zoning districts identified, however, the overwhelming majority of development approved within the unincorporated County was accomplished under the PC “Planned Community” District.

Planned Community District: One particularly effective component of the County’s zoning regulations is the Planned Community (PC) designation. In general, each planned community is subject to the standard provisions of the

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Zoning Code. The purpose of this district is to provide the authority, regulations and procedures whereby large land areas can be planned, zoned, developed and administered as individual, integrated communities. It is intended that each planned community will be developed to take maximum advantage of its location, environment and physical features. Several of these planned communities are also the subject of development agreements, which identify the levels of development allowed and important public facilities that will accompany development.

Rancho Mission Viejo Planned Community: The most recently approved Planned Community is Rancho Mission Viejo, approved by the Board of Supervisors on November 8, 2004. Rancho Mission Viejo is located in southeastern Orange County east of San Juan Capistrano and north of San Clemente. Rancho Mission Viejo includes the development of 5,768 acres of the 22,683-acre Planned Community with a maximum of 14,000 dwelling units, 6,000 of which are forecasted to be age restricted, and 5.2 million sq. ft. of employment floor area. The remainder of Rancho Mission Viejo the Ranch Plan, 16,915 acres, is planned to remain as protected, permanent open space. Build-out of the planned community is expected in approximately 20 years.

As is the case with nearly all planned communities approved in Orange County, the Rancho Mission Viejo is subject to a Development Agreement between the County and the landowner. The Ranch Plan Development Agreement requires that the developer offer for dedication an aggregate of 60 gross acres of land to the County, which would be graded and improved for the County's development of low-income rental housing. In July 2006 the County and property owner entered into an Affordable Housing Implementation Agreement (AHIA), or as may be supplemented, that delineates the process for transferring the property to the County for development. Development assumptions for Rancho Mission Viejo are discussed in greater detail in Appendix B – Land Inventory.

Since the grand opening of Planning Area 1 in 2013, Rancho Mission Viejo and neighborhood builders have completed and sold/rented 1,247 housing units in Sendero PA1, of which 286 are deed-restricted senior housing (Age Qualified) units. In addition, 107 senior affordable apartments have been leased. Since the grand opening of PA2 in 2015 and through the end of 2019, RMV and neighborhood builders have obtained building permits for 2,507 market rate units in Esencia PA2, and occupancy permits (closings) for 2,475 market rate units, of which 830 have been deed-restricted senior housing (Age Qualified) units. In addition, a 112-unit affordable family apartment project has been leased.

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Residential Professional District and Mixed-Use Overlay District: Another particularly effective component of the County’s zoning regulations is mixed-use development, which is permitted in the RP and MX districts. In contrast to single-use zones, mixed-use combines residential with retail, office, commercial and/or entertainment developments. Mixed-use not only allows residents to live, work, and shop within walking distance, it strengthens the economy with an employee and retail base for local businesses. Mixed-use is especially beneficial for communities lacking vacant residential sites, creating the opportunity for new housing through infill development and decreasing housing costs through shared amenities and parking.

The County’s RP “Residential-Professional” district provides for the development and maintenance of moderate-intensity residential and office uses to produce an integrated mixed-use neighborhood of superior quality. The zone is principally designed to mix single family or mobile home dwelling units with professional and administrative offices.

The County’s MX “Mixed Use” Overlay District provides the opportunity to develop high density housing in commercial areas. These regulations are intended to facilitate the vertical and horizontal mixing of retail, office, and residential uses and development of mixed-use buildings accommodating both residential and employment activities. In both infill contexts and in larger projects, these regulations shall facilitate the inclusion of cultural, civic, education, and urban recreational uses and support transit-oriented development and alternative modes of transportation.

A summary of the development standards for the 17 zoning districts permitting residential development is provided in **Table 3-3**. These development standards are reasonably necessary to protect the public health, safety and welfare and maintain the quality of life, and are not considered to be constraints to the development of housing. For additional details, development standards for each zoning district are available on the County’s website, per Government Code 65940.1(a)(1)(B).

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Table 3-3
Summary of Residential Zoning Regulations –
County of Orange

Zone	Residential Uses Permitted By Right	Residential Uses Permitted With SDP/UP	Min. Land Area per Unit/Max. Density	Height Limit	From Ultimate Street R/W Line			From Property Line Not Abutting Street		On Panhandle Building Site from Any Property Line
					Front	Side	Rear	Side	Rear	
A1 "General Agricultural" District	<ul style="list-style-type: none"> Single-family detached dwelling or mobile home per section 7-9-<u>92.2</u> (one building site) <u>Accessory Dwelling Units and Junior Accessory Dwelling Units</u> 	<ul style="list-style-type: none"> <u>Community care facilities serving 7 to 12 persons</u> <u>Large Congregate living health facilities serving 7 to 12 persons per section 7-9-95</u> <u>Farmworker dwelling unit per section 7-9-134</u> <u>Farmworker housing complex per section 7-9-134</u> 	<u>4 acres/ 1 du/ac</u>	<u>35 ft.</u>	<u>20</u>	<u>5</u>	<u>25</u>	<u>5</u>	<u>25⁴</u>	<u>10</u>
AR "Agricultural Residential" <u>District</u>	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes <u>(7-9-95.2)</u> Single-family detached dwelling or mobile home per section 7-9-<u>92.2149.5</u> (one building site) <u>Accessory Dwelling Units and Junior Accessory Dwelling Units</u> 	<ul style="list-style-type: none"> <u>Community care facilities serving 7 to 12 persons</u> <u>Large Congregate living health facilities serving 7 to 12 persons per section 7-9-95</u> 	<u>7,200 sq.ft./ 6.1 du/ac</u>	35 ft.	20	5	25	5	25 ⁴	10
E1 "Estates" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes <u>(7-9-95.2)</u> Single-family dwelling or mobile home per section 7-9-<u>92.2</u> (one per building site) <u>Accessory Dwelling Units and Junior Accessory Dwelling Units</u> 	<ul style="list-style-type: none"> <u>Community care facilities serving 7 to 12 persons</u> <u>Large Congregate living health facilities serving 7 to 12 persons per section 7-9-95</u> 	1 acre/ 1.0 du/ac	35 ft.	45	20	50	20	50 ⁴	10

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Zone	Residential Uses Permitted By Right	Residential Uses Permitted With SDP/UP	Min. Land Area per Unit/Max. Density	Height Limit	From Ultimate Street R/W Line			From Property Line Not Abutting Street		On Panhandle Building Site from Any Property Line
					Front	Side	Rear	Side	Rear	
RHE "Residential Hillside Estates" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units and Junior Accessory Dwelling Units 	<ul style="list-style-type: none"> Community care facilities serving 7 to 12 persons Large Congregate living health facilities serving 7 to 12 persons per section 7-9-95 	10,000 sq.ft./ 4.4 du/ac	35 ft.	10	8	25	8	25 ⁴	10
E4 "Small Estates" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units and Junior Accessory Dwelling Units 	<ul style="list-style-type: none"> Community care facilities serving 7 to 12 persons Large Congregate living health facilities serving 7 to 12 persons per section 7-9-95 	10,000 sq.ft./ 4.4 -du/ac	35 ft.	30	note ¹	25	note ¹	25 ⁴	10
H "Housing Opportunities" Overlay District⁵	<ul style="list-style-type: none"> See section 7-9-44 		Up to 43.5 du/ac	35 ft.	20	note²	25	note²	25⁴	10
MX "Mixed-Use" Overlay District⁵	<ul style="list-style-type: none"> See section 7-9-45 May be combined with any commercial zoning district 	<ul style="list-style-type: none"> All mixed-use projects shall be subject to a Use Permit 	Up to 33 du/ac	note⁵	note⁵	note⁵	note⁵	note⁵	note⁵	note⁵
RE "Residential Estates" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Single-family dwelling or mobile home per section 7-9- 92.2 (one per building site) Accessory Dwelling Units and Junior Accessory Dwelling Units 	<ul style="list-style-type: none"> Community care facilities serving 7 to 12 persons Large group homes serving 7 or more persons per section 7-9-95 	20,000 sq.ft./ 2.2 du/ac	35 ft.	40	note ¹	25	note ¹	25 ⁴	15

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Zone	Residential Uses Permitted By Right	Residential Uses Permitted With SDP/UP	Min. Land Area per Unit/Max. Density	Height Limit	From Ultimate Street R/W Line			From Property Line Not Abutting Street		On Panhandle Building Site from Any Property Line
					Front	Side	Rear	Side	Rear	
R1 "Single-Family Residence" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units and Junior Accessory Dwelling Units 	<ul style="list-style-type: none"> Community care facilities serving 7 to 12 persons Large group homes serving 7 or more persons per section 7-9-95 	7,200 sq.ft./ 6.1 du/ac	35 ft.	20	5	25	5	25 ⁴	10
RS "Residential, Single-Family District"	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units and Junior Accessory Dwelling Units 	<ul style="list-style-type: none"> Community care facilities serving 7 to 12 persons Large group homes serving 7 or more persons per section 7-9-95 	7,000 sq.ft./ 6.2 du/ac	35 ft.	10	10	10	note ³	0	10
R2D "Two-Family Residence" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Duplexes (one per building site) Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units 	<ul style="list-style-type: none"> Residential condominium, stock cooperative, and community apartment projects per section 7-9-89 (two units maximum) Community care facilities serving 7 to 12 persons Large Congregate living health facilities serving 7 to 12 persons Large group homes serving 7 or more persons per section 7-9-95 Group homes serving 7 or more persons per section 7-9-95 Senior living facilities per section 7-9-98 	3,600 sq.ft./ 12.1 du/ac	35 ft.	20	5	25	5	25 ⁴	10

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					Front	Side	Rear	Side	Rear	
R2 "Multifamily Dwelling" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Multi-family projects of four (4) or less dwelling unit Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units 	<ul style="list-style-type: none"> Multi-family projects of five (5) or more dwelling units (except condominium, stock cooperative, and community apartment projects) per section 7-9-86 Mobile home developments per section 7-9-92 Residential condominium, stock cooperative, and community apartment projects per section 7-9-86 Community care facilities serving 7 to 12 persons Large Congregate living health facilities serving 7 to 12 persons Group homes serving 7 or more persons per section 7-9-95 Senior living facilities per section 7-9-98 Senior citizen housing developments with less than 35 units per section 7-9-135 	1,000 sq.ft./43.5 du/ac	35 ft.	20	5	25	5	25 ⁴	10

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					Front	Side	Rear	Side	Rear	
R3 "Apartment" District	<ul style="list-style-type: none"> Boarding houses serving six (6) or fewer persons Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Multi-family projects of four (4) or less dwelling unit Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units 	<ul style="list-style-type: none"> Fraternity or sorority houses Multifamily projects of five (5) or more dwelling units (except condominium, stock cooperative, and community apartment projects) per section 7-9-86 Community care facilities serving 7 to 12 persons Large Congregate living health facilities serving 7 to 12 persons Mobile home developments per section 7-9-92 Residential condominium, stock cooperative and community apartment projects per section 7-9-86 Boarding houses serving more than 6 persons. Group homes serving 7 or more persons per section 7-9-95 Senior living facilities per section 7-9-98 Single-room occupancy (SRO) per section 7-9-88 Senior citizen housing developments with less than 35 units per section 7-9-135 	1,000 sq.ft./43.5 du/ac	65 ft.	20	note ²	25	note ²	25 ⁴	10

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					Front	Side	Rear	Side	Rear	
R4 "Suburban Multifamily Residential" District	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Multi-family projects of four (4) or less dwelling unit Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) Accessory Dwelling Units 	<ul style="list-style-type: none"> Multifamily projects of five (5) or more dwelling units (except condominium, stock cooperative, and community apartment projects) per section 7-9-86 Community care facilities serving 7 to 12 persons Large Congregate living health facilities serving 7 to 12 persons Mobile home developments per section 7-9-92.149 Residential condominium, stock cooperative and community apartment projects per section 7-9-86.146.7 Group homes serving 7 or more persons per section 7-9-95 Senior living facilities per section 7-9-98 Senior citizen housing developments with less than 35 units per section 7-9-135 	3,000 sq.ft./ 14.5 du/ac	35 ft.	20	5	25	5	25 ⁴	10
RP "Residential-Professional"	<ul style="list-style-type: none"> Community care facilities serving six (6) or fewer persons and large family day care homes (7-9-95.2) Single-family dwelling or mobile home per section 7-9-92.2 (one per building site) 	<ul style="list-style-type: none"> Multifamily projects of four (4) or less dwelling units 	3,000 sq.ft./ 14.5 du/ac	35 ft.	20	5	25	5	25 ⁴	10
PC "Planned Community" District	<ul style="list-style-type: none"> The purpose of this district is to provide the authority, regulations and procedures whereby large land areas can be planned, zoned, developed and administered as individual integrated communities Accessory Dwelling Units and Junior Accessory Dwelling Units 		For each proposed Planned Community, a specific PC Program Text shall be adopted by ordinance that specifies land use regulations and procedures applicable to all areas within the boundaries of the planned community.							

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Zone	Residential Uses Permitted By Right	Residential Uses Permitted With SDP/UP	Min. Land Area per Unit/Max. Density	Height Limit	From Ultimate Street R/W Line			From Property Line Not Abutting Street		On Panhandle Building Site from Any Property Line
					Front	Side	Rear	Side	Rear	
<u>PD "Planned Development" Combining District</u>	<ul style="list-style-type: none"> <u>The purpose of the PD "Planned Development" Combining District is to provide flexibility whereby land may be developed utilizing innovative site planning techniques (e.g., clustering of units and shared parking) to produce a development project that will preserve the community health, safety and general welfare and maintain the character of the surrounding neighborhood.</u> <u>Accessory Dwelling Units and Junior Accessory Dwelling Units</u> 	<ul style="list-style-type: none"> <u>Planned (unit) developments not otherwise permitted through base district regulations.</u> 			<u>In any district where the district symbol is followed by, as a part of such symbol, the letters "(PD)," planned development projects shall be permitted subject to the use regulations, development standards, and other provisions. Projects located within this district that are not a planned development, or not part of a planned development, shall comply with the regulations of the base district and are not subject to the provisions of this section.</u>					

Notes:

¹Ten (10) percent average ultimate net width of building site-Maximum twenty (20) feet.

²Five (5) feet: add one (1) foot for each additional story over two (2).

³Ten (10) feet on one side only or ten (10) feet total of two (2) sides combined.

⁴In computing the depth of a rear set back from any building where such setbacks open on an alley, private street, public park or public beach, one-half of the width of such alley, street, park or beach may be deemed to be a portion of the rear setback, except that under this provision, no rear setback shall be less than 50 feet.

⁵H "Housing Opportunities" Overlay District and MX "Mixed-Use" Overlay District: Sites shall comply with the base district site development standards.

Source: County of Orange Zoning Code 2020, OC Public Works.

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Housing Opportunities Overlay Zone: The goal of the Housing Opportunities Overlay Zone is to facilitate the development of affordable housing units on underutilized non-residentially zoned land in the unincorporated area. The Board of Supervisors adopted the Housing Opportunities Overlay Zone regulations on January 10, 2006. To provide guidelines for the development of Housing Opportunity sites, the Planning Commission approved the Housing Opportunities Manual on June 21, 2006.

The Housing Opportunities Overlay Zone allows affordable housing development by-right (i.e., without a conditional use permit) in the following districts:

- C1 – Local Business
- C2 – General Business
- CH – Commercial Highway
- CN – Commercial Neighborhood
- PA – Professional and Administrative Office
- M1 – Light Industrial

The Housing Opportunities Overlay Zone’s affordability requirements include the following criteria:

- Rental project;
- 100% of the units must be affordable to low and very-low income households (70% low income and 30% very low income) for at least 55 years.

If necessary in order to make the project economically feasible, the County offers the following incentives:

- Density bonus;
- Setback reduction;
- Increased maximum lot coverage; and/or
- Increased building height.

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Although not considered an incentive, the County also offers alternative (reduced) parking requirements for residential development within the Housing Opportunities Overlay Zone. All other standards of the base commercial zoning district continue to apply.



Cornerstone

On December 9, 2008, the Board of Supervisors adopted a Zoning Code amendment extending the Housing Opportunities Overlay Zone regulations to properties zoned R2, R3, R4 and RP that are adjacent to arterial highways.

On July 28, 2020, the Board of Supervisors adopted a Zoning Code Amendment to increase the base density from 25 to 43.5 du/ac.

Since the adoption of the Housing Opportunities Overlay Zone, eight projects (within the Housing Opportunities Overlay Zone) with a total of 306 affordable units have been approved, which demonstrates the effectiveness of the regulations in facilitating the production of housing for lower-income families (see Table A-3). The average density of these projects has been over 37.68 units per acre as compared to the base density of 25 units per acre. Appendix B contains a detailed discussion of the additional development capacity of parcels in the Housing Opportunities Overlay Zone.

OFF-STREET PARKING REQUIREMENTS

Parking is a necessary aspect of any development and can constrain the development of affordable housing. For every parking space that is required, there is less land available for development. Excessive parking requirements can thus drive up the cost of development. Parking requirements in the County of Orange, however, are similar to other jurisdictions and are not considered to be so stringent as to be a constraint to affordable development. Furthermore, the Zoning Code provides additional opportunities for developments to request alternatives to off-street parking regulations (Sec. 7-9-70.9). Residential parking requirements for the County are displayed in Table 3-4.

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The County's Zoning Code assigns parking standards with the intent to promote efficient land use. It is intended that these regulations will result in properly designed parking facilities of sufficient capacity to minimize traffic congestion, enhance public safety, generally provide for the parking of motor vehicles at locations other than on the streets, and for safe passage of pedestrians to and from parked vehicles.

Table 3-4
Residential Parking Requirements –
County of Orange

Type of Residential Development	Required Parking Spaces		Comments
Attached / Detached Single-Family Dwellings	Two (2) covered spaces for each dwelling Those with less than 18-foot setback from back of curb or sidewalk shall provide one (1) additional space within 200 feet of dwelling <u>Those dwellings with more than four (4) bedrooms shall provide an additional one-half (0.5) off-street parking space on the same parcel for each additional bedroom. In addition to the two (2) required covered spaces. If one additional space is required, it shall be covered. If more than one additional space is required, at least fifty percent (50%) of the additional spaces shall be covered and may be tandem spaces.</u>		<u>For purposes of this section, a room such as a den, study or sewing room shall be considered a bedroom.</u>
<u>Multifamily</u> Dwellings	Zero to one-bedroom dwelling units	One and one-half (1.5) for each dwelling unit	For purposes of this section, a room such as a den, study or sewing room shall be considered a bedroom.
	Two-bedroom dwelling units	Two (2) off-street spaces for each dwelling unit. One (1) of the spaces shall be covered for each unit.	
	Three or more-bedroom dwelling units	Two and one-half (2.5) off-street spaces per dwelling unit, plus one-half (.5) off-street space for each bedroom in excess of three (3). Except as otherwise noted below, two (2) spaces shall be covered for each dwelling unit.	
	Five or more dwelling units, or accessory "second units"	The requirement that off-street spaces be covered is not applicable for larger multi-family projects (5+ units) or "second units." For building sites with five (5) or more dwelling units, the developer may opt to utilize a prescribed sliding scale based on unit size to create unassigned parking, in lieu of above requirements	
Guest Parking	In addition to above regulations, two-tenths (.2) guest parking spaces per dwelling units shall be provided		N/A

Source: County of Orange Zoning Code, 2020

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DENSITY BONUS

Beyond local requirements, California law allows for a 35% increase in the density of a residential development when a housing developer agrees to construct any of the following: a minimum of 20% of the total units of a housing development for lower income households or 10% of the total units for very low income households. A senior housing development is also eligible for a 20% density bonus if it includes at least 35 dwelling units, and the applicant seeks a density bonus.

The County must also provide at least one of the following:

- A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission.
- Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project.
- Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable cost reductions.

The County of Orange complies with the density bonus provisions required by state law in residential zones when requested by the project applicant. In 2013 the density bonus provisions of the Zoning Code (Sec. 7-9-87) were amended to streamline the approval process for density bonus.

In July 2020, the Orange County Board of Supervisors adopted the Comprehensive Zoning Code, which also includes provisions to increase and exceed the density bonus and number of incentives that developers can obtain through application of the State's Density Bonus Law, which is referenced in the Zoning Code (Sec. 7-9-87). In compliance with AB 1763, new regulations have been adopted to address the housing crisis and facilitate the production of higher density affordable housing units. An 80% density bonus is available for projects in which 100% of the units (exclusive of the manager's units) are affordable to lower and moderate-income households with a maximum of 20% of the units affordable to moderate-income households and the remainder affordable to lower-income households.

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Under Government Code Section 65915, known as the Density Bonus Law, the maximum bonus was 35%. California state law AB 2345 states that all jurisdictions in California are required to process projects proposing up to 50% additional density as long as those projects provide the additional Below Market Rate units (BMR) in the “base” portion of the project, unless the locality already allows a bonus above 35%. The bill also lowered the BMR thresholds for incentives for projects with low income BPRs.

Additionally, Government Code Section 65915 authorizes an applicant to receive 2 incentives or concessions for projects that include at least 17% of the total units for lower income households, at least 10% of the total units for very low income households, or at least 20% for persons or families of moderate income in a common interest development. It also allows an applicant to receive 3 incentives for projects that include at least 24% of the total units for lower income households, at least 15% of the total units for very low income households, or at least 30% for persons or families of moderate income in a common interest development.

AB 2345 also requires an allowance of up to 50% density bonus when the base BMR is proposed. The County’s Zoning Code refers to the latest State Density Bonus law provisions and implements the most recent changes of State law. A program is included in the County’s Zoning Code in compliance with State legislation.

MOBILE HOMES/MANUFACTURED HOUSING

There is often an economy of scale in manufacturing homes in a plant rather than on site, thereby reducing cost. State law precludes local governments from prohibiting the installation of mobile or manufactured homes on permanent foundations on single-family lots. It also declares a mobile home park to be a permitted land use on any land planned and zoned for residential use and prohibits requiring the average density in a new mobile home park to be less than permitted by the Zoning Code.

In accordance with zoning regulations, the County has determined that like single-family homes, mobile homes and manufactured housing are principally permitted in all residential zones. The number of mobile home or manufactured dwelling units permitted, as well as minimum setback requirements, is the same as the maximum number of dwelling units and setback requirements permitted by the applicable district regulations. Off-street parking is consistent with the regulations found in 0above, except as follows: Two (2) parking spaces for each mobile home

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dwelling unit; and one (1) parking space for each four (4) mobile home units to allow for additional guest parking.

As well, there are additional screening and landscaping requirements, and supplemental design criteria for mobile or manufactured home developments. The approving authority may grant exceptions if special circumstances are warranted, or if the requirements become excessive when applied to a specific development.

ACCESSORY DWELLING UNITS (ADUs)

In response to state-mandated requirements and local needs, the County permits a property owner in any district, including planned community and specific plan areas, where a single-family unit exists on a parcel zoned for such purposes, to apply to establish an accessory dwelling unit (ADU) along with junior accessory dwelling unit (if owner occupied) by-right. Accessory dwelling units are also permitted on existing multifamily residential projects. State regulations also changed to allow property owners to convert existing garages and structures into ADUs and the County allows this change. Each ADU is required to have a separate address.

Accessory dwelling units serve to augment resources for senior housing, or other low- and moderate-income segments of the population. The development standards are reasonable to ensure neighborhood compatibility, and with the proposed amendment, will not present an unreasonable constraint to development.

In July 2020, the County’s Comprehensive Zoning Code was updated in accordance with the October 2019 passage of AB 68, AB 881, AB 587, AB 671 and SB 13. The provisions encourage the development of ADUs by making the process less restrictive for homeowners.

FARMWORKER HOUSING

California Health and Safety Code Sections 17021.5 and 17021.6 generally require agricultural employee housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. The Orange County Zoning Code currently permits farmworker housing in the A1 (General Agricultural) District with the approval of a Site Development Permit (SDP). A program is included in the Housing Plan to ensure the County’s development standards allow farmworker housing by-right, without an SDP, in single-family zones for six or fewer persons.

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LOW BARRIER NAVIGATION CENTERS

AB 101 states that “The Legislature finds and declares that Low Barrier Navigation Center developments are essential tools for alleviating the homelessness crisis in this state and are a matter of statewide concern-.” Low Barrier Navigation Centers are defined as a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low Barrier Navigation Centers are required as a use by right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if it meets specified requirements. The Orange County Zoning Code adopts State regulations on Low Barrier Navigation Centers to ensure the County’s development standards are updated in accordance with AB 101 to allow Low Barrier Navigation Centers by-right in all zones that permit mixed-uses and non-residential uses. In particular, the existing Bridges at Kraemer Place and Yale Navigation Center meet the criteria of Low Barrier Navigation Centers, as described above.

CONDOMINIUM CONVERSIONS

In order to reduce the impacts of condominium conversions on residents of rental housing (including mobile home parks, duplexes and multi-family rental housing), some of which provides housing for low- and moderate-income persons, the County’s Zoning Ordinance ([Section 7-9-89](#)) provides for the following to be included with any conversion application:

1. Submission of an engineering report on the general condition of all structural, electrical, plumbing, and mechanical elements of the existing development.
2. Submission of a housing program which includes:
 - The means by which the provision of housing affordable to lower and moderate income households will be achieved;
 - A housing report addressing the balance of housing in the community, including vacancy rates and other available housing of similar type and rent;
 - As applicable, the estimated costs for movement of each mobile home to an available, reasonably comparable space;
 - A survey of existing tenants as to their length of occupancy, and the number of those projected to purchase one of the units; and

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- A relocation plan that identifies the steps that will be taken to ensure the successful relocation of each tenant in the event the conversion take places.
3. Tenant provisions, including:
- (a) A requirement that the property owner provide tenants a ninety (90) day preemptive right to purchase units or right of exclusive occupancy upon more favorable terms and conditions than those on which the unit will be initially offered to the public; and
 - (b) All tenants must be provided with a minimum of one hundred eighty (180) days advance notice of the termination of their tenancy, except that one (1) year notice must be provided for units in a mobile home park.

When a condo conversion is permitted, the increase in the supply of moderately-priced for-sale units helps to compensate for the loss of rental units. The ordinance to regulate condominium conversions is reasonable to preserve rental housing opportunities, and does not present an unreasonable constraint on the production of ownership housing.

SPECIAL NEEDS HOUSING

Persons with special needs include those in residential care facilities, persons with disabilities, the elderly, farm workers, persons needing emergency shelter or transitional living arrangements, and single room occupancy units. The County's provisions for these housing types are discussed below.

- **Community Care Facilities** – Community care facilities are licensed by the California Department of Social Services. These facilities provide non-medical, residential care, and supervision to children or adults in need of a supportive living environment. The services provided may include assistance in dressing and bathing, supervision of client activities; monitoring of food intake; or oversight of the client's property. Pursuant to Health and Safety Code Section 1502, as may be amended, community care facilities include the following: residential facility providing 24-hour care; adult day program; therapeutic day services facility; foster family agency; foster family care home; small family home; social rehabilitation facility community treatment facility; full service adoption agency; noncustodial adoption agency. In accordance with state law, small community care facilities that serve six (6) or fewer persons are permitted by-right in all residential districts.

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Community care facilities that serve 7 to 12 persons are permitted within any residential zone subject to approval of an use permit.

- **Congregate Living Health Facility** – Congregate living health facilities are licensed by the State of California pursuant to Section 1250 of the Health and Safety Code, as may be amended, to provide inpatient care; including the following basic services: medical supervision, 24-hour skilled nursing and supportive care, dependent or catastrophically and several disabled. A congregat living health facility serving more than twelve (12) persons may be permitted in any district zoned for either multifamily residential or hotels subject to the approval of a Use Permit by Planning Commission pursuant to section 7-9-125.
- **Housing for Persons with Disabilities** – The County’s Zoning Code permits group accommodation for unrelated persons by defining “household” as “all people occupying ~~one~~ a single dwelling unit. A household shall also mean all people occupying two (2) dwelling units on the same site if both units are used as group homes owned or operated by the same owner.” *‘Household’ includes the occupants of community care facilities serving six (6) or fewer persons which are permitted or licensed by the State.” (Section 7-9-95).* This definition does not place a constraint on group homes for disabled persons.
- **Group Home.** Group Homes are defined as facilities that are “being used as a supportive living environment for persons who are considered handicapped under State or Federal law. A group home operated by a single operator or service provider (whether licensed or unlicensed) constitutes a single facility, whether the facility occupies one (1) or more dwelling units. Group homes shall not include the following: (1) community care facilities; (2) any group home that operates as a single housekeeping unit.” (Section 7-9-95.1). These types of residences for up to six (6) residents are allowed in any district, planned community, or specific plan area zoned for residential districts subject to a Group Home Permit, which is a ministerial approval. Group Homes with seven (7) or more residents are allowed in any district, planned community, or specific plan area zoned for multifamily subject to issuance of a Use Permit by the Planning Commission per section 7-9-125.

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- **Sober Living Home** – Sober living homes are a type of group home operated as a cooperative living environment providing an alcohol and drug-free home for persons recovering from alcoholism and/or drug abuse, which are not required to be licensed by the State. Like other Group Homes, sober living homes for six (6) or fewer residents are allowed in residential districts, subject to a Group Home Permit. Also, similarly to other Group Homes, sober living homes of seven (7) or more residents shall be permitted in any zoning district zoned for multi-family residential uses subject to the issuance of a Use Permit by the Planning Commission per section 7-9-125 and compliance with certain conditions.

Reasonable Accommodations. Permitting requirements for Group and Sober Living Homes may be waived or modified for eligible disabled persons pursuant to Section 7-9-129 – Reasonable Accommodations.

In addition, the County's building codes require that new residential construction comply with the federal accessibility standards contained in the California Building Code (2019 Edition), California Residential Code (2019 Edition), California Green Building Standards Code (2019 Edition), **2019 California Energy Code** and the International Building Code (2018 Edition). In addition, any residential units constructed directly by the County, as well as public accommodations, are subject to provision of the Americans with Disabilities Act (ADA). ADA provisions include requirements for a minimum percentage of units in new developments to be fully accessible to the physically disabled. Provisions of fully accessible units may also increase the overall project development costs. Enforcement of ADA requirements is not at the discretion of the County, but is mandated under federal law under certain conditions.

In addition, the County's Codified Ordinances contains the following provisions regarding housing for persons with disabilities:

- Reasonable accommodation. In addition to compliance with state and federal accessibility standards, including Title 24 and ADA requirements, Orange County has established reasonable accommodation procedures (Codified Ordinance Section 7-1-2).
- Concentration limitations. County codes do not establish maximum concentration requirements for residential facilities.

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- Parking standards are based on use (e.g., single or multi-family, community care facilities), not on the type of occupant. The Zoning Code establishes standards for the number of handicapped parking stalls, including location and dimensions (Section 7-9-[70](#)).

Because site development standards contained in the Zoning Code are consistent with building code accessibility requirements, the Zoning Code does not place regulatory constraints on housing for persons with disabilities.

Compliance with building codes and the ADA may increase the cost of housing production and can also impact the viability of rehabilitation of older properties required to be brought up to current code standards. However, these regulations provide minimum standards that must be complied with in order to ensure the development of safe and accessible housing.

- **Farm Worker Housing** – As discussed in Section 2, (*Needs Assessment*), agricultural production in the unincorporated portion of Orange County has declined significantly. Orange County is a well-developed, mixed urban suburban region with an economy that is not tied to an agricultural base, and has limited need for on-site farm worker housing. The County's overall efforts to provide and maintain affordable housing opportunities will help to support the few seasonal farm workers that may choose to reside in the County. However, agricultural quarters are permitted within the General Agricultural (A1) district, subject to approval of a Site Development Permit.
- **Housing for the Elderly** – Senior housing projects are a permitted use within any residential zoning district. The Zoning Code also provides a density bonus for the construction of senior housing projects. The Zoning Ordinance is not considered to be a constraint to the development of senior housing because the regulations are the same as for other residential uses in the same districts.
- **Emergency Shelters, Transitional [Housing and Supportive Housing](#)** – Emergency shelters are facilities that provide a safe alternative to the streets either in a shelter facility, or through the use of motel vouchers. Emergency shelter is short-term, usually for 30 days or less. Transitional housing is longer-term [emergency](#)

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housing, typically six months up to two years ~~or more~~ with the goal of participants transitioning to permanent housing upon program exit. Transitional housing requires that the resident participate in a structured program to work toward the established goals so that they can move on to permanent housing. Residents are often provided with an array of supportive services to assist them in meeting goals. Supportive Housing is longer term permanent housing that provides supportive services to ensure housing stability for participants.

For many years the County has been proactive in addressing the needs of the homeless population. In 2010 the Board established the Commission To End Homelessness to work collaboratively and provide strategic leadership and provide oversight of accountability for the implementation of goals and strategies in the Ten Year Plan To End Homelessness. (See the *Needs Assessment* section for a complete description of homeless needs and supporting activities).

It should be recognized that most of the homeless population (as well as the services needed by these individuals) are found in the urbanized core of the county, most of which is within incorporated cities. This pattern continues as unincorporated land is annexed or incorporated into new cities. Therefore, it is appropriate that most of the facilities for this population are also located in the cities. As with other categories of housing assistance, the OC Community Resources takes a broad perspective that includes more than just the unincorporated area, and many housing programs and affordable housing developments located in cities have been assisted by the County in recent years (see Table A-2 in Appendix A).

SB2 (2007) strengthened the planning requirements for emergency shelters and transitional/supportive housing. The bill requires jurisdictions to evaluate their needs for shelters compared to available facilities to address the need. Jurisdictions must also designate at least one location where a year-round shelter can be accommodated. It is estimated that the need for emergency shelter required by persons in the unincorporated area is approximately 53 (see discussion in Section 2 – Community Profile and Needs). In order to encourage and facilitate the establishment of additional facilities, the Zoning Code amendment to allow shelters by-right in the commercial and industrial

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portions of the Housing Opportunities Overlay Zone was adopted by the Board of Supervisors in 2013.

“Boarding houses” are allowed by-right (6 or fewer residents) in multi-family residential districts or subject to a use permit (more than 6 residents) in the R-3 (apartment) district.

In addition, the County Zoning Code permits the construction of **Single Room Occupancy** (SRO) facilities in any district where hotels are permitted, subject to approval of a conditional use permit. These regulations facilitate the development or conversion of facilities to serve those in need of emergency shelter by expanding the geographic area where suitable facilities may be built and requiring only those conditions that are reasonably necessary to foster sound planning and neighborhood compatibility. The conditions and development standards that are applied to these facilities are no more stricter than those for conventional hotel or motel developments.

One SRO-type facility has been built in the unincorporated area in recent years – Jackson Aisle in Midway City. This project was facilitated through a density bonus and the modification of development standards including a reduction in the minimum land area per unit (from 1,000 to 342 square feet), reduction in setbacks, and reduced off-street parking. All of the units in this project are affordable at the extremely-low-income level.

BUILDING CODES

Orange County has adopted the California Building Code (CBC) (2019 Edition), California Residential Code (2019 Edition), California Green Building Standards Code (2019 Edition), 2019 California Energy Code and the 2018 edition of the International Building Code (IBC), which establish construction standards for all residential buildings. These building codes are used as a collective set of rules to guide new construction, adaptive reuse, and renovation. The County's building codes are based on regulations necessary to protect the public health, safety and welfare. These minimum standards cannot be revised to be less stringent without sacrificing basic safety considerations and amenities.

The County's building codes are updated, as necessary, and reflect conditions unique to Orange County. They contain minimum building requirements for building/fire protection, structural and seismic safety and installation of devices/fixtures that reduce energy consumption. State law prohibits the

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imposition of building standards that are not necessitated by local geographic, climatic or topographic conditions and requires that local governments making changes or modifications in building standards must report such changes to the Department of Housing and Community Development and file an expressed finding that the changes are needed.

Together, building and zoning codes help to preserve the housing stock by requiring owners to maintain their properties in sound condition. The County has adopted the strategy of taking a “hands-on” educational approach to enforcement by working closely with owners to explain and apply those codes that address building violations and substandard housing conditions. Code enforcement staff now leads a multi-agency effort that often entails coordination with Orange County Fire Authority, County Building Inspection, OC Community Resources, [OC Health Care Agency](#), Orange County District Attorney, County Counsel, and other agencies to provide owners with guidance in making needed corrections and repairs, in order to maintain their properties in a safe and maintained condition.

Compliance with building codes may increase the cost of housing production and can also impact the viability of rehabilitation of older properties required to be brought up to current code standards. However, these regulations provide minimum standards that ensure the development of safe and accessible housing.

Housing for Persons with Disabilities

[Both the Federal Fair Housing Amendment Act \(FHAA\) and the California Fair Employment and Housing Act require governments to make reasonable accommodations \(that is, modifications or exceptions\) in their zoning code and other land use regulations to afford disabled persons an equal opportunity to housing. State law also requires cities to analyze potential and actual constraints to the development, maintenance, and improvement of housing for persons with disabilities.](#)

Reasonable Accommodation

[Reasonable accommodation in the land use and zoning context means providing individuals with disabilities, or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies and procedures, or waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are](#)

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accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The Orange County Zoning Code requires the following findings be made in order to grant a reasonable accommodation:

- Whether the housing, which is the subject of the request for reasonable accommodation, will be used by an individual with disabilities protected under the law;
- Whether the requested accommodation is necessary to make housing available to an individual with disabilities protected under the law;
- Whether the requested accommodation would impose an undue financial or administrative burden on the County; and
- Whether the requested accommodation would require a fundamental alteration in the nature of the County's land use and zoning or building program.

The Director, OC Development Services, is the reviewing authority of reasonable accommodation requests. The Director must notify the applicant within 30 days of an approved/denied request and also make a written decision on the request within 60 days of the determination date (Section 7-9-129).

Development Processing Procedures

RESIDENTIAL PERMIT PROCESSING

Builders and developers frequently cite the cost of holding land during the evaluation and review process as a significant factor in the cost of housing. Processing times vary with the complexity of the project. Fees are passed on to the buyer, and can ultimately increase costs.

Projects requiring use permits, zoning changes, or other discretionary actions necessitate a higher level of review, resulting in a longer processing timeline. Orange County's development approval process is designed to accommodate, not hinder, appropriate development.

Approval of discretionary permits for residential uses can typically be processed within 120 days after submission to the County. Construction of single-family homes on legal building sites do not require discretionary approval but requires only grading and/or building permit issuance. The permitting process policy identifies a timeframe of 15 business days for first plan check and 10 business days for second plan check, and includes concurrent planning and zoning review for compliance with local and State building codes prior to permit issuance. In the

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case of multifamily development, the process begins with the submittal of a site development permit which is subject to administrative approval and do not require a public hearing. Larger subdivision projects are typically more complex and are referred to the Planning Commission and/or the Board of Supervisors for approval.

To facilitate the timely and efficient processing of residential development, the County established the [County Services Counter \(CSC\)](#) which is essentially a “One Stop Shop” resource for developers, property owners and builders. In the [CSC](#) customers can obtain assistance and information regarding the development process and regulations. This facility also serves as a centrally coordinated location to submit all permit applications, plans, and fees.

Additionally, OC Public Works has enhanced its electronic and phone-based resources to more effectively deliver processing services and provide information to residential developers. The OC [Development Services](#) website provides continuous access to filing instructions and applications as well as information regarding permit fees and deposits. The County currently offers an online permitting service for [simple all permits types](#), such as [building permit and planning applications](#). [Plans are submitted electronically and applicants have the ability to check the status of their applications/permits as it is being reviewed. Issuance of the building permit shall be conducted electronically. The CSC also offers Express Permits in which applicants can expect to have simple permits reviewed and approved within 1 business day. This process is also conducted electronically.](#)

These processes help to ensure that the development review process does not act as a constraint to housing development.

ENVIRONMENTAL REVIEW

Environmental review is required for all development projects under the California Environmental Quality Act (CEQA), and for projects that receive federal funds under the National Environmental Policy Act (NEPA). An Environmental Impact Report (EIR) is required by CEQA of all developments that have the potential of creating significant impacts that cannot be mitigated. All of the planned communities which make up the southern and eastern portions of unincorporated Orange County required the preparation of EIRs. The only significant areas left to develop are future phases of the “Ranch Plan Planned Community” on Rancho Mission Viejo properties. Most infill residential projects in the unincorporated County are either Categorical Exempt or require only an Initial Study and Negative Declaration (or Mitigated Negative Declaration). The

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Negative Declaration process typically takes 3-4 months to prepare, plus the mandated public review period.

The environmental review process can provide useful information for the County about impacts on local environments and needed mitigation measures, as well as useful construction and market information for builders, buyers, lenders, and others. In contrast, the process may be viewed by some parties as an expensive, complex, and time-consuming burden. However, because environmental review is required by state law (CEQA) and federal law (NEPA), it does not pose a significant constraint to housing development.

Development Fees and Improvement Requirements

Development fees include the County’s cost of processing applications and permits, as well as costs associated with the provision of public facilities required to serve new residents (often referred to as “impact fees”).

APPLICATION AND PERMIT PROCESSING FEES

The County has adopted a hybrid fee system which includes a variety of fee types. The majority of building permit fees for both residential and commercial uses are calculated using the valuation-based system. Flat fees are charged for safety-related and simple ministerial permits, and actual costs are recovered for discretionary and grading permits. Based on the 2020-2023 fee schedule, there are approximately 6% valuation-based fees, 63% flat fees, and 11% costs based fees. The County conducts an audit of processing costs periodically to ensure that fees do not exceed actual costs. The latest fee update occurred in July 20. Initial fee deposits as of July 2020 are shown in Table 3-5.

Many processing fees are a result of state or federal mandates, such as plan check and inspection to ensure public health and safety of grading, flood control facilities, roads, bridges, and construction of buildings. Other costs are associated with state and federal requirements for protection of the environment such as Water Quality Management Plans under the Clean Water Act and National Pollutant Discharge Elimination System (NPDES), or Habitat Conservation Plans under the state’s Natural Communities Conservation Program.

The County has adopted several cost-saving measures to reduce permit processing fees, including the following:

- A simplified “by-right” approval process for qualifying multi-family projects in the Housing Opportunities Overlay Zone

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- Pre-filing meetings to assist developers in preparing application packages with no charge for the first three hours of staff time for these meetings
- Planning and permit fee schedule reviewed on an annual basis
- Annual review of park in-lieu fees to reflect current market values
- Waiver of park fees for affordable housing projects

Table 3-5
FY 2021-22 Planning and Development Fees

Fee Category	Deposit Amount*
Planning and Application Fees	
Tentative Parcel Map	\$5,000
Final Parcel Map	\$3,000
Tentative Tract Map	\$58,000
Final Tract Map	\$3,000
Use Permit	\$5,000-8,000
Variance	\$5,000-8,000
Area Plan	\$8,000
Site Development Plan	\$4,000-8,000
Zone Change	\$10,000
General Plan Amendment	\$10,000
Specific Plan Amendment	\$10,000
Environmental	
Environmental Impact Review	\$10,000 + 10%
Negative Declaration	\$5,000 + 10%

Source: County of Orange, [July 2020](#)

* Items with deposits are based on actual processing costs which may exceed initial deposit amount

PUBLIC FACILITY (IMPACT) FEES AND IMPROVEMENT REQUIREMENTS

After the passage of Proposition 13 in 1978 (Article 13A of the California Constitution) and its limitation on local governments' property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The County requires developers to provide on-site and off-site improvements necessary to serve their projects, including water, sewer and other utility extensions, street construction, and traffic control device installation that are reasonably related to the project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act. Many of these fees are under the control of other agencies such as school districts, water and wastewater districts, the Transportation Corridor Agencies and Orange County Transportation

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Authority, and the County has no authority over their amount or collection process. Impact fees that are controlled by the County of Orange are as follows:

- Library
- Streets and highways
- Drainage facilities
- Local parks

Development fees are passed on to renters and homebuyers in the cost of housing, and thus affect housing affordability. Fees associated with the extension and installation of utilities can be particularly demanding. Most agencies involved in the County's development review process obtain a majority of the revenue for their operations through development fees, and this trend is likely to continue in the future. These fees also help ensure quality development and the provision of adequate public services. For high priority affordable housing projects in the past the County has used redevelopment housing set-aside funds to help pay application fees and other costs associated with the development review process. **Table 3-6** shows development impact fees applied to new housing developments.

Table 3-6
Development Impact Fees

Fee Category	Fee Amount (per unit)
Parks	\$3,290 – 20,800/unit
Roads	\$919 – 24,655/unit
Toll Roads (Transportation Corridor Agencies)	\$2,513 – 6,056/unit
Schools	\$1.68 – 4.08/sq.ft

Source: County of Orange, September 2021

In order to reduce the effects of fees on lower-income housing, the Board of Supervisors provided assistance to affordable projects in 2009 by adopting an ordinance to waive park fees for qualifying density bonus projects. Although development fees represent a significant component of housing costs, the County does what it can to minimize fees.

In order to estimate the effect of development fees on the total cost of housing, **Table 3-7** shows the fees that were paid by a recent affordable project in the unincorporated area. This project is located within the Housing Opportunities Overlay Zone and was completed in 2016. As noted in the table, impact fees represented 1.54% of total project cost, and permit processing fees were just 1% of total cost. This analysis demonstrates that the combined cost of permit processing and impact fees represent about 2.14% of the total cost of a typical project in the unincorporated area.

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Table 3-7
Representative Multi-Family Development Cost Example

Item	Total Project Cost	Cost per Unit ¹	% of Total
Land & off-site improvements	<u>\$624,750</u>	<u>\$39,047</u>	<u>9.0%</u>
Construction	<u>\$4,337,849</u>	<u>\$271,116</u>	<u>62.3%</u>
Architecture & survey	<u>\$415,954</u>	<u>\$25,997</u>	<u>6.0%</u>
Construction interest & legal	<u>\$219,631</u>	<u>\$13,727</u>	<u>3.2%</u>
Other soft costs (reserves, TCAC, marketing, etc.)	<u>\$700,369</u>	<u>\$43,773</u>	<u>10.1%</u>
Park fees	<u>\$58,163</u>	<u>\$3,635</u>	<u>0.8%</u>
School fees	<u>\$16,368</u>	<u>\$1,023</u>	<u>0.2%</u>
Road fees	<u>Not required</u>	<u>Not Required</u>	<u>Not required</u>
Sanitation District fees	<u>\$32,810</u>	<u>\$2,051</u>	<u>0.5%</u>
Permit processing	<u>\$143,580</u>	<u>\$8,974</u>	<u>2.1%</u>
Developer profit	<u>\$416,000</u>	<u>\$26,000</u>	<u>6.0%</u>
Total Costs	<u>\$6,858,284</u>	<u>\$435,343</u>	<u>100%</u>
¹ Based on <u>16 units in Midway City</u>			

The July 2020 fee update resulted in an increase in the overall cost of planning and permitting services. The fees listed in Table 3-7 can be found on the County's website.

Senate Bill 35

California Senate Bill 35 (SB 35), codified as Government Code Section 65913.41, was signed on September 29, 2017, and became effective January 1, 2018. SB 35 will automatically sunset on January 1, 2026 (Section 65913.4(m)). The intent of SB 35 is to expedite and facilitate construction of affordable housing. SB 35 applies to cities and counties that have not made sufficient progress toward meeting their affordable housing goals for above moderate- and lower-income levels as mandated by the State. In an effort to meet the affordable housing goals, SB 35 requires cities and counties to streamline the review and approval of certain qualifying affordable housing projects through a ministerial process.

As of 2018, when a jurisdiction has made insufficient progress toward their above moderate income RHNA and/or have not submitted the latest Housing Element

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Annual Progress Report, it is subject to the streamlined ministerial approval process (SB 35 (Chapter 366, Statutes of 2017) streamlining) for proposed developments with at least 50-percent affordability. All projects, which propose at least 50-percent affordable units are eligible for ministerial approval under SB 35 as determined by the SB 35 Statewide Determination Summary. To be eligible for SB 35 approval, sites must meet a long list of criteria, including:

- A multifamily housing development (at least two residential units) in an urbanized area;
- Located where 75% of the perimeter of the site is developed;
- Zoned or designated by the general plan for residential or mixed use residential;
- In a location where the locality’s share of regional housing needs has not been satisfied by building permits previously issued;
- One that includes affordable housing in accordance with SB 35 requirements;
- Consistent with the local government’s objective zoning and design review standards; and
- Willing to pay construction workers the state-determined “prevailing wage.”

A project does not qualify for SB 35 streamline processing if located within:

- A coastal zone, conservation lands, or habitat for protected species;
- Prime farmland or farmland of statewide importance;
- Wetlands or lands under conservation easement;
- A very high fire hazard severity zone;
- Hazardous waste site;
- Earthquake fault zone;
- Flood plain or floodway;

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- A site with existing multi-family housing that has been occupied by tenants in the last ten years or is subject to rent control; or
- A site with existing affordable housing.

According to State HCD’s SB 35 Statewide Determination Summary (based on APR data received as of June 25, 2019), the County of Orange has not made sufficient progress towards its lower income RHNA and is therefore subject to SB 35. The County is subject to streamlined ministerial approval review for proposed housing developments with at least 50% affordability.

Non-Governmental Constraints

Environmental Constraints

Environmental constraints include physical features such as steep slopes, fault zones, floodplains, sensitive biological habitat, and agricultural lands. In many cases, development of these areas is constrained by state and federal laws (e.g., FEMA floodplain regulations, the Clean Water Act, the Endangered Species Act, and the state Fish and Game Code and Alquist-Priolo Act). OC Public Works and other County agencies have the responsibility to enforce County policies and ordinances regulating development on flood plains, areas of potential seismic hazard, areas of excessive slope, conservation areas, areas with inappropriate conditions for septic tanks, and other environmental issues. Large portions of the remaining unincorporated County have one or more of these constraints. These problems usually reduce the density allowed and bring into play mitigation measures and other necessary requirements, which add to the total cost of the project. OC Public Works has developed an environmental data base with an extensive mapping system that is used in conjunction with the General Plan to facilitate a timely identification of environmental hazards and resources.

The County’s land use plans have been designed to protect sensitive areas from development to the extent feasible, and to protect public safety by avoiding development in hazardous areas. Significant areas of sensitive habitat in the central, coastal and southern portions of the County have been set-aside as permanent open space through adopted Multi-species Habitat Conservation Plans. While these policies and plans constrain residential development to some extent, they are necessary to support other public policies.

Five major environmental conditions constrain development in Orange County: noise, floods, wildland fires, geologic/seismic hazards, and natural and cultural resources.

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- **Noise:** The major sources of significant noise in Orange County are aircraft and highway vehicles. While both can usually be mitigated to acceptable levels indoors, aircraft noise cannot be mitigated outdoors because of its overhead source. State law and County policy prohibit residential development and similar noise sensitive uses in high-noise (+65 CNEL) areas near John Wayne Airport. Noise in non-residential developments must be attenuated to protect users in those areas. Near major streets and highways, noise must also be attenuated. Thus, high-noise conditions may preclude certain uses in some areas and may increase development costs.
- **Flood Hazards:** Portions of Orange County are located in floodplain areas of varying degrees of risk, subject to “100-” and “500-year” floods. In many cases, development can occur in these areas through proper site planning, although mitigation costs may be high. There are, however, some areas where development in a floodplain is difficult and expensive to protect a project from extreme flood hazard.
- **Fire Hazards:** The foothill areas of Orange County are considered high to very high fire hazard areas. Future development in these areas must minimize potential fire hazards and adequate fire protection must be maintained. These requirements may raise development costs, but will not preclude development.
- **Geologic/Seismic Hazards:** Like the entire Southern California region, Orange County is located within an area of high seismic activity. Potential slope and seismic hazards constrain development in certain parts of the County. While both conditions seldom preclude development, they may ultimately increase the cost of construction.
- **Natural and Cultural Resources:** The presence of natural or cultural resources on vacant land may influence its future use. For example, critical habitat areas or archaeological sites may require preservation or sensitive planning. Such conditions may preclude development or increase the cost of construction.

Infrastructure Constraints

Many rapidly growing areas – especially southern portions of the County – have found it difficult to expand infrastructure fast enough to keep up with new

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development. Development places demands on all public services. It is the County's policy that the infrastructure for water, sewer, drainage and roads be in place before urban development is permitted. One method for controlling the pace of growth is by limiting capital investment in these facilities. Simply, if the capacity is not available, the development cannot occur. In some cases where capacity is inadequate, private developers may be required to construct the backbone infrastructure or incremental upgrades to existing facilities to serve large developments. Because facilities require huge front-end capital expenditures, some form of municipal financing may be needed.

The network of man-made and publicly owned facilities, such as roads, streets, water, drainage and sewer facilities form the internal framework, or infrastructure, of communities. The timing and pattern of installing these facilities (capital improvements) will play a part in the implementation of the County's General Plan by impacting the distribution of land uses.

Although capital facilities are built to accommodate present and anticipated needs, some (most notably water and sewer facilities, and roads) play a major role in determining the location, intensity and timing of future developments.

OC Public Works provides services on a regional basis, to unincorporated areas, and to other County agencies and departments. Chief among its regional services is providing flood protection countywide. OC Public Works operates and maintains the Orange County Flood Control District, a system of 350 miles of flood control channels, dams and other infrastructure that is continually built and expanded upon.

In lieu of considering individual projects or only those projects to be undertaken in a single year OC Public Works prepares and revises an annual Business Plan. The Business Plan projects annual expenditures for acquisition, construction, rehabilitation and replacement of public facilities, such as flood control, unincorporated roadway improvements, streetlights, traffic signals, agricultural commissioner and weights & measures programs, as well as the countywide system of harbors, beaches and parks. Future growth in Orange County requires the delivery of adequate services to all residents in the unincorporated County.

While infrastructure imbalances have been reduced in recent years through development phasing, the use of developer agreements and other mechanisms, infrastructure shortfalls do exist and may impede the fulfillment of housing objectives. A brief summary of the principal infrastructure systems serving the County follows:

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- Water:** Approximately 50% of Orange County’s water supply is imported into Southern California via the facilities of the Metropolitan Water District (MWD) of Southern California. MWD supplies are delivered by two principal facilities: (1) the Colorado River Aqueduct; and (2) the State Water Project. The rest of Orange County’s water supply comes from underground aquifers, several small groundwater basins, and recycled wastewater⁷. The groundwater supply is replenished by direct rainfall and other surface water that infiltrates into the ground, imported water purchased from MWD and recycled water.

The County of Orange has fourteen water districts and seventeen cities providing potable water to its residents and businesses. All these agencies purchase water through the Municipal Water District of Orange County (MWDOC) except for the cities of Anaheim, Fullerton, and Santa Ana which purchase directed from MWD. The County itself is not a provider of water. Rather unincorporated areas are served by a variety of public and private providers.

Water supply has always been a critical issue for southern California, with local sources of water providing less than half of the area’s water needs. In addition to some other resources (such as petroleum or mineral extraction), the County lacks enough water resources to meet its own needs. The direct implication of this deficiency is that the County has become more dependent on imported resources and, as a consequence, is increasingly vulnerable to actions and policies which it cannot directly influence much the same way that local jurisdictions are unable to influence the pricing and availability of imported oil supply allocations.

To lessen the constraints of insufficient local capacity to meet the County’s water demand, the majority of the necessary large-scale improvements within Orange County are projects to improve existing storage reservoirs or build additional storage facilities in south Orange County. The local water conveyance system will be implemented in conjunction with development phasing to meet the delivery demands in Orange County. Since 2008, the Groundwater Replenishment System Project, developed by the OCWD and the Orange County Sanitation District (OCSD), has added 72,000 acre-feet to the

⁷ Source: <https://www/mwdoc.com/wp-content/uploads/2017/05/Water-Supply.pdf>

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groundwater basin every year. With increased water carrying capacity, this and other local and state/regional enhancements should lessen water-related constraints to new construction of housing in the Orange County market.

- **Sewer:** The collection, treatment, and disposal of wastewater in Orange County are undertaken by special districts and local governments. The County is not a provider of sewer service. The Orange County Sanitation District collects and treats wastewater for the northern and central areas of Orange County. There are seven districts that presently serve numerous cities plus unincorporated areas within the Districts' boundaries. The Districts' facilities collect the sewage from local cities, sanitary districts, County water districts, and sewer maintenance districts. Wastewater is then transported through the Districts' trunk sewers to the two major treatment facilities located in Fountain Valley. In the South County, sanitation services are provided by the South Orange County Wastewater Authority (SOCWA). SOCWA has ten member agencies and owns or operates four treatment facilities. The authority for sewer services in unincorporated areas not served by sanitary or water districts rests with the County Board of Supervisors. The funding for sewer services is provided by property taxes, augmentation funds, user fees, or investment income from reserves.

With these complex, coordinated infrastructure systems, the ability of the various special sewer districts to expand treatment capacities in an incremental fashion, as well as to construct new facilities where needed, has facilitated its rapid growth.

Most wastewater management agencies have long-range plans to address needed plant expansion/upgrading, based on anticipated population growth within their service areas. As a result of these, and comprehensive water supply studies such as the County Water Plan, the County's wastewater/sewage infrastructure should not serve as a direct constraint to the production of housing to meet the anticipated demand from population growth.

- **Flood Control:** Orange County's flood control effort is divided among three major areas: Tri-County system (San Bernardino, Riverside and Orange Counties), regional system, and local drainage program. With respect to the regional system, the Orange

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County Flood Control District (OCFCD) is empowered to construct and maintain flood control works to prevent or minimize loss of life and property caused by flooding, and for water conservation. In the County's local drainage program, the storm drains are normally smaller facilities that collect drainage from local streets. In new developments, local drainage facilities are constructed by developers in accordance with master plans of drainage. In many older parts of Orange County, however, local systems were not built due to lack of major systems to accept their discharge. Limited funding from the County's General Fund or the Road Fund is used to implement local storm drains.

- OC Public Works – Flood Control Division, is responsible for implementing the Flood Control District's funded activities program, which includes the design, construction, operation, and maintenance of regional flood control facilities. Flood Control District revenue is obtained mainly from property taxes. The amount of Flood Control District revenue derived from property taxes is based on the average percentage received during the three years prior to the passage of Proposition 13, plus a proportionate share of the subsequent tax base growth. A main charge of the OC Public Works Flood Division is providing flood protection countywide. The Santa Ana River Project is the largest and most expensive such project. During 1999, for example, construction was completed on the Seven Oaks Dam and channel improvements throughout Orange County. These improvements now provide protection from flooding up to the 100-year magnitude for most of Orange County residents and businesses.

While not a direct constraint, the continued monitoring and implementation of the 1987 Clean Water Act will help guide new development, steering it away from areas that may be susceptible to flood damage. The County's available flood control infrastructure, along with continued flood plain management and successive implementation of the Flood Control District's master

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plan, should minimize any undue constraints to the production of affordable and/or market rate housing in the County.

Land Costs

Land represents one of the most significant components of the cost of new housing. Land values fluctuate with market conditions and the recent downturn in the housing market has affected land values negatively. Changes in land prices reflect the cyclical nature of the residential real estate market, and home prices and land values have experienced an increase in 2020 compared to previous years.

Land costs can also pose a significant constraint to the development of affordable and moderate-income housing and represents a significant cost component in residential development. 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 (e.g. soil stability, seismic hazards, flooding) can also be factored into the cost of land. A July 2021 Zillow search for lots returned a number of properties ranging from \$20 million for 35.96 acres east of Brea, \$10,500,000 for 6,534 square feet in Emerald Bay, to \$75,999 for 0.81 acres in Silverado Canyon. The average cost of land in Unincorporated Orange County is \$20.89 per square foot. The holding cost of land during construction also adds to the price of housing. Holding costs vary depending on interest rates for acquisition and development loans. Interest rates are beyond the control of local jurisdictions. Reducing processing times for building permits in most jurisdictions can lessen land holding costs. However, the County's processing times are already among the most efficient in Orange County, and to reduce them further may compromise the County's ability to protect public health and safety.

Other factors affecting the costs of land include overall availability of developable lots within a given sub-region; environmental site conditions and constraints; public service and infrastructure availability; aesthetic considerations such as views, terrain and vegetation; the proximity to urban areas; parcel size; and housing inventory. As a result of the proliferation of short-term rentals in the community, the County adopted the short-term regulations with the Comprehensive Zoning Code Update, which was adopted in July 2020. Since its inception to September 2021, 20 short-term rental permits have been approved, and 17 are in review; subsequently, the short-term rental regulations have a minimal impact on the cost and supply of housing.

Most importantly, land availability and permitted development density determine land prices. As land becomes scarcer, the price of land increases. And in related fashion, land prices have a positive correlation with the number of units permitted

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on each lot – that is, the more units permitted under General Plan land use guidelines, the higher the value of that land. In addition, more remote areas generally have less expensive (and larger tracts) of land, while smaller, more expensive parcels are typically located closer to urbanized areas. The County cannot control land prices, as they are set in the marketplace and are governed by such factors as speculation, demand, supply, and location.

Construction Costs

Construction costs vary widely according to the type of development, with multi-family housing generally less expensive to construct than single-family homes on a square-foot and per unit basis. However, there is variation within each construction type, depending unit size and the quantity and quality of amenities provided. One indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The ICC was established in 1994 with the goal of developing a single set of national model construction codes, known as the International Codes or I-Codes. The ICC updates the estimated cost of construction at six-month intervals and provides estimates for the average cost of labor and materials for typical Type VA protected wood frame housing, which is commonly used in the construction of newer apartment buildings with no exposed wood visible. Estimates are based on “good-quality” construction, providing for materials and fixtures well above the minimum required by state and local building codes.

In August 2020, the ICC estimated the average per square foot cost for good-quality housing was approximately \$118.57 for multi-family housing, \$131.24 for single-family homes, and \$148.44 for residential care/assisted living facilities. Construction costs for custom homes and units with extra amenities are higher. Construction costs are dependent upon materials used and building height, as well as regulations set by the County’s adopted Zoning Code, Building Code and Fire Code. For example, according to the ICC, constructing an accessory dwelling unit (ADU) or converting a garage space for residential use using a Type VB unprotected wood framed housing, which often has exposed wood so there is no fire resistance, would cost about \$123.68 per square foot. Although construction costs are a significant portion of the overall development cost, they are consistent throughout the region and, when considering land costs, are not considered a major constraint to housing production in Orange County.

A reduction in the construction costs can be brought about in several ways. One such method is a reduction in amenities and quality of building materials in new homes (still above the minimum acceptability for health, safety, and adequate performance), which may result in lower sales prices. State Housing Law provides

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that local building departments can authorize the use of materials and construction methods if the proposed design is found to be satisfactory and the materials or methods are at least equivalent to that prescribed by the applicable building codes.

Cost and Availability of Financing

The availability of financing affects a person's ability to purchase or improve a home. The availability of financing in a community depends on a number of factors, including the type of lending institutions active in a community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to such loans. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. Lending activity is reviewed to determine if home financing is made available to all residents of a community. Data related to the disposition of loan applications submitted to financial institutions for home purchase, home improvement, and refinancing in the Anaheim-Santa Ana-Irvine Metropolitan Statistical Area (MSA)/Metropolitan Division (MD) is discussed below in **Table 3-8**.

Table 3-8
Disposition of Loan Applications by Race/Ethnicity– Anaheim-Santa Ana-Irvine MSA/MD

<u>Applications by Race/Ethnicity</u>	<u>Percent Approved</u>	<u>Percent Denied</u>	<u>Percent Other</u>	<u>Total (Count)</u>
<u>LESS THAN 50% OF MSA/MD MEDIAN</u>				
<u>American Indian and Alaska Native</u>	<u>26.2%</u>	<u>52.3%</u>	<u>23.1%</u>	<u>65</u>
<u>Asian</u>	<u>33.9%</u>	<u>42.5%</u>	<u>26.7%</u>	<u>1,382</u>
<u>Black or African American</u>	<u>41.6%</u>	<u>33.7%</u>	<u>25.8%</u>	<u>89</u>
<u>Native Hawaiian or other Pacific Islander</u>	<u>25.0%</u>	<u>44.2%</u>	<u>30.8%</u>	<u>52</u>
<u>White</u>	<u>45.6%</u>	<u>31.2%</u>	<u>26.1%</u>	<u>5,240</u>
<u>Hispanic or Latino</u>	<u>37.9%</u>	<u>38.2%</u>	<u>26.8%</u>	<u>1,566</u>
<u>50-79% OF MSA/MD MEDIAN</u>				
<u>American Indian and Alaska Native</u>	<u>38.1%</u>	<u>34.0%</u>	<u>29.9%</u>	<u>97</u>
<u>Asian</u>	<u>53.3%</u>	<u>25.3%</u>	<u>29.4%</u>	<u>3,153</u>
<u>Black or African American</u>	<u>43.4%</u>	<u>19.1%</u>	<u>41.4%</u>	<u>152</u>
<u>Native Hawaiian or other Pacific Islander</u>	<u>49.4%</u>	<u>39.8%</u>	<u>16.9%</u>	<u>83</u>
<u>White</u>	<u>54.5%</u>	<u>23.3%</u>	<u>27.6%</u>	<u>8,677</u>
<u>Hispanic or Latino</u>	<u>47.6%</u>	<u>27.7%</u>	<u>29.3%</u>	<u>3,245</u>
<u>80-99% OF MSA/MD MEDIAN</u>				
<u>American Indian and Alaska Native</u>	<u>51.4%</u>	<u>25.7%</u>	<u>31.4%</u>	<u>35</u>

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<u>Applications by Race/Ethnicity</u>	<u>Percent Approved</u>	<u>Percent Denied</u>	<u>Percent Other</u>	<u>Total (Count)</u>
<u>Asian</u>	<u>59.5%</u>	<u>19.2%</u>	<u>29.3%</u>	<u>1,495</u>
<u>Black or African American</u>	<u>52.9%</u>	<u>22.1%</u>	<u>30.9%</u>	<u>68</u>
<u>Native Hawaiian or other Pacific Islander</u>	<u>43.5%</u>	<u>13.0%</u>	<u>43.5%</u>	<u>23</u>
<u>White</u>	<u>61.9%</u>	<u>17.2%</u>	<u>26.1%</u>	<u>3,873</u>
<u>Hispanic or Latino</u>	<u>54.0%</u>	<u>21.4%</u>	<u>29.1%</u>	<u>1,347</u>
<u>100-119% OF MSA/MD MEDIAN</u>				
<u>American Indian and Alaska Native</u>	<u>48.9%</u>	<u>22.7%</u>	<u>29.5%</u>	<u>88</u>
<u>Asian</u>	<u>62.3%</u>	<u>15.6%</u>	<u>28.8%</u>	<u>4,820</u>
<u>Black or African American</u>	<u>55.6%</u>	<u>20.1%</u>	<u>28.6%</u>	<u>234</u>
<u>Native Hawaiian or other Pacific Islander</u>	<u>49.4%</u>	<u>27.6%</u>	<u>31.0%</u>	<u>87</u>
<u>White</u>	<u>66.2%</u>	<u>13.8%</u>	<u>25.1%</u>	<u>12,607</u>
<u>Hispanic or Latino</u>	<u>60.8%</u>	<u>16.4%</u>	<u>26.8%</u>	<u>3,398</u>
<u>120% OR MORE OF MSA/MD MEDIAN</u>				
<u>American Indian and Alaska Native</u>	<u>59.2%</u>	<u>13.0%</u>	<u>32.0%</u>	<u>169</u>
<u>Asian</u>	<u>62.8%</u>	<u>12.9%</u>	<u>29.0%</u>	<u>17,800</u>
<u>Black or African American</u>	<u>57.7%</u>	<u>17.3%</u>	<u>27.2%</u>	<u>624</u>
<u>Native Hawaiian or other Pacific Islander</u>	<u>64.2%</u>	<u>11.4%</u>	<u>26.8%</u>	<u>254</u>
<u>White</u>	<u>68.3%</u>	<u>11.3%</u>	<u>24.9%</u>	<u>49,811</u>
<u>Hispanic or Latino</u>	<u>64.6%</u>	<u>13.3%</u>	<u>26.7%</u>	<u>6,095</u>
<u>Source: Consumer Financial Protection Bureau, Disposition of loan applications, by Ethnicity/Race of applicant, 2019.</u>				

Table 3-8 shows the disposition of loan applications for the County of Orange, per the 2019 Home Mortgage Disclosure Act report from the Consumer Finance Protection Bureau. According to the data, above-moderate applicants in the 120% median income or more had the highest rates of loans approved. Of that income category, applicants who reported white had the highest percentage of approval and the number of applications. Very-low income applicants in the less than 50% of the MSA/MD median income categories showed higher percentages of denied loans than loans originated. According to the data, applicants who reported white were, on average, more likely to be approved for a loan than another race or ethnicity.