



DATE: August 23, 2023

TO: Orange County Planning Commission

FROM: OC Development Services

SUBJECT: General Plan Amendment H 20-01 – Housing Element

PROPOSAL: Staff will present the most recent draft of the proposed General Plan Amendment H 20-01, Housing Element for consideration by the Planning Commission to recommend approval to the Board of the draft submitted to the Department of Housing and Community Development.

ZONING/GENERAL PLAN: N/A

LOCATION: Unincorporated Areas of Orange County

APPLICANT: OC Development Services

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RECOMMENDED ACTION:

OC Development Services recommends the Planning Commission:

- a. Receive Draft Sixth Cycle Housing Element
- b. Provide feedback to staff on the Sixth Cycle Housing Element as appropriate.
- c. Recommend that the Board of Supervisors consider and approve the Draft Sixth Cycle Housing Element as submitted to the California Department of Housing and Community Development (HCD) on July 31, 2023

BACKGROUND:

The County's Housing Element (HE) serves as a policy guide to address the comprehensive housing needs of the unincorporated areas within Orange County. More specifically, the Housing Element must (1) analyze existing housing stock, projected housing needs, and housing for special needs groups; (2) provide an inventory of land suitable for residential development; (3) identify and analyze potential and actual barriers to providing housing; and (4) identify specific programs that will allow implementation of the stated goals and objectives. Under California law (Government Code Section 65580 et seq.), jurisdictions must update the Housing Element every eight years.

On March 4, 2021, the Southern California Association of Governments (SCAG) Regional Council adopted the Sixth Cycle Final Regional Housing Needs Assessment (RHNA) Allocation Plan, which assigns a housing need allocation for each jurisdiction in the SCAG region for the October 2021 through October 2029 planning period. The housing need allocation is the number of housing units that is needed to meet the needs of the jurisdiction's population growth during the planning period. The County's RHNA for this Sixth Cycle Housing Element is 10,406 units, which is a significant increase from the 5,272 units in the County's Fifth Cycle Housing Element. This allocation of RHNA units is broken down into income categories (as shown below). Though the County is required to identify areas with adequate zoning to accommodate this future growth, it is not required to develop these housing units.

Income Category	Units
Extremely Low and Very Low (50% AMI and below)	3,139
Low (50% - 80% AMI)	1,866
Moderate Income (80% to 120% AMI)	2,040
Above Moderate (120% AMI and above)	3,361
TOTAL	10,406

The following is a summary of the HE timeline:

- On May 27, 2020, the Planning Commission authorized staff to initiate General Plan Amendment H 20-01.
- The initial draft was presented to the Planning Commission at a Study Session held on October 27, 2021, and was submitted to HCD for a 60-day review on October 28, 2021.
- As required by State law, the Housing Element Update was submitted to the Airport Land Use Commission (ALUC) on November 18, 2021. To address comments received by ALUC, staff submitted a modified proposal at the December 16, 2021, ALUC meeting. A determination of consistency from ALUC was received on January 11, 2022.
- On December 27, 2021, OC Development Services received HCD's comment letter on the initial draft HE.
- On September 27, 2022, the Board of Supervisors approved a zoning code amendment that increased the allowable density for the County's Housing Opportunities Overlay to accommodate the County's RHNA allocation of 10,406 units.
- The Second Draft of the HE was submitted to HCD on December 9, 2022.
- On February 7, 2023, OC Development Services and County Counsel received the second round of comments on a revised HE from HCD (Attachment 1). Since that time, OC Development Services, County Counsel, and OC Community Resources (OCCR), revised the entire HE to address HCD comments and to account for new and updated legal requirements.
- On May 19, 2023, the County Executive Office (CEO) received a letter from HCD inquiring about the status of the draft HE, requesting immediate submission of the draft, and citing the State's remedies for non-compliance with housing element law.
- On June 12, 2023, the County responded to HCD indicating that the County had been diligently working on addressing HCD's February 7, 2023, Comment Letter and that a revised draft would be submitted no later than July 31, 2023.
- The Third Draft of the HE (dated July 2023) was circulated for public comment beginning on July 12, 2023, and ending July 20, 2023. Six comments were received from the public during the

comment period. OC Development Services and County Counsel made edits to the Third Draft HE prior to submission to HCD in response to the comments received.

- The Third Draft of the HE (dated July 2023) was submitted to HCD on July 31, 2023 (Attachment 2).

DISCUSSION:

To address HCD's February 7, 2023, Comment Letter, OC Development Services and County Counsel reviewed the Second Draft HE holistically and determined that significant new information and analysis was required, including the following: (1) data for the unincorporated areas specifically needed to be obtained and analysis conducted in the "Community Profile" and "Affirmatively Furthering Fair Housing" sections; (2) overhaul of the formatting, tables, sections, headers, and graphics of the HE since prior drafts did not comport with HCD's template document, "Building Blocks: Comprehensive Housing Element Guide;" (3) new and robust analysis of data and County programs targeted to increasing housing units for all income categories to satisfy new legal requirements and expectations related to the contents of the HE; and (4) new and updated programs to address the issues identified in the HE because the programs submitted by the County during previous housing cycles are insufficient to meet new requirements and the expectations of HCD. The Third Draft HE does not contain the Santa Ana Golf Course parking lot site from the housing site inventory (loss of 805 units).

Through the new data and analysis, OC Development Services and County Counsel identified the highest priority housing issues facing the County, which include a lack of affordable housing for extremely low, very low, and low-income residents, and economic and opportunity disparities in certain areas of the County and for certain ethnic groups including Black and Hispanic residents. The data also demonstrated that the County faces challenges in funding and encouraging the development of affordable housing.

As a result of the extensive analysis, OC Development Services and County Counsel proposed programs in the Housing Action Plan (section 5 of the HE) including:

- Program 1 (Provide Adequate Sites and Monitor No Net Loss);
- Program 2 (Implement Housing Opportunities Overlay Zone and Adaptive Reuse Policy/Ordinance, Promote and Streamline Projects for Affordable Housing, and Provide By-Right Approval of Affordable Housing Projects);
- Program 3 (Affordable Housing);
- Program 4 (Density Bonus Ordinance);
- Program 5 (Rehabilitate and Preserve Existing Residential Units, Especially Affordable Units);
- Program 6 (Accessory Dwelling Units);
- Program 7 (Equal Housing Opportunity – Affirmatively Furthering Fair Housing);
- Program 8 (Energy Conservation in Residential Developments);
- Program 9 (Inclusionary Housing Program); and
- Program 10 (Pursue Funding Sources to Achieve Housing Action Plan Goals)

The County's HE serves as a policy guide to address the comprehensive housing needs and the proposed programs were included to address the County's highest priority housing issues. These programs were found to be included in many of the HCD approved Housing Elements of Orange County Cities. Additionally, many of these programs, in some form, are already being implemented by the County, so the inclusion of these programs better help communicate them to the public.

COMPLIANCE WITH CEQA:

This project is a necessarily included element of the project considered in Initial Study/ Negative Declaration (IS/ND) No. IP 22-0133 for Housing-Related Updates to the County of Orange General Plan and Comprehensive Zoning Code, adopted by the BOS on September 27, 2022, which adequately addressed the effects of the proposed project. No substantial changes have been made in the project, no substantial changes have occurred in the circumstances under which the project is being undertaken and no new information of substantial importance to the project which was not known or could not have been known when IS/ND No. IP 22-0133 was adopted by the BOS has become known; therefore, no further environmental review is required.

Submitted by:

Concurred by:

Cindy Salazar



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ATTACHMENTS:

1. State HCD comment letter received on February 7, 2023
2. Draft Sixth Cycle Housing Element (July 2023)